Oral Answers to Questions

JUSTICE

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): We are looking at ways to improve our justice system and to modernise the delivery of justice in many ways, including with technology. In circumstances where 41% of tribunals were used at half their capacity in 2016-17, it is right that we consider whether spending money on the physical estate is the best use of money.

Mohammad Yasin: The Government like to say that they have reallocated court services rather than closed them, but Bedford has lost its magistrates court and employment tribunal court, so the public and lay members must travel more than 30 miles to access justice. Can the Minister reassure me that family court services, which must travel more than 30 miles to access justice, can the Minister outline the specific expertise that Mr Parker has in working in our court system?

Lucy Frazer: The hon. Gentleman makes a number of points that I would like to refute, but I will mainly concentrate on two. It is important that where successful people in business put themselves forward for public service, we should welcome them and not put off experienced people from taking up important posts. Mr Parker has been successful in the businesses that he operated and has operated them appropriately, and we welcome him to his post. The hon. Gentleman also talks about cuts to our system. I would like to make it clear that the Ministry of Justice is proposing an extensive reform programme, which will put £1 billion into our courts service.

Mr Philip Hollobone (Kettering) (Con): Benefit applicants in Kettering tell me that they are now having to wait a completely unacceptable 45 weeks for tribunal appeal hearings due to a lack of a suitable location. Will the Minister look into that as a matter of urgency and get that problem fixed?

Lucy Frazer: It is very important that when cases are started, they are heard expeditiously, so that people are not prejudiced and do not have to wait for justice. I am happy to meet my hon. Friend to talk about those issues.

Community Sentences

2. Carol Monaghan (Glasgow North West) (SNP): What recent assessment he has made of the effectiveness of community sentences on reducing reoffending rates. [904895]

The Minister of State, Ministry of Justice (Rory Stewart): This is something the Department studied in detail in 2015, and we have conclusive evidence that giving somebody a community sentence rather than a short custodial sentence reduces reoffending over a one-year period.

Carol Monaghan: We have evidence of that in Scotland as well. The Scottish Government’s move towards community payback orders has helped Scotland to achieve its current 18-year low in reoffending. Is the Minister looking to the Scottish Government’s example and considering how they have managed to achieve these figures?

Rory Stewart: Absolutely. We have a lot to learn from Scotland, specifically on community sentences, and indeed we will be looking at what more we can do to emphasise...
that a custodial sentence in the short term should be a final resort. In reoffending terms, it is often much better for somebody to be given a community sentence.

Derek Thomas (St Ives) (Con): In Cornwall, I work closely with Konnect Cornwall, headed up by Ian Curnow, which does a lot of work on behalf of the Government and the Department for Work and Pensions to support ex-offenders and people who are on the way into trouble. What more resources can be made available so that no one is left behind?

Rory Stewart: A lot of this is about identifying those key local providers. The real challenge that we need to overcome, which is true not just for justice but for local councils, is that of making sure that when we work with the third sector we work, not with big national providers, but with small, grassroots local charities.

Kate Green (Stretford and Urmston) (Lab): I draw the House’s attention to the fact that I am a life member of the Magistrates Association. In the all-party parliamentary group on women in the penal system, we recently heard from the Magistrates Association that magistrates are not familiar with the content of community penalties. That makes them reluctant to choose such penalties. The issue, in part, seems to be a lack of funding for training. Will the Minister comment?

Rory Stewart: This is a long-standing issue—it was true even in 2008-09—that consistently, the judiciary and magistrates have expressed concerns about community sentences. We need to do much more to build confidence, but the fact that this has been going on for nearly 10 years shows that it is a very challenging thing to do. Training will be an important part of that.

**Prison Officer Recruitment**

3. Craig Tracey (North Warwickshire) (Con): What progress his Department is making on recruiting 2,500 new prison officers.

6. Alan Mak (Havant) (Con): What progress his Department is making on recruiting 2,500 new prison officers.

Mr Gauke: There is already a proper plan to address that point about staffing. That is why the numbers are going up, and that is the point I am setting out. The numbers are at a five-year high. We are ahead of what we promised in October 2016. I am pleased that we are doing that and we will continue to recruit new prison officers—net new prison officers—into the Prison Service.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Many of Dartmoor prison’s prison officers live in Plymouth and have told me of their concern that prison officer cuts, inexperienced new staff and increasing retirement ages are causing stress and concern. Can the Minister reassure me that there is a proper plan to address staffing and morale in our Prison Service?

Mr Gauke: What more resources can be made available so that no one is left behind?

Mr Gauke: I thank my right hon. Friend for his answer. Will he update the House on the progress being made towards the new key worker model and the impact it is having on prison officer recruitment?

Mr Gauke: My hon. Friend is absolutely right to raise that point. The key worker model is crucial. It will allow prison officers to spend more time, both on a one-to-one basis and with small groups of prisoners, improving staff-prisoner relationships. That can help us reduce both violence and reoffending. Some prisons, such as HMP Liverpool, are already running that scheme, and I look forward to more prisons fully implementing that over the months ahead.

Jim Shannon (Strangford) (DUP): What additional training will these new officers be given to deal with the scourge of the availability of drugs in our prisons throughout the United Kingdom?

Mr Gauke: The hon. Gentleman makes an important point. We are refreshing the way that training works for prison officers. It is very important that we deal with the issue of drugs, which has been a real game-changer in its effect on prisons. As we change and refresh our training process, we need to ensure that new prison officers have the skills they need to deal with drugs.

Robert Neill (Bromley and Chislehurst) (Con): The net increase in the number of prison officers is very welcome, and I particularly welcome the Secretary of State’s reference to a key workers scheme, but does he agree that the mix of the workforce is important? Successful key worker and personal officer schemes will depend on having experienced staff, because they are best able to develop relationships with prisoners and deal with violence, the risk of suicide and other issues. Will a strategy now be put in place for the retention of existing staff, perhaps with incentives to encourage good people to remain in the service?

Mr Gauke: My hon. Friend is right; it is important that we not only recruit new staff, but retain existing staff. We are working closely with those prisons that are failing to retain staff. It is worth pointing out that in 2017 the percentage of prison officers in bands 3 to 5 who left the service was 9.7%—higher than we would like it, but not particularly out of line with other employers. Prison officers do a very valuable job, and we need to recognise that, support them and encourage those who have a lot to offer to continue to serve.
In the level of suicide in prisons; and what steps he is recent assessment his Department has made of trends times of maximum vulnerability.

Mr Gauke: I suspect that you, Mr Speaker, would stop me if we started a debate on the state of the public finances in 2010 and the difficult decisions that had to be taken as a result of the situation we inherited. The reality is that since October 2016 we have been recruiting more prison officers, we are ahead of what we said we would do and we are continuing to recruit prison officers. That is really important to ensure that prisons operate as they should.

Suicide in Prisons

We have managed to reduce the number of suicides in custody, and how to ensure that we deal with them. But are most vulnerable, for example their first night in prison—it nearly halved between 2016 and 2017—and most of that progress is due to a new protocol that identifies the individual needs of prisoners and their times of maximum vulnerability.

Mr Cunningham: How many additional staff who are trained to deal with medical illness have been brought in?

Rory Stewart: Nearly 15,600 of our staff have received additional training—that is the figure produced by my colleague. The ACCT—assessment, care in custody and teamwork—process, which is the new protocol for suicide reduction, focuses on the evidence for when prisoners are most vulnerable, for example their first night in custody, and how to ensure that we deal with them. But we still need to reduce the number of suicides further.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): Ninety-three women have died in prisons in England and Wales since the 2007 Corston report. When the new female offender strategy is published, will it focus on community alternatives to prison, especially for the 70% of women who are sentenced to six months or less?

Rory Stewart: Absolutely. This is a common theme. We have clear evidence that reducing the use of custodial short sentences and instead diverting people into the community can be good for protecting the public, by reducing recidivism, but it is also good for mental health and for reducing suicide.

Victims Law

Leaving the EU: UK Legal System

Mr James Lamont (Berwickshire, Roxburgh and Selkirk) (Con): What steps the Government are taking to ensure that the UK legal system continues to operate effectively after the UK leaves the EU.

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): First, I congratulate my hon. Friend on his impressive marathon run at the weekend. We have agreed an implementation period that will give businesses and individuals legal certainty. We are now concentrating on ensuring that we negotiate the right future for our country, including a deal to ensure that there is mutual enforcement of recognition of judgments in the justice sector.

Mr James Lamont: I thank the Minister for her response. I am very pleased not to have to bob this week, I can tell you, Mr Speaker.
Scotland is proud to have its own ancient and distinct legal system. Brexit will present the most significant challenge to that since the creation of the Scottish Parliament. It is therefore vital that we get it right. Will the Minister reassure me that, at her Department's heart, it will ensure that Scots law continues to flourish post Brexit, respecting the distinct nature of Scots law and preventing legal confusion and chaos?

Lucy Frazer: My hon. Friend is right to identify that Scotland has a distinct legal system that should be respected. It is important that we engage fully with the devolved Administrations to ensure that we get the best and the right deal throughout the United Kingdom. The Secretary of State will be speaking this afternoon to the Scottish Justice Minister and my officials speak regularly with their counterparts in Scotland to ensure that we will get the best deal for the UK.

Laura Smith (Crewe and Nantwich) (Lab): Given the uncertainty surrounding Brexit, it is important that the Government do not add to the worries of businesses, especially those that would otherwise be in a position to invest and grow. Will the Secretary of State end the uncertainty in the credit market and release the response to part 2 of the soft tissue injury claims process consultation immediately?

Lucy Frazer: The hon. Lady raises an interesting issue that I am happy to look into. More generally, legal certainty is incredibly important, which is why it is so good that we have agreed the implementation period, which gives us a period of certainty.

Mr Gregory Campbell (East Londonderry) (DUP): Has the Minister made any assessment in the Department of the beneficial changes that can follow from our legislative framework here in the UK, once we are finally unencumbered by the EU?

Lucy Frazer: The hon. Gentleman is right that, after we have left the EU, we will be able to determine our laws, which will benefit our country in the way that we decide.

Joanna Cherry (Edinburgh South West) (SNP): One of the things that means the European Court of Justice is not a foreign court is the presence of British judges on it, but article 6 of the draft withdrawal agreement, which appears to have been agreed, provides that there will be no British judges on the Court of Justice during the transition period. Effectively, they are getting the sack at the end of next March, despite the Court's continued jurisdiction over the United Kingdom. Does the Minister accept that, as a rule of law issue, it is concerning that there will be no Scottish judge and no English judge on the Court of Justice during the transition period, despite the fact that these countries will continue to be subject to the Court of Justice? Will she persuade the Prime Minister and the Secretary of State for Exiting the European Union to revisit this issue in the negotiations to come, so that there will be British judges on the Court of Justice during the transition period?

Lucy Frazer: As I mentioned, once the judges are appointed, they act independently of their country, so if we respect the judgments and the integrity of the other judges who are there already, we should be satisfied that we will get justice.

Service Animals

8. Stephen McPartland (Stevenage) (Con): What recent discussions he has had with Cabinet colleagues on the potential merits of creating a specific offence of attacking service animals.

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): My hon. Friend, along with my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald) and the right hon. Member for Delyn (David Hanson), are campaigning strongly and tirelessly on this issue; I was very pleased to meet them on 17 April. I am not aware of any specific conversations that the Secretary of State has had with his Cabinet colleagues, but the Government are sympathetic to the intention behind the Bill, although we believe that the offence is already caught by other legislation.

Stephen McPartland: Police dog Finn from my constituency was stabbed in his stomach with a 10-inch blade. When the offender tried to stab his handler, police dog Finn jumped up and took another stab wound to his head to save the handler. If the handler had not been given a little scratch to his hand, the offender could not have been sent to prison, because the current legislation does not work. The Service Animals (Offences) Bill, which is promoted by my right hon. and learned Friend the Member for North East Hertfordshire (Sir Oliver Heald), has its Second Reading this Friday. I am grateful to the Minister for the meeting that she had with me, but will she support the Bill on Friday because it can make progress only with Government support?

Lucy Frazer: I am aware of the case and I was very pleased to discuss it. Police dog Finn did a remarkable thing, and I know that he has been recognised for his work. The Government are looking at the issue.

David Hanson (Delyn) (Lab): But will the Minister support the Bill on Friday?
Lucy Frazer: As the right hon. Gentleman knows, the Bill is in the hands of the Department for Environment, Food and Rural Affairs, and it will respond.

Sir Oliver Heald (North East Hertfordshire) (Con): May I update my hon. and learned Friend? Some 34 out of the 41 police commissioners in this country support the Service Animals (Offences) Bill, and lawyers up and down the country, including Sarah Dixon, who runs the Finn’s law campaign, have identified a gap in the law. Is it not time that the Government backed my Bill?

Lucy Frazer: I am grateful for a third opportunity to address this issue and to speak again—this is the third time that I have heard my right hon. and learned Friend express his support for the Bill in the Chamber. As I have said, the Government are looking at this issue, and the matter is primarily for DEFRA.

Mr Speaker: In so far as the right hon. and learned Member for North East Hertfordshire (Sir Oliver Heald) seeks my advice, and he might not do so, my advice to him, to put it bluntly, is to follow Churchill’s adage: KBO—keep buggering on at all times. Just keep going, man!

Andrea Jenkyns (Morley and Outwood) (Con): I congratulate hon. Members for their work in this area. As an animal rights campaigner, I think it is simply wrong that criminal damage is the highest charge that can be brought to punish someone who attacks a service animal. What are the Government doing to change the legal oversight, to protect our brave service animals, and to ensure that those who attack and injure service animals are subject to the full weight of the law?

Lucy Frazer: My hon. Friend raises a technical point about the offences that are available. In fact, there are two: criminal damage; and an offence under animal welfare legislation. Both attract a penalty of up to six months and, as she may be aware, DEFRA has identified that it is looking to increase the sentence to five years.

Prisoner Education/Reoffending Rates

9. Mr William Wragg (Hazel Grove) (Con): What steps he is taking to ensure that prisoners can obtain education and skills while in prison in order to reduce reoffending rates. [904902]

The Minister of State, Ministry of Justice (Rory Stewart): To address education in prison, Dame Sally Coates’s report makes three key recommendations: first, to carry out an individual survey of a prisoner’s educational needs when they enter prison; secondly, to make sure that governors have more control over education provision to reflect the needs of the prison or local area; and, thirdly, to make sure that English and maths are a core part of that curriculum.

Mr Wragg: A 2017 report said that the quality of education in English and Welsh prisons was generally good, but it found that poor attendance and punctuality of prisoners often went unchallenged and that the process of moving prisoners to learning, skills and work activities from the wings was often ineffective and poorly managed. What is being done to address those problems?

Rory Stewart: It is absolutely right that there is no point having good educational provision if prisoners are not getting to the classrooms. Fundamentally we need to do two things: first, make sure that prisoners are moved reliably and predictably from their cells into the classrooms; and, secondly, make sure that the educational provision in the classrooms is sufficiently attractive for the prisoners to engage.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I apologise for being late, Mr Speaker, but I was at the unveiling of the first statue of a woman in Parliament Square.

May we have an evaluation of how far we have got? Some years ago, when I was Chair of the Education Committee, we looked at skills training in prisons, but I do not think that much has happened since then, particularly for people on the special educational needs spectrum, and especially those with autism.

Rory Stewart: There has been a significant improvement in the Ofsted reports, but the hon. Gentleman is absolutely right that people with special educational needs, in particular, and the more than 50% of prisoners who have previously been excluded from school or have literacy challenges remain a big issue for education in prisons.

Andrew Bridgen (North West Leicestershire) (Con): Does the Minister agree that one of the keys to reducing reoffending rates is ensuring that skilled probation officers have manageable case loads so that they can give enough time and energy to each individual in their care?

Rory Stewart: Absolutely. It is particularly important that there can be flexibility so that there can be a higher ratio of probation officers to high-risk cases than for low-risk cases.

Helen Goodman (Bishop Auckland) (Lab): It is right, of course, that prisoners must turn up, but when I visited Deerbolton prison in my constituency, the governor said that the contractor, Novus, was extremely unreliable. What is the Minister doing to respond to the report by ensuring that as contracts are rolled over, control of them is decentralised to the prison?

Rory Stewart: This is a central issue about which governors get very frustrated. Over the next 12 months, the hon. Lady will discover that we are not putting governors in charge of that provision so that they can put pressure on the provider within the prison and ensure that it meets their needs.

Prisoners: Mental Health

10. Christine Jardine (Edinburgh West) (LD): What steps his Department is taking to improve mental health support for prisoners. [904903]

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): We are committed to improving the provision of and access to mental health services for those in the justice system. We continue to roll out the keyworker role across the closed male estate so that all prisoners will have a named officer to provide them with dedicated support during their sentence. As the
Minister of State, Ministry of Justice, my hon. Friend the Member for Penrith and The Border (Rory Stewart), said earlier, 14,600 prison staff have now completed at least one module of this training.

**Christine Jardine:** Figures show that, in March 2017, 75% of prisoners in England and Wales with serious mental health problems experienced significant delays in their transfer to hospital for treatment. Last month, an independent review of mental health assessment reported delays to transfer, with one of the reasons being the delay by the Ministry of Justice in sanctioning transfers. Given the pressure on those suffering poor mental health, surely this is important enough to require swifter action. What steps is the Minister taking to address the problem?

**Dr Lee:** I became responsible last September for the unit in the Ministry of Justice that authorises the transfer of patients from the criminal justice system into secure accommodation. We have had some internal difficulties, which I inherited, with the staffing of the unit, but things are improving. I get a weekly update on the number of people in the system who need to be transferred. I am under no illusions about the need to expedite those transfers, and I am in weekly contact with the Department of Health and Social Care about the need to assess the capacity at low, medium and high-security levels in the secure accommodation network.

### Probation Services: Reoffending Rates

11. **Vicky Foxcroft** (Lewisham, Deptford) (Lab): What assessment he has made of reoffending rates since the part-privatisation of probation services.  

18. **Ruth Cadbury** (Brentford and Isleworth) (Lab): What assessment he has made of reoffending rates since the part-privatisation of probation services.

**The Minister of State, Ministry of Justice (Rory Stewart):** While the frequency of reoffending—in other words, the number of offences committed by prolific offenders—has risen since 2009, the base rate, or the number of people reoffending, has dropped by two percentage points since the introduction of community rehabilitation contracts.

**Vicky Foxcroft:** In 2015, the Government commissioned two important reviews: the Dame Sally Coates review of education in prisons, which was mentioned earlier; and the Charlie Taylor review of the youth justice system. Both reviews highlighted basic failures in the current system and made important recommendations. Will the Minister tell me how many of those recommendations have been implemented?

**Rory Stewart:** My focus has been on the Dame Sally Coates review; youth justice is dealt with by the Under-Secretary of State for Justice, my hon. Friend the Member for Bracknell (Dr Lee). The Dame Sally Coates review is driving the entire education transformation over the next 12 months, particularly in respect of the three indicators that I mentioned earlier, including the assessment of prisoners and coming up with a plan. I shall have to reply in writing to the hon. Lady’s question about exactly how many recommendations have been implemented.

**Ruth Cadbury:** The joint report of the inspectorates of probation and of prisons stated that if the key functions of community rehabilitation companies “were removed tomorrow...the impact...would be negligible.” So what exactly are we paying for?

**Rory Stewart:** I must respectfully disagree with that. As I have said, the base rate of reoffending has dropped by two percentage points, which is actually quite significant, as the rate was flat for nearly 40 years before that. It would be very dangerous indeed to remove the community rehabilitation companies, which are looking after 40,000 people who were previously under very short periods of supervision, and nearly 100,000 extra people who would be dangerous to the community if not properly monitored.

### Upskirting

12. **Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): What his policy is on creating a specific sexual offence of upskirting.  

22. **Diana Johnson** (Kingston upon Hull North) (Lab): What his policy is on creating a specific sexual offence of upskirting.

**The Lord Chancellor and Secretary of State for Justice (Mr David Gauke):** I share the outrage at the distress that this intrusive behaviour can cause to victims, and I am determined to ensure that they can be confident that their complaints will be taken seriously. I am sympathetic to calls for a change in the law, and my officials are reviewing the current law to make sure that it is fit for purpose. As part of that work, we are considering the private Member’s Bill that is being promoted by the hon. Member for Bath (Wera Hobhouse).

**Gill Furniss:** It is appropriate on this day to refer yet again to the statue of Millicent Fawcett, and I shall channel my inner Millicent Fawcett by asking the Secretary of State this question. Nearly 100,000 members of the public have signed a petition calling for upskirting to be made a specific sexual offence, and MPs from all the major parties have signed an early-day motion that makes the same call, so why is the Secretary of State still refusing to act? We really need to ensure that our law reflects that of Scotland, where provisions on upskirting have been incorporated in the Sexual Offences (Scotland) Act 2009.

**Mr Gauke:** Let me also acknowledge the unveiling of the Millicent Fawcett statue.

As I have said, I am sympathetic to the idea of our taking action in this regard. There are instances in which people have been successfully prosecuted for upskirting in the context of outraging public decency, and voyeurism can also apply under the Sexual Offences Act 2003. However, those offences do not necessarily cover every instance of upskirting, which is why there is a strong case for looking at the law and considering whether we need to change it.

**Diana Johnson:** I, too, am using my inner Millicent Fawcett courage to raise this issue. In Scotland, the offences of upskirting and downblousing are covered by the 2009 Act. Surely the Secretary of State accepts that the same could be done in this country.
Mr Gauke: We are looking very closely at the Scottish legislation and experience. It is true that a very small number of prosecutions have been brought under that legislation. I want to reassure people that successful prosecutions have been brought in England under the existing law, but I think that there is a case for making sure that we have legislation that deals with this offence specifically.

David Linden (Glasgow East) (SNP): I think that we all receive correspondence about this regularly. As other Members have done, may I encourage the Secretary of State to look at what has been done in Scotland, where we have shown leadership? The House is clear about the need for action—the will is there, so we must act.

Mr Gauke: We are looking very closely at how the Scottish legislation has operated to establish whether, if there is a gap, that represents a way in which we can address the matter.

Prison Capacity: South-west

13. Scott Mann (North Cornwall) (Con): What assessment he has made of the adequacy of prison capacity in the south-west. [904906]

The Minister of State, Ministry of Justice (Rory Stewart): In Devon and Cornwall, as in my own constituency in Cumbria, the number of offenders is fortunately quite small in absolute terms, which means that provision is at Exeter and Dartmoor.

Scott Mann: The Minister will know that Dartmoor Prison is earmarked for closure, after notice was served on its lease back in 2013. The prison is an asset to the south-west and employs a number of my constituents. My hon. and learned Friend the Member for Torridge and West Devon (Mr Cox) is also keen and eager for the prison to remain open. Will the Minister review the decision and look at what more can be done to keep that facility open?

Rory Stewart: The decision to close the prison was based on the fact that it was built in 1805 and there are significant maintenance issues, with a great deal of damp and leaking. However, we pay tribute to the governor and the prison officers for running a very good prison regime that is popular with the prisoners, which is one thing that we will have to balance when making the final decision on the prison.

Courts: Physical Access

14. Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): What discussions he has had with HM Courts & Tribunals Service on improving physical access to courts and tribunals for people with disabilities. [904907]

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): I regularly meet HMCTS to discuss the court estate. It regularly reviews the estate and has monitoring systems in place to ensure that there is appropriate physical access for disabled people and, when appropriate, to identify gaps and make improvements.

Gareth Snell: If there is monitoring, the Minister will be aware that the North Staffordshire combined justice centre, which is where my constituents from Stoke-on-Trent are sent for personal independence payment appeals, has small steps and insufficient parking, and on one occasion a gentleman was asked to remove a piece of life-saving equipment so that it could be scanned by security before he entered the building. Is the Minister willing to meet Pam Bryan and John Beech from the Stoke-on-Trent and Newcastle disability network so that we can look at how the site can be made fit for purpose?

Lucy Frazer: The hon. Gentleman is right: I am aware of that. The charity he mentions—the Stoke-on-Trent Area Network for Disability—made a complaint, and HMCTS had a meeting on 5 April to discuss the issue. It is looking at the feasibility of implementing the suggestions that were made, such as putting in place automatic doors, signage and improvements to the waiting area, but I would be very happy to meet the hon. Gentleman and his constituents to discuss them.

Daniel Zeichner (Cambridge) (Lab): Access to courts for people with disabilities will not be improved by closing courts. It turns out from the response to a written question I recently tabled that this year no Minister has visited any of the courts that are due for closure. May I implore the Minister to come to Cambridge and talk to people with disabilities to see the impact that the Government’s plans will have?

Lucy Frazer: I am always happy to meet people who use the courts service around the country. We are improving access in a number of ways, including by ensuring not only that we have court buildings, but that disabled people can take advantage of the ability to give evidence by video link so that they do not have to go to a court at all.

Family Justice System

15. Tim Loughton (East Worthing and Shoreham) (Con): What plans he has to review the family justice system. [904908]

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): I was pleased to meet my hon. Friend in March to discuss issues related to the family justice system, which he cares deeply about. It is important that every child has a stable home, and we need to look across the justice system to ensure that it delivers the right outcomes for vulnerable children and their families.

Tim Loughton: I was grateful for the meeting with the Minister. Does she agree with Baroness Shackleton that fault-based divorce produces uncertainty that creates an industry for lawyers and a jungle for the layman? Is it not high time for an overhaul of the whole family law system to address that and many other issues to do with couples’ rights before, after and without marriage?

Lucy Frazer: My hon. Friend makes a powerful point about no-fault divorces, as he has previously. When there is conflict within a family, it is important to reduce
that conflict in the interests of not only the parents but the children. I can confirm that we are looking actively at the issue.

Yasmin Qureshi (Bolton South East) (Lab): Our family courts are in crisis. The Ministry of Justice’s own figures show that since the removal of legal aid from the family courts, two thirds of litigants represent themselves and have no access to lawyers. They have to deal with the incredibly complex issues that arise in the family courts. Will the Minister confirm whether, as part of the review of the family justice system, the Lord Chancellor will re-establish early legal aid in such cases, which we have promised?

Lucy Frazer: The hon. Lady makes an important point. Family justice is important, because issues for children start by having a stable home and a strong family. She will know that, as part of the LASPO reviews, we will be looking at the issues she raises. I should also say that we have an online pilot at the moment relating to divorce, and it has been incredibly successful. It used to be the case that 40% of paper applications for a divorce were sent back owing to incorrect filings. That number is now down to 0.8%.

Domestic Abuse

16. Robert Halfon (Harlow) (Con): What steps is he taking with Cabinet colleagues to provide a more efficient and accountable criminal justice system for victims of domestic abuse. [904909]

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): Since 2010, the Government have made tackling domestic abuse an absolute priority. Last month, the Prime Minister launched the violence against women and girls strategy at No. 10, and following on from that I attended the first roadshow event, at Edgbaston cricket ground in Birmingham, to meet victims of domestic abuse and campaigners.1

Robert Halfon: Safer Places is a remarkable and extraordinary domestic violence charity in my constituency. It has highlighted the problem of the delay between domestic violence incidents being reported and finally getting to court. What are the Government doing to reduce the time between the incidents being reported and getting to court, so that the perpetrators of this evil abuse can be brought to trial more quickly?

Dr Lee: The police response to domestic abuse has improved in recent years, and action has been taken to address the inspector of constabulary’s recommendation that domestic abuse should be a force-wide priority. The police are referring over 19,000 more cases to the Crown Prosecution Service than they were in 2010. In the courts, the listing of cases is a judicial function, and they have a responsibility to ensure that all cases are heard by an appropriate judge with the minimum of delay.

Birmingham Pub Bombings: Legal Aid

17. Richard Burden (Birmingham, Northfield) (Lab): What recent representations he has received on legal aid for families of the victims of the 1974 Birmingham pub bombings. [904910]

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): We have had a number of representations about this issue, many from the hon. Gentleman himself. I took part in the Westminster Hall debate on the subject, and I was pleased to have the opportunity to hear from him and many other Members. The Secretary of State also met the family of a victim recently. I understand that the recent decisions of the Legal Aid Agency are frustrating for the families, but the hon. Gentleman knows that I am unable to intervene in individual cases.

Richard Burden: As public funding has been made available to the coroner to appeal the judgment of the High Court on the naming of suspects in relation to the Birmingham pub bombings inquests, should not parity of representation be made available to the families of the victims of those bombings, to defend that same High Court judgment? If legal aid is not available to the families, why does the Minister not make funding directly available, following the example of the Hillsborough inquests?

Lucy Frazer: The hon. Gentleman makes a powerful point. This is a tragedy for all those concerned. He knows that the families have legal aid in relation to the inquest. Legislation on legal aid for judicial review and for inquests is different.

Prison Plans: Port Talbot

19. Stephen Kinnock (Aberavon) (Lab): What plans he has to construct a prison in Port Talbot. [904914]

The Minister of State, Ministry of Justice (Rory Stewart): I should like to pay tribute to the hon. Gentleman for his amazingly assiduous campaign. He asked exactly the same question, with exactly the same words, at the last Justice questions, since when I have met him another half dozen times. We have had a good meeting with his constituents, and I am now aware of their individual and general concerns. However, we need prison places in Wales.

Mr Speaker: The hon. Member for Aberavon (Stephen Kinnock) is further evidence of the KBO principle. The Minister said what he said non-pejoratively, but I simply make the innocent and prosaic, but valid, point that repetition is not a novel phenomenon in the House of Commons.

Stephen Kinnock: Repetition can be a form of flattery, Mr Speaker. I should like to thank the Minister for meeting me and the representatives of the NPT Prison Group for a constructive discussion, and for agreeing to put plans for the Baglan prison on hold. I am sure he will also have noted the decision of the Welsh Government to put all plans on hold pending a strategic review. Can he assure me that all plans for the Baglan prison are well and truly on hold, and that the UK Government will engage in a constructive and positive manner with the Welsh Government in the strategic review?

Rory Stewart: I hope the hon. Gentleman feels that we are engaged in a constructive and positive manner and that we have very much taken on board the concerns around that site, but it is important to bear in mind that
more than 1,500 prisoners with Welsh addresses are currently being held in English prisons. We need to think about how to provide accommodation for them in Wales, because that is important for reducing reoffending, resettling them in their communities and keeping the links with their families.

Tonia Antoniazzi (Gower) (Lab): Given the overwhelming evidence that smaller local prisons, where family links and the Welsh language can be maintained, are far more effective at reducing reoffending, why is the Secretary of State still proposing super prisons in south Wales when they are known not to work?

Rory Stewart: There are of course reasons why larger modern prisons are favoured, and that is partly about how we can manage things at scale. However, if there are communities in Wales that would like to come forward with proposals for smaller local prisons, I would absolutely agree that there is a strong argument for keeping prisoners closer to their homes.

Prisons: Drug Smuggling

20. Giles Watling (Clacton) (Con): What steps the Government are taking to prevent the smuggling of drugs into prisons.

The Lord Chancellor and Secretary of State for Justice (Mr David Gauke): We have invested in improving security through the use of body searches and metal-detecting technology in every prison. We are also trialling new X-ray body scanners to reveal more hidden items. We have invested £3 million to establish national and regional intelligence units in Her Majesty’s Prison and Probation Service which, with prisons, probation and law enforcement partners, are building intelligence about the highest-risk offenders.

Giles Watling: I thank the Secretary of State for his answer. My local newspaper, Clacton Gazette, recently ran a story about the use of drones to deliver drugs into prisons. Short of shooting the damn things down, what is the Department going to do about that?

Mr Gauke: I thank my hon. Friend for his question and his suggestion. We are taking decisive steps to tackle drones bringing contraband into prisons. Under Operation Trenton, Prison Service and police investigators intercept drones and track down the criminals behind them. There have been at least 32 convictions to date, with those sentenced serving in total more than 100 years in prison.

Topical Questions

T1. [904919] Rebecca Pow (Taunton Deane) (Con): If he will make a statement on his departmental responsibilities.

The Lord Chancellor and Secretary of State for Justice (Mr David Gauke): I am delighted to announce that we have met and exceeded our October 2016 target of recruiting an additional 2,500 prison officers, with 3,101 full-time equivalent staff joining the prison workforce seven months ahead of schedule. 90% of whom will be on the landings by the summer. Prison officers are some of our finest public servants, and I am happy to see individuals seeking out a career in our Prison Service. Along with the rest of the workforce, those bright new recruits will ensure that prisons are safe and decent, tackle the unacceptable levels of drugs in prisons and cut the rate of reoffending.

Rebecca Pow: Will the Secretary of State outline what steps are being taken to secure employment opportunities for prisoners?

Mr Gauke: My hon. Friend is right to raise that. One of the best ways in which we can reduce reoffending is by increasing employment, which is why we have the New Futures Network coming in. I am keen to focus on ensuring that we provide employment opportunities to prisoners as much as possible.

Richard Burgon (Leeds East) (Lab): The Windrush scandal is one of the cruelest examples of unaccountable state power targeting the vulnerable, defenceless and innocent that I can remember. Senior figures describe our immigration law as complex and unintelligible to everyone but working specialists, so I was disappointed to hear the Home Secretary say yesterday that people affected by the Windrush scandal will have “no need for lawyers”. I am sure that the Justice Secretary will understand why those words will not do, so will he guarantee today that all those who have been put into this kind of situation will have access to the necessary legal advice to help them when they need it most?

Mr Gauke: The Home Secretary set out a comprehensive plan yesterday for how we will make the process much easier for those who have been affected. For example, those who have retired to another country will be able to obtain British citizenship much more easily to allow them to come here without great difficulties involving visas and so on. The Home Secretary also set out how we are going to put in place arrangements to ensure that there is compensation for those who deserve it.

Richard Burgon: The Government’s reckless approach to our justice system means that criminal barristers have now been forced into co-ordinated action and are refusing to take up legal aid work due to changes to the advocates’ graduated fee scheme. Against all convention, the Government have denied parliamentary time to debate that properly. The Criminal Bar Association made a formal request that the Ministry of Justice delay, withdraw, amend or reconsider the implementation of the statutory instrument. If the Government will not listen to the views of parliamentarians, will they at least listen to barristers, put the new scheme on hold and set about fixing it?

Mr Gauke: On parliamentary time, my understanding is that we are waiting for information from the Labour party. On the substance of the issue, let us remember that reforms to the AGFS were worked out with the Bar Council and the Criminal Bar Association. The reforms are necessary to ensure that legal aid funds are distributed in an appropriate way, and that is why the reforms are being made.

T3. [904921] Stephen McPartland (Stevenage) (Con): In the spirit of your advice, Mr Speaker, can the Secretary of State confirm whether or not the Ministry of Justice will object to the Second Reading of the Service Animals (Offences) Bill on Friday?

Mr Gauke: As the Under-Secretary of State for Justice, my hon. and learned Friend the Member for South East
Cambridgeshire (Lucy Frazer) pointed out, the Department for Environment, Food and Rural Affairs leads on this matter. The Government continue to look at this issue.

T2. [904920] Alex Norris (Nottingham North) (Lab/Co-op): Another week, another inquest into the death of a prisoner at HMP Nottingham. Three months on from the prison being declared fundamentally unsafe, what update can Ministers give us on the progress of the recovery plan and on the prison’s ongoing safety?

The Minister of State, Ministry of Justice (Rory Stewart): As the hon. Gentleman will be aware, there has been an urgent notification process. We have put a plan in place. I have now visited HMP Nottingham, and I pay tribute to Tom Wheatley, the governor, for the work he is doing. He has a much better care process in place, and he has highly trained staff. We expect to see improvements soon at HMP Nottingham.

T5. [904923] Peter Aldous (Waveney) (Con): In Suffolk there is a growing problem in finding justices of the peace to chair family panels, which can be complex work in which experience and local knowledge are vital. Will the Lord Chancellor give consideration to resolving the problem in the short term by extending the retirement age for magistrates?

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): My hon. Friend makes an important point about the important role that magistrates play within our legal justice system. The Secretary of State told the House of Lords Constitution Committee that the judicial age in general is being looked at in the round.

T4. [904922] Stephen Kinnock (Aberavon) (Lab): It is me again, as I am sure the Minister is delighted to see. The Welsh Government’s strategic review has been mentioned. Can he advise on the timeframe for when he will be meeting his counterpart in the Welsh Government for these vital talks? Can he also advise on how hon. Members on both sides of the House can get involved in that dialogue?

Rory Stewart: I will be meeting the Welsh Secretary specifically on this issue next week. We are setting up a meeting with the Head of the Welsh Government, who of course will be changing, and I would very much like the hon. Gentleman to join that meeting. I reiterate that, so long as offending rates in Wales remain as they are, although it is laudable that the Welsh Government wish to divert people away from prison, we currently need places for Welsh prisoners.

T7. [904925] Charlie Elphicke (Dover) (Ind): In addition to asking the Minister whether he can confirm to the House that he has no objections to the Service Animals (Offences) Bill, may I ask what action he is taking to ensure that the justice system addresses new, dangerous and increasingly abundant drugs such as fentanyl?

Rory Stewart: Fentanyl is unbelievably dangerous and has contributed to nearly 20,000 deaths a year in the United States. We have underscored through the Crown Prosecution Service guidance for prosecuting people. Fentanyl is a class A drug, but 50 times more powerful than other drugs. People need to understand that even a tiny quantity of this drug is a serious danger to the person producing it, to the person supplying it and, above all, to the public, and must be prosecuted.

T9. [904927] Christine Jardine (Edinburgh West) (LD): Is the Minister aware of the looming crisis in criminal duty solicitors due to the increasing age profile? Data from the Law Society shows that in five to 10 years there could be insufficient numbers of criminal duty solicitors in many areas. Will the Government take action to address and protect this vital public service?

Lucy Frazer: I am aware of the recent document produced by the Law Society. Of course, it is important that we have professionals at every level, that we have a diverse profession and that we encourage young people to join what is an excellent profession.

T8. [904926] Alex Chalk (Cheltenham) (Con): The Government are entitled to feel a little perplexed by the Criminal Bar Association’s hostility to the new graduated fee scheme, given the CBA’s input into that scheme. Be that as it may, will the Minister confirm that the MOJ is prepared to communicate with the CBA to resolve this growing dispute?

Lucy Frazer: My hon. Friend is right to say that in putting together this scheme discussions went on for two years with members of the Bar and the MOJ. They were calling for us to implement this scheme, so that is the scheme we have implemented. We are always willing to talk to members of the CBA and the Bar Council. Since I have been appointed, in the past three months, I have met the chairman of the Bar Council twice and the chair of the CBA twice.

Ian Paisley (North Antrim) (DUP): Northern Ireland has just undergone the longest rape trial in its history, resulting in the acquittal of four men. The Department is carrying out a major review of that trial because of subsequent problems flowing from it. Will the Government—the Department—make a submission to that review, particularly looking at whether the accused should not be named until after a verdict is published?

Mr Gauke: I thank the hon. Gentleman for his question. This is a long-standing and very sensitive issue, one my predecessors have looked at closely. We continue to look at it; there are arguments on both sides, and we need to examine the cases carefully before we rush to any judgment on this.

T10. [904929] Mr John Whittingdale (Maldon) (Con): My right hon. Friend will be aware that last year a pilot project allowed television cameras into courts to film and broadcast sentencing procedure. Will he say what assessment he has made of that pilot and what plans he now has to extend it further?

Lucy Frazer: I know my right hon. Friend cares deeply about this important matter and he has raised it with me several times. Transparency is very important, and we are looking at the pilot. I am happy to update him, and I am looking forward to our meeting tomorrow with the Society of Editors.
Rachael Maskell (York Central) (Lab/Co-op): When a person spends time in custody and the CPS then drops the case against them, as opposed to losing a case in court, they are not entitled to compensation, even when they have lost their home and everything. Does the Minister agree that that is a huge injustice? Will she say what she is doing about it?

Lucy Frazer: The hon. Lady raises an interesting issue and I would very much like to discuss it with her.

Zac Goldsmith (Richmond Park) (Con): Nick Hardwick, the former head of the Parole Board, made the case yesterday that it should be required to publish comprehensive explanations for the decisions it takes and that it should make public the names of the people who are making those decisions. May I urge my right hon. Friend to follow that advice as he undertakes his own review?

Mr Gauke: My hon. Friend is right to point out that I am undertaking my own review of that. The first step is to address the decision of the High Court on the existence of rule 25, which prohibits, in essence, any information being provided on Parole Board decisions. We will do that, but we also need to look more widely at how the Parole Board rules work—that includes the issues of transparency and of how the Parole Board can reconsider cases in particular circumstances.

Alex Cunningham (Stockton North) (Lab): The troubled Holme House prison in my constituency has had another damning report, this time from the Independent Monitoring Board, which talks of a shortage of staff, a lack of appropriate care for prisoners, a sustained drugs problem, and more violence against staff and between prisoners. Things do not seem to be getting any better. Will the Minister please take an interest in Holme House and ensure it gets the support it needs?

Rory Stewart: Absolutely. The central problem in Holme House is, of course, not the age of the building—it is relatively modern—but the drugs. So the first steps we are taking are to get more scanners, sniffer dogs and staff in place. It remains a very serious problem; the connection between the drugs, the violence and the suicide in Holme House is making it a particular area of focus for this Department.

Andrew Jones (Harrogate and Knaresborough) (Con): What steps are the Government taking to improve the court experience for victims and for witnesses, because it can be a highly stressful and intimidating environment?

Lucy Frazer: The MOJ is taking a number of steps to improve the position for victims and witnesses: we have introduced the ability to give evidence through video link, so people can give their evidence even before the hearing, which takes the stress out of it; and physically disabled people can give evidence by video link in another location. So we are trying to improve the Courts Service experience for everybody.

Dan Carden (Liverpool, Walton) (Lab): Most people know my constituency of Liverpool, Walton as the home of two premier league football clubs, but I think the Minister knows it better for the two prisons: HMP Liverpool, which was built in 1855, and Altcourse, which was built in 1997. Will he update the House on progress in the redevelopment of HMP Liverpool, and does he think that these Victorian prisons can ever be fit for purpose?

Rory Stewart: Unfortunately, as the hon. Member for Stockton North (Alex Cunningham) implied in his question, the age of a prison is not always the determining factor. We have significant challenges in relatively modern prisons. It is true in Liverpool that Altcourse has been performing better, and it is the newer prison. In Liverpool, we have provided a new multimillion pound fund for the repair of the windows across the estate, and we are looking at improving the conditions right across the estate. Stafford and Dartmoor show that it is possible to run good prisons in older, Victorian buildings.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I am grateful to the prisons Minister for meeting me recently to discuss the Farmer review, and I welcome his commitment to it. Will he update the House on the implementation of the Farmer review?

Rory Stewart: The Farmer review focused on the importance of families in rehabilitation. Prisoners’ links with families are central to reducing reoffending, and we have very strong evidence that when family links are kept, reoffending reduces. That means better family rooms and more family visits. In certain cases, prisons are having a lot of success piloting interactions between prisoners and, for example, the teachers of their children. All that is central, and the Farmer review is something for which we should be hugely grateful.

Judith Cummins (Bradford South) (Lab): In October last year, the Government announced that they planned to increase the maximum penalty for death by dangerous driving. They also said that they would create a new offence of causing serious injury by careless driving. Six months on, we have still not seen any action. Will the Minister tell the House just when these vital changes will be implemented?

Mr Gauke: We will be updating the House in due course.

Robert Neill (Bromley and Chislehurst) (Con): A year ago, virtually to the day, the legislative provisions of the Prisons and Courts Bill, which are necessary to implement Lord Briggs’s review of civil court structure, were lost in the Dissolution of Parliament. These important reforms are pressing and needed. Can the Secretary of State update us on when the Government intend to reintroduce legislation to enable the reforms to be progressed?

Mr Gauke: What I can say at this point is that I think we need to bring forward a number of aspects of that to help to modernise our court system. I hope to be able to make progress on that in the coming months.

Alison McGovern (Wirral South) (Lab): Next week will be the six-month anniversary of the publication of the report by Bishop James Jones into the experience of the Hillsborough families. The report contains many recommendations that relate to the work of the Ministry
of Justice. Will the Secretary of State explain when we will see action from the Government on those recommendations?

**Lucy Frazer:** The position in relation to inquests and legal aid funding, as the hon. Lady may or may not know, is running alongside our legal aid review. I hope to be able to assure her that those matters are being looked at.

**Kevin Hollinrake** (Thirsk and Malton) (Con): One of my constituents is fighting for justice, having suffered horrific physical and sexual abuse at Medomsley youth detention centre in the 1970s. Will my hon. Friend please update the House on the likely timescales for compensation and further convictions?

**The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee):** I thank my hon. Friend for the question. The case that he refers to is a tragedy, and I am aware of it. We are in the middle of the independent inquiry into child sex abuse, and the interim report is out this week. Officials from my Department are fully engaged with that, and we are conscious that in some institutions that the Department is responsible for allegations have been made that child abuse has taken place in the past. Once we have a handle on that totally, we can start talking about the possibility of compensation.

**Chris Law** (Dundee West) (SNP): A failure to agree on arrangements in international family law risks leaving a serious gap in the legal framework for proceedings involving children with family connections to the UK. Can the Secretary of State confirm what contingency planning is being undertaken to deal with that risk?

**Lucy Frazer:** It is really important that as we leave the EU we try to get arrangements similar to those that we have in relation to our cross-border workings through our court system. Family law is one of the important matters that we need to look at. I was very encouraged to see in the EU’s recent guidance that reciprocal arrangements in relation to family are one area that they are particularly interested in.
Yemen

12.39 pm

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op) (Urgent Question): To ask the Minister of State for International Development to update the House on the humanitarian situation in Yemen.

The Minister of State, Department for International Development (Harriett Baldwin): The UK is deeply concerned about the humanitarian crisis in Yemen, which is the largest humanitarian crisis in the world. More than 22 million people—over three quarters of the population—are in need of humanitarian assistance. The UN estimates that 17.8 million people in Yemen do not have reliable access to food and that 8.4 million face extreme food shortages. Last year, the country suffered the worst cholera outbreak ever recorded in any country in a single year.

At the Yemen pledging conference in Geneva earlier this month, the Minister of State for the Middle East announced £170 million of support to Yemen this year from the UK. That funding will meet the food needs of 2.5 million Yemenis. Last year, the UK was the second largest donor to the UN’s humanitarian appeal for Yemen. Our funding provided more than 5.8 million people with at least a month’s supply of food, nutrition support for 1.7 million and clean water and sanitation for approximately 1.2 million people, but money alone will not be enough. We must see sustained progress on the response to this year’s cholera outbreak; we must see payment of public salaries to millions of civil servants and their dependants; and we must see unhindered humanitarian access into Yemen. The UK has led the way here, too, lobbying and advising all parties to take the life-saving steps to prevent further deterioration of the crisis.

We are aware of reports over the weekend of significant civilian casualties resulting from coalition airstrikes. We take those reports extremely seriously. The Saudi-led coalition has confirmed that it will carry out an investigation. It is essential that that happens without delay, that the results are published and that the lessons learned are acted upon. Our hearts go out to the families of those killed. We call on all parties to comply with international humanitarian law. A political settlement is the only way to bring long-term stability to Yemen and to address the worsening humanitarian crisis. The Yemeni parties must engage constructively and in good faith to overcome obstacles and to find a political solution to end the conflict.

Stephen Twigg: I thank the Minister for her response.

Last week, the UN special envoy to Yemen, Martin Griffiths, briefed the Security Council on reports of a sizeable military offensive. He said:

“the prospect of intensive military operations in Al-Hodeidah, long heralded, may soon be forthcoming.”

He went on:

“Our concern is that any of these”— military—

“developments may, in a stroke, take peace off the table.

There have been a number of missile attacks on Riyadh by the Houthis, many of which have been intercepted, but one last weekend resulted in a Saudi casualty. Saudi Arabia has the right to protect its territory and its people from these attacks. However, Hodeidah is one of the two major entry points for aid into Yemen. Any military offensive would cause an already catastrophic situation to deteriorate further. Will the Minister assure the House today that the UK is doing everything it can to prevent such an offensive by the Saudi-led coalition from taking place? Surely, if an attack on Hodeidah goes ahead, the UK would have to suspend arms sales to the Saudi-led coalition.

The UK has been supporting the coalition by providing targeting training for its air force. By the Ministry of Defence’s own figures, 42 potential violations of international humanitarian law by the Saudi-led coalition were recorded in just three months at the beginning of this year, compared with 66 incidents over the whole of the past year. Will the Minister set out what the value of our training is when the rate of civilian casualties is increasing, not decreasing?

Finally, as the Minister rightly says, what Yemen needs is peace and a political settlement. This conflict will not be solved by further violence. May I implore the Government to bring a resolution to the UN Security Council as a matter of urgency? Eight million people in Yemen are on the brink of starvation. Surely the United Kingdom has a responsibility to lead the international community to put peace on the table.

Harriett Baldwin: I congratulate the hon. Gentleman on securing today’s urgent question and finding time to discuss these important issues on the Floor of the House. He is absolutely right to pay tribute to the work of Martin Griffiths. As the hon. Gentleman will know, the UK holds the pen on this matter at the United Nations, and it is really important that Martin Griffiths has been appointed as a United Nations special envoy. As colleagues will know, he brought the debate to the floor at the United Nations last month. The UK strongly backs his work, and his outline of the process that will lead to a political solution and peace in Yemen. In fact, I am glad to have the opportunity to reiterate a point that he made: we urge all parties to the conflict to exercise restraint and continue to facilitate access for essential imports of food, fuel and medical supplies into the country, including through Hodeidah and Saleef ports. I agree that further military action is not the way forward. The way forward towards peace is around the negotiating table.

The hon. Gentleman made some points about the important role that the UK can play in the peace process, in addition to the role as penholder at the United Nations. Clearly our role is also to be a candid friend to those involved in the Saudi-led coalition; to encourage the process of the investigative joint incident assessment team and the publication of its reports, 55 of which have been published so far; to recognise that the UK is not involved in any way in the targeting chain; and to reiterate the importance of the UK having the most rigorous export controls, which involves the observation of international humanitarian law.

Sir Desmond Swayne (New Forest West) (Con): Is the Minister absolutely convinced that President Hadi is not an impediment to a political settlement?

Harriett Baldwin: I will not fall into the temptation of commenting on any of the individual players concerned. Clearly, President Hadi needs to be involved in the discussions about the way forward. The United Nations
special envoy, after publishing his outline and road map towards peace in Yemen, will need to engage a wide range of counterparties.

Kate Osamor (Edmonton) (Lab/Co-op): I thank my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) for asking the urgent question, and the Minister for responding.

The situation in Yemen is as dire as ever, with millions at risk of famine, the worst cholera outbreak in human history and the alarming prospect that Hodeidah port may soon become a conflict zone. The Houthi political leader, Saleh al-Sammad, was reportedly killed in a bombing last week. What impact does the Minister think that this will have, and what steps is she now taking to reopen dialogue on a ceasefire with the new Houthis leadership and Saudi Arabia?

Last week in this Chamber, the Minister for the Middle East admitted that the level of humanitarian access was not as great as he would wish. Fuel and food imports are not enough and port access remains unpredictable for traders and aid agencies. Just yesterday, appalling images emerged of an airstrike hitting a wedding party. Twenty people were tragically killed and 45 more were wounded. The bride was killed and the groom taken to hospital.

Time and again, the Government imply that this suffering will happen with or without the UK. Well, surely now is the time to make it very clear that Britain will not be complicit. Will the Minister tell us whether the UK Government insisted on full, permanent, humanitarian access in Yemen and an end to the bombing of civilian areas before signing the £100 million aid partnership with Saudi Arabia last month? In the light of the weekend’s appalling airstrike on the wedding party, will the Government now finally suspend their arms sales to Saudi Arabia?

Harriett Baldwin: I thank the hon. Lady for her questions, which allow me to reiterate some of the points that I made to the hon. Member for Liverpool, West Derby. Yes, I do think the UK has an important role to play, particularly as the pen-holder at the United Nations. That is why we are strongly backing Martin Griffiths, the new special envoy for the peace process in Yemen. We believe that that is the most constructive route whereby the UK can engage all the participants in this conflict and send a common message to all of them that the way forward is not through bombs or missiles but through peace discussions, and very much in the way that he has outlined in his reports to the United Nations. The UK is proud to support his office and the tools that he needs to help with this.

As the hon. Lady will know, we are very involved with the United Nations’ role in inspecting ships going into Hodeidah port and reassuring participants that they are purely for humanitarian aid. The UK is also playing a role through the United Nations team that is trying to prevent access for the missiles that are being taken from Yemeni territory into Saudi Arabia, risking the lives of civilians within Saudi Arabia as well. I do think that the UK is playing a constructive role in all these matters. That includes the Secretary of State travelling to Riyadh in December to take practical steps in terms of access to the port for humanitarian aid.

Bob Stewart (Beckenham) (Con): Could the Minister describe the mechanism or system by which our aid gets taken from where it arrives in-country to the people who most need it, presumably by convoy? How do we ensure that this aid actually gets to the people towards whom we have targeted it?

Harriett Baldwin: This is an opportunity to pay tribute to all the humanitarian workers in all the conflict areas of the world who very often take such risks in delivering humanitarian assistance to some of the most conflict-affected parts of the world. My hon. Friend will be aware that in all areas where humanitarian aid is delivered, it can sometimes be caught up with different players in the conflict. Obviously we take every kind of precautionary measure through the United Nations to prevent this from happening, but it is still too often shockingly the case that some of this humanitarian assistance gets taken into situations where it is used as part of the conflict. That is one of the very many dangers that we highlight, and it is why we want to ensure that humanitarian workers around the world have safe access to provide their life-saving aid.

Chris Law (Dundee West) (SNP): Many of us woke up this morning to see the horrific images of yet another airstrike by the Saudi-led coalition that has targeted innocent people, this time a wedding party in northern Yemen killing at least 20 people, including the bride. Of course, this is not new. Shockingly, of the 17,000 airstrikes since the war started, one third have hit non-military targets. The whole House should quite rightly condemn Saudi Arabia and its coalition for targeting innocent people.

Does the Minister agree that the UK Government’s selling 48 fighter jets to Saudi Arabia only last month, bringing total arms sales to £4.6 billion since the beginning of the war, makes the UK complicit in these atrocities and undermines the Government’s international development spend in Yemen? At the very least, will the UK Government commit today to fully and finally halt all arms sales to Saudi Arabia? Will she set out how the UK Government will influence Saudi Arabia to bring about a meaningful political solution to the war in Yemen?

Harriett Baldwin: Clearly, the UK is saying to all sides in this conflict that the way to secure peace is through political dialogue, including on the side of the Houthis, from Yemen into Saudi Arabia, but also through ensuring that international humanitarian law is respected in this conflict. The hon. Gentleman will be aware that this matter went to the UK High Court in 2017, and the High Court ruled in favour of the UK’s conclusion that Saudi Arabia does have processes in place to secure respectful compliance with international humanitarian law. He will also be aware of United Nations resolution 2216. We say to all the parties in this conflict that the way forward is not through bombing and missiles; it is through the political process that the United Nations special envoy has set out.

Mrs Pauline Latham (Mid Derbyshire) (Con): My hon. Friend mentioned the largest cholera outbreak since records began, but the aid community is also struggling to cope with the largest diphtheria outbreak since 1989, with over 1,000 cases of this highly infectious
disease. Young children are enduring the brunt of this outbreak: 90% of fatalities are under the age of 15. In an environment where more than half of all health facilities are closed or partially functioning, there has been a surge in child mortality driven by communicable diseases and chronic malnutrition. What more can this country and others do to make sure that medicines and nutrition get to the people who need them?

**Harriett Baldwin:** My hon. Friend raises a very important point. The UK welcomes the approval by the Yemeni authorities in Aden allowing the import of oral cholera vaccines, which should allow 400,000 doses to be administered in southern Yemen. Discussions on vaccinations in the rest of the country are continuing. The partnership with UNICEF in Yemen is allowing UK aid to be spent on vital immunisations against other outbreaks, including diphtheria, as well as helping to train staff on the ground on how to deal with new cases.

**Tom Brake** (Carshalton and Wallington) (LD): First, I join calls from the Opposition Benches for arms sales to Saudi Arabia to be suspended, and echo the condolences to those killed in the wedding party.

The Ministry of Defence has previously confirmed that British forces are in the Saudi-led coalition operations room to provide training and advice 

“on best practice targeting techniques to help ensure continued compliance with International Humanitarian Law.”

**What went wrong?** Was this latest strike in compliance with international humanitarian law, and what are its humanitarian consequences?

**Harriett Baldwin:** Of course, we welcome the fact that the Saudi-led coalition has acknowledged that a full investigation needs to take place to answer the questions that the right hon. Gentleman has asked. We urge that that investigation happen as quickly as possible. It does need to be published so that lessons can be learned.

**Bob Blackman** (Harrow East) (Con): My hon. Friend rightly refers to the outbreaks of cholera and other diseases. The United Kingdom can be rightly proud of the outbreaks of cholera and other diseases. The UK is so strongly backing the United Nations special envoy who has recently been appointed and the work he is doing to outline a plan of action and to engage all participants in that process.

**Edward Argar** (Charnwood) (Con): The hon. Member for Liverpool, West Derby (Stephen Twigg) was right to highlight that the immediate and most pressing priority is the alleviation of humanitarian suffering in Yemen, and the Department for International Development should be proud of its work in that area. He also highlighted that, alongside Saudi Arabia’s legitimate right to defend itself and support the legitimate Government of Yemen, it must, like all parties to the conflict, show restraint in its actions. Can the Minister reaffirm the UK Government’s strong position that what we need alongside humanitarian aid is a multilateral ceasefire to which all parties to the conflict simultaneously sign up?

**Caroline Lucas** (Brighton, Pavilion) (Green): The Minister acknowledges that Yemen is the largest humanitarian crisis in the world, so why are the UK Government via
their arms sales choosing to make that awful situation even worse? How can we have any moral standing on the world stage while we continue to sell arms to the head-chopping, war-mongering Saudi Government? Of course we need to have diplomatic relationships, even with countries we do not agree with, but surely to continue selling arms to a Government who are essentially committing war crimes is beyond the pale, even for our own Government.

Harriett Baldwin: The hon. Lady will know that under United Nations resolution 2216, there is a legitimate reason for Saudi Arabia to be concerned about the fact that missiles are being fired on a regular basis into its territory. But she is right that the way forward is for all parties to engage in the political process, and that there is no military solution to the current conflict in Yemen.

Rebecca Pow (Taunton Deane) (Con): I commend the commitment that the Government have already given to humanitarian aid in Yemen, but heavy rains will hit Yemen shortly, and the cholera crisis will get worse, together with the other awful diseases that are a consequence of having not enough water and unsafe water. Can the Minister expand on when extra aid will get there and exactly how it will get to the people who need it? Getting into the right places is extremely difficult.

Harriett Baldwin: My hon. Friend is right that this is not just about the money. This month’s pledging conference attracted a wide range of people who were prepared to contribute to funding the humanitarian effort, but it is also essential to ensure that the improvement in access does not slip back. We are concerned to maintain the role we have played both through the United Nations and bilaterally in ensuring that humanitarian access is as good as it can be.

Richard Burden (Birmingham, Northfield) (Lab): The recent ghastly attack on the wedding party is not the first atrocity on civilians. Markets, schools and hospitals have been hit by coalition airstrikes in a civil war that has already claimed 10,000 civilian lives. As my right hon. Friend the Member for Cynon Valley (Ann Clwyd) said, that has created a humanitarian crisis in which a child is dying from a preventable disease every 10 minutes. Can the Minister answer the question put to her by my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg): is it not time for the UK as penholder to call for a new United Nations Security Council resolution to ensure unimpeded access to Hodeidah and other ports?

Harriett Baldwin: The hon. Gentleman is right to reiterate the important role that the UK can play as penholder, which is why we so strongly support Martin Griffiths’ recent appointment as the UN special envoy on this situation. There was a United Nations Security Council meeting in March on this very subject. He is outlining the way forward in terms of engaging all parties to this conflict in discussions, and that has the wholehearted support of the UK at the United Nations.

Kevin Foster (Torbay) (Con): I welcome the UK’s support for the UN verification and inspection mechanism, which is helping to speed up the inspection of ships delivering vital supplies to Yemen. However, does the Minister agree that that process needs to be speeded up even more if the people of Yemen are to get the supplies they so desperately need?

Harriett Baldwin: My hon. Friend raises a very important detail. The UK has great expertise in maritime matters, and we have deployed experts to Djibouti to help with that inspection process. In fact, UK support has helped to increase the proportion of ships that have been physically inspected by almost 10 times, from 8% to 77%.

Alison McGovern (Wirral South) (Lab): May I press the Minister a little further? She gave a long answer a moment ago to my hon. Friend the Member for Birmingham, Northfield (Richard Burden) about a UN Security Council resolution. Exactly when can we expect to see one?

Harriett Baldwin: The UK led the drafting in March of the United Nations Security Council presidential statement, and as I understand it, that statement, which calls on all parties to comply with their obligations under international humanitarian law and to facilitate humanitarian access, and emphasises the need for an inclusive political solution, was widely supported.

Mr Philip Hollobone (Kettering) (Con): The fundamental cause of the misery in Yemen is the Iranian-backed Houthi insurgency, which has blighted the lives of tens of millions of people. I have not yet made it to Yemen, but I made it to within a kilometre of the border in Saudi Arabia—a visit I declared in the Register—and there I learned that something like 70,000 rockets and over 50 Scud missiles have been fired from Yemen into Saudi Arabia, and 50,000 people have been evacuated. Saudi Arabia has the right to defend itself. We need to get this in perspective, because although at the moment there is no chance of any kind of political dialogue, I would rather that Hodeidah port was in the hands of the coalition, which would increase the chances of aid getting through to these benighted people, than that it remained in the hands of the Houthi insurgents.

Harriett Baldwin: My hon. Friend is right to highlight the perspective of those people who are on the receiving end of missiles fired from within Yemen, and he allows me to reiterate that United Nations resolution 2216 speaks of that. I disagree to some extent with my hon. Friend, in that I do not think that further military conflict is the way forward. We think the way forward is through the political process, backed by the United Nations special envoy.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Liverpool is home to many of the Yemeni diaspora in the UK, and the plight of family members who are suffering in Yemen is a constant anxiety and pain to many of my constituents. I have listened closely to the Minister. In the light of the presidential statement from the UN Security Council, may I ask her specifically, as that was at least a month ago, whether she believes that a resolution is now urgently needed to permanently open all naval ports and airports to both humanitarian and commercial traffic, and if so, what is the UK going to do as penholder to achieve that?
Harriett Baldwin: The hon. Lady is right to say not only that these discussions are ongoing, but that they must be pursued with enormous urgency. I can assure her that the work that the special envoy is engaged upon has that urgency at its heart, and involves the UK wholeheartedly backing the way in which he is taking forward engagement with all the parties to pave the way for further steps.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I am sure I was not the only person who was struck by the Minister saying that we would be a candid friend to the Saudi-led coalition. With one third of the 16,847 air-strikes hitting non-military targets, surely we have now come to the time for a bit more candour and a bit less friendliness. Continuing to sell arms to Saudi Arabia is like giving more booze to an alcoholic; it is something that no proper, true or candid friend should be doing.

Harriett Baldwin: The hon. Gentleman is absolutely right to highlight the important role that the UK can play in being able to use the strong relationship that we have to raise these difficult decisions and difficult issues more effectively. For example, most recently, in March during the visit of the Saudi Crown Prince Mohammed bin Salman, the Prime Minister was able to raise exactly these serious UK concerns about Yemen.

Nick Smith (Blaenau Gwent) (Lab): Like my hon. Friends, I reiterate that every 10 minutes a child dies from preventable causes in Yemen. Will the Government give priority to the reopening of Sana’a airport, to help alleviate this desperate situation?

Harriett Baldwin: Among the work that the UK is doing, I particularly highlight the work that we have done through Djibouti, in terms of shipping access to Hodeidah, but it is something that we are monitoring very carefully. As the hon. Gentleman is aware, only about two thirds of the humanitarian assistance that Yemen needed got through in March, and so far in April it seems to be an even lower percentage, so it is something that we are paying very close attention to.

Graham P. Jones (Hyndburn) (Lab): I am grateful to my hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) for asking this urgent question. I think we all agree that what happened in Hajjah was absolutely shocking. It is not a first, and such killings continue in a war that has seen a lot of individuals killed. There needs to be a clear process of accountability; otherwise, the killing will simply continue. I welcome Martin Griffiths as the new special envoy. He has talked about a peace process, but let us not forget that recently Ismail Ahmed, the outgoing UN special envoy, said that the Houthis had walked away from a peace deal. My question to the Minister is how do we get a peace deal when the Houthis walked away from the Kuwait talks and the Geneva talks and Ismail Ahmed said they walked away from the talks at the back end of 2017? How do we get these people around the peace table?

Harriett Baldwin: As I said, negotiations and the special envoy’s work are ongoing, and I thank the hon. Gentleman for his support for his role and the work that he is doing, but no one should underestimate the difficulty of the task that he has been asked to undertake.

Joanna Cherry (Edinburgh South West) (SNP): One of the terrible consequences of this conflict is that there are millions of internally displaced people in Yemen. The Minister is aware that Christian Aid is campaigning very volubly on that issue. How will the UK Government’s approach to the United Nations compacts on refugees and migrants address the particular needs of internally displaced people in Yemen?

Harriett Baldwin: I cannot give the hon. and learned Lady a specific response. She has drawn my attention to a particular detail, on which I will have to respond in writing.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): According to Save the Children, there are now over 22 million people—that is two thirds of the population—in Yemen in need of humanitarian aid and protection. That includes more than 11 million children. That is 4 million more people than six months ago. The situation is only getting worse. Does the Minister agree that it is in part a result of the failure of this Government to pursue an end to this with the vigour required? Surely, now is the time to get together, as the penholder, another UN resolution, and to suspend arms sales to Saudi Arabia.

Harriett Baldwin: I draw the hon. Lady’s attention to the points that I have made earlier. It is important that the UK backs the work of the United Nations special envoy.

Wes Streeting (Ilford North) (Lab): The UK’s ability to uphold the values of a rules-based international system will be undermined unless the UK is shown to call Saudi Arabia to account for its indiscriminate bombing of civilians in Yemen. So I ask the Minister, as so many other colleagues have today, to treat with urgency the need for a new UN Security Council resolution to make sure that all ports in Yemen are open to humanitarian aid to deal with the catastrophic situation already in place on the ground. Finally, if the Government of Saudi Arabia are not prepared to show appropriate restraint when exercising the country’s legitimate right to defend itself, I ask that the UK Government be prepared to—and will—suspend arms sales to Saudi Arabia.

Harriett Baldwin: Of course, in addition to backing the work of the United Nations special envoy, the UK will continue to maintain the very rigorous combined arms sales criteria, in terms of arms exports from the United Kingdom.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): White phosphorus burns at 815 °C, and to the bone if it comes in contact with human flesh. Is its reported use as an incendiary weapon in Yemen considered by the British Government to be a chemical attack, and if not, why not?

Harriett Baldwin: The hon. Gentleman highlights, as did other hon. Members, the need for rigour in the process of investigating all these incidents and, in the case of those that come from the Saudi-led coalition, the importance of encouraging the joint investigative team to adopt a process that makes it possible to publish those reports very quickly.
John Woodcock (Barrow and Furness) (Lab/Co-op):
During our visit to Saudi Arabia over the Easter recess, we were able to put the UK’s concerns about the humanitarian catastrophe to the King, and in detail to his Ministers and officials. Will the Minister update the House on the block on the funds that have been deposited by Saudi Arabia in the Central Bank of Yemen, which are much needed? May I also gently say to her that it surely did not aid the cause of peace that she did not mention Iran and its pernicious role in the conflict until she was asked by her Back Benchers?

Harriett Baldwin: The hon. Gentleman raises an important issue. It allows me to welcome the fact that Saudi Arabia and the United Arab Emirates pledged between them some $930 million in humanitarian assistance at the Geneva conference earlier this month. However, as many colleagues have pointed out, it is important that it gets through.

Peter Grant (Glenrothes) (SNP): Saudi Arabia has every right to defend itself, but what it is doing in Yemen goes way beyond self-defence. When one of the world’s wealthiest, most heavily armed and most highly trained military machines kills civilians in every one in three attempts, we have to accept that this is no accident; it is deliberate, unrestrained slaughter of civilians. I understand why the Minister cannot publicly criticise arms sales to Saudi Arabia. It is very noticeable that, despite being asked by nearly every Member on the Opposition side of the House, she has not yet personally defended those arms sales. Is that because, in conscience, she knows that they cannot be defended?

Harriett Baldwin: I have said numerous times that the UK maintains rigorous arms export control criteria, and one of those must be that at the time of export there are no concerns that the arms will be used in contravention of international humanitarian law. Again, this is an opportunity for me to emphasise how important it is that the Saudi-led coalition publishes the joint investigative assessment team’s reports, and to welcome the fact that 55 reports have been published so far.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op):
The UK is not meant to sell weapons to countries when there is a clear risk that they will kill innocent civilians or break international humanitarian law. We sell 50% of all our weapons to Saudi Arabia, and 61% of all the killings have been the result of Saudi and coalition airstrikes. What is the Government’s red line on breaking international humanitarian law? When will we stop licensing the killing of innocent civilians?

Harriett Baldwin: The hon. Gentleman might even be a member of one of the Committees involved in this, so he will know exactly what the wording is for our arms exports criteria. We have heard from other colleagues about the missiles that are being fired into Saudi Arabia, and this allows me to reiterate—perhaps in conclusion, Mr Speaker—that a political solution is the only way forward to bring long-term stability to Yemen.

David Linden (Glasgow East) (SNP) rose—

Mr Speaker: The Minister was approaching her peroration, but she has not yet completed it; she has one further opportunity to expatiate, because we have a further inquiry, from Mr David Linden.

David Linden: Thank you, Mr Speaker. The Minister talks about the UK being a penholder at the United Nations, but part of the problem is that we give the pen to Saudi Arabia so that it can write us cheques in exchange for arms. I want to ask her this question not as an MP speaking to a Minister, but at a human level. When she sees images of children clinging to their dead parents, does she not realise that it is time to end the arms sales to Saudi Arabia?

Harriett Baldwin: What I can say is that the hon. Gentleman rightly draws to the House’s attention how this conflict is harming the lives of so many, and why it is so important that the UK backs the work of the United Nations special envoy in taking forward the discussions that can lead to a political solution that will bring peace to Yemen.
Capita

1.24 pm

Sir Vince Cable (Twickenham) (LD) (Urgent Question): To ask the Minister for the Cabinet Office if he will make a statement on the financial position of Capita.

The Parliamentary Secretary, Cabinet Office (Oliver Dowden): I genuinely welcome this opportunity to update the House on Capita’s announcement yesterday, which covered its 2017 full-year results, the launch of a £701 million rights issue and an update on its transformation programme. As I have told the House repeatedly, private companies can answer for themselves, but the Government’s priority is the continued delivery of public services. As we demonstrated with regard to Carillion, we have continued to deliver public services without interruption.

The House will recall that I came here in February when Capita initially announced the rights issue. Capita confirmed yesterday that it is proceeding in line with that previous announcement. The House might be interested to know that Capita’s statement yesterday announced that underlying profit before tax is £383 million for 2017, which is in line with market expectations; that, as a result of the rights issue, it has made a £21 million contribution to reducing its pensions deficit; and that, as a result of the announcement, the market reaction was a share price rise of over 10% on the day.

Capita’s board and auditors have confirmed that the company will continue to have adequate resources to deliver on its obligations, supported by its rights issue and other steps designed to strengthen its business. The rights issue is underwritten and the required shareholder vote will take place in early May. Management have confirmed that the key shareholders fully support their plan. In addition, the company has suspended dividends until it begins to generate positive cash flow; it expects to generate at least £200 million in 2020. The impact of all this has been to reduce dividends and shareholder returns in favour of other stakeholders. This, once again, is evidence of shareholders taking the burden, not taxpayers.

I understand that Members remain concerned about outsourcing companies, following Carillion’s liquidation. However, we must be clear that Capita has a very different business model and financial situation; it is not a construction company, but given that we are dealing with IT services that affect literally millions of people—for example, in relation to tax credits, disability testing and benefits, the congestion charge, the BBC licence fee and Army recruitment—what contingency plans has the Minister put in place since he was informed that the company’s losses are not sustainable? Is there a Crown representative in place? Have new contracts been stopped? Since the new chief executive announced cuts of £175 million a year, to make savings for the new company, how far have these been discussed with the Government, and how far have they a bearing on the provisions of those highly sensitive services? In the light of this development and earlier developments with Carillion, what steps have the Government taken to reform the system of Government procurement, so that we do not have companies low-balling to win contracts that then make losses, and to break up some of the contracts, so that we are not over-dependent on a handful of financially fragile companies?

Oliver Dowden: I thank the right hon. Gentleman for his questions. I will seek to address them all, but please forgive me if I miss any. I will come back to him in writing if I do.

On the company’s overall position, it is important to understand that what has happened is exactly in line with what was announced back in February, so there is not really a new development. The company’s underlying position, as it has said publicly, is that it has about £1 billion of cash that it can call upon.

The right hon. Gentleman asks about the Crown rep. I confirm that the Crown rep is Meryl Bushell. I met her this morning and continue to engage with her, as I do with all the other Crown reps.

The right hon. Gentleman asks whether new contracts had been awarded. Since the statement in February, no new contracts have been awarded by central Government. However, I understand that the BBC and authorities in Northern Ireland have announced contracts.

The right hon. Gentleman asks what we are doing to break up the system of Government procurement. I always ask, with every contract that crosses my desk to be authorised, whether we have broken it up into as many small pieces as possible to make it accessible for small businesses. Over the Easter period, I made an announcement to help us meet the very challenging target we have set of 33% of all business going to small and medium-sized enterprises. We set a target of 25% in the last Parliament and met it. I announced a range of measures to help us towards the 33% target. I wrote to all the Government’s key suppliers saying that I wanted them to appoint an SME representative to try to drive business to SMEs. I have required all their subcontracting over the value of £25,000 to be published on the Government’s Contracts Finder. I am consulting on ways to improve prompt payment to make it a condition of business being awarded to strategic suppliers. That is very important to SMEs, and I am looking at ways to give them a right to go over the top of key suppliers to the Government to give them a right of recourse.

I say gently to the right hon. Gentleman that both he and I have a proud record from our time working for the coalition Government—he at a much more senior level, running the Department for Business, Innovation and Skills. In line with other Governments, we continue
to award contracts to Capita. The House may be interested to know that of the major central Government contracts that have been awarded to Capita, about 20% were awarded under Labour, over half under the coalition Government and 27% under this Government. This issue does not relate to one party over another.

The reason we do it is that we know outsourcing delivers efficiencies. According to one survey, we receive efficiencies of at least 11%. If we get efficiencies of 11%, that means more money to spend on health, more money to spend on education and more money to spend on core services. That is why the Labour Government did it, why the coalition Government in which the right hon. Gentleman served did it and why this Government continue to use outsourcing.

Mr Bernard Jenkin (Harwich and North Essex) (Con): Does my hon. Friend agree that there is something of a correction going on throughout the sector, as it adjusts to the effects of the Carillion collapse and to the perhaps over-tight margins that some contracts have imposed on providers? I draw his attention to the fact that the Public Administration and Constitutional Affairs Committee is doing an inquiry into the lessons to be learned from the collapse of Carillion. Personally, I take confidence from the fact that the investors have decided to trust Capita with £700 million more of their capital to secure the long-term future of the company.

Oliver Dowden: I thank my hon. Friend for his question. He is absolutely right that what we discovered yesterday was that the rights issue is proceeding exactly as planned. In terms of the overall market, I have tried to be clear that the rights issue is proceeding exactly as planned. He is absolutely right that what we discovered yesterday was that the rights issue is proceeding exactly as planned.

I echo the call from the right hon. Member for Tooting for the Minister to outline what contingency plans he has put in place to deal with a possible default. I thank you, Mr Speaker, for granting the urgent question.

The hon. Gentleman asks what is being done in relation to strategy. The strategy has been set out clearly by the new chief executive. It includes a revised divisional structure and executive team to better manage and enhance services and client value, as well as a rights issue, which, as I said, has proceeded as planned and will materially improve the company’s financial stability, thereby reducing its debt, enabling it to invest in core services, allowing it to reduce the pensions deficit, which it has done by £21 million—I hope all Members will welcome that fact—and allowing it to reduce its cost base.

The hon. Gentleman asks about contracts that have been awarded to Capita, so let me give him the numbers. Of the current major central Government contracts that have been awarded to Capita, nine were awarded under Labour, which is 20%, 24 were awarded under the coalition, which is about 53%, and 12 were awarded under the current Conservative Government, which is about 27%. This is not a party issue: all three formations of government have decided to use outsourcing companies.

To conclude, I had thought that the hon. Gentleman would agree with the words of a previous Labour leader and somebody who many regarded as being, at least in some senses, a successful leader. Gordon Brown, hardly a rabid right-winger, said:

"I have a great deal of respect for the hon. Gentleman, and he could have done a little better than some of the overblown rhetoric in his contribution. Yesterday’s announcement was entirely in line with market expectations.

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"It simply would not have been possible to build or refurbish such a number of schools and hospitals without using the PFI model."—[Official Report, 14 November 2007; Vol. 467, c. 665.]

That was a sensible Labour Government who were committed to delivering public services. We do not see such sense from the current Labour party, I am afraid.

Mr Mark Francois (Rayleigh and Wickford) (Con): While I agree with the thrust of the Minister’s response, I am afraid I have to tell him that a serious blot on Capita’s record is the Army recruiting contract. Capita does not have much experience in that area and has been underperforming very seriously on the contract for some five years. I told the House in Defence questions yesterday that it is now known universally in the Army as “Crapita”, because of its poor performance on the contract. Will the Minister accept it from me that, although nobody wants to see Capita go bust because of all the jobs that would be lost, equally we cannot have an Army without recruits? Therefore, this is one contract that Capita, honourably, should hand back.

Mr Speaker: I must tell the right hon. Gentleman that his second reference to the rather unfortunate nickname of the company concerned has just caused some merriment among school students in the Public Gallery. They clearly found it very funny, as did I, so the right hon. Gentleman may be a celebrity among those students—not to mention, of course, in his constituency and in many other parts of the country.

Oliver Dowden: My hon. Friend raises a very important point that is another rebuttal to this idea of ideology. If we want to look at ideology, perhaps the number of PFI contracts signed by a Government would give an indication of that, so let us look at the numbers. How many contracts did Labour sign on average each year? Fifty-five.

Mr Mark Francois: You do not have much experience in that area and have underperformed very seriously on the contract for some five years. I told the House in Defence questions yesterday that it is now known universally in the Army as “Crapita”, because of its poor performance on the contract. Will the Minister accept that, although nobody wants to see Capita go bust because of all the jobs that would be lost, equally we cannot have an Army without recruits? Therefore, this is one contract that Capita, honourably, should hand back.

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[Oliver Dowden]

[Interruption.] When the Department was controlled by the Liberal Democrats, I do not think the right hon. Member for Twickenham (Sir Vince Cable) would have taken kindly to a Conservative special adviser getting too heavily involved.

I refer my hon. Friend the Member for Hendon (Dr Offord) to statistics that demonstrate that over half of the contracts that were given to Capita were awarded under the coalition Government, in which the Liberal Democrats played a sterling part. If they want to play politics, I refer them to those statistics.

Rachel Reeves (Leeds West) (Lab): May I push the Minister on contingency planning because I fear that the Government are being a bit complacent about that issue? Since Carillion went bankrupt, hospitals in Sandwell and Liverpool have been mothballed. What confidence does he honestly have that if Capita were to go the same way as Carillion, its contracts would continue to run and these crucial public services would continue to be delivered? The experience of Carillion is that that is not happening.

Oliver Dowden: I gently disagree with the hon. Lady, who has a great deal of expertise in this area. Public services have continued to be delivered without interruption. There is a specific question about the PFI contracts in respect of those two hospitals, but I reassure her and other hon. Members, who I know take an interest in this, that we are taking a very close interest in the matter. We are engaging with NHS Improvement and the Department of Health and Social Care to try to resolve this as quickly as possible and ensure that we have a clear plan for the delivery of the hospitals.

Bob Stewart (Beckenham) (Con): Obviously I support outsourcing in principle, but I am really concerned. If Capita is reviewing the way it operates—it has operated abysmally in various spheres, particularly Army recruiting, as my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois) said—are the Government reviewing how they have oversight of these contracts so that we can get more effective feedback and problems can be corrected quicker?

Oliver Dowden: I thank my hon. Friend for his question. He is absolutely right to raise the issues that we have had with the Army recruitment contract, but what is happening demonstrates that the Government are engaging with these problems. The MOD and Capita have agreed an improvement plan, which seeks to address some of the significant problems that we have. When these problems arise, we are engaging with the companies concerned to try to deliver improvements.

Catherine West (Hornsey and Wood Green) (Lab): What assessment have the Government made of the impact on apprentices who are employed in Capita’s many workplaces? How many individual apprentices may be affected? Which regions of the UK are particularly exposed? What contingency plans are in place to protect potential losses to the apprenticeship programme, and what will be done to stop these failing business practices? I am fed up of having to listen to poor apprentices in other companies who have lost their roles as a result of failing business practices.

Oliver Dowden: I reassure the hon. Lady that the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office is taking a very close interest in this and working in respect of all those apprenticeships. At the moment, those apprenticeships are ongoing, but clearly we need to look at how we can manage their future so that young people do not find themselves disadvantaged. I can assure the hon. Lady that this is a top priority for my right hon. Friend.

Stephen Kerr (Stirling) (Con): The Minister says there have been problems with Capita, and while Capita and Carillion are different businesses in different situations, they have something in common: the businesses are both big and complex. What steps are the Government taking to involve more small and medium-sized businesses in the delivery of public services?

Oliver Dowden: My hon. Friend raises a very important point. It is right on two levels that we have a diverse supply market: first, because the more suppliers we have, the less we are at risk from the loss of any one supplier; and, secondly, because small and medium-sized enterprises are the backbone of our economy locally and nationally, creating 16 million jobs, and I am determined to ensure they get their fair share of such contracts. That was why I announced a range of measures over Easter, including providing subcontractors with a right of access to buying authorities in order to report poor practices. It was also why the Prime Minister wrote to every Secretary of State requesting that they appoint an SME champion. I want the message to go out to all SMEs—I spent a lot of time over Easter meeting small businesses and communicating this—that they can bid for and win government contracts. Go on to Contracts Finder, find them, and bid for them!

Kelvin Hopkins (Luton North) (Ind): In my two decades in the House, I have opposed PFI schemes root and branch from the beginning. It seems that the number of PFI agreements has dwindled to virtually zero, so it looks like the Government agree with me now. A number of public authorities are now insourcing and making financial gains as a result. Will the Government encourage that process, which would save public money? Will they also not hand out lucrative public contracts to Capita to help it out of its present circumstances?

Oliver Dowden: I shall resist the suggestions of Front-Bench colleagues; I do not think I will ever convince the hon. Gentleman to cross the Floor, despite his warm words.

We reviewed PFIs and introduced the new private finance 2 contracts, which removed many of the excesses we saw under the last Government. The hon. Gentleman asks about the rewarding of new contracts. Since the statement in January, as I said, no contracts have been awarded to Capita by central Government. Two have been awarded by the wider public sector—by the BBC and Northern Ireland authorities.

Bob Blackman (Harrow East) (Con): My hon. Friend will recall that Capita developed from the public sector in the first place. Does he agree that the use of outsourcing not only controls costs and gives gains to the public, but provides certainty over the standards of service provided to the public? If an outsourced company fails to deliver to those standards, the contract can be recalled and given to an alternative provider.
Oliver Dowden: As ever, my hon. Friend and neighbour is absolutely correct. That happens regularly, and it is exactly why private companies all use outsourcing to provide services such as cleaning and site security—because they can use specialist providers and because that delivers savings. He talks about how the Capita model arose. I remind Labour Members who are getting overexcited that Capita was founded by Sir Rod Aldridge, who was a major donor to not the Conservative party, but the Labour party.

John Spellar (Warley) (Lab): May I associate myself with the comments about Army recruitment made by the right hon. Member for Rayleigh and Wickford (Mr Francois) and the hon. Member for Beckenham (Bob Stewart)? Does not the Minister accept that Capita is only the latest outsourcing company to be in trouble? With some, including probation, hospital and rail companies, having to hand back contracts and the growing crisis in the over-leveraged, offshored industry, does he not question whether there are not actually deep systemic problems with the Government’s dogma-driven privatisation model?

Oliver Dowden: I simply fail to understand how Labour Members can say that this is dogma-driven when the last Labour Government awarded 55 PFI contracts a year and one was awarded in the last year. Some 20% of the contracts awarded to Capita were awarded by the Labour party. This is not about ideology; it is about what works. Outsourcing delivers savings, which means that we have more to invest in the public sector—more in our schools; more in our hospitals.

Michael Tomlinson (Mid Dorset and North Poole) (Con): May I give the Minister an opportunity to repeat in my constituency and the wider Dorset region to bid for contracts?

Oliver Dowden: My hon. Friend is absolutely right. Small businesses should be going out there and bidding for Government contracts. I know that his constituency has much expertise in the aerospace sector, and I announced further measures over Easter to help such small businesses. I wrote to all our strategic suppliers asking that they adhere to the prompt payment code, and I am requiring suppliers on large contracts to provide their subcontracting data. They can be under no illusion that the Government are watching closely to ensure that in terms of contracts from government itself and subcontracting, SMEs get their fair share.

Wayne David (Caerphilly) (Lab): I welcome the Government’s recognition that Capita is not delivering on its contract for Army recruitment, but rather than Capita simply introducing an improvement plan, would it not be better for the Government to consider bringing contracts back in-house so that Army recruitment is conducted by the Army? That is what the Army wants.

Oliver Dowden: As the hon. Gentleman has acknowledged, I have answered the question about the Army recruitment contract, and I shall not repeat my answer, but I would say that we are not driven by an ideological approach. If services can be delivered better in-house, of course they can be delivered in-house, but in the majority of cases, for contracts such as cleaning and security, both the private and public sectors have found that they get cheaper services that are just as good quality when they outsource. That is the right decision to make.

Mike Amesbury (Weaver Vale) (Lab): Capita employs hundreds of people in my constituency at a place called Preston Brook. What discussions have the Government had with recognised unions, such as the Communication Workers Union, about the job and pension security of those workers?

Oliver Dowden: The hon. Gentleman raises a very important point. I can reassure his constituents, as I have done repeatedly at the Dispatch Box today, that yesterday’s announcement was in line with expectations. Capita is not in a similar position to Carillion. I can also reassure them that, as a result of the rights issue yesterday, a further £21 million has been paid down into the pension fund, meaning that their pensions are more secure as a result of the announcement on Monday.

Stephen Lloyd (Eastbourne) (LD): The Minister has spoken several times in glowing terms about the importance of the SME sector. One of the issues that came out of Carillion’s collapse was the deplorable reality that it often did not pay its SMEs their subs for 120 days, and sometimes more. That is the way to destroy the SME sector. Given that this is taxpayers’ money, will he give me a guarantee that that is not happening at Capita and that people are getting paid within a fair and reasonable time?

Oliver Dowden: The hon. Gentleman is right to raise the issue of prompt payment, and I know that various Select Committees are looking into the Carillion case. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy is sitting next to me, and the Chancellor announced in the spring statement a call for evidence on the prompt payment code, which governs such payments. The Government pay about 96% of our contractors within 30 days. As I said, I have written, post Carillion, to all our strategic suppliers to re-emphasise the importance of adhering to the code. We are consulting on how to exclude suppliers if they do not do so.
The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): With your permission, Mr Speaker, I shall make a statement about the takeover bid by Melrose Industries plc for GKN plc. On 29 March, Melrose announced that holders of 52% of GKN shares had accepted its offer, and as of last Friday, the figure had reached 88.5%.

As I informed the House on 27 March, the Enterprise Act 2002 sets out three circumstances in which a takeover can be referred to the Competition and Markets Authority on public interest grounds. They are financial stability, media plurality and national security. Any such reference must take place within four months of the completion of the transaction, and must result from a quasi-judicial decision, made impartially, on the basis of an open mind and solely on the evidence presented. No grounds were advanced for a reference on the grounds of media plurality or financial stability. To inform my decision on national security, I asked for a comprehensive assessment to be made by the Ministry of Defence and other bodies concerned with our national security.

The Secretary of State for Defence has written to advise me that the MOD has completed its detailed analysis and has agreed with Melrose a set of undertakings, specifically: to ensure that the Government are informed in advance of any plans to divest a business, a component of a business, or assets which engage in activities that are concerned with our national security.

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Those undertakings are combined with the undertakings that Melrose agreed to make in response to my letter of 27 March, including undertakings not to dispose of the aerospace business for at least five years without the Government’s consent; to maintain a UK stock exchange listing for at least five years; to ensure that the business remains headquartered in the UK, and that a majority of directors are resident in the UK; to ensure that both the aerospace and Driveline divisions retain the rights to the GKN name; and to guarantee that spending on research and development will take place on at least GKN’s previous level, amounting to a minimum of 2.2% of sales for the next five financial years. In important respects, those undertakings go beyond commitments given by the previous management team. Melrose has also agreed to meet my officials and me every six months to provide updates on its ownership of GKN.

On the basis of the commitments given relating to national security, the Ministry of Defence concluded that statutory intervention was not required. That is consistent with the other assessments that I have received. On the basis of the assessments that I have considered and the undertakings that have been entered into, my judgment is that there are not reasonable and proportionate grounds to make a statutory intervention on the grounds of national security.

GKN is a very important business, performing vital work in industries—aerospace and automotive in particular—with an expanding global market in which British innovation and excellence offer great opportunities. This takeover bid has entailed a vigorous debate about which of the two alternative British management could most credibly reap those opportunities. The shareholders chose—initially by a small majority, and finally more substantially—new management. All UK public companies are subject to that challenge of how they can best be run: it is an essential part of the competitive business environment for which Britain is renowned.

The takeover bid has been important in wider ways. It is the first contested bid in which the new regime of legally binding commitments on future conduct has applied. The commitments that have been made reflect the strong interest of stakeholders—including employees, UK taxpayers, suppliers, and research and development partnerships—in knowing the future intentions of a bidder, provided in a way that is binding. Those responsibilities, which broadly reflect those placed on directors of ongoing businesses by section 172 of the Companies Act 2006, are important to ensure that the longer-term and strategic interests of our economy are considered and addressed during takeover bids.

Now that such an ability to make post-offer undertakings has been established, I expect them to be implemented. The new management’s stewardship of these important businesses carries with it important responsibilities for our economy and our country. I look to the management to honour its commitments in both the spirit and the letter, and to create a strong future for GKN, its employees, its suppliers, and the industrial sectors in which it will play a major role.

I gave the House a commitment that I would carry out my legal responsibilities seriously, meticulously and fairly, and that I would keep the House up to date at every phase of these proceedings. I believe that I have done so, and I commend my statement to the House.

Rebecca Long Bailey (Salford and Eccles) (Lab): I thank the Secretary of State for giving me advance sight of his statement.

There are two issues that I must raise today: the fact that the reported assurances obtained by the Government, both in the letter of 27 March and subsequently, are not sufficient to guarantee the security of the long-term prospects of the company and, indeed, the workforce; and the inadequate capacity of the takeover regime to protect companies outside the very limited grounds of national defence, media plurality and financial stability.

First, as I made clear last month, the assurances obtained by the Government in Melrose’s letter of 27 March were sadly inadequate. Apart from the first five assurances which were post-offer undertakings, what
was in the letter was completely unenforceable. For example, there were no post-offer undertakings on maintaining employment or tax residency, which could easily constitute such undertakings. Indeed, the maintenance of employment is vital to our national security, and the loss of these jobs will cause the diminishment of vital skills that are integral to our defence industry.

Putting aside issues of enforceability, what of the assurances that have been reported since 27 March? The reported veto power that the Secretary of State for Defence has to stop the sale of certain businesses will not, I am afraid, solve the national security problem. Melrose reportedly has a short-term outlook which undermines the long term that is required for defence projects. That is important, and a veto on the sale of certain parts of the business by the Defence Secretary will not help significantly. Sadly, the Government’s failure to address the short-term horizons of Melrose may damage the capability of a business to deliver projects that could last for 10, 15 or 20 years.

Secondly, our takeover regime is inadequate, and the Secretary of State is acutely aware of that. If a takeover falls outside the grounds of national defence, media plurality and national stability, the Secretary of State cannot act, even though the takeover may be harmful for the business, harmful for employees, harmful to research and development, and harmful to supply chains.

Let us take the case of Unilever. Last year it was threatened with a takeover, and there was nothing that the Government could do because the takeover fell outside the three public interest exemptions. Unilever has since commented on the inadequacy of the UK takeover regime, and its recent decision to place its headquarters in the Netherlands was, as reported by the Financial Times, arguably driven by a desire to escape the poor safeguards for takeovers in the UK. Labour Members have called on the Government to broaden the public interest test. The measures that that the Government have proposed so far are not good enough. We know that, in GKN’s case, they already had the power to act and did not do so. However, our takeover rules would not have prevented Unilever from being taken over had Kraft been prepared to follow through, because that had nothing to do with any of the three exemptions.

I agree with the Secretary of State that our takeover regime must be open enough to encourage foreign investment, but it must also protect against short-termism and long-term damage to our economy and national security. Arguably, too often it is short-termism that prevails. Only this week we heard reports that the hedge funds that bought GKN shares to make Melrose’s takeover possible are now targeting Melrose, shorting funds that bought GKN shares to make Melrose’s projects. That is important, and a veto on the sale of certain parts of the business by the Defence Secretary may undermine the long term that is required for defence projects.

I understand that as this is a quasi-judicial decision, the statement that she made that she would block the bid would disqualify her from making that decision, as the right hon. Member for Twickenham (Sir Vince Cable) knows to his cost.

The evidence presented to me was that this was a British company taking over another British company, that no such takeover has ever been blocked on national security grounds, and that the Ministry of Defence and the other agencies said there was no reason for intervention on those grounds. I have to tell the hon. Lady that the previous directors of GKN themselves said that there was no reason for an intervention on national security grounds. She should reflect on the commitments that the Defence Secretary and I have secured to retain the aerospace division for at least five years, to ensure that the Government have the right to approve any future sale of any defence business or asset, and to invest in research and development to at least the current level. Not once in the past four months has she engaged in a similarly forensic way to set out what she thinks would be appropriate commitments.

The hon. Lady says that the commitments are inadequate, but they have been given as legal deeds and in some cases set out to the Takeover Panel as post-offer undertakings. The truth is that she has had the opportunity to engage with this matter, but having prejudiced her position by saying from the outset that the takeover should be blocked, she has given away the ability to have influence on what the regime should be.

The hon. Lady knows perfectly well what the Government’s powers on takeovers are, because the 2002 Act was passed under a Labour Government and sets out those limited powers, which are the same as in the rest of Europe. The difference between the Government and the Opposition is that when we came into government, we reformed those powers to allow post-offer undertakings to be given, so the situation when Kraft bid for Cadbury and undertakings were reneged upon cannot happen in the current circumstances. We have taken an active approach to ensuring that all stakeholders’ interests are secured, whereas the hon. Lady preferred to float above it all and simply say no before considering the evidence. We have proceeded responsibly, and she would do the employees of and stakeholders in GKN a service if she engaged more forensically in future.

Sir Desmond Swayne (New Forest West) (Con): What are the sanctions if commitments are not honoured?

Greg Clark: Sanctions with regard to undertakings to the Takeover Panel are those for contempt of court, which include everything up to imprisonment.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I thank the Secretary of State for advance sight of his statement.

The Secretary of State mentioned holding Melrose to the spirit and letter of its commitments, but traders have been short selling £725 million, or 17%, of Melrose stock, effectively betting against it making a success of GKN. What action will he take if there is any breach of the spirit or letter of the commitments?

The Secretary of State did not cover jobs in his statement. I asked him following a previous statement to what extent he would require assurances to prevent
assets from being stripped and jobs lost, and not just those in the MOD or national security. What assurances has he had on the financial restructuring involved in the takeover, which will mean more debt and less investment at the core of GKN? How will that situation progress the Government’s industrial strategy, and can he explain how allowing the takeover will protect the skilled jobs that we require and tackle productivity issues?

**Greg Clark** (Telford) (Con): I am grateful to the hon. Gentleman for his questions. He will know that one undertaking that has been given is a commitment to at least five years of research and development investment, including participation in the joint industry bodies, which have been a successful part of our arrangements in the aerospace and automotive sectors and are an important part of our industrial strategy. That is a valuable commitment that I would have thought the hon. Member for Salford and Eccles (Rebecca Long Bailey) and he would welcome.

The previous GKN management criticised the commitment to retain the aerospace business, saying that it should not have been entered into given that the sell-off of GKN’s automotive business had already been agreed to. It constitutes a longer-term commitment than was made during the latter period of the previous ownership.

The hon. Gentleman will understand that in obtaining commitments from a bidder, I have to bear in mind commitments that the incumbent management have or have not made. No commitments had been made on the total number of jobs, and indeed the sale programme involved a majority of the business. One of the features of today’s results announcement was that the debt of the previous business was higher than anticipated, and the plans that the new management have set out include paying it down.

**Lucy Allan** (Telford) (Con): I thank the Secretary of State for his statement and welcome the undertakings that he has secured.

The future of GKN was determined by speculators who came on to the share register in the final weeks of the bidding process to make a quick profit. Does the Secretary of State agree that that is no way to determine a company’s long-term future?

**Greg Clark**: I understand my hon. Friend’s concern, and a number of hon. Members have raised that point before. There are a couple of things to say about it. First, most people who have bought shares latterly during the takeover process bought them from longer-term shareholders, and one way in which a bid can be backed is for people to sell before the end point of that bid. That situation was looked at, appropriately, by Professor John Kay, who published a substantial review. His panel noted that one suggestion was that voting rights should accrue only if people had been on the share register for a specified period. The Kay review concluded:

“We were persuaded that the introduction of such provisions by legislation or regulation would involve practical difficulties and would be unlikely to achieve the intended effect.”

That was an expert review by a serious person, but of course in all circumstances such as this we keep our corporate governance arrangements under review, and I will certainly do that now.

**Rachel Reeves** (Leeds West) (Lab): I would like to follow up on the point that the hon. Member for Telford (Lucy Allan) raised. Other countries have a rule that people must have been shareholders for a certain period before they can vote on a takeover deal. Some sort of financial transaction tax would also reduce short-term speculation in companies that leads to their being taken over in this fashion. I urge the Government to look again at the takeover code, particularly for businesses that are so integral to our industrial strategy and have received a lot of taxpayer funding, in this case for the R&D work that GKN has undertaken.

**Greg Clark**: I am glad that the hon. Lady mentions the R&D work, which is very important. The commitments that have been made on R&D, both to keeping up investment and to participating in R&D partnerships, are extremely important. She and her Business, Enterprise and Industrial Strategy Committee asked for undertakings to be given on that and a number of other issues, and were not satisfied with the undertakings that were offered. I persuaded the company to go further and obtained undertakings relating not only to national security but to R&D and the ownership of businesses, and I hope she will acknowledge that that is valuable.

On the hon. Lady’s point about differential voting rights for shareholders, I mentioned the John Kay report, which her predecessor Committee scrutinised—I think the right hon. Member for Twickenham (Sir Vince Cable) gave evidence backing the report’s judgment. I know that her Committee is correctly interested in keeping our arrangements up to date, and if she and her colleagues want to review these matters, what their predecessors said is a good example of how that can be done.

**Jack Lopresti** (Filton and Bradley Stoke) (Con): I congratulate my right hon. Friend on his statement and on the work he has done on this difficult issue, especially in relation to securing the five-year guarantee for the aerospace business, which is unprecedented for a business such as GKN. Indeed, as he has just said, the last management refused to countenance such an arrangement. I visited the plant in my constituency a week or two ago and, despite some cynical scaremongering by some in the party opposite, the management and workers there are optimistic about the future and looking forward.

**Greg Clark**: I am grateful to my hon. Friend for his comments. It seems to me that when we establish a regime of post-offer undertakings, it is necessary to be active and to apply ourselves to the undertakings that it is important to secure. It is true that there has never been any commitment to own an important business such as that for more than five years, and I think that this will be valuable and welcomed by the employees in his constituency. I recognise his assiduousness in visiting the plant and talking to his constituents who are employed there.

**Sir Vince Cable** (Twickenham) (LD): Further to the excellent intervention from the hon. Member for Telford (Lucy Allan), the Select Committee Chair, does the Secretary of State accept that the role of the short-term
investors has been highly destabilising? They acquired 20% of the stock, they forced the takeover through and they are now short selling. If he is not persuaded of the merits of differential voting, how does he propose to deal with this problem?

Greg Clark: The right hon. Gentleman was not persuaded either. He commissioned a report, he had a respected and eminent individual look into this, and he gave evidence to the Select Committee to say that he was not persuaded. I have described some of the circumstances involved. Those who bought shares in the latter stages bought them from people who had decided they did not want to back the existing management. He knows that I take a great interest in ensuring that our regime of corporate governance is the best in the world. The fact that people can invest here with confidence forms an important part of our reputation. We have been successful over many years, and of course if the Select Committee wants to review the experience since the report that he commissioned, it has the ability to do that and I would be very happy to participate.

Rachel Maclean (Redditch) (Con): The Minister will be aware that the global headquarters of GKN are in Redditch, and that this has been my first priority ever since we heard the news of the takeover. Is he also aware that I spoke to Melrose on Friday, and that it assured me that it has no plans to shut the Redditch office? It believes that many of the jobs will be reabsorbed into the functions of GKN. Does he agree that that is really good news, and contrary to some of the things we have heard in the media? Will he also comment on observations in the media about the Airbus relationship? Again, we have heard that the takeover could have a negative impact in that regard, but that is not what I have heard from Melrose, which thinks that the relationship could continue. Can he comment on that further?

Greg Clark: I congratulate and applaud my hon. Friend on being active and engaging with the new management to talk about the important headquarters function in her constituency. She has indeed secured some good news from the company in that respect. I understand that the divisional heads of the aerospace and automotive businesses have been reappointed by the new management. Let us bear in mind that the incumbent management’s proposal was, latterly, that the automotive business should be sold, and that it would now be in the process of being sold. Airbus is clearly an important company, and there were some comments ascribed to it, although I do not think that they have been repeated. It will be important for the new management to set out its plans, so that all suppliers can have confidence in those relationships.

Mr Geoffrey Robinson (Coventry North West) (Lab): Is the Secretary of State aware that short selling has been the decisive factor in this, and that that is a matter of great concern throughout the House? Also, he has rightly been concerned about the reputation of Melrose Industries plc for taking short-term measures. It cuts, closes and sells on at a profit. That is its reputation, and, as far as I am aware, that is what it has invariably done. He has therefore sought longer-term undertakings, and five years is a significant period—that will keep the plants going and ensure that the company redoubles its commitments. However, his statement contained no indication as to whom those commitments are to be made, except presumably the Takeover Panel. What powers does the panel have to impose binding sanctions or, if necessary, to take the company through a legal process that he claims in his statement will be legally binding? On these crucial issues, he seems to have made no progress at all.

Greg Clark: This is the first time that any such commitment has been given on the ownership of assets for a period of five years. I have been active in establishing this regime, and I think the hon. Gentleman knows that, in my engagement with manufacturing and other industries, I have considered carefully the strategic importance of continued investment and stability. In the final analysis, there was a greater commitment to stability of ownership from the bidder than there was from the incumbent management. On the question of enforceability, I will place in the Library of the House the deeds that have been entered into in favour of the UK Government by the company. Some of them are under the Takeover Panel regime. As I said to my colleague on the Labour Front Bench, the effect of this new regime is that there will be sanctions up to imprisonment for a breach of those undertakings.

Stephen Kerr (Stirling) (Con): I welcome the encouragement that my right hon. Friend gave to the Chair of the Business, Energy and Industrial Strategy Committee to look at the issues surrounding this takeover, and I am sure that the Committee will do that. Importantly, he also pointed out that this was a contest between two British management teams. Does he agree that the British taxpayer should expect companies that receive public money, either through contracts or through research and development, to be prepared to give an undertaking to take a long view when it comes to investment decisions?

Greg Clark: That is right, and I would also welcome consideration of these matters. Right from the beginning, I have made a commitment to the House that I would take a considered, comprehensive view and use the powers that I have, and that where I did not have statutory powers, I would say what I expected. When it comes to research and development, to the ownership of assets and, for today’s purposes, to national security, a long-term commitment is required, and it has been important to obtain undertakings in all those areas. I hope that the Committee will take a look at this.

Frank Field (Birkenhead) (Lab): In his statement, the Secretary of State said: “GKN is a very important business, performing vital work in industries—aerospace and automotive in particular—with an expanding global market in which British innovation and excellence offer great opportunities.” Does he understand from his regular meetings with Melrose that it is thinking of adapting its business model so that these vital interests can be kept for a longer term than they would otherwise have been? If not, would this British company consider selling first to another British company?

Greg Clark: I am grateful to the right hon. Gentleman for his question, because I wrote and said that deliberately. I regard this company, operating in the sector that it does, as having an important long-term role. One of the reasons that there was a vigorous contest for this business
was the recognition that there are immense opportunities involved. It is my purpose as Business Secretary to ensure that we reap those opportunities. That is why I requested what was in effect a change to the previous commitments that this company or any other had made, and I was able to do that on the aerospace side. As I said in response to the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), it was clearly not possible to extract another commitment on the automotive business, given that the incumbent management had committed to selling it forthwith. In the spirit of what the right hon. Gentleman has said, I think that he will reflect on what has been obtained for the first time in the UK takeover—namely, a commitment to a much longer-term perspective than had been the case, including the right for the British Government to approve any subsequent purchaser of defence assets—and agree that that is a significant step forward.

Bim Afolami (Hitchin and Harpenden) (Con): I draw the House’s attention to the fact that, in the dark days before I came to this House, I spent several years in the City advising on mergers and acquisitions, and Melrose was one of the companies that I advised several times. Bearing that in mind, while there is of course a narrow range of scenarios in which the Government can intervene on a quasi-judicial basis, as the Secretary of State has already set out, will he confirm whether the Government will always ensure that we have an open globalised economy based on competition, not one in which politicians will capriciously intervene, which would be the approach of the Labour party?

Greg Clark: That is the right approach. The UK’s reputation for being a dependable place to invest and do business is based on clear rules and principles, and we have benefited from that. We make significant investments in the UK economy, we make significant investments in overseas companies, and we hold big assets. That is important to us, and we should be a trading nation, which means that we should be open to investment as we invest in other countries. That is the heart of our approach. However, it is important to keep the regime under review, and where there are long-term interests, such as in research and development, it is right that we have introduced an ability during a takeover bid to extract indications of how a bidder would approach things. That is what we have done in this case.

Jack Dromey (Birmingham, Erdington) (Lab): It is a bleak day for British industry and British workers when a 259-year-old icon of British engineering excellence falls prey to a hostile takeover thanks to hedge funds moving in to make a quick killing. We will hold Ministers and managers to account for the promises that they have now made. Crucially, does the Secretary of State agree that the time has come for a fundamental review of our corporate takeover regime, because the idea that the British national interest can be sold down by the river by hedge funds moving in to buy 20% of a company is fundamentally wrong?

Greg Clark: The hon. Gentleman talks about employees’ interests, and he has fulminated about the bid for a company that has an important plant in his constituency, but he has not made a single request or proposed a single safeguard to protect those interests. I do not know whether he has met the new management of GKN—I do not think he has—but my hon. Friends the Members for Filton and Bradley Stoke (Jack Lopresti) and for Redditch (Rachel Maclean) have made the effort and have discussed the important commitments that are being made, and the undertakings that I have secured will contribute to employment stability. The difference between my hon. Friends and the hon. Gentleman is that they have rolled up their sleeves and got involved, whereas he has contented himself with making slogans from the Back Benches.

Mr Mark Francois (Rayleigh and Wickford) (Con): The aerospace division is the jewel in GKN’s crown and is a vital part of Britain’s defence industrial base, so as a former Ministry of Defence Minister, I particularly welcome the guarantees that have been provided about the future of that part of the company. Will the Secretary of State say a little more about how he has worked closely with the MOD on that? Will he also assure us that the MOD will be a part of the six-monthly reviews?

Greg Clark: I will indeed, and I am grateful to my right hon. Friend, who speaks with considerable authority not just as a former MOD Minister, but as an ex-serviceman. Defence considerations are important, and I work closely with the MOD, which has provided a comprehensive assessment. That is the proper basis on which those with expertise in such matters can say what is required to safeguard national security, and I promised this House that I would abide meticulously by the expert advice that I receive. I am glad that I have had access to that expertise and have made my decision based on it. Of course, when it comes to considering the future opportunities for this company, our engagement through the industrial strategy is as important in the defence sector as it is in the automotive and civil aerospace sectors.

Richard Burden (Birmingham, Northfield) (Lab): The Melrose takeover of GKN was approved by 52% to 48% after 20% of the company had been snapped up by hedge funds. The Secretary of State has heard calls from both sides of the House for those with short-term interests to be excluded from making decisions on takeovers and for the public interest test to be expanded to include questions about research and development. He has rejected those calls today, but he says that he keeps matters under review. What form will his review take, and when does he expect it to report?

Greg Clark: On the hon. Gentleman’s first point, I have said to many colleagues in the House that when it comes to shareholdings, every purchaser in the latter stages has bought from a longer-term shareholder, who has in effect expressed a judgment on the company. This Government, previous Governments and this House have looked carefully at the rights of different classes of owners and have concluded that the hon. Gentleman’s suggestion would not be the right reform. However, he knows me well and I will of course consider the assessment of the conduct of this bid, but it would be wrong to mislead him by saying that I have formed a different view. I will take an objective view of the conduct of the bid, as will others in the House. The grounds for intervention
are specified in the Enterprise Act 2002, which reflects the requirements across the European Union that every member state must apply.

Bob Stewart (Beckenham) (Con): The old management was British, the new management is British, and the Secretary of State appears to have secured guarantees from the new management that it will do certain things that the old management had not guaranteed. Does that not imply that those who are working for the new GKN should sleep slightly more soundly in their beds?

Greg Clark: My hon. Friend puts it well and succinctly. Any takeover bid will obviously involve some anxiety for employees with long service, but whether or not the bid had succeeded, this was always going to be a period of change for GKN employees. As a result of the commitments that have been given, they can have more certainty about a confident future than would otherwise have been the case.

Darren Jones (Bristol North West) (Lab): In the Secretary of State’s previous statement on this issue I asked two questions: whether the Government would ask Melrose for a commitment to the aerospace division of longer than five years, based on advice both from key customers and other stakeholders; and whether the Government would have a conversation with Airbus about the consequences of a short-term commitment of five years? Will the Secretary of State confirm to the House whether he asked Melrose for a commitment of longer than five years and whether he had a conversation with Airbus? If not, why not?

Greg Clark: On the hon. Gentleman’s first point, the commitment to five years is the longest that has ever been given and was not something that Melrose was willing to offer the Business, Energy and Industrial Strategy Committee. In fact, the further undertakings that have been entered into on defence matters, which are of course in the aerospace division, go beyond that period.

I mentioned in reply to my hon. Friend the Member for Redditch (Rachel Maclean) that Airbus’s chief executive has not repeated the reports that were made previously. I have discussed the matter with Melrose and its intention is to develop a relationship that it hopes will prosper in the future.

Kevin Foster (Torbay) (Con): Given that this is the first time that the process has been used, the Secretary of State has rightly focused on the legal undertakings that he has been able to extract from Melrose. Will he speak a bit more widely about the general discussions that he has had about the future role of GKN’s assets in his industrial strategy?

Greg Clark: I have been very clear in my discussions with both sides during the bid. It is important to have equal treatment when taking a quasi-judicial decision. GKN has an important role to play in our industrial strategy in two important sectors. GKN will be part of an aerospace sector round table later this week, and I expect it to live up both to its responsibilities and to the opportunities in this most exciting of sectors.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Takeovers are a good thing where they are likely to enhance value, but it is clear that this highly leveraged takeover by Melrose is likely simply to load GKN with £8 billion of debt. We know what will happen, as we have learned the lessons of history: the company will be broken up and sold off piecemeal to recoup the debt raised by Melrose to create false value.

We have also seen a lukewarm commitment on R&D. GKN’s current R&D is at only half to two-thirds that of its main competitors. Why did the Minister not seek a more ambitious undertaking that the takeover will enhance value and increase GKN’s R&D spending target to that of its main international competitors? I echo the sentiments of other Members on the need to amend our shareholder takeover rules to ensure that short-term interests of people with no industrial knowledge or understanding of companies are not permitted to distort the interest of stakeholders in the long-term value of this company.

Greg Clark: For the first time in British corporate history, we have secured a commitment to spend, as a minimum, what the incumbent is already spending on research and development—that should be welcomed. Obviously, the reports of accounts and the disclosures that will need to be made to the markets will shine a light on the debt, but it is striking that it has been suggested today that £150 million was accounted for by unpaid suppliers’ bills at the end of the last quarter—I gather that is in the filings that have been released today—so I imagine the hon. Gentleman will want to study very closely with a beady eye the reports of accounts as they are published in the months ahead.

Kelvin Hopkins (Luton North) (Ind): I am reminded of the Cadbury experience when it was taken over by Kraft. Undertakings were given about the factory in Bristol, which was sold off almost before the ink was dry on the deal. GKN is a company of national strategic importance not just to defence but to the wider economy and, indeed, to the Government’s much-vaunted industrial strategy. GKN should play a big part in that future.

If GKN were a German company in Germany or a French company in France this kind of speculative takeover would be prevented one way or another. One way to prevent it would be to have substantial stateholdings in such companies, and France, in particular, has done that over many years to make sure French companies remain French. Will the Government not look to France and Germany for the best way forward?

Greg Clark: Kraft’s takeover of Cadbury is exactly why we changed the rules so we can now have binding undertakings that are legally enforceable, unlike the situation that prevailed when the hon. Gentleman was in government. When it comes to the German system, in fact there is a substantial record of German companies being taken over.

The Minister for Digital and the Creative Industries (Margot James): Vodafone.

Greg Clark: Yes, Vodafone’s takeover of Mannesmann is a classic case. KUKA, a German robotics company, has been taken over recently, as has Kabel Deutschland. There is a substantial record of takeovers in Germany. We have to operate the same public interest tests. What we have now is an ability to inquire into the intentions
for the medium and long term, and to obtain legally binding commitments on that. I hope the hon. Member for Luton North (Kelvin Hopkins) would welcome that, because many of his constituents will benefit from it.

Mr Speaker: I greatly enjoyed the Secretary of State’s answer to the hon. Member for Luton North (Kelvin Hopkins), and I hope he will not take offence if I say that the hon. Member for Luton North was not himself in government—he looked rather shocked, nay affronted, by any suggestion that at any time in his career he might have been. The hon. Member for Luton North is a career Back Bencher and is immensely proud of the fact.

Mr Gavin Shuker (Luton South) (Lab/Co-op): Workers at GKN’s Luton plant in my constituency are world leaders in ice protection systems for flight-deck windows and fast-jet canopies, and I believe they will share my dismay that the assurances the Secretary of State has put in place amount to little more than the new management picking up the phone and informing him before it does things that damage our national security and national interest. Is not the reality of the quasi-judicial nature of the decision-making process that he and future Secretaries of State will always veer on the side of caution, rather than face the prospect of being challenged in court when a takeover goes through?

Greg Clark: I am sure it is an unaccountable oversight that the hon. Member for Luton North (Kelvin Hopkins) has never served in government.

For the constituents of the hon. Member for Luton South (Mr Shuker), during the takeover bid, the incumbent management criticised the commitment to hold the aerospace division for five years. Given that a majority of the company was to be sold as part of the incumbent management’s plans, it is fair to observe that it is not clear there would be any greater stability—I put it as mildly as that—if the incumbent management had continued, rather than the new management that shareholders chose to manage the company.

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Mr Speaker: It is an extraordinarily eccentric impersonation of a point of order not to seek any procedural ruling from me, although the hon. Gentleman is wise not to do so in respect of the contents of the Enterprise Act, but to deploy the ruse of a point of order to whizz past me at an aeronautical pace in pursuit of some debating reply from the Secretary of State. That is very disorderly behaviour, but as the mood of the House is, on the whole, quite an amicable one, let us hear the mellifluous tones of the Secretary of State, I hope for the last time today.

Greg Clark: I have high regard for the hon. Member for Birmingham, Erdington (Jack Dromey), and what he says is uncharacteristic of him. I am disappointed that the limit of his request is to block the bid, rather than to specify undertakings that could have been made and to engage in greater detail than simply saying, “No. Block it.” It would have been more fruitful on behalf of his constituents if he had delved a bit more into its substance, and I regret his not doing so.

Mr Speaker: I will sturdily resist any temptation to intervene further in that exchange. This private squabble may continue for a little while, albeit with good nature, I hope.

John Mann rose—

Mr Speaker: On the subject of good-natured points of order, I say more in hope than in expectation, I call Mr John Mann.

John Mann: On a point of order, Mr Speaker. After a debate on anti-Semitism a week ago today, I have received very many kind remarks from parliamentarians, their staff and, indeed, members of House staff, for which me and my family are very grateful. There is an exception to that: one member of the Press Lobby chose to put out on social media, without any communication whatsoever with me, the suggestion that I had misled Parliament in relation to a criminal act of violence against my wife. May I repeat, on the record, that I have not misled Parliament and that my wife, who was the victim of this crime, has written to the media outlet concerned today clarifying this in some detail? This outrageous commentary has led to a wave of additional abuse against me, against my wife and against my daughter, including a threat of violence from a Labour party member from Sefton that is being referred to the police. Can you confirm my understanding that members of the Press Lobby have a privileged status within here? They have computers, telephones and lists of MPs, and if they are struggling to get hold of anybody they have the ability to wait outside this Chamber after a debate to speak to us. This member of the Press Lobby chose to use none of those things, and I just wanted your confirmation that the Press Lobby has the full ability to contact any of us, should they wish to do so, before putting out such scurrilous material.

Mr Speaker: I can confirm that. Any journalist can contact any Member if said journalist is minded to do so. I think it is as simple as that; I have no responsibility for what has been said, and the hon. Gentleman is not suggesting that I do. To be candid, I have no knowledge of which individual or outlet he has in mind. In a way, that is an advantage; he is asking me a straightforward question and I can offer him a straightforward confirmation by way of reply.

Needless to say, I am very sorry to hear about the torrent of abuse that the hon. Gentleman, his wife and his daughter have experienced—that is very sad. Nothing is going to stop the hon. Gentleman, whom I have known for more than 30 years, from speaking his mind, and it is right that that should be so. But it is a pity when people feel it necessary not to play the ball but to play the man or the woman, indulging in ad hominem abuse of a frequently loathsome kind, and sometimes of a kind that would be of interest to the police. This is a very worrying development in our democracy, about which I have spoken before, but I thank the hon. Gentleman for what he has said and I hope my reply offers him some reassurance.
Unsolicited Calls (Prevention)

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

2.53 pm

Stephen Kerr (Stirling) (Con): I beg to move,

That leave be given to bring in a Bill to make provision to prevent unsolicited calls; and for connected purposes.

Lest anyone be in any doubt as to the seriousness and importance of this subject, I should inform the House that well over 100 Members kindly offered to co-sponsor such a Bill. This is the first time I have had the privilege of attempting to bring a Bill to the House and I am glad to be able to get this level of support from only a single email.

Receiving unsolicited telephone calls has become an infuriating but inevitable part of our daily lives. Such calls are intrusive, seldom of any use and, in many cases, made with the sole intention of ripping people off. The situation has become normalised and we should not be content with that. It is estimated that some 70 million nuisance calls are made every year; this is a growing problem. A Which? survey estimated that 39% of calls in September 2016 were a nuisance and that the volume of nuisance calls for some was astonishing, with 10% of people receiving more than 60 a month—that works out at two calls per day, on average. Later data shows that Scotland is the worst area in the UK for rogue calls. The most recent figures from Which? show that 71% of Scots believe that receiving cold calls has discouraged them from even picking up their home phone when it rings, with 41% saying they feel intimidated by cold calls. New BT figures claim that every household in the UK receives four nuisance calls a day; as this is across 23 million households in the UK, it would indicate the ridiculous figure of 5 billion nuisance calls a year. Needless to say, those numbers show the extent of a problem that is at least very large.

These calls are intrusive; as people are sitting down with their family enjoying a bit of downtime in front of the television, they get interrupted by a phone call that turns out to be an unwanted waste of time, inconvenient and annoying. In the residential setting, this kind of disruption is never welcome. For businesses, unsolicited calls play havoc with the rhythm of the daily business routine and with the productivity of offices. I heard of one business where if one nuisance call was received by one phone, it could almost be guaranteed that every phone in the office would receive the same call throughout the day. That is distracting for employees, taking up precious time for no productive purpose, and it blocks the line, preventing customers and suppliers from being able to get through on the phone.

I have also heard stories of helplines being clogged up with this kind of call, preventing people who genuinely need help from getting through. It is the equivalent of setting up a trader’s stall outside a hospital accident and emergency entrance that blocks ambulances from getting in. We would not allow this in the physical world, so why should we tolerate it in telephony? For many who are more vulnerable, the people at the end of the phone gather data and try to build a profile of how vulnerable a person is may not be illegal.

This is a certainly an issue that affects millions of people across the country, one that demands action from us as legislators. We have a duty to ensure that our legislation is effective and gives the authorities the power they need to effect solutions to a huge problem. I am not suggesting for one moment that the Government have been complacent on this issue. Since the publication of the nuisance phone call strategy in 2014, there has been a great deal of Government action on this issue. I know how much work my right hon. Friend the Secretary for State for Digital, Culture, Media and Sport has undertaken on it, both in his current role and in his previous role as Minister of State. The single most significant element was placing responsibility for all nuisance calls with the Information Commissioner’s Office, creating a single port of call for the regulation of this issue. But more needs to be done, and making directors liable for the actions of their companies when they undertake nuisance calls is an essential part of the next step we should take in this House to tackle this problem. I hope to outline this element of what the Bill will do.

I recognise that much good work is being undertaken on financial services legislation that will outlaw the practice of soliciting insurance claims over the phone, making annoying traffic accident and payment protection insurance calls a thing of the past. Members will know that I am often a critic of the Scottish Government, but they have done much good work in this area. They have spent money on ensuring that people, especially the most vulnerable in our society, are aware of scams, and they have taken proactive steps to ensure that these warning messages get to the people who need to hear them. The Scottish Government estimate that the UK-wide economic harm from scam calls comes to £3 billion; this was in a report published only last month looking at the effectiveness of actions to reduce harm from nuisance calls. The work the Scottish Government have done has shown some results, and it is worth looking at this across the UK.

The private sector has also been hard at work on this issue. The Telephone Preference Service is a great way for people to limit their exposure to nuisance calls. BT has been working very hard to limit these calls. In my constituency, trueCall works with our local trading standards to install call blockers for vulnerable households and has blocked more than 21,000 scam and nuisance calls.

I would like to outline what I envisage the Bill doing. It is effectively divided into three parts, the first of which, as I have said, will make the penalties more robust and widen the way in which they can be applied. One aspect of the problem is that the companies that make nuisance calls are often pop-up companies. They are designed to make money and then go bankrupt, so that if they are caught, they will avoid a fine. That is an abuse of company law, and the Bill would make the directors of such companies personally liable for fines for nuisance calls. That reflects the private Member’s Bill that was introduced by the former member for Edinburgh West and the work of the hon. Member for...
North Ayrshire and Arran (Patricia Gibson), to whom I pay tribute for her work on this issue. If directors are personally liable, people will think twice before authorising such activities.

The second part of this Bill will tighten up the definition of a nuisance call. We think we all know what a nuisance call is—it is when someone calls us up and tries to sell us something that we do not really want—but is that, in fact, the definition that we should adhere to? Sometimes we receive calls that we are not expecting from businesses, and they are good. Is it right to say that a nuisance call is simply a call that we do not want? That would effectively end the opinion poll business and all telephone canvassing, and I am not sure whether that would make the Bill more desirable to Members or less. It is clear that the current legal definition is not effective, and the Bill is designed to empower the Government and the regulator to have a more robust definition of nuisance calls.

Finally, I would like to place a general responsibility on unsolicited callers to ensure that the numbers they are dialling are not registered with the Telephone Preference Service. That would ensure that there was no problem when phone numbers were bought and sold. As with any valuable data commodities, it would be the responsibility of both the purchaser and the seller to establish whether a number was a TPS number. It would be possible to fine both parties if they had not performed due diligence on the nature of the numbers that had been traded.

This is an important issue, which has rightly gained a lot of attention from across the House. It has also elicited a lot of conversation with the private sector. I thank Brendan Dick and his team at BT Scotland for providing me with an excellent briefing, as well as Which? and Citizens Advice for the work that they have done in this area. If we can make the situation better for people, we will remove a nuisance and make everyone’s lives a bit easier. At the same time, we will improve business productivity. It is seldom that one finds such widespread agreement on any issue across the House, and therefore I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Stephen Kerr, Kate Hoey, Hugh Gaffney, Rachel Reeves, Mr Alistair Carmichael, Ben Lake, Nigel Dodds, Lady Hermon, Dame Cheryl Gillan, Fiona Bruce and Patricia Gibson present the Bill.

Stephen Kerr accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 6 July, and to be printed (Bill 197).

Financial Guidance and Claims Bill [Lords]


Consideration of Bill, as amended in the Public Bill Committee

New Clause 4

Unsolicited direct marketing: other consumer financial products etc

“(1) The Secretary of State must keep under review whether a prohibition on unsolicited direct marketing in relation to consumer financial products and services other than pensions would be appropriate.

(2) If the Secretary of State considers that such a prohibition would be appropriate, the Secretary of State may make regulations applying regulations made under section (Unsolicited direct marketing: pensions) to other consumer financial products and services (with or without modifications).

(3) In considering whether to make such regulations, the Secretary of State must take into account any advice received from the single financial guidance body under section 3(7)(b)(ii) (consumer protection function: advice on effect on consumers of unsolicited direct marketing).

(4) The regulations may—

(a) make different provision for different purposes;
(b) make different provision for different areas;
(c) make incidental, supplementary, consequential, transitional or saving provision.

(5) Regulations under this section are to be made by statutory instrument.

(6) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.”—(John Glen.)

This new clause would give the Secretary of State the power to make regulations (subject to the affirmative procedure) banning unsolicited direct marketing in relation to consumer financial products and services other than pensions. It would come immediately after NC3

Brought up, and read the First time.

3.3 pm

The Economic Secretary to the Treasury (John Glen):

I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Dame Rosie Winterton):

With this it will be convenient to discuss the following:

Government new clause 9—Unsolicited direct marketing: pensions (No. 2)—

‘(1) The Secretary of State may make regulations prohibiting unsolicited direct marketing relating to pensions.

(2) The regulations may—

(a) make provision about when a communication is to be, or is not to be, treated as unsolicited;
(b) make provision for exceptions to the prohibition;
(c) confer functions on the Information Commissioner and on OFCOM (including conferring a discretion);
(d) apply (with or without modifications) provisions of the data protection legislation or the Privacy and Electronic Communications (EC Directive) Regulations 2003 (S.I. 2003/2426) (including, in particular, provisions relating to enforcement).

(3) The regulations may—

(a) make different provision for different purposes;
(b) make different provision for different areas;
(c) make incidental, supplementary, consequential, transitional or saving provision.

(4) Regulations under this section are to be made by statutory instrument.

(5) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.

(6) If before the end of June in any year the Secretary of State has not made regulations under this section (whether or not in that year), the Secretary of State must—

(a) publish a statement, by the end of July in that year, explaining why regulations have not been made and setting a timetable for making the regulations, and

(b) lay the statement before each House of Parliament.

(7) In this section, “OFCOM” means the Office of Communications established by section 1 of the Office of Communications Act 2002.”

This new clause inserts a new power for the Secretary of State to make regulations (subject to the affirmative procedure) banning unsolicited direct marketing relating to pensions. If the power is not exercised by June, the Secretary of State must explain to Parliament why not. This new clause would be inserted after Clause 24.

Amendment (a) to new clause 9, in subsection (1), leave out “may” and insert “must”.

Amendment (b) to new clause 9, in subsection (1), after “pensions” insert “and prohibiting the use for commercial purposes of information obtained by means of such direct marketing”.

Amendment (c) to new clause 9, in subsection (2)(c), leave out “and on OFCOM” and insert “, on Ofcom and on the Financial Conduct Authority”.

Amendment (d) to new clause 9, in subsection (2)(d), after “(S.I. 2003/2426)” insert “or the Financial Services and Markets Act 2000”.

New clause 1—High-cost credit: advice to the Financial Conduct Authority—

“(1) In exercising its functions the single financial guidance body must have regard to the effect of high-cost credit card lending on consumer protection and must produce and publish an annual assessment of any consumer detriment.

(2) The assessment under subsection (1) shall in particular consider—

(a) what level of interest and fees constitute a high-cost credit card;

(b) information provided by high-cost credit card providers to customers, and whether such information allows customers to make informed financial decisions;

(c) the impact of high-cost credit lending on levels of personal debt,

as well as any other factors that the single financial guidance body considers relevant.

(3) If the single financial guidance body considers it to be necessary for consumer protection it must advise the Financial Conduct Authority to impose a limit on the cost of specified types of credit.”

This new clause would require the single financial guidance body to consider the effect of high-cost lending using credit cards on consumer protection and produce an annual assessment of any consumer detriment from such high-cost lending.

New clause 2—Specific requirements as to the pensions guidance function: mid life reviews—

“(1) As part of its pensions guidance and money guidance functions, the single financial guidance body must provide targeted information and guidance for members of the public from the age of 50 to help them make decisions on their financial affairs.

(2) In particular, the information and guidance in subsection (1) shall include information and guidance on—

(a) increasing pension contributions in preparation for retirement,

(b) saving money in preparation for retirement, and

(c) career development and the impact of career development on financial matters including preparation for retirement.”

This new clause provides for the single financial guidance body to provide guidance to members of the public over the age of 50, to prepare them for retirement. These “mid life reviews” would provide guidance on pensions, savings, and career development.

New clause 6—Regulatory principles to be applied in respect of claims management services—

“(1) The FCA may make recommendations to the Secretary of State on regulatory principles to be applied to claims management services.

(2) The matters on which the FCA may make recommendations include, in relation to claims management services—

(a) the duties of authorised persons to act honestly, fairly and professionally in accordance with the best interests of consumers;

(b) the duties of authorised persons to manage conflicts of interest fairly, both between themselves and their clients, and between clients;

(c) other duties of authorised persons related to a duty of care towards their clients.

(3) If the FCA recommends that regulatory principles be applied to claims management services, the Secretary of State may by regulations impose such principles.

(4) The power to make regulations under subsection (3) is exercisable by statutory instrument; and an instrument containing such regulations is subject to annulment in pursuance of a resolution of either House of Parliament.

(5) In this section, ‘authorised person’ has the same meaning as in the Financial Services and Markets Act 2000, and ‘authorised persons’ shall be construed accordingly.”

This new clause would allow the FCA to recommend that the Secretary of State introduces a duty of care which would require claims management services to act with the best interests of the customers in mind.

New clause 7—Assessment of public preparedness for income shocks—

“(1) As part of its strategic function, the single financial guidance body must from time to time publish an assessment of the ability of members of the public to plan for and address sudden reductions in income.

(2) An assessment under this section must consider the impact of the work of the single financial guidance body on the ability of members of the public to plan for and address sudden reductions in income.

(3) The Secretary of State must lay before the House of Commons any assessment conducted under this section as soon as practicable after its completion.”

New clause 8—Ban on unsolicited real-time direct approaches by, on behalf of, or for the benefit of companies carrying out claims management services and a ban on the use by claims management companies of data obtained by such methods—

“(1) The FCA must, as soon as they take responsibility for claim management companies, introduce bans on—

(a) unsolicited real-time direct approaches to members of the public carried out by whatever means, digital or otherwise, by, on behalf of, or for the benefit of companies carrying out claims management services and a ban on the use by claims management companies of data obtained by such methods—

“(1) The FCA must, as soon as they take responsibility for claim management companies, introduce bans on—

(a) unsolicited real-time direct approaches to members of the public carried out by whatever means, digital or otherwise, by, on behalf of, or for the benefit of companies carrying out claims management services, their agents or representatives where they cannot demonstrate to the satisfaction of the FCA that this data does not
arise from any unsolicited real-time direct approach to members of the public carried out by whatever means, digital or otherwise.

(2) The FCA must fix the appropriate penalties for breaches of subsection (1)(a) and (b) above.”

Amendment 31, in clause 2, page 2, line 17, at end insert—
“including information about the services offered by credit unions.”

This amendment adds to the objectives of the single financial guidance body the requirement to provide information about credit unions.

Amendment 39, page 2, line 23, leave out from “accordingly” to the end of line 24 and insert—
“(da) to ensure the needs of people in vulnerable circumstances, including but not exclusively—
(i) those who suffer long-term sickness or disability,
(ii) carers,
(iii) those on low incomes, and
(iv) recipients of benefits, are met and that resources are allocated in such a way as to allow specially trained advisers and guidance to be made available to them,”

This amendment would require that specially trained advisers and guidance are made available to people in vulnerable circumstances and would provide an indicative list of what vulnerable circumstances should include.

Amendment 40, page 2, line 36, at end insert—
“(4) The single financial guidance body must ensure it communicates to consumers using its services the difference between—
(a) provision of information,
(b) provision of guidance,
(c) provision of advice.”

This amendment would require the new body to ensure that consumers are made aware of the differences between ‘information’, ‘guidance’ and ‘advice’ so that they can specify what type of services they require from the new body.

Amendment 4, page 3, line 5, in clause 3, at end insert—
“(c) advice to the Financial Conduct Authority on matters relating to high-cost credit”.

Amendment 41, page 3, line 16, at end insert—
“(6A) As part of its money guidance function, the single financial guidance body must make available financial guidance on the use of alternative sources of retirement income, including housing wealth, to enable members of the public to make fully informed decisions about pensions and retirement income.”

This amendment would place a duty on the single financial guidance body to make available guidance on alternative sources of retirement income, such as equity release. This will provide a pathway for members of the public to consider their wider assets, particularly their housing wealth, to make effective decisions about their retirement income.

Government amendment 10, page 3, line 17, leave out subsection (7) and insert—
“(7) The consumer protection function is—
(a) to notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and
(b) to consider the effect of unsolicited direct marketing on consumers of financial products and services, and, in particular—
(i) from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and
(ii) advise the Secretary of State whether to make regulations under section (Unsolicited direct marketing: other consumer financial products etc) (unsolicited direct marketing: other consumer financial products etc).”

This amendment makes changes to the consumer protection function to make it clearer exactly what it entails.

Amendment (a) to amendment 10, in paragraph (b)(i), leave out “from time to time” and insert “at least once every two years”.

Amendment 34, page 3, line 34, at end insert—
“(aa) the capability of members of the public to plan for and address sudden reductions in income,”.

Amendment 1, page 3, line 39, at end insert—
“(11) In carrying out its strategic and other functions the single financial guidance body must make and publish an annual assessment of the level of different types of lending across the United Kingdom by district.

(12) The types of lending covered by the assessment in subsection (11) should include—
(a) high cost short term credit,
(b) hire purchase agreements,
(c) conditional sale agreements,
(d) open ended credit,
(e) other secured lending, and
(f) other unsecured lending.”

This amendment requires the single financial guidance body to carry out an annual assessment of the level of different types of lending in different geographical areas across the United Kingdom.

Government amendment 11.

Amendment 8, in clause 4, page 4, line 2, at end insert—
“(2A) The single financial guidance body must, within 12 months of the passing of this Act, advise the Secretary of State on how to most effectively implement bans on—
(a) cold-calling on behalf of, or for the benefit of companies carrying out claims management services or their agents or representatives, and
(b) the commercial use of any data by companies carrying out claims management services, their agents or representatives where they cannot demonstrate to the satisfaction of the Secretary of State that this data was not obtained by cold-calling.

(2B) In this section ‘claims management services’ has the same meaning as in section 419A of the Financial Services and Markets Act 2000.”

This amendment will require the Secretary of State to specifically ban cold-calling and the commercial use of data from cold-calling by claims management companies, in addition to any bans recommended by the single financial guidance body.

Amendment 9, page 4, line 4, leave out “may” and insert “must”.

This amendment will place a statutory duty on the Secretary of State to institute bans on cold-calling on receipt of advice to do so from the single financial guidance body.

Amendment 42, in clause 10, page 7, line 22, at end insert—
“and to whether the standards are proportionate”.

Probing amendment. The SFGB’s standards setting powers also need to be matched with principles of good regulation, ensuring that conditions are proportionate to the benefits they are expected to bring. This would bring the Bill (impacting charities) into line standards setting and enforcement powers granted to other bodies (impacting firms) such as those granted to the FCA.
Government amendments 12, 43, 25, 44, 26 45 and 46.

Amendment 2, in schedule 3, page 45, line 8, at end insert—

17A (1) Section 165 (regulators' power to require information: authorised persons etc) is amended as follows.

(2) In subsection (4) after paragraph (b) insert—

(c) in relation to the exercise by the FCA of the powers conferred by subsections (1) and (3), information and documents reasonably required by the single financial guidance body in connection with the exercise by the body of its functions as set out in section 3 of the Financial Guidance and Claims Act 2018.”

This amendment extends the FCA’s power to require information from authorised persons to include information required by the single financial guidance body for carrying out its functions.

Government amendments 47, 48, 28 and 29.

John Glen: It is a great pleasure finally—for the third time of asking, I believe—to have the opportunity to the start the Bill’s Report stage. I want to make a positive start to proceedings by covering new clauses 4 and 9, which will allow us to protect consumers from harmful cold calls by enabling us to lay before the House regulations to ban pensions cold calling and introduce bans for other forms of cold calling, if we consider it appropriate to do so.

As I have said previously, I want to ban pensions cold calling as soon as possible, given the profoundly damaging impact that pension scams can have on people’s lives. I have listened to the recommendations of the Work and Pensions Committee, which published a report before the turn of the year on preventing pension scams, as well as to the passionate calls that have been made across the House and in the other place to ban pensions cold calling. I am pleased to present new clause 9, which builds on and improves the clause proposed by the Committee. The Government’s new clause has a wide scope, which means that we can ban all pensions-related calls. Crucially, we do not need to wait for advice from the guidance body before we implement a ban, so we can make good on our commitment to ban pensions cold calling quickly. I hope that the fact that I will have to lay a statement before both Houses if we have not laid regulations before Parliament by June will reassure hon. Members on that point.

I turn to new clause 4. It is clear to me that, too often, significant consumer detriment arises because of cold calling. If we find evidence that people are experiencing detriment as a result of cold calling regarding consumer financial products, we will not hesitate to use this power to protect consumers.

I am pleased to be able to confirm the final part of our approach to protect consumers from cold calling by means of amendment 10. The amendment expands and improves on the consumer protection function. It gives the body powers to publish regular assessments of consumer detriment resulting from cold calling, and to advise the Secretary of State on where further bans should be implemented. The change clarifies the consumer protection function and gives the body the mandate to support the Government in preventing harm that results from cold calling. In fact, the Bill has been agenda-setting in relation to cold calling. The amendments that we are discussing will give the Government new powers to ban cold calling in some the areas that are the most pressing when it comes to protecting consumers.

Neil Gray (Airdrie and Shotts) (SNP): I thank the Minister for giving way and commend him for the action that he has taken—I am very supportive of it. He has made a good case for banning cold calling in the pensions industry and some other financial industries. The clear case for doing so has been well made, but why will the Government not go further and ban cold calling outright?

John Glen: I have tried to make clear that when we are setting up a new body, it is important that we take time to reflect on the evidence and that we take action in consultation with and alongside that body. I acknowledge the widespread concern that exists in other areas, and I think that the action we are taking gets the balance right when it comes to getting the evidence together and moving as quickly as possible when the case has been made.

The amendments that I have outlined are additional to the amendment that was made in Committee to introduce a ban on claims management cold calling, which will cover calls about claims on matters ranging from mis-sold payment protection insurance to holiday sickness and car accidents. That means that calls about PPI, whether we have been in a car accident or whether we were sick on holiday—we are all familiar with such calls—will be banned unless prior consent has been given to receiving them.

Having ensured that we can tackle cold calling effectively, we plan to remove the existing clause 4 by means of amendment 11. Amendments 12, 25, 26, 28, 29, 45 and 46 are minor and consequential to these changes. In particular, amendment 45 commences new clause 9 on Royal Assent to ensure that there is no unnecessary delay in making regulations, and amendments 44, 47 and 48 prepare the Bill for the new data protection legislation.

Jack Dromey (Birmingham, Erdington) (Lab): I wish to address the issues of pensions cold calling in new clause 9, wider cold calling in amendments 8 and 9, and the duty of care in new clause 6.

Let me start by saying what this Bill is about. In Committee, we heard the story of the Port Talbot shift supervisor who broke down and wept uncontrollably when he met the Pensions Advisory Service. He described how he had been conned into going down the wrong path on his pension, losing tens of thousands of pounds as a consequence. The reason why he wept, he said, was that all 20 on his shift followed his lead, and therefore they, like him, now faced a much bleaker future than would otherwise have been the case.

Pension cold calling is a blight on people up and down the UK. As the Minister has said, we all know the feeling of answering the phone to a number that we do not recognise and hearing that familiar phrase, “We believe that you have been in a car accident.” Indeed, I was heading over to one of the Bill Committee sittings when I received such a call, not having had one for some years. Someone said that they understood that I had been in a car accident. I said that, yes, I had been in an accident 38 years ago, and it was because somebody had
run into the back of me. Since then, I have had two subsequent annoying cold calls, yet mine is but a minor problem. The more significant one is the 11 million pensioners who are targeted annually by cold callers. Fraudsters are making 250 million calls a year, which is equivalent to eight every second.

As the Minister knows, we have approached the cold-calling element of this Bill on a four-pronged basis: first, banning pensions cold calling; secondly, pushing for a total ban now on cold calling for claims management companies, thereby tackling the scourge of unsolicited claims head on; thirdly, banning the use of information obtained through cold calling; and, fourthly, ensuring that the strongest possible sanctions are put on those who break the ban, which means that they are struck off.

The Government’s commitment to ban pensions cold calling from June is a necessary and wholly welcome step. May I make the point—such points are not often made in the House—that the Under-Secretary of State for Work and Pensions, the hon. Member for Hexham (Guy Opperman), and the Economic Secretary to the Treasury have engaged with us, the wider community and the pensions industry? Their approach has been constructive. Together, we have come a very long way, but I hope that they will go just that little bit further. Our amendments would tighten the provisions around the ban and ensure that it is fit for purpose. The dual additions of making it an offence to use the information obtained through cold calling and conferring functions on to the Financial Conduct Authority would mean that the ban could be much tighter and more effective.

Although the original clause means that the “introducers” who tend to commit a lot of cold calling in cases such as the British Steel scandal would not be restricted, as they are not covered by the FCA, our amendment would restrict them. The move to ban the use of the information means that those firms which provide financial services and are covered by the FCA will be banned from using the information that the “introducers” gather. This slight shifting of the ban is designed to strengthen it further, as the FCA has much stronger powers than the Information Commissioner’s Office and can strike off members who contravene the rules. We therefore hope that Ministers will reflect further on this.

I now move on to cold calling more widely. A crucial issue on which the Minister has touched is the speed with which we now act. Cold calling has a negative impact for not only pensions, as many other industries with which we now act. Cold calling has a negative issue on which the Minister has touched is the speed that Ministers will reflect further on this.

A total ban on cold calling would be likely to lead to a fall in the harvesting of false holiday sickness claims. Two recent cases that were taken to court show that the practice is not only improper and immoral, but unlawful, with one particular couple from Merseyside receiving a prison sentence. Deborah Briton was sentenced to nine months and her partner Paul Roberts for 15 months, not least because they had advertised what a good holiday they were having only then to be encouraged by a claims management company to submit a false claim when they got back home.

Alex Sobel (Leeds North West) (Lab/Co-op): My hon. Friend referred to Jet2, which is headquartered in my constituency and has raised this issue with me on many occasions. It says that these vexatious claims are increasing the cost of flights and holidays for the rest of us. Is it not true that closing this loophole will effectively mean that we can all enjoy a holiday at a much more reasonable price?

Jack Dromey: My hon. Friend is absolutely right. When a reputable company such as Jet2 makes the point that the consequence of this practice might be price increases and a reluctance among some hoteliers to enter into agreements, it is clear that innocent holidaymakers will pay the price.

It is not just travel companies that are suffering due to the large number of cold calls. Around 51 million personal injury-related calls and texts are sent by regulated claims management companies each year. The Association of Personal Injury Lawyers has long called for a ban on personal injury cold calls from CMCs, especially as solicitors themselves are already banned from cold calling. Ironically, only recently, the Justice Secretary said that there would be a “forthcoming ban on cold calling” when discussing personal injury claims. If the Justice Secretary believes that there is a forthcoming ban, why do we not act now and include it in this Bill? As Lord Sharkey said in the other place, the ban is necessary to deal with the “omnipresent” menace of cold calls. Baroness Altmann has said:

“People need protection from this nuisance now. They shouldn’t have to wait still more years for a ban....Direct approaches to people on their mobiles or home phones should have no place in the modern world of business.”

The Government, in the public interest, must accept the amendment to ban cold calls when this Bill passes.

Ruth George (High Peak) (Lab): My hon. Friend makes an excellent argument for banning such cold calls. Does he agree that the banning of cold calling by claims management companies for personal injury claims would be a far more effective method of reducing costs for insurance and personal injury than the Government’s proposals, which are currently being considered in the other place, to limit the injury compensation due to innocent victims, as well as to those who are not innocent?
Jack Dromey: My hon. Friend is absolutely right. There are legal consequences for those who make unlawful claims, but there are also business consequences, which in this case knock on to the legal profession and its work. Looking at it from every angle, this is a menace that we need to bring to an end; the question is how soon we can do so.

We hope that the Government will accept our proposals, not least because the Conservative party said at the 2017 general election that it would “consider a ban on companies cold calling people”.

This is the Government’s chance to keep at least that manifesto promise while protecting the public at the same time.

It is deeply welcome that the Government have taken the powers to ban cold calling for pensions. They have also indicated their support—indeed, the Minister did so earlier—for a wider ban, which our amendment calls for. We are not calling for a blanket ban, which the Minister believes could impinge on non-contentious issues such as doctor-patient calls. The situation is different when such an established relationship exists. We are talking about commercial companies that are pursuing a commercial advantage. All claims management companies should be banned from cold calling, so we urge the Government to set out in the Bill that they will stop the scourge of cold calls by claims management companies.

New clause 6—this is the only other provision to which I will speak—would introduce a duty of care by requiring claims management services to act in the best interests of customers, not least those who find themselves in a vulnerable situation. Due to the scope of the Bill, the new clause relates only to claims management services. However, although this change would be important, we believe that a duty of care is required across all financial service providers. Many consumers are forced to deal with financial providers when they are at their most vulnerable. Such people can include those who have been diagnosed with serious illnesses, including cancer. At present, the Financial Services and Markets Act 2000 requires that the FCA must have regard to “the general principle that consumers should take responsibility for their decisions”.

Frankly, that is not good enough.

The Financial Services Consumer Panel told the Lords Financial Exclusion Committee that consumers could reasonably be expected to take responsibility for their decisions only if firms had exercised a duty of care towards them. It suggested that such a duty would oblige financial services providers to avoid conflicts of interest and act in the best interests of their customers. The panel proposed amending the law to require the FCA to make rules on a duty of care, arguing that the introduction of such a duty would lead to a much-needed cultural change in the banking sector and the financial sector more generally.

Let us look at just one example. The charity Macmillan Cancer Support has said that people affected by cancer tell it that they experience barriers to getting the support that they need from the banking sector. By 2020, one in two people will have cancer at some point in their lives. Four in five people with cancer are £570 a month worse off on average as a result of their diagnosis. For example, Christine was first diagnosed with cancer in 2009, but is still feeling the financial effects today. She said:

“The financial fall-out of cancer was huge—I went into my overdraft and had to take out a loan to pay it off. When I found out that my credit rating had suffered, it seemed unfair because I was trying my best to get back into work and to have money coming in...For people like me who want to go on living and working, it's about having that short-term support and understanding. What would have been great was if I'd been able to have an honest conversation with my bank.”

A specific requirement therefore needs to be explicitly stated to ensure that all financial institutions do their best by the most vulnerable people in society. The strong evidence that has been presented by Macmillan clearly shows that a universal duty of care is required across financial service providers.

In the light of examples in which the principle of treating customers fairly is clearly failing customers, how has the FCA reassured Ministers that the current regulatory provisions are sufficient? Can the Minister provide further details on when the discussion paper to which he referred will be brought forward? I know that he is seized of the problem and wants progress to be made at the next stages. That is crucial and, once again, we want to get on with it, because we need to tackle the real problem that has been identified. What assurances can the Minister give that action will be taken to ensure the timely introduction of the duty of care following the outcome of the FCA’s consultation paper?

We strongly support amendments tabled by a number of hon. Members, led by my hon. Friend the Member for Harrow West (Gareth Thomas), that would ensure that banks and financial institutions take proper account of local and regional need, and do not let down local people, as is all too often the case now.

Crispin Blunt (Reigate) (Con): I will speak to amendment 41, which is in my name. My amendment is intended to make a point to the Minister, and I am utterly certain that I will get the assurance that I need in order to do nothing more than discuss it now.

I welcome the introduction of a single financial guidance body, as it should result in a simpler, smarter and smoother experience for the user, helping them to make informed financial decisions. However, we ought to use the opportunity of this Bill not only to ensure that we get the guidance bodies all in one place; we also need to recognise the different types of finance or retirement income that need to be signposted. Financial decision making can be complex, often requiring advice and support, particularly during events such as buying a first home, on retirement or following a bereavement.

I tabled this amendment because people ought to consider their finances in the round. In other words, all liquid and illiquid assets—cash and property—should be considered together. My amendment follows the lead of the noble Lady Greengross in the other place, asking the Government to ensure that this new guidance body highlights the full range of options available, so that users get the best possible advice to help them to make informed choices about their finances and their futures.

The report published last month by the Housing, Communities and Local Government Committee describes equity release as one of the key tools available to those who increasingly face the prospect of running out of savings that they are able to pay for care costs or home improvements to give them the option to stay in the homes in which they have built lives and brought up their families. Equity release...
means that our constituents aged 55 and over who might be asset rich but cash poor can have the option of staying in their own homes by accessing the wealth that they have accrued in that home.

The Equity Release Council published a research paper last April called “Equity Release Rebooted”, in which it estimated that the average value of a defined contribution pension in 2012 to 2014 was £30,200, while over-55s in England possess approximately £1.8 trillion in housing wealth and more than 80% of over-65s own a home. For many, if not most people coming towards the position of making a decision about their retirement, their property is much their greatest asset. It must therefore be sensible for equity release to be signposted and to form at least part of any discussion about funding retirement and later life.

Alex Cunningham (Stockton North) (Lab): I agree with what the hon. Gentleman is saying. Does he not think, therefore, that there is considerable merit in new clause 2, which promotes the idea of specific guidance for people in mid-life so that they get proper and clear advice on some of the decisions that they may have to make?

Crispin Blunt: I am sure that there is enormous merit in new clause 2, and I hope that the hon. Gentleman has the opportunity to make the case further. There is obviously a common theme of making sure that people have the information about all their assets to enable them to make the best possible decision. We must make sure, in setting up the body in this Bill, that we do not have to come back to this later on because, in practice, we are not delivering the best advice to people about all the assets with which they have to plan.

The pensions advice allowance allows people to withdraw £500, tax-free, from their pension pots to pay for financial advice on their retirement, including on housing wealth, but some people will be unwilling or unable to use this facility. It is incumbent on the single financial guidance body to provide free, impartial guidance and to ensure that this encompasses housing wealth. It is likely that any signposting requirement would push consumers towards the Equity Release Council, the industry body for the equity release sector. Members of the Equity Release Council are committed to product standards and consumer safeguards.

3.30 pm

Stephen Lloyd (Eastbourne) (LD): The hon. Gentleman is making a salient point. Given that the range of interest rates for a number of companies that offer equity release is really quite considerable, does he agree that one of the advantages of the advice going through an independent body is that those who are offering better and lower interest rates for consumers are more likely to receive custom?

Crispin Blunt: I am grateful to the hon. Gentleman, and I agree. He will note the very distinguished role that his predecessor played in the whole business of promoting equity release. It ought to be a really major option given the construction of people’s resources and where they sit on the scale of property ownership in the UK. We need to be clear about how important an asset it is and how important it is to make sure that this industry has the opportunity to give the best possible service to people in their life plans.

Consumers must obtain qualified financial and independent legal advice before they confirm their decision to go ahead and purchase any equity release product. Guarantees include the right to remain in the property for life or until moving into long-term care. Another key safeguard provided by members of the Equity Release Council is the “no negative equity” guarantee, whereby the repayment of the loan is never greater than the value of the home.

A major reason why the single financial guidance body signpost should include housing wealth is the growth in the equity release sector. Homeowners released £3 billion worth of equity in 2017, with 37,000 new customers signing up for equity release products for the first time.

Mark Tami (Alyn and Deeside) (Lab): The hon. Gentleman keeps saying that this is about releasing equity. What people are actually doing is borrowing against the perceived wealth of the property.

Crispin Blunt: They are not borrowing against the perceived wealth of the property—it is the actual wealth of the property. If someone is in a position of planning for their retirement and they do not have an adequate pension pot, and given the scale of the imbalance between people’s assets in property as opposed to the pension provision they have made, it is obvious that, in making the assessments for their retirement, they should consider accessing the wealth they have accrued that is in their home.

With 37,000 customers signing up for equity release products for the first time in 2017, the number of these products has also risen enormously over the last decade—by 225%—and 78 product options with the necessary range of flexibilities are now available. This can only improve and grow as the industry develops. Consumers utilise equity release for various reasons, such as paying off a mortgage, making adaptations to the home, boosting retirement income, or as a means of providing deposits to children and grandchildren to enable them to take their first step on the housing ladder. Equity release can help in meeting some of the challenges in social care and in housing.

We should be more ambitious, ensuring that the new body signposts solutions such as equity release to all those we represent who might really benefit from unlocking the main source of their wealth overall, which will be the equity in their home. I look forward to hearing from the Minister how we are going to make a reality of that in practice through the guidance.

Neil Gray: I rise to speak to amendments 39 and 40, which are in my name. I want to say at the outset that while Scottish National party Members have felt the need to bring back some elements from Committee, we do on the whole welcome and support the Bill. We just want to see some improvements, which we hope will help to protect consumers and those accessing financial products. It is a shame that on the third attempt to consider the Bill we may still not get time to consider the second group of amendments, and in particular those tabled by the right hon. Member for Birkenhead (Frank Field), which we are keen to consider. However, I will proceed as quickly as possible so that we might get to the second group in good time.
First, amendment 39 would require that specially trained advisers and guidance are made available to people in vulnerable circumstances and would provide an indicative list of what “vulnerable circumstances” should include. It is positive that the Government decided to amend the Bill in the House of Lords to include a reference to the needs of vulnerable people within the functions of the new single financial guidance body. However, we feel that the Government should go further.

The amended version of the clause remains a little weak with regard to the inclusion of vulnerable people. Our amendment would make things more explicit and strengthen that objective by providing more detail as to who may fall into this remit, using the term “people in vulnerable circumstances”, which we think is more appropriate. The circumstances illustrated in our amendment can have a significant impact on people’s finances and long-term savings plans.

People in difficult financial circumstances may be more likely to use new pension freedoms, at a cost to their long-term pensions saving. Attractive as the pension freedoms may sound, it is clear that the Government have not put in place adequate safeguards for older people who are opting to free up funds, to ensure they will not end up in a desperate financial situation later. Those with less money are more vulnerable to economic shocks in their personal circumstances, as well as being potentially more vulnerable to scammers who give misleading or false advice for a fee, as we heard from the shadow Minister, the hon. Member for Birmingham, Erdington (Jack Dromey).

Being a carer or disabled can incur extra lifestyle costs. We want to ensure that the new body is as accessible as possible for all people, regardless of their circumstances. Specially trained advisers and resources must make up part of the new body, so that people can have confidence in its ability to support people in vulnerable circumstances.

The Minister said in Committee that our amendment was too prescriptive, but that does not really stand up. There is plenty in the Bill that is prescriptive and detailed. The new financial guidance body will be looking to the content of the Bill to understand what it objective and remit are. We are simply ensuring that the new body is absolutely clear that catering for those who find themselves in vulnerable circumstances should be a significant part of its remit. The wording of clause 2 makes that sound like an afterthought. That is an important discussion to be had alongside the duty of care, which I will come to later.

Amendment 40 would require the new body to ensure that consumers are made aware of the differences between information, guidance and advice, so that they can specify what type of services they require from it. In Committee, my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black) tabled an amendment that would require the new financial guidance body to define the meaning of those services. The Minister said that that would potentially duplicate available definitions set out in regulations, but he also seemed to think that we asked for a definition because it would be useful for the body itself. That was not our purpose.

Our purpose was to ensure that consumers themselves understand what services they have access to. We are tabling this amendment with tweaked wording to make it clear that we are asking that the new financial guidance body communicates clearly what services it provides people with and what they can access.

Guidance, information and advice are very different things. People expecting advice on what route to take may be disappointed to receive various information only. Likewise, there may be issues around exactly what the body is allowed to advise and to what extent it is able to advise on options available. Through this amendment, we are simply highlighting how important it is to ensure that users understand what they are getting.

Government new clauses 4 and 9 give the Secretary of State power to ban cold calling related to pensions and other consumer financial products. The Government have also tabled amendments to bring forward commencement of those clauses. The SNP and the Scottish Government have campaigned hard on cold calling, so we are pleased to see those provisions in the Bill. It is a positive step that the Government have tabled amendments 45 and 46, which will speed up the process for putting in place the necessary regulations for banning cold calling. It is clear that consumers want action now.

On the Government’s amendments, there is a concern that the Government are treating claims management companies’ cold calling and pensions or financial products cold calling differently. In Committee, the Government introduced clause 34, banning cold calling for CMCs unless the consumer has given their consent. With the two amendments on pensions and financial advice cold calling, the Secretary of State is giving herself a get-out clause, to shirk responsibility for taking action. Cold calling is cold calling. Consumers simply do not want to be bothered by nuisance calls, as we have already heard from the hon. Member for Stirling (Stephen Kerr) and my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson). Creating a complex framework around which providers are allowed to make these calls, on what types of product, under what circumstances, is over-complicating a very simple issue. People just want it to stop.

Will the Secretary of State, or the Minister who responds to the debate, explain why they think the need to ban CMCs’ cold calling is greater than the need to ban pensions or financial products cold calling? Tough action needs to be taken on this; otherwise, we risk creating loopholes that will allow cold callers to continue to operate.

I want to mention the duty of care amendment: new clause 6, tabled by Members on the Labour Front Bench. My colleagues spoke about it in detail on Second Reading, particularly my hon. Friend the Member for Inverclyde (Ronnie Cowan), who sadly cannot be here today to speak on it again. Applying a duty of care to CMCs would be a positive step in ensuring that such companies remain accountable for their actions if they cause harm to consumers.

Ideally, all financial institutions should have the best interests of vulnerable consumers at the heart of their conduct, but we all know that that is not always the case, and the fact that the Financial Conduct Authority has agreed to bring forward a discussion paper on duty of care is really positive. Macmillan has campaigned tirelessly on this issue, and I thank its staff for the briefings that we received ahead of these debates. We hope that the Secretary of State and Ministers will give serious thought to this idea, as well as to our amendment.
on vulnerable persons, which ensures that the single financial guidance body expressly allocates resources for specialist support for people in vulnerable circumstances. The SNP has long called for and campaigned for action on cold calling. Indeed, it was the subject of a ten-minute rule Bill proposed by my hon. Friend the Member for North Ayrshire and Arran. We welcome the fact that there is to be progress in this regard, but this area of the Bill is becoming a bit of a guddle. That is why we would obviously prefer to see powers over this area devolved to the Scottish Parliament, so that we could take more robust action, such as was suggested by the Scottish Government’s action plan on nuisance calls. Indeed, the Scottish Government Cabinet Secretary for the Economy, Jobs and Fair Work, Keith Brown, has written to the UK Government many times, asking for the Economy, Jobs and Fair Work, Keith Brown, the Scottish Government’s action plan on nuisance calling. Could take more robust action, such as was suggested by the Scottish Government’s action plan on nuisance calls. Indeed, the Scottish Government Cabinet Secretary for the Economy, Jobs and Fair Work, Keith Brown, has written to the UK Government many times, asking for them to take a tougher line on nuisance calls.

Nuisance callers blight our society and cause significant distress, particularly to the elderly and vulnerable people. Such harassment is unacceptable and must be stopped. Hopefully, in the time we have available, we will take the opportunity to make some necessary improvements to the Bill.

Craig Mackinlay (South Thanet) (Con): I shall restrict my observations to pensions cold calling and unsolicited marketing thereon.

Last year, I was pleased to play a part in the scrutiny of the Pension Schemes Act 2017. It was timely legislation to ensure that pension savers were adequately protected as they saved, during the working period of their life, by the regulation of master trusts, which had previously been rather worryingly lightly regulated—insufficiently so, when for many, their pension will be their primary asset in life.

I am pleased that this Bill will bring together the Pensions Advisory Service and Pension Wise into a single financial guidance body, under the control of the FCA. I am further pleased to support the Government’s amendments, especially new clauses 4 and 9. It is right that the new clauses in the name of the Government allow the making of regulations to prevent cold-calling and the sending of unsolicited direct marketing materials relating to pension savers. That is further strengthened in Government amendment 10.

At the core of what we shall hear in the House this afternoon is whether “may” should become “must”. That is at the core of an amendment tabled by the hon. Member for Eastbourne (Stephen Lloyd) and Willingdon—amendment (a) to Government new clause 9. There is a case for healthy competition. That usually results in lower charges, and that can be—can be—good for consumers. It would be a draconian measure to ban advertising, to entirely ban direct marketing, because that could be banning choice. It is often good advice for pension savers who have accumulated a pension pot to move to a provider who may provide a better pension, perhaps at a lower cost, with lower charges. That decision now rests with pension providers. If they do not act sensibly, that “may” in Government new clause 9 will, in certain circumstances, become a “will.” That is an important power.

3.45 pm

At the heart of any marketing prohibition lies the well-founded fear of scams. The amount likely to be saved by UK pension savers, each with their own personal defined-contribution pot, massively expanded by the successful roll-out of auto-enrolment, will in time be truly vast. There are currently 9.3 million people enrolled in workplace pensions. Where pension saving was once a rarity, particularly for the low-paid and the under-30s, it is thankfully now becoming the norm. A rough and ready calculation shows that in time the number of people enrolled in workplace pensions could well rise from 9.3 million to 15 million; I am sure that will be the appropriate figure in time. When we consider that from 5 April 2019, the combined employee and employer contributions will be 8%, we see that if that stays steady, using average salaries, and with a working lifetime of, say, 35 years, that will mean a pension pot in this country of over £1 trillion, and that is without investment growth. Of course, investment growth could be dented by the Labour party’s plans for a Robin Hood tax on financial transactions, but that is a debate for another day.

Alex Cunningham: The hon. Gentleman talks about a total pot in the trillions, but for the vast majority of people, particularly part-time workers, their pot, although better than nothing, will be relatively small. Does he agree that several groups are still excluded from auto-enrolment, and that the Government need to do something to bring them in?

Craig Mackinlay: I thank the hon. Gentleman for that contribution. There is a wide debate—I have taken part in it—about whether the self-employed are playing a full role in getting pension provision. I think that there are measures that could be taken, perhaps using the national insurance system, to provide them with greater certainty. The primary purpose of the Bill is to ensure greater financial understanding among the general population. They need to know where to turn at the right time. I have confidence that the single financial guidance body will achieve just that.

I close with a suggestion that is probably best directed to the Financial Secretary to the Treasury. It has some relevance to the honest proposals put forward by the hon. Member for Birmingham, Erdington (Jack Dromey) on mid-life reviews. Employees, as they work through their working lives, obviously have an employer. Employers are very well aware—possibly more than anybody else—of when an employee is approaching retirement. I am sure that most responsible employers will be keen to help. I recommend that the Secretary of State discuss amendments to the Income Tax (Earnings and Pensions) Act 2003 to allow employers to pay for advice, outside of any benefit-in-kind tax charge, so that advice can be provided to employees and paid for tax-free. That would extend a benefit-in-kind exemption similar to what we see when advice relating to settlement agreements, or payment for CV writing and recruitment advice upon redundancy, is duly paid for by an employer tax-free.

In my view, the Bill is fit for purpose and I very much support it.

Frank Field (Birkenhead) (Lab): I wish to speak to amendments (b), (c) and (d) to new clause 9, which stand in my name. As the House might know, they arise from the work that the Work and Pensions Committee did on miners’ pensions. For most people, decisions about moving pension capital are made towards the end of their lives, but miners had to decide where they should safely put their pension savings as a result of the change in the ownership of their industry.
[Frank Field]

Given the warning from the hon. Member for Airdrie and Shotts (Neil Gray) that we may not get on to the second set of amendments, I should mention that I have some amendments in that group to raise with the pensions Minister. Perhaps I may address two points to the Economic Secretary, but first I thank both Ministers for the way they have engaged with the Work and Pensions Committee for our report and in our meetings. We are immensely grateful to them. On some issues, I have joined my Front-Bench spokesmen because we have been pushing the same measures and interests.

I wish to raise two points that I hope the Economic Secretary will say will be added to the Bill. First, not only should cold calling become unlawful, but any information that arises from it should not be used for commercial purposes—that is, in respect of pension savings. Secondly, would it not be sensible to use the policing arm to counter activities that unlawfully undermine people’s pension savings by trying to persuade them to move their assets in one way or another?

In the interests of getting on to the second set of amendments, I conclude my comments.

Jack Brereton (Stoke-on-Trent South) (Con): I am pleased to be called to speak in this debate, Madam Deputy Speaker, because the issues are of particular interest to me as a member of the Work and Pensions Committee. I want to reflect on some of the evidence the Committee has heard in its inquiry into pension freedoms and choice, as it relates to some of the changes proposed in the Bill.

While I am extremely supportive of the work the Government have done to increase the freedom of our constituents in respect of their pension savings, it has undoubtedly created new challenges that must be addressed. I am pleased that the Bill has been brought forward as an opportunity to address them. The first challenge is advice. It was apparent from our sessions on the British Steel pension fund that those who find themselves needing to switch often struggle to get the advice they need. There were mixed experiences, with some people receiving very good local advice and others receiving very bad advice or none at all.

Mark Tami: On the British Steel pension scheme, does the hon. Gentleman agree that the FCA has been very slow to react, when it was clear in certain locations that there were many problems with the way some people were being advised to get out of the scheme?

Jack Brereton: That issue certainly came up in our evidence. Those who saw our evidence sessions will know that there was quite a significant grilling of the FCA.

Those experiences show that some irrational decisions—often described as “emotional” decisions—were made in the moment. Sadly, those short-term decisions were not the best investment decisions for the longer term. Unfortunately, this vulnerability—the vulnerability of immediacy or a form of panic, one might say—allowed predatory vulture companies to take advantage of an emotionally charged situation, with people reinvesting their pension pots without the full, impartial advice that is needed. Those vultures exploited scheme holders, framing what they were doing as giving impartial advice, when it was nothing of the sort. Many people felt that they were not fully informed of the consequences of the complex investment decisions they were having to make.

The accessibility of free independent advice in such situations has, in some cases, been woefully limited. More generally, the often perplexing nature of pensions leaves many people making decisions about their investments that are not necessarily in their best interests. Evidence presented to the Select Committee by the Association of British Insurers from the FCA’s “Financial Advice Market Review: Baseline report” suggests that not even one in 10 UK adults—just 6%—had received regulated financial advice. Worryingly, 25% of people who needed advice about their finances did not access it.

There are a number of reasons why our constituents are not accessing the advice they need, but what has been demonstrated is that not enough people are currently accessing the free independent advice that is available. The Association of British Insurers suggested that although 44% of people who are approaching retirement had access to some sort of advice, only 10% used the Pensions Advisory Service and only 7% used Pension Wise. The lack of clear advice combined with confusion about who to trust for independent advice has made it too challenging for those making investment decisions. Not enough people are getting the advice that they need to make properly informed judgments.

Secondly, we also found that very limited numbers of people are making the active decision to shop around and switch providers. Often, the tendency of those changing schemes is to stick to the same provider, so switching—active consumerism—is another challenge. There are, of course, a number of reasons why people might find it difficult to switch providers, not least the lack of good information and advice about the choices available, as I just related. It is also a major barrier to consumer activity, so I am pleased that part of the Bill proposes to create a single guidance body. That will make it much clearer for our constituents to see where they can turn for the right advice to make informed decisions and manage their finances for the future.

Alex Burghart (Brentwood and Ongar) (Con): My hon. Friend is giving an important speech. Some of the evidence that we received on the Work and Pensions Committee was from Citizens Advice, which suggested that 97% of the pension scams that had taken place in one year originated from unsolicited calls. Does he think that the measures that the Government are bringing forward in the Bill will go some way to combating that?

Jack Brereton: I thank my hon. Friend for that point; I agree that it is critical that we take action to stop cold calls, and I am about to come on to some of those points.

This change will also ensure that the advice that is available is joined-up and better suited to our constituents’ needs, ensuring that decisions are not made in isolation, but with consideration to the wider implications of investment decisions on an individual’s overall finances. Measures in the Bill will also ensure that people receive the appropriate advice as a matter of course and that they should opt out if they do not wish to receive such advice. I also hope that the commitment made by the
Government and the industry to develop a pensions dashboard will be delivered, making it easier for our constituents to have access to the information that they need about their pension savings to make suitable decisions.

Thirdly, the Committee heard about the increasing number of pension scams that are being reported, with more people being actively deceived into making investments that are not in their best interests. It was suggested that many rogue companies are using cold calling to target people and to get them to invest without full thought of whether it is the right and best decision for them. I am sure that many right hon. and hon. Members have, like me, been contacted by constituents who have been continually badgered by cold calling. It is a real issue in Stoke-on-Trent South and I am sure that it is a challenge in other areas, too. Many of the people targeted by cold calling are elderly or vulnerable and are taken advantage of by those seeking to cheat our constituents out of their hard-earned life savings.

Michelle Donelan (Chippingham) (Con): Does my hon. Friend agree that although the pension freedoms that were introduced in 2015 were a fantastic opportunity for our constituents, they have led to an increase in rogue scammers and cold calling? That is why new clauses 9 and 4 are so important for the Bill.

Jack Brereton: I absolutely agree. That is why it is so important that this legislation is passed and that the Government have proposed these amendments. I am pleased that the Government have put measures in the Bill to ban the use of unsolicited marketing on pensions and financial products and services. It is a significant step towards preventing future abuses.

Of course, this legislation can never stop all scams being attempted—we cannot legislate away those who have nothing but contempt for legislation—but it does send a clear message not just to those conducting this behaviour, but to those who are at risk of being conned. By raising awareness of the challenge of scams, the Government can make more people wary of them. This will mean that those who are targeted can have the confidence that whenever they are cold-called by people trying to offer this sort of advice about their pensions or information about their investments, the calls are not legitimate but in fact illegal, and they should put the phone down. The Government are taking a balanced approach, acting if necessary to target where cold calling is most prolific and most damaging, such as in the area of pensions and financial products and services.

4 pm

I support the Government’s efforts to encourage more people to take up advice at critical points in their life and to make the right investment decisions. I believe that the creation of a single body to give this guidance will make it much clearer where people can turn to for this independent financial advice, ensure they can get the more holistic advice they need, increase take-up and reduce the likelihood of people being successfully targeted by rogue companies. I also welcome the Government’s actions in proposing to take on unsolicited marketing and end the opportunities for rogue companies to target often vulnerable people through the use of cold calling. The Bill is in the consumer’s interest, because the Government are on the side of the hard-working saver, and it is for that reason that I am happy to support the Government’s amendments tonight.

Stella Creasy (Walthamstow) (Lab/Co-op): I am delighted that we have finally got our time to debate the Bill; some people in Parliament might not be, but I believe that consumer protection is one of the most important things we can do in this place, because it speaks to the incremental unfairness that people face in life that individuals cannot face on their own but which together as a society we can tackle. In that sense, I rise to support amendments very much in vein, and one of their common themes is that they come from Co-operative as well as Labour MPs. The co-op movement has always been grounded in the values of consumer activism. I want to put on the record my support for amendments 31, 1 and 2, which my hon. Friend the Member for Harrow West (Gareth Thomas) will be speaking to later, and for amendments in the next group, which I want to get to, in the name of my other Co-op colleague, my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger), amendments 5, 6 and 7 on mental health and debt.

In particular, however, in speaking to my new clause 1 and amendment 4, on the FCA’s potential role in tackling the impact of high-cost credit on our society, I want to repeat my Cassandra impression on debt. The Bill is about the fair treatment of consumers. I urge the Minister and the Government, in my Cassandra-like way, to learn the lessons of the payday lending industry. I do not need to tell any Member that the nation is drowning in debt, as we all have seen in our constituency surgeries. We owe more as individuals than do the Government: total household debt in June 2016 was £1.23 trillion, which is more than the Government’s national debt.

Average UK unsecured debt is now £14,000 and will be £19,000 by the end of the Parliament. The number of people who have gone bankrupt in the last year has soared to its highest level since the financial crisis. The reasons are not rocket science: there is simply too much month at the end of their money. Research now shows that economic insecurity has become the new normal for at least 70% of the UK’s working population, who the RSA has described as “chronically broke” and that 32% of the UK’s workers—people who are earning a wage—have less than 500 quid in savings and 41% have less than a grand. It is little wonder that a third are desperately concerned about debt.

Unemployment rates might still be dropping, but we all know that the cost of living has not dropped, and personal debt has filled the vacuum. So, too, has that insecurity, with 1 million on zero-hours contracts and nearly 2 million people in temporary work—and that is even before we get on to those in self-employment. In my constituency, 15% of people are self-employed. These are people who cannot predict their incomes. It is little wonder that the high-cost credit industry has been preying on these people.

One in 10 UK adults say their incomes change significantly from month to month, and almost half say they have experienced at least one monthly drop in income, with the average monthly drop being £385. Who of us could afford to lose that much from our monthly budget without there being consequences? Nearly half those people were self-employed or in that insecure work, which makes budgeting, on which much of the Bill depends, so difficult, and more than half said that one reason they experienced problems was an unexpected expense—a quarter had had two unexpected expenses.

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The costs that people face when the washing machine breaks down or the landlord puts the rent up cannot be planned for, but they are all too frequently an everyday part of life. It is little wonder that nearly 6 million households now spend more than 60% of their income on essential outgoings. They have little flexibility in their budgets to begin with, so when those unexpected costs come, of course they turn to borrowing.

We know that that is not the case for everyone. We know that there are very wealthy people whose incomes are about five times as much as those of the people in the bottom half of our income stratosphere. That is what the new clause and the amendment are about. There are people who can manage borrowing well within their budgets, but the reality of modern-day Britain is that there are many more people for whom borrowing in itself becomes the problem. We know that 25% of the UK’s lowest-income households are struggling with debt and experiencing that “chronically broke” feeling. It is little wonder that it causes so many health challenges.

It is not the traditional demons to which people who are struggling are now turning. We did make progress on payday lending—the so-called legal loan sharks—but that industry does not go away; it simply mutates. It simply finds new ways in which to prey on those people. The new clause and the amendment are about credit cards. I would wager that most Members have one credit card, if not two, in their pockets. Many of us may also have had that conversation with constituents who have come to us when they are about to be evicted because they cannot pay their rent and are behind with their costs. When we ask them, “Do you have any debt?” they say, “No.” When we ask, “Have you a credit card?” they say, “Of course.” Because credit cards are so ubiquitous in our society, we do not think of the danger that they can be.

That is why I tabled the new clause and the amendment. As the Minister knows, I am frustrated with the Financial Conduct Authority, which has been looking into credit cards but does not see the risk. This is where I become Cassandra, because the risk is all too obvious. Of course there are people for whom credit cards work well, but we know that a significant chunk of the British population are in persistent debt and that their credit cards are an integral part of that debt. They are paying about £2.50 in interest and charges for each £1 of their borrowing that they repay. That matters, because we stopped it happening in the payday lending industry by introducing a cap.

My simple question to the Minister is this. Why do we want to protect one group of consumers from that kind of persistent debt, but fail to learn the lessons when it comes to other types of product? The issue is not whether the credit involves a payday loan or a credit card; it is the credit itself, and the cost of the credit. I hope to convince the Minister of that.

When we look into consumer debt, we can already see just how damaging credit cards have been. At the end of 2016, consumer credit debt amounted to £236 billion, which is about 15% of total household debt, but it accounts for half the interest payments that are made each year. When the Financial Conduct Authority surveyed credit card debt, it found that 19% of consumers—one in five—paid just the interest rather than the repayment charges. What could be called “zombie debtors” had 5.1 million accounts. On average, it would take them more than 10 years to pay off their debt. They are stuck in debt because of their credit cards. Little wonder that 40% of adults say they sometimes struggle to make it to payday, and a third of them say that it is because they are making credit card repayments. Debt is breeding difficulty, and difficulty is breeding more debt for them and their communities.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I thank my hon. Friend for making such an impassioned speech about such a serious issue. I am sure that there are Members in all parts of the House who meet constituents in their surgeries and hear about their credit card debts, involving not just one card but, in some cases, two, three, four, five, six, seven or eight. It is the people with the most debt who are preyed on by those who give them access to additional cards, which only add to their burden.

Stella Creasy: My hon. Friend is absolutely right. It is no surprise that she has done so much work on the link between debt and mental health issues.

We are already seeing in the credit card industry the same patterns that we saw in the payday lending industry. If we are honest, we must admit that it took us too long, as a House, to act in respect of that industry. So many of us saw people in our constituency surgeries who were losing their homes and people who were massively in debt because they had become stuck in payday loans that they were using to pay for basics such as rent and food. But when we did act, what a difference it made. Bringing in a cap on the cost of credit has led to an 86% reduction in the number of people going to citizens advice bureaux with problems caused by payday lending. So one question for us is what the consequences will be if we do not act on credit card lenders. The Minister may say to me that the credit card industry is completely different from the payday loan industry—that is what he said when we had an Adjournment debate about this—so let me try to convince him that the two are intertwined.

I see in my local community, as other Members may have seen, companies such as Vanquis, Aqua and Capital One—indeed, Vanquis is owned by Provident, which is a doorstep lending company—offering credit to people who have bad credit histories and driving them into the same level of debt as payday loans did. Indeed, the FCA’s data shows exactly that, which is why it is such a mystery to me that it does not choose to learn the lessons from the payday lending industry and act accordingly.

Someone who has an Aqua credit card with a monthly interest rate of 3.992%, has borrowed £1,000 and is only paying the minimum monthly payment will pay £480 in interest by the end of the first year. By the end of the second year, the figure will be nearly £1,000—as much as they borrowed, which is the cap that we have put on payday lending. By the end of the third year, bearing in mind that a big group of consumers get stuck in this way for 10 years, they will have paid back double what they owed. Such companies are targeting our communities in much the same way as the payday lending industry did. They are targeting people with insecure incomes, because they have seen a new market. As I said, this industry does not go away; it just mutates.
Citizens Advice’s recent research about insecure income shows us just how much of a problem there is. People with high levels of income volatility are also five times as likely as others to have accessed this form of high-cost credit to meet the essentials—to put food on their table, to put petrol in their car to get to work and to pay their rent. Those are not costs that they can cut back on but the costs of everyday living. People with volatile incomes are also more likely to be paying fees and charges on cards, as well as overdraft fees.

That is why it is frustrating that, from the get-go, the FCA ruled out capping the cost of credit on credit cards and so learning the lesson from payday lending. It thinks the answer is to ask people to pay back money earlier, as if they have the spare cash to do that. It is not a fair fight for individual consumers against credit card companies, just as it was not a fair fight against payday loan companies. That is why we should intervene to set a fair market and learn the lessons about capping.

My new clause 1 does something simple: it asks the new financial guidance and claims body to step in, because the FCA is not doing its job and looking after the interests of consumers. It is not recognising, as Cassandra does, the risk that is coming and acting to avoid it. It says that persistent debt is when somebody pays 100% in interest and charges on top of the amount to be repaid, but it is not applying its own rule to credit cards even though we have seen how effective it has been in the case of payday lending.

I ask the Economic Secretary to show the leadership that this issue needs and that I believe the House would support. If he says today that he will take a strong hand with the FCA and not let it wait years and years, watching our constituents get into consistent debt with credit cards, logbook loans or any other form of high-cost credit, he will have my backing. I have tabled my amendment and new clause to give him the opportunity to tell us that he gets it. The House does not want to wait five or six years watching our constituents get into debt, as we did with payday lending. I am sure the Government would not want to be forced to cap the cost of credit, as we had to force them in that case, and I am sure that he is proud of the difference that capping the cost of credit for payday lending has made to millions of consumers in this country.

FCA data shows us that millions of credit card owners need our help and protection now, which is why I have tabled the new clause and amendment. I believe that there will be support for them, but I want to give the Economic Secretary the opportunity to do what I know he wants to do, which is to ensure that we do not leave it so long this time. I look forward to hearing what he says, and I hope that other Members will support my call, because frankly, there are too many people in my constituencies who need and deserve nothing less.

4.15 pm

Craig Tracey (North Warwickshire) (Con): First, I should like to declare an interest as the current chair of the all-party parliamentary group on insurance and financial services. I welcome the Bill, because it will tackle some of the important issues that my constituents talk about. It includes a commitment to ban cold calling relating to pensions and to the creation of a single financial guidance body—an SFGB. I know that this approach also has the broad support of the insurance and financial services industry, but it is important that the SFGB should work with all stakeholders to fulfil its objective and of course ensure good consumer outcomes.

With the Bill, we have an excellent opportunity to improve financial resilience by promoting early intervention to help to prepare people for income shocks and life events. These preparations include planning ahead for care and understanding the benefits of protection products such as income protection insurance, critical illness insurance and life insurance.

There is a lot in the Bill that I could talk about, but given the time constraints, I want specifically to speak against new clause 8, which seeks to put a duty on the Financial Conduct Authority to ban unsolicited direct approaches by claims management services. I agree with the Government that the Information Commissioner’s Office is best placed to implement any ban and that existing legislation means that data gained illegally is already restricted. However, I agree that there is an urgent need for reform relating to claims management companies.

Previously, there have been calls for the FCA to assume responsibility for CMCs, so the fact that the Government have taken action on this is to be warmly welcomed. The Association of British Insurers has stated:

“Confirmation of tougher regulation of claims management companies cannot come soon enough for people who are plagued by unsolicited calls and texts. Disreputable firms are fuelling a compensation culture that contributes to higher insurance costs for many.”

Last year alone, there was a total of 752 authorised personal injury CMCs, more than in any other claims sector, including PPI. Measures in the Bill will go some way towards tackling bad practice in the personal injury claims market, which has been costly for insurance companies, put up premiums for consumers and frequently delivered outcomes in which claimants’ interests were not put first.

Added to some of the measures in the forthcoming Civil Liability Bill, such as tackling the high frequency of whiplash claims, this Bill will help to ensure the success of the Government’s wider efforts to tackle these problem areas. It is therefore encouraging that the insurance industry has expressed confidence in the FCA’s more robust regulatory regime and its ability to properly oversee these firms, citing two significant benefits, both of which will play a vital role in addressing the problems associated with this sector.

First, a strong regime based on understanding the business models of individual CMCs will prevent firms that do not offer good value to consumers from operating. Secondly, personal accountability for senior managers of CMCs will ensure that when a firm struck off, its directors cannot simply resurface as a new CMC, as is currently happening. It is anticipated that, as a result of this change, consumers will be given more information about the services that CMCs offer and more transparency about the fee structure. It is therefore important that the improved regulation of CMCs should be implemented alongside the personal injury reform proposed in the Civil Liability Bill. It can only be good news for consumers when their interests are put above all others.

As I have said, this is an excellent Bill, but I would like to propose a couple of areas in which I think it could be strengthened, and I ask the Minister to take them into consideration when summing up. First, it
would be useful if he clarified the exact scope of the services that the SFGB will provide for consumers. There is a great opportunity to look at how the Department for Work and Pensions could work with the financial services industry to make guidance a recognised norm and to look at ways to support interventions that could improve the retirement process, such as the introduction of a mid-life MOT.

Secondly, will the Minister provide a timeline for the introduction of the FSGB and tell us when the FCA will assume responsibility for CMCs? Swift action is necessary, particularly in relation to CMCs, given the drastic spike in claims relating to gastric illnesses by people who have been on holiday. It is no coincidence that this surge has coincided with CMCs preparing for the deadline for bringing PPI claims and the introduction of measures to tackle whiplash claim frequency.

The Opposition amendments to this part of the Bill are unnecessary. The Government are committed to banning cold calling in relation to pensions and by CMCs. Moreover, they and the SFGB will keep cold calling under review.

If the Minister will give consideration to allowing the SFGB and the FSGB to provide guidance on the introduction of the FSGB and tell us when the FCA will assume responsibility for CMCs.

Gareth Thomas (Harrow West) (Lab/Co-op): I rise to speak to the three amendments in my name. According to a recent Bank of England survey, the average level of household debt, excluding mortgages, is £8,000. While everybody should be able to access basic debt advice, people on low incomes with much higher levels of debt, at higher rates of interest, clearly need significant support.

Unlike in the United States, it is difficult to work out with any certainty where such people are living in the UK, beyond relying on an individual to approach their local citizens advice bureau or another advice service.

At present, the new financial guidance body will not have access to data to allow for a detailed mapping of debt at a local level. Indeed, it will not have access to a full picture of the activity of banks and other lenders in our communities. There is no requirement on banks, payday lenders and other financial services providers to be fully transparent about the services in each of our constituencies—specifically where they lend, what rate they lend at, and the types of loan that they offer. Were that data available to public bodies, it would allow for the accurate mapping of who is lending and what is being loaned. Banks and other lenders do hold such data down to postcode level, and such data are released in the United States. Many British lenders that are active in the US are used to releasing that information, but only at UK level—the data is not broken down by constituency or by area. Stepschange, too, publishes such data a source to public bodies, it would allow for the accurate mapping of who is lending and what is being loaned. Banks and other lenders do hold such data down to postcode level, and such data are released in the United States. Many British lenders that are active in the US are used to releasing that information, but only at UK level—the data is not broken down by constituency or by area. Stepschange, too, publishes such data and to mainstream bank branches could create the space for a much bigger increase in the activities of high-cost credit companies, doorstep or payday lenders or, worst of all, illegal loan sharks, as a response to the needs of people in such communities for short-term loans.

We need to know where the other Thamesmeads are across the country so that charities, community banks and credit unions can be supported by the financial guidance body and other statutory bodies to target financial exclusion in such areas by signposting people to responsible financial providers.

In 2015, when considering this specific problem, the Financial Inclusion Commission, which was set up by the Government, argued for a much wider level of data disclosure to develop a greater understanding of the problem. It said specifically:

“If lenders were required to disclose data by postcode on credit applications and rejections, policymakers would be better able to understand the scale and shape of the low income credit gap.”

Since the financial crisis, banks and other lenders have withdrawn from higher-risk lending and raised the threshold for accessing mainstream credit. In turn, this has restricted the credit available to those with low credit scores, leaving them at the mercy of higher-cost lenders to bridge their income gap. Surely part of the long-term solution to the household debt crisis is to make it easier for low-cost credit providers and other alternatives.

It is true, as Ministers have previously suggested in Committee and in a letter to me, that there are other sources of data on debt. The Office for National Statistics and the Bank of England publish data on lending, but only at UK level—the data is not broken down by constituency or by area. Stepchange, too, publishes some data on lending, as does the Money Advice Service, but the Minister might not be aware that it publishes only estimates of the number of people who are over-indebted.

I would not dream of criticising the Money Advice Service, but its data on lending does not go anywhere like far enough to meet the recommendations of the Financial Inclusion Commission. The Money Advice Service does not routinely collect information about the extent of debt problems at the most local level. Its last significant report was back in March 2016, and it set out estimates of the number of over-indebted households down to local authority level, not postcode level, which is
what we need. The Money Advice Service data are estimates based on survey work, not actual individuals who take out loans.

I should be clear that some lending data is already released. The coalition Government, to their credit, required the British Bankers Association, which is now UK Finance, and the Council of Mortgage Lenders voluntarily to publish some data by postcode, primarily to try to tackle the challenges that small businesses were facing when accessing credit.

There are problems with the data. For example, it does not include high-cost, short-term credit—payday lenders. Additionally, it does not disclose lending levels or rates at postcode level. Some details of loan applications and credit providers’ registers are not released either, so a full picture of the level of lending at a postcode level has not yet been able to emerge.

At the moment, the data is released voluntarily. Legal underpinning is needed so that more statutory bodies working in this field can more easily negotiate improvements in data. Specifically in this context, for example, the single financial guidance body should be able better to negotiate the release of the data that it needs.

I say this gently to the Economic Secretary to the Treasury, who will be very helpful to me tomorrow, but efforts to re-engage the Treasury in getting UK Finance to improve the usefulness of the data its members release have not had much success recently. At the very least, I hope he will be willing to join me in meeting national groups operating in this field to hear their concerns about the data, and perhaps he might be willing to use his leverage to get at least small improvements in that area.

In the United States, the Community Reinvestment Act means that banks and other lenders have to report what they are lending, where to and at what rate. The disclosure requirements are critical as they enable independent, informed assessments of what the banks are doing. Crucially, they keep the banks honest. Before the CRA, access to credit was scarce in deprived areas, and that lack of access contributed to and prolonged the decline and deprivation in such communities.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): My hon. Friend makes an excellent point, but does he agree that the disclosure of such data would highlight the hotspots in communities such as the ones that we represent, and would therefore allow the Department for Work and Pensions to put in the necessary resources so that jobcentres and other advice bureaux can act as a preventive measure so that we do not see more of our constituents with little chance of getting out of the vicious circle of high-cost borrowing?

4.30 pm

Gareth Thomas: My hon. Friend makes a good point.

In the United States, federal banking regulators regularly assess how banks are meeting local credit needs. Their assessments affect the way in which the banks are allowed to expand, merge, do acquisitions and so on. Banks can get credits towards their assessments if they invest in community banks or credit unions. Not surprisingly, both the community banking movement and the credit union movement are in even better health in the US than they are here.
Gareth Snell: I apologise for intervening again, Madam Deputy Speaker. I was a director of a credit union in Staffordshire, but unfortunately it went under because the regulation from the FCA simply meant that it became unviable, because the authority did not understand the operating model. I therefore very much agree that the FCA has a big role to play, along with the Government, in making sure that credit unions are sustainable, because they offer a hope for constituents who would otherwise use high-cost lending.

Gareth Thomas: My hon. Friend amplifies the point I was making. One last point to make is that there is a need for legislative change to allow credit unions, in particular, to offer loans for cars and—

Madam Deputy Speaker (Mrs Eleanor Laing): Order.

Before the hon. Gentleman comes to his last point, there seems to be a lack of understanding generally in the Chamber about what happens at this stage in a Bill. I cannot put a time limit on speeches; this is Report stage. We have two groups of amendments to go through, and we have until 6 o’clock. Many questions have been asked, and Members will expect the Minister to have some time to answer them.

If we go on as we have done for the last two hours, there will be no debate on the second group of amendments. It will not be up to me to explain to the hon. Member for Liverpool, Wavertree (Luciana Berger) why she does not get to make her speech on her amendment in the next group. Every minute that people take in this House takes away from another colleague. Of course, there are people who prefer to hear the sound of their own voice, who only want to hear their own arguments and who will not give time for others, but I am warning now that if speeches take more than three minutes, we will get to a stage whereby the second group of amendments will not be heard. I cannot stop the hon. Member for Harrow West (Gareth Thomas) finishing his speech—he can take as long as he likes, as far as the Chair is concerned—but I am sure that he will have a view to helping his colleagues.

Gareth Thomas: I had finished, Madam Deputy Speaker.

Stephen Lloyd: You make a salient point, Madam Deputy Speaker. I have been sitting here for two hours, so I agreed with a lot of what you said.

I am glad that we are finally concluding our consideration of the Bill. I rise to speak to amendment (a) to new clause 9, as well to new clause 7, amendment (a) to amendment 10 and amendment 34. The Liberal Democrats welcome the amendments that the Government have tabled, but we believe that they do not go far enough.

The Bill as introduced in the other place had three clauses. The Government new clause 9 allows Ministers to ban pensions cold calling and, if they do not, they must lay a statement before Parliament. They should not fall quietly by the wayside. I would love to name and shame Ministers every year until a ban comes into effect, I would rather that they just got on with it. Amendment (a) to the new clause would make it a legal requirement for the Government to ban cold calling, rather than just an optional extra.

New clause 4 allows the Government to ban cold calling in relation to any other financial services product after receiving advice from the SFGB. I welcome the amendment, but Lord Sharkey and I are worried that the SFGB’s duty to report on cold calling “from time to time” is too weak. I have tabled amendment (a) to amendment 10 to ask the SFGB to publish its report on cold calling at least every two years. This duty should not fall quietly by the wayside.

I also encourage the Government to accept amendment (b) to new clause 9, which was tabled by the right hon. Member for Birkenhead (Frank Field). As my colleague, Lord Sharkey, pointed out in the other place, a ban on cold calling must also include a ban on the commercial use of data obtained by cold calling. This gives the Information Commissioner two bites at the cherry to punish companies flouting the ban.

I now turn to the two amendments that I tabled on income shocks. They would require the SFGB to improve the capability of the public to plan for sudden reductions in income. The issue was brought to my attention by the former Pensions Minister, Professor Steve Webb, and the Chartered Insurance Institute, to which I am very grateful. Too many people are unprepared for a sudden fall in income. The 2015 financial capability survey found that 26% of working-age adults have no savings to fall back on and that a further 29% have less than £1,000 saved. There are many reasons why income shocks could occur. Money Advice Service research from 2016 found that nearly three in four households receive an unexpected bill every year. One third of households have had to make an unexpected car repair or replacement, at a cost of £1,300 on average.

The “Improving Lives” Green Paper revealed that 1.8 million employees have a long-term illness absence of four weeks or more in a year, yet statutory sick pay is worth less than three hours’ work a day on the national minimum wage.
living wage. This problem is made worse because, as the FCA has noted, people with serious illnesses often have poor access to financial services, particularly insurance.

Amendments considered in the other place also touched on this issue. In response, the Government said that public preparedness for income shocks would be an aspect of the money guidance function. Although I welcome that commitment, I would like the Minister to go further. The Bill contains no specific direction for the body to improve preparedness for income shocks or any mechanism to measure the progress of the body in this regard.

The SFGB’s focus will be pulled in every direction. How will the Government convey to the SFGB the strategic priorities for the coming year, and how will Parliament and the public be able to scrutinise and evaluate that work? The Government have finally listened to the arguments made on these Benches and in the other place. I thank them for doing so, but they must now go the distance. They must take robust action to end the scourge of cold calling and protect millions of vulnerable people from sudden income shocks.

Steve McCabe (Birmingham, Selly Oak) (Lab): I apologise for missing the earlier part of the proceedings; I was chairing a debate in Westminster Hall.

I want briefly to voice my support for amendments 8 and 9, to which I have added my name, and also for new clause 8, in my name, which effectively repeats amendment 42 as proposed by Lord Sharkey in the other place. As Members will know, that amendment was withdrawn on the solid understanding of a promise by the Minister in the Lords who said that her officials were working through the detail of a ban on cold calling. She went on to say that the Government would bring forward amendments to this House to implement that ban. Plainly, they have not done so.

I am not quite sure why the Government have backtracked on what seemed to be such an obvious and solid promise. It might have seemed that focusing on the role of the Information Commissioner and Ofcom was the easy option, but, with all due respect to the hon. Member for North Warwickshire (Craig Tracey), the kind of cold calling that innocent people are being subjected to every day is actually a cold, calculated business strategy; it is not only an issue about the misuse of personal data, important though that may be.

This Bill is supposed to be designed to ensure that people are protected and that the financial decisions that they make are taken after careful consideration and access to independent guidance. Why on earth are the Government reneging on their promise to eliminate cold calling for commercial purposes, the aim of which is to bounce people into decision making and deny them the time for proper, careful consideration and access to good guidance? New clauses 3 and 4 simply will not do the trick. People may well see them as a deception—an attempt by the Government to fool people into thinking that they are taking action when they are not really doing so at all. Everyone knows that it is a complete nuisance and underhand practice designed to entrap consumers.

4.45 pm

Let me spell it out: I welcome the action that will be taken to try to protect those whose pension pots are the target of tricksters and speculators; but we also need to ban the claims management companies that phone people up to tell them about the accident that they have been involved in or the compensation they are entitled to for the tummy bug that wrecked their holiday. Those companies are nothing more than scam merchants, and this place should exist to expose them and put an end to their shoddy practices. Nothing else will convince the public that this Government are genuine when the Prime Minister talks about being on the side of the little person, rather than vested interests. We should demonstrate whose side we are on tonight. I want to hear the Minister say that he is going to put an end to this practice once and for all, and I hope that my own Front Benchers, having reflected on the situation, might indicate that they are willing to put further pressure on Ministers with regard to new clause 8.

Alex Sobel: I am here to support the amendments in the names of my hon. Friends for Walthamstow (Stella Creasy) and for Harrow West (Gareth Thomas), which are complementary. I have also put my name to amendments 1, 2 and 31 in the name of my hon. Friend the Member for Harrow West.

Why do the poorest in our society have to pay more for the same services as the wealthiest? Why do they have to pay more for the same gas and electricity? Why do they have to pay more interest for the same loans? Why is credit more difficult to access and at much higher interest for the poorest in society? The structure of our society is such that growing inequality is in-built, because those with capital can further accruve it through cheap finance and lower costs, while those without capital cannot pursue their dreams through the high costs and limited availability of debt finance. Today we have an opportunity to make a small step in reversing that trend, casting light on the practices of high-cost credit providers and enshrining the duty to ensure that information about credit unions is provided by the single financial guidance body. The very mission of credit unions is to provide low-cost finance to people who are deemed high risk by traditional institutions, and they are owned by their own members.

Martin Luther King said:

“it is obvious that if a man is to redeem his spiritual and moral ‘lag,’ he must go all out to bridge the social and economic gulf between the ‘haves’ and ‘have nots’ of the world. Poverty is one of the most urgent items on the agenda of modern life.”

Today we have the opportunity to pass these most excellent amendments and make a step towards bridging that social and economic gulf, not just because it makes sense in terms of financial justice, but on a spiritual and moral level.

The United States acted 40 years ago on the spiritual and moral lag that Dr King talked about, by introducing the Community Reinvestment Act. The Act was established to ensure that banking needs were met and monitored in low-income neighbourhoods, which had seen a retreat of traditional banking services and rising interest—a situation that we have faced in this country for far too long. My hon. Friend the Member for Harrow West gave an excellent explanation of the Community Reinvestment Act, so I will not repeat it. The banks in America have responded to the Community Reinvestment Act by establishing plans to service those communities and ensure that their services are not restricted. But in the US with community investment plans not only commit capital at affordable rates for loans, but invest in community development.
The amendments are needed before we can implement a community reinvestment Act. Without the disclosure of financial data and a statutory duty to promote credit unions, we cannot achieve community reinvestment by the large banks. The amendments are a necessary but insufficient precursor to getting real financial justice for communities that struggle to access affordable credit, but today we can make the first step to ensuring financial justice and legislating for a full community reinvestment Act. I hope that the Treasury Bench takes on board these excellent amendments and responds to them in kind.

Alex Cunningham: I want to speak briefly to new clause 2. While I am sure, Madam Deputy Speaker, that you have many years to go before you reach your own mid-life point, I am sure you will understand that we could all use a bit of advice at times—even though those of us with six decades or so behind us think it our duty to pass on pearls of wisdom to the younger generation.

There is plenty of talk about young people and their finances—about how they can manage their cash and get on the property ladder, which is of course impossible for many these days. This Bill does something to help young people, and I am pleased about that, but what it fails to do is help those in the mid-life stage—people who may have saved a bit, joined a pension scheme, or bought an ISA or two. More importantly, it does nothing to help those who have done none of those things and simply do not know who or where to turn to when planning their later life.

Although some excellent initiatives have passed through this House, such as Labour’s policy of auto-enrolment into workplace pensions, there have been a number of failures, not least around the issue of 50s-born women and their state pension age, which was extended by the Tory-Lib Dem coalition by several years, condemning many such people to poverty when they should have been enjoying retirement. We could have hoped that the experience of thousands of women left facing difficulty and uncertainty would act as a salutary lesson to everyone else that they cannot really depend on Governments to deliver the security they need in retirement, but need to find ways to make provision for themselves.

People are now looking at their expected pension provision, if they have any, and then panicking about how they are going to afford to live when they retire, or are faced with the reality that they will have to work beyond retirement age in order to make ends meet. We also have people who have lived their lives just getting by—who have never been able to buy their own home and now do not know how they will afford their rent once they retire. Uncertainty is very much the name of the game in the 21st century, so we have a responsibility in Parliament to make provision to ensure that everyone, whether they can afford it or not, is able to work out how they will live when they are no longer receiving a wage. This new clause to provide targeted information to people from the age of 50 delivers that.

We all know that people can now expect to have several jobs throughout their career, and redundancy, zero-hours contracts and insecure work are clouds hanging over millions of people every day. Some people in their 50s find that they need to retrain for another role, but many do not know where to begin or where to get to the facts. This body, backed by the right promotional campaigns, including multimedia, could be a lifeline for those who ignore their money problems. I am, however, concerned about the capacity of the new body. We need to guarantee that it can expand if we are to reach many more people with guidance. I am yet to be convinced that that capacity will be there. I hope that the Minister will say something about how it can expand. I also hope that he can extend its services to provide the mid-life advice that people need.

Yvonne Fovargue (Makerfield) (Lab): I, too, want to support my hon. Friends the Members for Walthamstow (Stella Creasy) and for Harrow West (Gareth Thomas). I hope that the FCA will look speedily at the total cap on the rent-to-own sector, with its inflated prices for goods and roll-up charges.

I am pleased that the Bill aims to ensure that members of the public can access good-quality, free-to-client impartial financial guidance, pensions advice and debt advice. Clauses 10 and 11, which relate to my amendment 42, require the single financial guidance body to set and enforce standards across the debt advice partners it commissions. I think that everyone agrees that the body will have to have regard to standards of practice for the organisations it commissions, but the respective roles of the single financial guidance body and the FCA should not create uncertainty. There may have to be additional requirements for organisations that it commissions.

However, an independent report to the Debt Advice Steering Group run by the Money Advice Service says that the quality assurance process for the larger debt advice charities should be authorised by the FCA. The concern is that any such new and additional requirements from the single financial guidance body should not replicate the requirements faced by the debt advice organisations from their regulator, the FCA. Having had a contract from the Legal Aid Board where we had three auditors in at one time, I was tempted just to throw the files into the middle of the room and say “Fight over them.” The auditing ought to be in the same capacity, and it should be done under one audit that covers all if there are the same requirements.

The body’s standard-setting powers also need to be matched with principles of good regulation, and conditions ought to be proportionate to the benefits they will bring. Amendment 42 would make that plain. Ensuring that the new body’s standard-setting powers have regard to proportionality would smooth its functioning, guarantee assurance and stop the uncertainty as to whether the FCA or the single financial guidance body has primacy.

Ellie Reeves (Lewisham West and Penge) (Lab): I want to speak to amendments 8 and 9, which, unlike new clause 4, would lead to an outright ban on cold calling by claims management companies.

Claims management companies make and send around 51 million personal injury-related calls and texts each year. Such calls are not only a nuisance; they exploit vulnerable people. It is worth reiterating that solicitors are already banned from cold calling in personal injury claims, but the fact that claims management companies are not risks bringing the sector into disrepute. Cold calling can generate the false perception that obtaining compensation is easy, even where there is no injury. It can put pressure on people to pursue unmeritorious or,
at the worst, fraudulent claims, which they otherwise may not do. It may never have been someone's intention to make a claim, but if they receive a text promising them thousands of pounds, it might seem very tempting.

There is an important context. The Government are proposing to reform compensation rules for whiplash claims and to increase the small claims limit in road traffic accidents from £1,000 to £5,000, and in public liability and employers' liability claims from £1,000 to £2,000. The Government say that that is to cut down on fraudulent claims and to bring down insurance premiums. However, many, including myself, are concerned that that will have a significant impact on access to justice, with people not being able to access proper legal advice in such claims.

Ruth George: Does my hon. Friend agree that a total ban on cold calling, including from claims management companies, would be a much more proportionate response to insurance industry claims of fraud within claims management, and that that should be looked at before any action that will impact on innocent victims of road traffic accidents and employer injuries?

Ellie Reeves: I absolutely agree. Surely a better solution to this issue is to have an outright ban on cold calling in personal injury claims by claims management companies, which is exactly what amendments 8 and 9 would do.

New clause 4 gives the single financial guidance body the ability to advise the Government if it considers a ban on cold calling by CMCs to be necessary. If the Government receive such advice, the Bill gives the Secretary of State the power to impose such a ban. However, the Bill does not compel the single financial guidance body to give such advice in relation to cold calling; nor are the Government required to act if they receive advice.

Although the Government have promised decisive action from the outset, I am concerned that the Bill is filled with ifs, buts and maybe and still falls far short of a ban on cold calling. Amendment 8 would commit the single financial guidance body to advise on how best to implement a ban within 12 months of the Bill being passed, and amendment 9 would require the Government to act outright and impose the ban. A ban on cold calling commands support from over two thirds of the population. We must respond to that and strengthen the Bill by agreeing to amendments 8 and 9, to see through a complete and necessary ban on cold calling.

John Glen: I am acutely conscious of the need not only to get on to the second group of amendments but to respond to the amendments in the first group. I will do my best to address all of them, and I will give myself five minutes to do so.

I will start with new clause 7 and amendment 34, tabled by the hon. Member for Eastbourne (Stephen Lloyd). The body is already expected to develop a national strategy to improve people's financial capability, including ensuring that consumers improve their financial resilience, so the Government believe that the amendments are not necessary.

5 pm

On amendment 39, tabled by the hon. Member for Airdrie and Shotts (Neil Gray), the Bill already explicitly states that one of the body's objectives is to support people in vulnerable circumstances when exercising its functions. That was agreed after discussion in the Lords. The Government think that for the body to have specially trained advisers and guidance risks being too prescriptive on the face of the Bill. Defining "vulnerable circumstances" could narrow the body's remit and prevent it from addressing other vulnerabilities in the future.

On amendment 40, we believe it is important that people understand the difference between information, advice and guidance, but the improvement of people's financial capability continues to be a focus of the new body, under its money guidance function.

On amendment 41, tabled by my hon. Friend the Member for Reigate (Crispin Blunt), although the new body will provide general information and guidance to people about the benefits of saving towards a retirement income, it will not provide financial advice, but he makes a compelling case about the opportunities to use equity release products. Consumers considering equity release should seek independent financial advice, and the single financial guidance body's role in this case will be to signpost to such advisers but not to give advice itself.

On amendment 31, tabled by the hon. Member for Harrow West (Gareth Thomas), the Government have already done a great deal to support credit unions, and I look forward to further discussions with him in Westminster Hall tomorrow, where some linked issues can be raised. I am happy to meet him and the representatives that he suggested. The new body will continue this work by providing information about credit unions' services through its money guidance function, which means, I believe, that the amendment is unnecessary.

On amendment 42, tabled by the hon. Member for Makerfield (Yvonne Fovargue), we do not expect the standards to be too onerous on delivery partners. In setting its standards, the body and the FCA will ensure that conditions are proportionate with the benefits that they are expected to bring. In addition, the body and the FCA will consider whether the standards sit well with the FCA's debt advice and authorisation process.

I now turn to the issues of high-cost credit, to which the hon. Member for Walthamstow (Stella Creasy) and the hon. Member for Harrow West drew the House's attention. I think the hon. Lady knows that there is a great deal of alignment between us on some of these matters. I have written to her and I would invite her to meet me and the FCA to examine her continuing concerns around high-cost credit. There was a two-year study on credit cards, whose outcome I know she is not satisfied with. Another FCA study is to be published next month. The core function of the single financial guidance body is to deliver impartial support on money matters, and we expect its efforts to be focused on delivering to a high quality. I believe the FCA has a role to play in that and I am happy to continue to have a meaningful dialogue with the hon. Lady on that. Moreover, UK Finance already publishes statistics on the geographic distribution of mortgage lending, personal loans and small and medium-sized enterprise lending by major UK lenders. We think, therefore, that placing this issue on the face of the Bill is unnecessary.

On amendment 2, the body and the FCA have different roles and functions, and the FCA's role is to gather information to fulfil its functions as the regulator. I am very conscious of the need to move on to the next group of amendments. I have not done justice to all the speeches on this group, but I am happy to give way.
Jack Dromey: In the spirit of being able to get on to the next group, we welcome the ban on pension cold calling. We have sought to extend that ban to all cold calling. If the Minister is prepared to have discussions at the next stages, and before the Bill concludes its passage through Parliament, we would be prepared not to oppose Government amendment 11 or to move our amendments 8 and 9.

John Glen: I am grateful to the hon. Gentleman and I acknowledge his kind words, which are reciprocated from our Front Bench. We continue to have a meaningful dialogue on the outstanding concerns that exist between us.

Frank Field: If the Minister’s optimism is misplaced on not accepting the amendments that I spoke to on behalf of the Select Committee, will he consider moving to secondary legislation?

John Glen: I thank the right hon. Gentleman for his remarks. I always listen very carefully to what he says. We have made provision for additional bans to take place very quickly, and if my optimism is misplaced, I would expect the body to act. I will continue to have a deep dialogue with the right hon. Gentleman on these matters.

Question put and agreed to.

New clause 4 accordingly read a Second time, and added to the Bill.

New Clause 9

Unsolicited direct marketing: pensions (No. 2)

(1) The Secretary of State may make regulations prohibiting unsolicited direct marketing relating to pensions.

(2) The regulations may—
(a) make provision about when a communication is to be, or is not to be, treated as unsolicited;
(b) make provision for exceptions to the prohibition;
(c) confer functions on the Information Commissioner and on OFCOM (including conferring a discretion);
(d) apply (with or without modifications) provisions of the data protection legislation or the Privacy and Electronic Communications (EC Directive) Regulations 2003 (S.I. 2003/2426) (including, in particular, provisions relating to enforcement).

(3) The regulations may—
(a) make different provision for different purposes;
(b) make different provision for different areas;
(c) make incidental, supplementary, consequential, transitional or saving provision.

(4) Regulations under this section are to be made by statutory instrument.

(5) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.

(6) If before the end of June in any year the Secretary of State has not made regulations under this section (whether or not in that year), the Secretary of State must—
(a) publish a statement, by the end of July in that year, explaining why regulations have not been made and setting a timetable for making the regulations, and
(b) lay the statement before each House of Parliament.

(7) In this section, “OFCOM” means the Office of Communications established by section 1 of the Office of Communications Act 2002.”—(Guy Opperman.)
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeill, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahotra, Seema
Mann, John
Maraden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
McCabe, Steve
McDonagh, Siobhain
McDonald, Andy
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Meares, Ian
Milliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O’Hara, Brendan
O’Mara, Jared
Onagbesan, Fiona
Onn, Melanie
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillips, Bridget
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruanne, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sheerman, Mr Barry
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughton, Andy
Smeeth, Ruth
Smith, Cat
Smith, Eleanor
Smith, Jeff
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewill, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argr, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Brady, Sir Graham
Braverman, Suella
Breerton, Jack
Bridgen, Andrew
Brine, Steve
Brookshire, rh James
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Cairns, rh Alun
Campbell, Mr Gregory
Carlidge, James
Cash, Sir William
Cautfield, Maria
Chalk, Alex
Chishi, Rehman
Churchill, Jo
Clark, Colin
Clark, rh Greg

Turley, Anna
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:
David Linden and
Angela Crawley

NOES
Clarke, rh Mr Kenneth
Clark, Mr Simon
Cleverty, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crank, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, Glyn
Davies, Philip
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doye-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Eustice, George
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Girvan, Paul
subsection (11) should include—

United Kingdom by district.

Amendment made:
Amendment proposed: 1, page 3, line 39, at end

(d) open ended credit,

(c) conditional sale agreements,

(b) hire purchase agreements,

(a) high cost short term credit,

To notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and

(a) to notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and

(b) to consider the effect of unsolicited direct marketing on consumers of financial products and services, and, in particular—

(i) from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and

(ii) advise the Secretary of State whether to make regulations under section (Unsolicited direct marketing: other consumer financial products etc) (unsolicited direct marketing: other consumer financial products etc)."

This amendment makes changes to the consumer protection function to make it clearer exactly what it entails.

Amendment made: 10, page 3, line 17, leave out subsection (7) and insert—

“(7) The consumer protection function is—

(a) to notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and

(b) to consider the effect of unsolicited direct marketing on consumers of financial products and services, and, in particular—

(i) from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and

(ii) advise the Secretary of State whether to make regulations under section (Unsolicited direct marketing: other consumer financial products etc) (unsolicited direct marketing: other consumer financial products etc)."

This amendment makes changes to the consumer protection function to make it clearer exactly what it entails.

Amendment proposed: 1, page 3, line 39, at end insert—

“(11) In carrying out its strategic and other functions the single financial guidance body must make and publish an annual assessment of the level of different types of lending across the United Kingdom by district.

The types of lending covered by the assessment in subsection (11) should include—

(a) high cost short term credit,

(b) hire purchase agreements,

(c) conditional sale agreements,

(d) open ended credit,
This amendment requires the single financial guidance body to carry out an annual assessment of the level of different types of lending in different geographical areas across the United Kingdom.

Question put, That the amendment be made.

The House divided: Ayes 255, Noes 293.

Division No. 140  [5.20 pm]

AYES

Abbott, rh Ms Diane  Dowd, Peter
Abrahams, Debbie  Dromey, Jack
Alexander, Heidi  Duffield, Rosie
Ali, Rushanara  Eagle, Ms Angela
Amesbury, Mike  Eagle, Maria
Antoniacci, Tonia  Edwards, Jonathan
Ashworth, Jonathan  Elliott, Julie
Barron, rh Sir Kevin  Ellman, Mrs Louise
Benn, rh Hilary  Elmore, Chris
Berger, Luciana  Esterson, Bill
Betts, Mr Clive  Evans, Chris
Blackford, rh Ian  Farrelly, Paul
Blackman, Kirsty  Farron, Tim
Blomfield, Paul  Field, rh Frank
Brabin, Tracy  Fitzpatrick, Jim
Bradshaw, rh Mr Ben  Fletcher, Colleen
Brake, rh Tom  Flint, rh Caroline
Brock, Deidre  Fovargue, Yvonne
Brown, Alan  Foxcroft, Vicky
Brown, Lyn  Frith, James
Brown, rh Mr Nicholas  Furniss, Gill
Buck, Ms Karen  Gaffney, Hugh
Burden, Richard  Gardiner, Barry
Burton, Richard  George, Ruth
Cameron, Dr Lisa  Gibson, Patricia
Campbell, Mr Ronnie  Gill, Preet Kaur
Carden, Dan  Glindon, Mary
Champion, Sarah  Godsilf, Mr Roger
Chapman, Douglas  Goodman, Helen
Chapman, Jenny  Grady, Patrick
Charalambous, Bambos  Grant, Peter
Cherry, Joanna  Gray, Neil
Coffey, Ann  Green, Kate
Cooper, Julie  Greenwood, Lilian
Cooper, Rosie  Greenwood, Margaret
Cooper, rh Yvette  Griffith, Nia
Coyle, Neil  Grogan, John
Crausby, Sir David  Haigh, Louise
Crawley, Angela  Hanson, rh David
Creech, Mary  Hardy, Emma
Creasy, Stella  Harman, rh Ms Harriet
Craddock, Jon  Harris, Carolyn
Cummins, Judith  Hayes, Helen
Cunningham, Alex  Hayman, Sue
Cunningham, Mr Jim  Healey, rh John
Dakin, Nic  Hendry, Drew
Davey, rh Sir Edward  Hepburn, Mr Stephen
David, Wayne  Hill, Mike
Davies, Geraint  Hillier, Meg
Day, Martyn  Hobhouse, Wera
De Cordova, Marsha  Hodgson, Mrs Sharon
De Piero, Gloria  Hoey, Kate
Debbonaire, Thangam  Hollem, Kate
Dent Coad, Emma  Hopkins, Kelvin
Dhesi, Mr Tammanjeet Singh  Hosie, Stewart
Docherty-Hughes, Martin  Howarth, rh Mr George
Dodds, Anneliese  Huq, Dr Rupa
Doughty, Stephen  Hussain, Imran
Jardine, Christine  Johnson, Diana
Jones, Darren  Jones, Gerald
Jones, Graham P.  Jones, Helen
Jones, Mr Kevan  Jones, Sarah
Kane, Mike  Keeley, Barbara
Kendall, Liz  Khan, Afzal
Kilnen, Ged  Kinnock, Stephen
Kyle, Peter  Laird, Lesley
Lake, Ben  Lamb, rh Norman
Lammy, rh Mr David  Laverty, Ian
Law, Chris  Lee, Karen
Lee, Mr Chris  Lewis, Mr Ivan
Linden, David  Lloyd, Stephen
Lloyd, Tony  Long Bailey, Rebecca
Lucas, Caroline  Lucas, Ian C.
Lynch, Holly  MacNeill, Angus Brendan
Madders, Justin  Mahmoord, Mr Khalid
Malhotra, Seema  Mann, John
Marsden, Gordon  Martin, Sandy
Martin, Rachael  Maskell, Christian
Matheson, Christian  McCabe, Steve
McDonagh, Siobhain  McDonald, Andy
McDonald, Stuart C.  McDonnell, rh John
McFadden, rh Mr Pat  McGovern, Alison
McInnes, Liz  McKinnell, Catherine
McMahon, Jim  McCrorin, Anna
Mears, Ian  Miliband, rh Edward
Miliband, Ed  Monaghan, Carol
Moon, Mrs Madeleine  Morgan, Ben
Morden, Jessica  Morris, Graham
Morris, Kate  Nandy, Lisa
Newlands, Gavin  Norris, Alex
O'Hara, Brendan  O'Mara, Jared
Onasanya, Fiona  O'Farrell, Simon
Orn, Melanie  Ovenden, Kate
Osamor, Kate  Owen, Albert
Peacock, Stephanie  Pennycook, Matthew
Perkins, Toby  Phillips, Jess
Philipps, Jess  Phillipson, Bridget
Platt, Jo  Pollard, Luke
Powell, Lucy  Qureshi, Yasmin
Qureshi, Yasmin  Rashid, Faisal
Rayner, Angela  Reed, Mr Steve
Rees, Christina  Reeves, Ellie
Reeves, Rachel  Reynolds, Emma
Reynolds, Jonathan  Rimmer, Ms Marie
Robinson, rh Mr Geoffrey  Rodd, Matt
Rolley, Danielle  Ruane, Chris
Russell-Moyle, Lloyd  Ryan, rh Joan
Ryan, rh Joan  Saville Roberts, Liz
Saville Roberts, Liz  Shah, Naz
Shah, Naz  Sheerman, Mr Barry
Sherriff, Paula  Shuker, Mr Gavin
Sidhee, Tulip  Skinner, Mr Dennis
Slaughter, Andy  Sobel, Alex
Spellar, rh John  Stephens, Chris
Stephens, Chris  Stevens, Jo
Stone, Jamie  Streeting, Wes
Streeter, rh Sir Matthew  Sweeney, Mr Paul
Swinson, Jo  Tami, Mark
Swinson, Jo  Theelliss, Alison
Thomass, Gareth  Thomas, Symonds, Nick
Thomas, Gareth  Thornberry, rh Emily
Timms, rh Stephen  Turley, Anna
Twigg, Stephen  Twint, Liz
Umunna, Chuka  Vaz, Valerie
Vaz, Valerie  Walker, Thomas
Watson, Tom  West, Catherine
West, Catherine  Western, Matt
Whitehead, Dr Alan  Whitford, rh Philippa
Williams, Hywel  Williams, Dr Paul
Williamson, Chris  Wishart, Pete
Woopcock, John  Yasin, Mohammad
Zeichner, Daniel

Tellers for the Ayes:  Jeff Smith and
Nick Smith
Clause 4

Cold-calling

Amendment made: 11, page 3, line 40, leave out clause 4.—(Guy Opperman.)

This amendment removes the clause on cold-calling (inserted by the Lords). NC3 and NC4 instead provide a power for the Secretary of State to make regulations banning unsolicited direct marketing relating to pensions and other consumer financial products and services.

Clause 7

Debt respite scheme: advice to the Secretary of State

Luciana Berger: I beg to move amendment 5, page 5, line 37, at end insert—

“(ia) how it will specifically provide protections and help to individuals in receipt of mental health crisis services, including NHS mental health crisis services;

(ib) which other mental health treatment services should be considered mental health crisis services for the purposes of this Act.”

Madam Deputy Speaker (Dame Rosie Winterton): With this it will be convenient to discuss the following:

Amendment 3, page 5, line 39, at end insert—

“(iii) the application of the scheme for duration of a person's stay in hospital or under the care of a crisis team in their local community”

This amendment will ensure that people who are staying in hospital or under the care of a crisis team in their local community will be protected by the Debt Respite Scheme once it is established.

Amendment 30, in clause 8, page 6, line 15, at end insert

“and must do so before 1 January 2020.”

This amendment commits the Secretary of State to implement a debt respite scheme by the end of next year.

Amendment 6, page 6, line 16, at end insert—

“(3A) A debt respite scheme established by regulations under this section must, specifically, provide protection and help to individuals in receipt of mental health crisis services as well as any other types of individual provided for by regulations under this section.

(3B) The regulations must define which services should be considered “mental health crisis services” for the purpose of this Act in addition to the definition in section 25 of this Act.

(3C) A debt respite scheme established by regulations under this section shall be accessible to individuals in receipt of mental health crisis services irrespective of whether those individuals have accessed debt advice.”

Government amendment 13, in clause 19, page 14, line 40, leave out from beginning to end of line 8 on page 15 and insert—

“(1B) As part of the application process, the trustees or managers must ensure that—

(a) the member or survivor is referred to appropriate pensions guidance, and

(b) the member or survivor is provided with an explanation of the nature and purpose of such guidance.

(1C) Before proceeding with the application, the trustees or managers must ensure that the member or survivor has either received appropriate pensions guidance or has opted out of receiving such guidance.”

This amendment will enable FCA rules to require trustees of a personal pension scheme who receive an application from a member to access or transfer their pension to refer them to SFGB guidance and explain its nature and purpose (or ensure that another person, such as the SFGB, does so) and will prevent them from proceeding unless the member confirms that they have received guidance or do not want it.

Amendment (a) to amendment 13, after “is referred to appropriate” insert “independent and impartial”.

Amendment (b) to amendment 13, after “has either received appropriate” insert “independent and impartial”.

Amendment (c) to amendment 13, in subsection (1C), leave out from “appropriate pensions guidance or” to end and insert

“has indicated to the provider of appropriate independent and impartial pensions guidance the desire to opt out of receiving such guidance.”

Amendments (a), (b) and (c) to amendment 13 specify on the face of the Bill that the provider of the appropriate pensions guidance should be independent and impartial, and that any desire to opt-out of guidance must be indicated to this independent and impartial guidance provider.

Government amendment 14.

Government amendment 15, page 15, line 14, at end insert—

“( ) make further provision about how, and to whom, a member or survivor may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of subsection (1C);”.

This amendment expressly envisages the rules making provision about how the opt-out (or confirmation of receipt of guidance) mentioned in the new subsection (1C) inserted by Amendment 13 must be expressed in order to be effective.

Amendment (a) to amendment 15, leave out from “received” to end and insert

“appropriate independent and impartial pensions guidance, or have indicated to the provider of this guidance that they wish to opt out, for the purposes of subsection (1C);”.

Government amendment 16.

Government amendment 17, in clause 20, page 16, line 10, leave out from beginning to end of line 23 and insert—

“(2) As part of the application process, the trustees or managers must ensure that—

(a) the beneficiary is referred to appropriate pensions guidance, and

(b) the beneficiary is provided with an explanation of the nature and purpose of such guidance.

(3) Before proceeding with the application, the trustees or managers must ensure that the beneficiary has either received appropriate pensions guidance or has opted out of receiving such guidance.”

This amendment makes equivalent changes to Clause 20(2), which relates to occupational pension schemes in Great Britain, to the changes made by Amendment 13 for personal pension schemes.

Amendment (a) to amendment 17, after “is referred to appropriate” insert “independent and impartial”.

Amendment (b) to amendment 17, after “has either received appropriate” insert “independent and impartial”.

Question accordingly negatived.
Amendment (c) to amendment 17, in subsection (3), leave out from “appropriate pensions guidance or” to end and insert “has indicated to the provider of appropriate independent and impartial pensions guidance the desire to opt out of receiving such guidance.”

Amendments (a), (b) and (c) to Amendment 17 specify on the face of the Bill that the provider of the appropriate pensions guidance should be independent and impartial, and that any desire to opt-out of guidance must be indicated to this independent and impartial guidance provider.

Government amendment 18.

Government amendment 19, page 16, line 29, at end insert—“( ) make further provision about how, and to whom, a beneficiary may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of subsection (3);”.

This amendment is the equivalent to Amendment 15 for occupational pension schemes in Great Britain.

Amendment (a) to amendment 19, leave out from “received” to end and insert “appropriate independent and impartial pensions guidance, or have indicated to the provider of this guidance that they wish to opt out, for the purposes of subsection (3);”.

Government amendment 20.

Government amendment 21, page 17, line 27, leave out from beginning to end of line 40 and insert—“(2) As part of the application process, the trustees or managers must ensure that—

(a) the beneficiary is referred to appropriate pensions guidance, and

(b) the beneficiary is provided with an explanation of the nature and purpose of such guidance.

(3) Before proceeding with the application, the trustees or managers must ensure that the beneficiary has either received appropriate pensions guidance or has opted out of receiving such guidance.”

This amendment makes equivalent changes to Amendments 13 and 17 for occupational pension schemes in Northern Ireland.

Amendment (a) to amendment 21, after “is referred to appropriate” insert “independent and impartial”.

Amendment (b) to amendment 21, after “has either received appropriate” insert “independent and impartial”.

Amendment (c) to amendment 21, in subsection (3), leave out from “appropriate pensions guidance or” to “or has opted out” and insert “has indicated to the provider of appropriate independent and impartial pensions guidance the desire to opt out”. Government amendment 22.

Government amendment 23, page 17, line 46, at end insert—“( ) make further provision about how, and to whom, a beneficiary may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of subsection (3);”.

This amendment is the equivalent to Amendments 15 and 19 for occupational pension schemes in Northern Ireland.

Amendment (a) to amendment 23, leave out from “received” to end and insert “appropriate independent and impartial pensions guidance, or have indicated to the provider of this guidance that they wish to opt out, for the purposes of subsection (3);”.

Government amendment 24.

Government motion to transfer clause 22.

Amendment 7, in clause 25, page 21, line 9, at end insert—“‘NHS Mental health crisis services’ means services provided by NHS England, NHS Wales, or Health and Social Care in Northern Ireland in order to treat acute crises in mental health, whether arising from either acute or chronic mental health conditions.”

Amendment 37, in schedule 1, page 38, line 4, at end insert—“3A (1) The term of office of a person appointed as chief executive under paragraph 2(1)(a) must not begin before—

(a) the person has, in connection with the appointment, appeared before the Work and Pensions Committee of the House of Commons, or

(b) (if earlier) the end of the period of 3 months beginning with the day on which the appointment is made.

(2) Sub-paragraph (1) does not apply if the person is appointed as chair on an acting basis, pending a further appointment being made.

(3) The reference to the Work and Pensions Committee of the House of Commons—

(a) if the name of that Committee is changed, is a reference to that Committee by its new name, and

(b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which the functions are exercisable.

(4) Any question arising under sub-paragraph (3) is to be determined by the Speaker of the House of Commons.”

This amendment would require the chair of the single financial guidance body to attend a pre-appointment hearing with the Work and Pensions Committee of the House of Commons before starting their appointment. If no such hearing is held within three months, the appointment can also begin.

Amendment 38, page 38, line 41, at end insert: “6A (1) The term of office of a person appointed as chief executive under paragraph 6(1)(a) must not begin before—

(a) the person has, in connection with the appointment, appeared before the Work and Pensions Committee of the House of Commons, or

(b) (if earlier) the end of the period of 3 months beginning with the day on which the appointment is made.

(2) Sub-paragraph (1) does not apply if the person is appointed as chief executive on an acting basis, pending a further appointment being made.

(3) The reference to the Work and Pensions Committee of the House of Commons—

(a) if the name of that Committee is changed, is a reference to that Committee by its new name, and

(b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which the functions are exercisable.

(4) Any question arising under sub-paragraph (3) is to be determined by the Speaker of the House of Commons.”

This amendment would require the chief executive of the single financial guidance body to attend a pre-appointment hearing with the Work and Pensions Committee of the House of Commons before starting their appointment. If no such hearing is held within three months, the appointment can also begin.

Luciana Berger: I shall speak to amendments 5, 6 and 7. I am incredibly grateful to colleagues on both sides of the House for the constructive negotiations and discussions
Financial Guidance and Claims Bill

that have taken place to enable this group of amendments to be discussed on the Floor of the House this evening. Their purpose is to extend the debt respite scheme set out in Clauses 7 and 8 to specifically include the provision of NHS mental health crisis services. I am incredibly grateful to the large number of MPs—81, in fact—on both sides of the House who are supporting the amendments. It has also been a real privilege to work with the Money and Mental Health Policy Institute, together with colleagues from all parties, to put the amendments together.

Last year’s Conservative party manifesto contained a commitment to introduce a breathing space. The Government have since brought forward this Bill and launched a consultation into how a breathing space initiative would work in practice. This included proposals for a possible trigger point for accessing support, with the initial suggestion that a breathing space should be available only to a person seeking regulated debt advice. I very much welcome the spirit of the Government’s breathing space initiative, but I am concerned that it does little to protect the thousands of people in mental health crisis who are too unwell to physically go and seek such debt advice or to pick up the phone to make that call.

According to research by the Money and Mental Health Policy Institute, up to 23,000 people in England alone struggled with problem debt while they were hospitalised as a result of their mental health last year. Those people are likely to be receiving calls, texts and letters from their bailiffs, local authorities and other creditors at a time of acute distress, and they are at risk of falling into further financial difficulty as a result of increased fees and charges.

Madam Deputy Speaker (Dame Rosie Winterton): Order. Some hon. Members are leaving the Chamber, and there is quite a lot of chatter. It would be good to be able to listen to the hon. Member for Liverpool, Wavertree (Luciana Berger).

Luciana Berger: I am grateful to you, Madam Deputy Speaker. I am concerned about the charges that those people will face, and about the drop in their income from the loss of wages and benefits that people could experience as a result of being in in-patient care or crisis care in the community. Thousands more in the devolved nations, and those who are receiving mental health crisis support in the community, will be in a similar position. The additional anxiety and stress that those people experience as a result of those financial pressures not only threaten to undermine their recovery but make it much less likely that they will be able to repay their debts. The requirement for people in that situation to seek advice before they can benefit from a breathing space creates a barrier, and that barrier must be removed if the new scheme is to fulfil its purpose of protecting the most vulnerable customers.

Amendment 5 represents the first step towards rectifying this issue. It ensures that when the Secretary of State seeks advice from the new single financial guidance body on the establishment of a debt respite scheme, it will include advice on specifically how it will protect recipients of mental health crisis services, and information on which services should be considered to be mental health crisis services. We propose that this should include psychiatric in-patient facilities and community crisis teams. Amendment 6 takes this further by ensuring that the regulations to establish the debt respite scheme specifically provide protection and help to individuals in receipt of mental health crisis services, irrespective of whether those individuals have formally accessed debt advice. Amendment 7 would provide the baseline definition of an NHS mental health crisis service.

Targeting these interventions towards people with mental health problems will have far-reaching positive consequences. People experiencing mental health problems are significantly more likely to be in financial difficulty than the rest of the population, and half the people in problem debt are also experiencing mental ill health. The number of people receiving NHS crisis care services is also likely to be relatively small, and a high proportion—at least a quarter—are likely to be in financial difficulty. Furthermore, people experiencing a mental health crisis are likely to experience problems with their cognitive and psychological functioning as a direct consequence of their illness and are therefore highly unlikely to be able to seek debt advice and access breathing space through regulated debt advice.

How will the system work in practice? We suggest that a person entering the care of a psychiatric in-patient facility or crisis team in the community would be supported to access breathing space if appropriate. That could take the form of a certificate or a stamped-and-dated letter confirming that the service user is in receipt of mental health support during a crisis and should have breathing space applied. Many clinical mental health professionals are currently fighting fires before they can help their patients with their mental health. They are writing to creditors, calling bailiffs and completing reams of financial paperwork, and the changes that I am proposing would simplify things for those professionals, allowing them to focus on their day job. It would also reduce demand on mental health services, as research shows that people who are not in problem debt are much more likely to recover more quickly and less likely to experience mental health problems in the future.

It is important to acknowledge that the proposed changes would not apply in Scotland, which already has a debt arrangement scheme that would require separate legislation to amend. However, we hope that the successful implementation of our proposals could provide the case for similar reforms in Scotland.

John Glen: In the interests of time and to allow others to speak, I just wanted to confirm that the Government recognise the motives and the wide degree of support behind the proposals and the particular issues for people experiencing a mental health crisis. We will commit to ensuring that people receiving NHS treatment for a mental health crisis, either at a psychiatric in-patient setting or in the community, will be provided with an alternative mechanism to access the breathing space scheme. We will see that that is developed concurrently with the main breathing space scheme.

Luciana Berger: I am incredibly grateful to the Minister. What he has just shared with the House has been missing until now and will make a tangible difference to at least 23,000 people a year. I am grateful for the commitment that he has made. I was going to say in conclusion that amendments 5, 6 and 7 would prevent...
tens of thousands of people experiencing a mental health crisis from missing out on the protections that breathing space has to offer, which I welcome, because they are too ill to seek debt advice, so I again welcome what the Minister said, because it is critical that that most vulnerable group is not ignored.

Yesterday, the hon. Member for Plymouth, Moor View (Johnny Mercer), Martin Lewis of Money Saving Expert and I joined two people with lived experience, Lee and Susan, to hand in a petition of over 10,000 people who support the campaign. This is a truly cross-party effort, and the right hon. Member for North Norfolk (Norman Lamb) and I have campaigned long and hard. Mental health does not discriminate, and one day one of us in this Chamber could need to access a scheme such as breathing space. It could make a difference for any one of us. I am grateful that the Government have acknowledged the need to ensure that the scheme reaches everyone who needs it, particularly the most vulnerable, and tackles and addresses the impacts of mental health and debt, and I again welcome what the Minister has committed to this afternoon.

John Glen: Being mindful of the need to allow others to speak, I rise to discuss Government amendments 13 to 24. Clauses 19 and 20, which were added by the Government in Committee, aim to build on the Work and Pensions Committee’s proposals by putting them into a workable legal framework, ensuring mirroring provisions for UK occupational pension schemes. Discussions with stakeholders and Members of both Houses have informed amendments 13 to 24. If amended, clauses 19 and 20 would place new duties on managers and trustees of all defined contribution pension schemes, such as breathing space. It could make a difference for any one of us. I am grateful that the Government have acknowledged the need to ensure that the scheme reaches everyone who needs it, particularly the most vulnerable, and tackles and addresses the impacts of mental health and debt, and I again welcome what the Minister has committed to this afternoon.

Frank Field: We may not get a chance to discuss the amendments supported by the Work and Pensions Committee, so will the Minister give the same undertaking, that he will introduce secondary legislation if our worries prove valid?

5.45 pm

John Glen: The spirit that has run through the House during the passage of the Bill necessitates continued dialogue, and I can certainly give the right hon. Gentleman that undertaking.

I make it clear that when an individual seeks to access or transfer their pension pot, the duties will ensure that they are referred to Pension Wise guidance and that they receive an explanation of the nature and purpose of that guidance. Before proceeding with an application, subject to any exceptions, schemes must ensure that individuals have either received Pension Wise guidance or have opted out. Rules and regulations can specify how and to whom an individual must confirm that they are opting out, which allows for the opt-out process to be separated from schemes. Rules and regulations will set out the detail of the opt-out process, based on evidence of what helps people take up Pension Wise guidance.

These Government amendments lay the foundation for an effective final nudge towards guidance and will allow us to test what works best before implementation and to update the approach in future. They strike the right balance with what is set out in primary legislation, with rules and regulations providing suitable flexibility.

In the interests of time, and to be fair to everyone else, I will now sit down.

Norman Lamb (North Norfolk) (LD): It has been good to join the hon. Members for Liverpool, Wavertree (Luciana Berger) and for Plymouth, Moor View (Johnny Mercer), and many others, in tabling our amendments. I very much welcome the Minister’s response.

People often get into a vicious circle, with mental ill health leading them into debt because they neglect vital things and the pressure of those debts intensifying their mental ill health. Kenny Johnston, an inspiring man who set up the charity Clasp and who walked out of darkness to build solidarity for people experiencing mental ill health and suicidal ideation, went through eight years of battle with a bank on mortgage arrears that were started by mental ill health, resulting in two suicide attempts—there was constant pressure on him over that eight-year period. This measure will make a difference. It will help, and it is good the Government have been prepared to listen.

It is important to understand that this is not a panacea. I encourage the Minister also to recognise that there are very many people beyond the scope of clauses 19 and 20, such as people in in-patient care and people supported in the community, who are still experiencing mental ill health and who may end up at risk of suicide because of debt. It is important to get the message out and to establish proper processes in companies, particularly financial services companies, to treat people with mental ill health in an appropriate way in order to protect vulnerable citizens.

Legislation is already in place. The Equality Act 2010 contains a duty to consider reasonable adjustments for people who suffer from a disability, which can include mental ill health, and it is important that we spread best practice much further. I welcome the measure, but it is a start and we need to do much more to protect people’s lives.

George Freeman (Mid Norfolk) (Con): Given the shortness of time, I will be brief. I thank the Minister and congratulate him on providing the House with what we were looking for this afternoon. I congratulate the hon. Member for Liverpool, Wavertree (Luciana Berger), my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer), the right hon. Member for North Norfolk (Norman Lamb), the Breathing Space campaign and the 80-odd colleagues on both sides of the House who have supported the proposal.

I thank the Minister and the Government for signalling what many people in the House and across the country hugely welcome: an appetite for cross-party working in pursuit of looking after the most vulnerable in society, in the spirit of the Prime Minister’s mission when she arrived in No. 10 two years ago. This will send a signal that we are serious.

Secondly, I echo the comments made by my neighbour, the right hon. Member for North Norfolk (Norman Lamb), about the importance of understanding the vicious cycle of mental health and debt, and the way in which the two are so often implicated here. Recent figures from ComRes have shown that 56% of people in
work say that payday struggles are their biggest anxiety. Often that anxiety can lead to further complications in terms of depression, which can lead to mental health problems, which in turn can undermine their ability to earn and work. That often leads into a cycle that makes both the indebtedness and the mental health suffering worse, as I know from my own experience. Sixty years ago, my father won the Grand National and 10 years later he suffered a life collapse from a combination of indebtedness, bankruptcy, mental health issues and head injuries, which in those days were not well treated. It is a sign of how far we have come as a society and as a politics that we now talk about these issues so much more openly and we offer so much more help.

I shall close with my third point, which relates to the importance of that taboo. So many people in our society still suffer in silence from debt, which knows no boundaries and is no respecter of class, political affiliation or geography. People who may appear at ease and prosperous—and often those who appear most that way—are struggling in misery behind the scenes and compounding that misery through their inability to feel confident enough to talk about it. That is why, along with the co-chair of the all-party group on inclusive growth, the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), we are working on a small campaign this summer with StepChange, the Money Advice Service, the Financial Conduct Authority and Martin Lewis called “Share not Shame” to encourage people to talk more openly about their indebtedness issues and to seek the help that is available. Many people in this country are paying far too much for debt that could be provided for at a minimum—at a fraction of the price—and their debts could be rescheduled in a way that takes the pressure and shame from them. I welcome warmly the undertaking the Minister has given today and congratulate those Members who have led the campaign on this, which will signal across the country that this Parliament is taking their interests very seriously.

Yvonne Fovargue: I rise to speak to my amendment 30, which would improve the timeframe for the breathing space, ensuring its introduction by the end of 2019. That would provide greater certainty, because the current timeframe centres on the establishment of the SFGB, which is potentially moveable. I have proposed a realistic target, allowing sufficient time for the necessary preparation work. I am assured of that by the debt advice providers themselves; they say it gives enough time to plan and develop the new systems to deliver the new protections to all.

Let us not forget that debt often pushes people into a mental health crisis and that debt and depression necessitate people visiting the doctors’ surgery. They are suffering depression, but it is not that; it is the debts that are depressing them. The breathing space and statutory debt repayment plans, properly set up, will give people time and space to get debt advice, stabilise their finances through periods of temporary difficulty and put in place a long-term sustainable solution to their debts. That is not just of benefit to the individual; it benefits the creditors as well, because they know they will be getting their money back, in a fair way, over a fair period of time.

I hope that the Minister will also confirm some details of how the breathing space scheme will work. As I have said on a number of occasions, it is essential that the length of time involved is sufficient to ensure that people are not put back into the harmful uncertainty of unmanageable debt before they have that long-term plan in place. Six weeks has been mentioned, and such a period may help some people, but I have said many times that three months is probably more realistic. I have mentioned how long it takes to get people to come in and deal with the debts, with the need to open carrier bags full of envelopes that people have not had the courage to open. If we are going to start with six weeks, provision must be made for extensions to be made to that; it cannot just finish at six weeks, as it often takes longer than that to get an appointment.

I would like to see this scheme cover all relevant debts, including benefit debts, council tax debts and debts owed to central or local government. If creditors are excluded, they will be able to put the unhelpful pressure on the debtors, which will reduce the scheme’s viability and effectiveness. This has to stop creditors across the board making unaffordable repayment demands.

For example, claimants on universal credit can have 40% of their benefit withheld to pay off third-party creditors, with another 40% going on paying back benefit advances—that is 80% of the money. That leaves them with 20% of what is considered the minimum amount required to live on, and that is simply unaffordable.

There is widespread unfair pressure from Government creditors. As StepChange says, bailiffs are often the first port of call rather than a last resort. Clients rate the DWP, HMRC and councils far worse than other creditors—for example, payday lenders—for treating them unfairly. The Government should adhere to best practice, and I hope that the Minister will agree that it is in all our interests to ensure that no vulnerable people are put into a position where they are unable to pay off their debts.

Johnny Mercer (Plymouth, Moor View) (Con): I rise to speak in support of amendment 5, which is in my name and those of the hon. Members for Liverpool, Wavertree (Luciana Berger), and for North Norfolk (Norman Lamb), as well as many others across the House.

We in this place often talk a very good game when it comes to mental health, and serious progress has been made in taking the agenda forward over the last few years thanks to colleagues from across the House. When it comes to parity of physical and mental health, however, small details in policy matter. The amendment concerns one such detail, and I am delighted by what the Minister has said today about bringing that into reality for some of our most vulnerable constituents. It was a manifesto commitment of the Government to introduce a breathing space scheme, whereby people who suffer from problem debt are given a fixed period without fees, charges, interest or collection. The consultation is out at the moment, and I support the proposal very much, but there is a gap in provision for those who suffer from mental health crises—those who are too unwell either to manage their finances alone or seek debt advice, and so would not be able to access this scheme.

As we have heard, last year that situation affected up to 23,000 of our most vulnerable constituents, who were hospitalised for poor mental health while struggling with debt. That does not account for those who were in a similar position while receiving mental health crisis support in the community. The link between debt and
poor mental health is indisputable; it is a marriage made in hell. I pay tribute to the work of Martin Lewis in bringing together the Money and Mental Health Policy Institute, which has shone a torch on the relationship between debt and mental health. That relationship is often hidden away in some of the darker recesses of our communities, but it makes some of our most vulnerable constituents’ lives hell.

Tens of thousands of people in this country are trapped in a spiral of escalating debts and worsening mental health. Some receive court summons while they are in hospital. I know somebody who faced demands on their doorstep the day they were released following their recovery from an illness. Some people have missed bill payments while hospitalised for mental health conditions, and escalating fees and charges have led some to attempt suicide directly after contact from bailiffs.

The ask of this amendment is very clear: for the Minister to look at extending the current breathing space scheme to apply to anyone who accesses psychiatric in-patient care. We must commit ourselves ever harder to parity of esteem, as I have said. For those who have a short period of acute mental illness—who suffer panic attacks and cannot open the post, call the bank or even think coherently—going to a debt counsellor to call a halt to things is just impossible. The commitment that we seek today, and that we have got from the Minister, is important because it means that people can look to those in NHS crisis teams for advice and space in the breathing space scheme.

I thank the Minister for his willingness to listen to our concerns. The campaign has been a good one. It has involved all Members of this House and shown what can happen when those from all parts of the House work together. I come back to what I said at the beginning. We often talk a very good game—I was delighted that parity of mental health and physical health was made a manifesto commitment in 2015—but sometimes big words have to be matched by calibrated and careful actions. This is one such area, and I am delighted that the Minister has decided that he is going to work on it. I look forward to working with him and the policy institute to make that a reality for tens of thousands of people up and down the country.

Luciana Berger: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 18

Disclosure of information

Amendments made: 12, page 14, line 17, after “where” insert “—

(i) the disclosure is for the purpose of enabling or facilitating the exercise of the consumer protection function, or

(ii) ”

This amendment is consequential upon Amendment 10, which makes changes to the consumer protection function, including requiring the SFGB to pass information to the FCA in certain circumstances. This amendment ensures that disclosure of information in these circumstances is protected by subsection (7) of Clause 18.

Amendment 43, page 14, line 26, leave out “Data Protection Act 1998” and insert “data protection legislation”—(John Glen.)

This amendment changes the reference to the Data Protection Act 1998 to a reference to the “data protection legislation” (as defined in Clause 25 as amended by Amendment 44) to reflect the changes to data protection legislation that are to be made by the Data Protection Bill.

Clause 19

Personal pension schemes: requirements to recommend guidance etc

Amendments made: 13, page 14, line 40, leave out from beginning to end of line 8 on page 15 and insert—

‘(1B) As part of the application process, the trustees or managers must ensure that—

(a) the member or survivor is referred to appropriate pensions guidance, and

(b) the member or survivor is provided with an explanation of the nature and purpose of such guidance.

(1C) Before proceeding with the application, the trustees or managers must ensure that the member or survivor has either received appropriate pensions guidance or has opted out of receiving such guidance.”

This amendment will enable FCA rules to require trustees of a personal pension scheme who receive an application from a member to access or transfer their pension to refer them to SFGB guidance and explain its nature and purpose (or ensure that another person, such as the SFGB, does so) and will prevent them from proceeding unless the member confirms that they have received guidance or do not want it.

Amendment 14, page 15, line 10, leave out from “guidance” to end of line 11.

This amendment (and Amendment 13) removes references to independent financial advice from Clause 19, so that it refers only to pensions guidance given by the SFGB in pursuance of Clause 5 of the Bill.

Amendment 15, page 15, line 14, at end insert—

“(i) make further provision about how, and to whom, a member or survivor may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of subsection (1C);”

This amendment expressly envisages the rules making provision about how the opt-out (or confirmation of receipt of guidance) mentioned in the new subsection (1C) inserted by Amendment 13 must be expressed in order to be effective.

Amendment 16, page 15, leave out line 17 and insert—

“communication that is made for the purposes of complying with the duty in subsection (1C).” —(John Glen.)

This amendment is consequential on the changes to the duties on trustees made by Amendment 13.

Clause 20

Occupational pension schemes: requirements to recommend guidance etc

Amendments made: 17, page 16, line 10, leave out from beginning to end of line 23 and insert—

‘(2) As part of the application process, the trustees or managers must ensure that—

(a) the beneficiary is referred to appropriate pensions guidance, and

(b) the beneficiary is provided with an explanation of the nature and purpose of such guidance.

(3) Before proceeding with the application, the trustees or managers must ensure that the beneficiary has either received appropriate pensions guidance or has opted out of receiving such guidance.”
This amendment makes equivalent changes to Clause 20(2), which relates to occupational pension schemes in Great Britain, to the changes made by Amendment 13 for personal pension schemes.

Amendment 18, page 16, line 25, leave out from “guidance” to end of line 26.
This amendment is the equivalent to Amendment 14 for occupational pension schemes in Great Britain.

Amendment 19, page 16, line 29, at end insert—
“(1) make further provision about how, and to whom, a beneficiary may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of complying with the duty in subsection (3);”
This amendment is the equivalent to Amendment 15 for occupational pension schemes in Great Britain.

Amendment 20, page 16, line 31, leave out from second “a” to end of line 32 and insert “communication that is made for the purposes of complying with the duty in subsection (3)”.
This amendment is the equivalent to Amendment 16 for occupational pension schemes in Great Britain.

Amendment 21, page 17, line 27, leave out from beginning to end of line 40 and insert—
“(2) As part of the application process, the trustees or managers must ensure that—
(a) the beneficiary is referred to appropriate pensions guidance, and
(b) the beneficiary is provided with an explanation of the nature and purpose of such guidance.
(3) Before proceeding with the application, the trustees or managers must ensure that the beneficiary has either received appropriate pensions guidance or has opted out of receiving such guidance.”
This amendment makes equivalent changes to Amendments 13 and 17 for occupational pension schemes in Northern Ireland.

Amendment 22, page 17, line 42, leave out from “guidance” to end of line 43.
This amendment is the equivalent to Amendments 16 and 18 for occupational pension schemes in Northern Ireland.

Amendment 23, page 17, line 46, at end insert—
“(1) make further provision about how, and to whom, a beneficiary may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of subsection (3);”
This amendment is the equivalent to Amendments 15 and 19 for occupational pension schemes in Northern Ireland.

Amendment 24, page 18, line 2, leave out from second “a” to end of line 3 and insert—
“communication that is made for the purposes of complying with the duty in subsection (3)”.
—(John Glen.)
This amendment is the equivalent to Amendments 16 and 20 for occupational pension schemes in Northern Ireland.

Ordered,
That Clause 22 be transferred to the beginning of line 1 on page 21.—(John Glen.)
This is a drafting change to reorder some of the existing clauses in the Bill to provide a more logical order following the insertion of NC3 and NC4.
Financial Guidance and Claims Bill

Dame Rosie Winterton

Madam Deputy Speaker (Dame Rosie Winterton): I will now suspend the House briefly in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes.

6 pm

Sitting suspended.

6.4 pm

On resuming—

Madam Deputy Speaker (Dame Rosie Winterton): I can now inform the House that I have completed certification of the Bill, as required by the Standing Order. Clauses 29 and 31 of, and schedule 4 to, the Bill, as amended, relate exclusively to England and Wales and are within legislative competence. Copies of the final certificate will be made available in the Vote Office and on the parliamentary website.

Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. Copies of the motion are now available. Does the Minister intend to move the consent motion?

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman) indicated assent.

The House forthwith resolved itself into the Legislative Grand Committee (England and Wales) (Standing Order No. 83 M).

[DAME ROSE WINTERTON IN THE CHAIR]

6.5 pm

The Second Deputy Chairman of Ways and Means (Dame Rosie Winterton): I remind hon. Members that, if there is a Division, only Members representing constituencies in England and Wales may vote. As the knife has fallen, there can be no debate. I call the Minister to move the consent motion.

Motion made, and Question put forthwith (Programme Order, 22 January, and Standing Order No. 83M(5)).

That the Committee consents to the following certified clauses of, and schedules to, the Financial Guidance and Claims Bill [Lords]—

Clauses and schedules certified under Standing Order No. 83L(2) as relating exclusively to England and Wales and being within devolved legislative competence

Clauses 29 and 31 of the Bill as amended in Public Bill Committee (Bill 160), and Schedule 4 to the Bill as amended on Consideration—(Guy Opperman.)

Question agreed to.

The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).

The Deputy Speaker resumed the Chair, decision reported.

Third Reading

Pete Wishart (Perth and North Perthshire) (SNP): On a point of order, Madam Deputy Speaker. I am grateful to you for all the onerous contributions that you had to make to provide certification, but what can be done to ensure that the huge numbers of English Members who wish to speak in the English Legislative Grand Committee get their opportunity to do so? This is Dave’s legacy, for goodness’ sake. English votes for English laws was supposed to be the most important issue possible. It seems that, once again, English Members have been totally denied their opportunity. Is not this just the greatest waste of time that this House has to endure?

Madam Deputy Speaker (Dame Rosie Winterton): That is not a point of order. If the hon. Gentleman wishes to speak on Third Reading, he is able to do so.

6.8 pm

The Secretary of State for Work and Pensions (Ms Esther McVey): I beg to move, That the Bill be now read the Third time.

This Bill is an important piece of legislation. When it started its journey in the other place in June last year, my noble colleague Baroness Buscombe told peers that it would create a framework that would ensure that people have access to the information and guidance they need to make the important and effective financial decisions that we all have to make at some point in our lives. It will also enable the transfer of claims management regulation from the Ministry of Justice to the Financial Conduct Authority, to ensure that there is a tougher regulatory framework and that people have access to high-quality claims handling services.

Alberto Costa (South Leicestershire) (Con): I thank my right hon. Friend for giving way so early in her speech. Does she agree that it is important that the Financial Conduct Authority and the Financial Ombudsman Service are properly equipped to take on the additional powers proposed?

Ms McVey: I do indeed. We need to have bodies that have teeth, that are able to do this and that we can have faith in. My hon. Friend makes a very good point.

The Bill has delivered on what we said it would, but it now does so much more. The inclusion of a ban on pensions cold-calling, the commitment to introduce a debt respite scheme and the ban on claims management companies cold-calling, as well as the amendment on pensions guidance, all strengthen the Bill. I welcome and appreciate the collaborative spirit that the Bill has engendered across both Houses and the hard work that officials have done. There has been a broad consensus. That is positive, and it has helped so many people in so many different ways.

In the other place, we listened carefully to the thoughtful views of those who engaged in the debates. We appreciate, in particular, the input of Lord Stevenson, Lord McKenzie, Lord Sharkey, Baroness Drake, Baroness Kramer and others who have helped us to craft the clauses on debt respite, cold-calling, pensions guidance and consumer protection. There were some very constructive and helpful debates on other issues that helped us to ensure that the FCA will have regard to the needs of consumers when setting the single financial guidance body’s standards, to strengthen offences on impersonating the new body, to extend the claims management provisions to Scotland and—thanks to the tireless work of Baroness Meacher—to introduce an interim fee cap in respect of PPI claims. To quote Lord McKenzie on Third Reading:
“These changes have come about because, broadly, we have had a shared analysis of what the Bill could achieve.”—[Official Report, House of Lords, 21 November 2017; Vol. 787, c. 106.]

There have been many positive contributions in this House as well. We heard some excellent speeches on Second Reading from Members on both sides of the House. I remember, for example, the powerful speech by my hon. Friend the Member for Chippenham (Michelle Donelan) about debt arguably being one of the biggest challenges to social mobility and, as Conservative Members particularly support social mobility, how important it is to be able to give this financial support. I still recall the very strong contributions from the hon. Member for Makerfield (Yvonne Fovargue) on the proposed debt respite scheme and from my hon. Friend the Member for Mid Derbyshire (Mrs Latham), who recounted the hardships faced by her constituents.

We have listened to what hon. Members said in respect of pensions cold-calling and default pensions guidance. I would like to put on record our thanks to the Work and Pensions Committee for its report highlighting some of these issues. I thank the Select Committee, peers and hon. Members in this House for the way in which all sides have worked collaboratively and constructively on these issues. We have been able to accept a number of the Committee’s recommendations. I am sure that all hon. Members will agree that, with its help, we have made huge progress in these areas. I look forward to continuing co-operation when we bring forward regulations on these matters later this year.

We have also listened to what was said in respect of cold-calling from claims management companies. In Committee, we tabled amendments to ban cold-calling in relation to claims management services unless prior consent has been given. This honours a commitment that we made in the other place. We believe that these changes—along with our commitment to keep under review, and potentially ban, other areas of unsolicited direct marketing in relation to consumer financial products—demonstrate our commitment to tackling unsolicited marketing calls. The Information Commissioner’s Office, which enforces restrictions on unsolicited electronic direct mailing, has the power to fine offenders up to £500,000. In 2017, the ICO issued 29 civil monetary penalties totalling £2.83 million.

In Committee, we also tabled amendments to the claims management clauses. We are now placing a duty on the Law Society of England and Wales to cap fees in relation to financial services claims management activity, in addition to the restrictions it will provide. That provision will be developed concurrently with the main breathing space scheme.

In respect of claims management companies, the Bill sends out a clear message that we are on the side of the public, providing a stronger framework to ensure that individuals are accountable for the actions of their businesses. While recognising that many claims management companies do good work to support people to claim compensation, we have sent a clear message that we will tackle malpractice where it exists, such as nuisance calls and the encouragement of fraudulent claims. I commend the Bill to the House.

6.15 pm

Jack Dromey: Why does this Bill matter? It matters because of that Port Talbot shift supervisor who said he would never, ever forgive himself, having made a mistake and been conned into being sold short on his pension, with all 20 on his shift following his lead. It matters for the single mum in my constituency who had been a victim of domestic violence and had continuously to borrow to pay off her debt. As she said to me, “I borrowed to pay the debt because I borrowed to pay the debt.” It matters to Christine, who was first diagnosed with cancer in 2009 but is still feeling the financial effects today—in debt, pursued constantly for it and her bank oblivious to her condition.

The Bill will help to end scams. It will help to ensure that rogues who are exploiting in particular the vulnerable and undercutting the reputable have no place in the market in future. This is a good Bill. It was strengthened in the other place and then in Committee. It establishes the single financial guidance body, which is a strong step in the right direction.

The Bill has also seen progress today. Progress was previously made on issues of immense importance, in particular pensions cold-calling. It is deeply welcome that the Government have listened to the strong representations made across the House on breathing space and recognise the particular problems of those suffering from mental ill health. The new body will promote greater understanding and help people to plan their finances and retirement.

There is still further progress to be made. We will engage with the Government following our earlier exchanges, because of our very strong view that the time has come to stop all cold-calling for commercial purposes by claims management companies. There is very important progress yet to be made.

The Government have constructively engaged and sent some welcome signals. They have talked about the next stage of the process. The sooner we can get there, the better. I would like to thank a number of people. While there were rather robust exchanges over GKN earlier on in the Chamber, I have to praise both the Under-Secretary of State for Work and Pensions, the
hon. Member for Hexham (Guy Opperman), and the Economic Secretary to the Treasury for their helpful, constructive and collaborative approach.

I would like to thank the Work and Pensions Committee for its characteristically first-class intervention and advice, and in particular its Chair, my right hon. Friend the Member for Birkenhead (Frank Field). The Committee can take particular credit for the progress made on the ban on pensions cold-calling.

I would like to thank all colleagues in this place who tabled amendments and contributed to the various debates that took place.

I thank the Members of the other place for the contributions that they made, again across party—particularly, but not exclusively, Lords Sharkey, Altmann, McKenzie of Luton and Drake. I thank also the Commons Clerks and other staff who worked so hard with us to shape the Bill and to take it through Parliament. All those parties and organisations have contributed to the passage of the Bill with their wisdom and many topics of interest.

I thank those organisations and individuals who passed on their research or sometimes heartbreaking stories, which brought home to us the Bill’s importance. I often say that I believe we need a story to tell the stories, and we have heard so many stories—sometimes tragic ones—throughout the Bill’s passage. It is for people like them that we are all here, and I hope that the Bill will help them in the next stages, and as we move forward, making further progress, ensuring that it benefits all, but especially the most vulnerable in our society.

In conclusion, I have something to say to that steel shift supervisor who wept uncontrollably about the consequences of what he had done and the effect on his freedom around their pensions, and therefore there is a need to ensure that it is underpinned by proper advice and guidance.

I represent a number of financial firms in my constituency. I used to represent Legal & General, which was the biggest employer in my constituency, but it has had the impertinence to move out of Kingswood and go elsewhere. It is one of its rivals whose interests I defend. The pension freedoms that we announced in the Budget some time ago were a major challenge to two companies in my constituency—Just Retirement and Partnership. As one of my friends who worked at one of those companies said, “We have just a slight problem now, as the Government are not mandating that everybody must buy our product as an annuity. They now have options over their future.”

Those two companies were insurgents in the financial services market. Just Retirement specialises in the issue of equity release, which I addressed in the debate on the first group of amendments, trying to ensure that there is proper access to advice on people’s property as part of their asset structure in planning for retirement. Partnership specialised in identifying groups of annuitants with a shorter life expectancy, who therefore would be able to get a greater rate of return out of their pension investment. As people who had been saving with the big boys, such as Legal & General, moved into taking their pensions, they needed proper advice and guidance about the products that were available in the market.

I listened very carefully to the exchange between the Chair of the Select Committee and the Minister around the issue of the independence and impartiality of the advice that people will have access to. This will be the test that I apply to the Bill: people who are saving with a big player such as Legal & General must not be captured, in a sense, by simply not being exercised enough to seek independent advice in order properly to understand what options are available to them, and suborned as it were into continuing with the existing provider without understanding the options available to them. That is why the independence and impartiality, and the encouragement that people will get to seek that advice, is the test that needs to be set for whether this legislation will do the job, making them savvier about their pensions and the options available to them in retirement.

These matters are incredibly important to almost everyone in the course of their lives, when they come to make the big decisions about financial provision in retirement. I will be looking at this legislation, and at the undertakings that have been given, so that if it does not deliver what we hope it will, we can revisit it and ensure that people can access advice.

The Bill builds on the huge opportunities that we have given people to spend their own money in pursuit of their own priorities, while of course ensuring that they make sensible provision for their retirement, on the basis of advice and as informed consumers. That will take them away from being comfortable simply to be prisoners of their own big provider, without understanding the options available to them. We have given people their freedom and I hope that the Bill will ensure that they can use it in an informed way. That is a huge change, and one that I warmly support.

6.26 pm

Neil Gray: It is a pleasure to follow the hon. Member for Reigate (Crispin Blunt) and I wish to echo much of what he has said. Much of what the Bill does is try to protect consumers from some of the unintended consequences of pension freedoms. We welcome the Bill.
I want to use the few minutes available to me to echo some of the thanks that have been offered by the Minister and the shadow Minister to all those involved, including the Clerks and the House staff. I thank my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black), who served on the Public Bill Committee, and Emily Cunningham, who diligently provided support as part of the Scottish National party’s research team. I thank the Under-Secretary of State for Work and Pensions, the hon. Member for Hexham (Guy Opperman), and the Economic Secretary to the Treasury, the hon. Member for Salisbury (John Glen), for their dialogue—we got there in the end. There were some issues along the way, not least the delays in getting to this point, but we are where we are. I thank the Work and Pensions Committee and its Chair, the right hon. Member for Birkenhead (Frank Field), for their diligence in bringing issues to the fore. I also thank the stakeholders who provided expert advice and briefings throughout our deliberations.

We on the SNP Benches remain concerned about some aspects of the Bill, and we have all articulated that—the hon. Member for Reigate has just done so. We remain concerned about the opt-out from pension guidance and about cold calling. We will watch closely for the developments that the Government have promised as the Bill is signed into law.

6.28 pm

Ruth George: I will not detain the House for long. In a long afternoon of debate on financial guidance and cold calling since the ten-minute rule Bill introduced by the hon. Member for Stirling (Stephen Kerr), we have heard how important it is that so many people receive support and proper independent financial guidance. I welcome the work that has been done on both sides of the House, by Front Benchers and Back Benchers. As a member of the Work and Pensions Committee, I am glad that we have been able to contribute to the work that has gone into the Bill. I hope that Ministers will continue to listen to the arguments as they develop the Bill further when it returns to the other place.

We have heard in recent hours about people suffering from mental health problems. They are more vulnerable to people seeking to take their money, whether through cold calling and doorstep selling. As we have heard, mental health problems can be exacerbated by debt. I hope that the Government will consider widening the definitions of debt and of mental health crisis. I have constituents in High Peak who, unfortunately, even at a time of crisis and having attempted suicide, are unable to access mental health crisis support—in-bed support is not available, and there is even a waiting list for support in the community. I therefore hope that the Government will have as wide a definition as possible of people either receiving crisis care or on the waiting list to receive crisis care—I am sorry to say that there are waiting lists for crisis care. The definition should be extended to all debt.

Recently, I asked some parliamentary questions about the level of debt being recovered under universal credit and was sorry to hear that about 6% of current full-service claimants are paying 40% of their universal credit payments to cover third-party debts, leaving them with just 60% of a universal credit payment, which is already lower for many recipients than legacy benefits. Those people have already seen cuts and this is leaving them with even less to pay their debts.

As we heard from my hon. Friend the Member for Walthamstow (Stella Creasy), companies that provide consumer credit can be ruthless in hounding their customers and often contribute to mental health difficulties. In this era of rising household debt, we have nearly £200 million of consumer credit. Independent financial guidance and support are needed more than ever. I urge the Government to ensure that as many people as possible can access it.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.
Mental Health Units (Use of Force) Bill (Money)
Queens recommendation signified.

6.31 pm
The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): I beg to move,

That, for the purposes of any Act resulting from the Mental Health Units (Use of Force) Bill it is expedient to authorise the payment out of money provided by Parliament of:

(1) any expenditure incurred under or by virtue of the Act by
the Secretary of State, and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.

The Bill seeks to reduce the inappropriate use of force against people with mental disorders in mental health units. It also seeks to increase oversight and allow greater scrutiny of the system when it goes wrong.

Like many Members, including the hon. Member for Croydon North (Mr Reed) who brought forward the Bill, I was very moved by the events that led to the untimely death of Seni Lewis. I pay tribute to the Lewis family, who have campaigned tirelessly to ensure that such a tragedy does not happen to any other family. The Bill is testimony to the commitment of the Lewis family and the hon. Gentleman to ensure that we properly hold the system to account.

6.32 pm

Mr Steve Reed (Croydon North) (Lab/Co-op): I congratulate the Government and the Minister on bringing forward the money resolution this evening. We have been anticipating it for a few weeks, so it is a great pleasure and slight relief to have it before the Chamber.

The resolution will allow the Committee to complete its work in the morning and take forward this important social reform, which we hope will make a big difference to the lives of some of the most vulnerable people in our country—people who are living with mental ill health and should not face extreme forms, or indeed other forms, of restraint, which can cause serious injury or even death, as we saw in the case of Seni Lewis. I thank the Minister for her commitment to seeing this through.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

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

COMPANIES

That the draft Companies (Disclosure of Address) (Amendment) Regulations 2018, which were laid before this House on 22 February, be approved.—(Mr Freer.)

Question agreed to.

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

CONSTITUTIONAL LAW

That the draft Welsh Ministers (Transfer of Functions) (Railways) Order 2018, which was laid before this House on 28 February, be approved.—(Mr Freer.)

Question agreed to.

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

LOCAL GOVERNMENT

That the draft Combined Authorities (Borrowing) Regulations 2018, which were laid before this House on 12 March, be approved.—(Mr Freer.)

Question agreed to.

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

HOUSING

That the draft Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018, which were laid before this House on 15 March, be approved.—(Mr Freer.)

Question agreed to.

Mr Speaker: In a risky move, but with the concurrence of the House, I propose to take motions 9 and 10 together. I merely remind Members—I am sure that they are keenly conscious of the fact—that both appertain to energy.

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

ENERGY

That the draft Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2018, which were laid before this House on 7 February, be approved. That the draft Renewable Heat Incentive Scheme Regulations 2018, which were laid before this House on 19 March, be approved.—(Mr Freer.)

Question agreed to.

PETITIONS

Royal Bank of Scotland closure in Kilbirnie

6.35 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): This petition from the residents of the North Ayrshire and Arran constituency attracted 560 signatures, which were gathered by me, dedicated Garnock valley Scottish National party activists and our SNP councillor.

The petition states:

Declares that proposed closure of the 3 branches of the publicly-owned Royal Bank of Scotland in the areas of Kilbirnie, Kilwinning & Saltcoats 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 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. [P002135]

Basingstoke Motorway Service Areas

6.36 pm

Mrs Maria Miller (Basingstoke) (Con): I rise to present this petition, which, with over 3,000 signatures, clearly demonstrates the strength of opposition to proposals for two separate motorway service areas in Basingstoke, at junction 6 and at a site near Hatch Warren next to junction 7. If both were to go ahead, this would mean four service station areas within a 23-mile stretch of the M3. I would like to thank local councillors who have campaigned tirelessly in their communities to raise awareness of the issue—in particular, Councillor Terri Reid in Hatch Warren and Beggarwood and Councillor Onnalee Cubitt in Basing ward.

The proposed motorway service areas cause huge concern. Residents in Hatch Warren are worried about the potential encroachment on their residential area from a proposed new motorway flyover to access the services on the opposite side of the motorway, and Thames Water has warned of the risk of sewage flooding resulting from the proposals currently being considered for junction 6. This proposal would also cause real road safety concerns, unnecessarily creating tailbacks on the M3, which in the past have led to road traffic accidents and tragically, the loss of life.

The petition states:

The petition of residents of Basingstoke,

Declares that urgent action must be taken concerning proposals for new Motorway Service Areas at Basingstoke; further that there is no need for any additional motorway service areas given that the existing services at Fleet and Winchester are only 23 miles apart; further that the development of any new facilities will be detrimental to the environment and traffic congestion; further that they are clearly not in the best interests of Basingstoke residents; and further that the two proposals that have been made to date, one at Junction 6 and one near Junction 7 are not acceptable.

The petitioners therefore request that the House of Commons urges the Department for Transport to reinstate the requirement for there to be a minimum distance between motorway service areas.

And the petitioners remain, etc. [P002139]
Will Quince: My hon. Friend is absolutely right, and I thank him for the support he has given to the APPG since its formation. He is right that just one stillbirth or neonatal death is one too many, and while we should rightly campaign for reductions—we have ambitious targets in that regard—it is absolutely right to ensure that even if we hit those targets, as I will come to later, we make sure we have world-class bereavement care for those parents and families who sadly suffer the loss of a child. Through the pathway, we can work to ensure that they receive the best-quality bereavement care that the NHS can deliver.

Bereavement care has been a priority for the APPG for two reasons. First, there is sadly an inconsistency in the quality and standard of bereavement care across the country. Every parent and family who suffer the loss of a child should receive the same high-quality bereavement care no matter where they live, yet that is not the case at the moment. A report from Sands in 2016 found that only 46% of trusts with maternity units provided mandatory bereavement care training for maternity unit staff. Further, of those who did provide the training, 86% provided their staff with just one hour or less of training each year.

A separate report by Bliss in 2015 on neonatal units found that 41% of units had no access to trained mental health workers and that while some units had dedicated bereavement facilities, many relied on normal accommodation or quiet rooms. That is very important. In the case of 50% of bereaved mothers, care after their baby had died was considered poor enough to have affected their psychosocial wellbeing and any plans that they might have for a future baby. We should therefore be ensuring that parents who suffer the loss of a child receive the best possible care wherever they are in the country, and that is exactly what the bereavement care pathway does.

The second reason, however, is that 15 babies sadly die every single day before, during, or shortly after birth. This takes me to the point made by the hon. Member for Strangford (Jim Shannon). Even given the Government’s ambitious target of a 50% reduction in stillbirth and infant death by 2025, there will still be tens of thousands of stillbirths and neonatal deaths, and that 41,000 of parents, grandparents and wider family members will still go through the tragedy of baby loss. While it is right that we work to reduce baby loss rates by, for instance, tackling smoking among pregnant women, we also need to ensure that there is high quality-care throughout the NHS for the parents who do, sadly, lose a child.

Last month, I had the opportunity to visit one of the first pathway pilot sites, established by Chelsea and Westminster and West Middlesex University hospitals, to see it in action. It was great to chat with staff and discuss what challenges they faced in implementing the pathway, and what benefits they had found for parents. My experience during that visit has been backed up by the recent early evaluation of the first phase of the pathway. Feedback from the pilot sites found that it had helped to raise the profile of bereavement care in hospitals—a vital change, now that that will be assessed as part of inspections by the Care Quality Commission—and that it had also encouraged different teams in hospitals and departments to work more closely together.

That independent report showed not only the need for the programme, but its obvious impact. For example, where bereavement midwives are in post, they are making a significant and positive difference in their trusts. However, more work is clearly needed to ensure that good practice is shared across hospital trusts, so that all staff who come into contact with bereaved parents are equipped and helped to deliver the high-quality care that we all want to see. The findings show the huge potential for improving bereavement care in pregnancy and baby loss, something that I, and the all-party parliamentary group, will continue to proudly support. It has also been useful for healthcare professionals to suggest ways in which the pathway can be refined, and, in particular, how it can be ensured that the documents and guidance that are issued are more practical in terms of implementation.

Last Monday, our APPG hosted a reception to mark the launch of the second wave of pathway sites. Further 21 trusts are now piloting the pathway, providing sites where bereaved parents will be able to experience better care.

Patricia Gibson (North Ayrshire and Arran) (SNP): I congratulate the hon. Gentleman on securing the debate and on all the work that he has done in this field, including his work in the all-party group. Earlier, he gave the chilling statistic that 15 babies die each day in the United Kingdom. Of course we all know that the loss of a baby—the death of a child—is the last taboo. The irony is that, although the rolling out of bereavement pathway sites throughout the UK is welcome and much needed, it is because baby loss is so hard to discuss that it has taken us so long to reach this point.

Will Quince: The hon. Lady—and I will call her my hon. Friend—has made a very valid point, and I thank her for all her contributions to the formation and the continuing work of the APPG. She is right: there is a taboo surrounding baby loss, and we must break it. I remember the first debate about it that we held here, in November 2015, and the floods of e-mails and messages that we received from parents out there who were saying, “Thank heavens, someone is now talking about baby loss.” They had felt so enclosed, and unable to talk about it, to the extent that people would cross the street to avoid having to have that awkward conversation.

That is exactly why the pathway is so important. Although NHS professionals up and down our country are caring and compassionate to their very core, not everyone has experienced this kind of grief. It is important that the pathway is parent-led, because that enables parents to share the experience of what they went through, how they were feeling, and how things could possibly improve in the future. I encourage the hon. Lady to continue her work in the APPG and continue to participate in debates like this, because that shows the country as a whole that we are willing, ready and able to talk about baby loss, and will not stop talking about it until as have addressed some of these big issues.

Jim Shannon: The hon. Gentleman is being gracious in giving way—I thank him for that. One of my staff members had two miscarriages, and the loss for her was immense. What sustained her through that time of grief, which he knows about himself, was the support of family, friends and all of us associated with her, but probably more than anything else her faith and her Christian beliefs. Does he agree that it is critical that that is part of the pathway?
Will Quince: I thank the hon. Gentleman for his further intervention. He raises a good point, because hospital chaplains provide amazing support for those who have gone through this horrific experience. Whether someone is of a religion or of none, there is an important role for the calm, comforting voice and listening ear of a chaplain, who can sit with them and give them the time that NHS professionals are not always able to give in a busy, hustling and bustling maternity or neonatal department.

Victoria Prentis (Banbury) (Con): My hon. Friend is being generous in giving way. Does he agree that the baby loss services that we have organised, particularly last year, have helped many couples across the UK come to terms with their grief? We had a fantastic one at St Mary’s church in Banbury and a fabulous one downstairs in the Crypt here. Whether or not people are of faith, those services enable them to demonstrate their grief in a public place, which is very helpful.

Will Quince: I thank my hon. Friend for that intervention and for the considerable work that she has put into both the formation and the ongoing work of the all-party group. She makes a really good point. Those services are not always religious, although most of them tend to be in some way, shape or form, and they are hugely important and comforting to families. I know that she has organised several, and various charities organise them too. They are about not just the religious element but people being able to come together and pay their respects to the children they have lost. They bring about a community and show people that they are not alone and that there are others who have gone through the same or very similar experiences. Long-lasting friendships often flow from them. I remember a service that I attended with my wife—I think it was the year after we lost our son. There was a lady there in her 80s who still came to the service every year to remember the child she lost in her late teens. That shows that the experience stays with people forever, and that these services are really important.

With the evidence showing that the pathway is making a really big difference in improving the quality of bereavement care in the hospital trusts in which it is being piloted, the aim is to roll it out across the country in October. As I said at the beginning, 11 sites launched last October and a further 21 last week, and a nationwide launch in October is very much the ambition. Sands established the project on behalf of the core pathway group, entirely thanks to £50,000 of funding from the Department of Health and Social Care. I am extremely pleased to see my hon. Friend the Member for Ludlow (Mr Dunne), the former Care Quality Minister, in his place, because he did so much with the Secretary of State to help secure that funding.

Mr Philip Dunne (Ludlow) (Con): I hesitate to rise after that generous tribute, but may I say that I am absolutely convinced that without the work of my hon. Friend and his colleagues in the all-party group, we in the Department would not have given this issue the prominence that it has achieved under their leadership? In particular, I wish to mention the role that Sands has played in driving this agenda forward. I pay tribute to that organisation and all the bereaved parents that it represents, and I congratulate my hon. Friend on securing yet another debate on this topic.

Will Quince: I thank my hon. Friend for his kind words. He makes a good point about the charities involved. One of the great strengths of the all-party group is that we have been able to bring together about 40 baby loss charities, and that number grows at every meeting. This is one reason why we have been so successful. Some of the charities are big, including Sands, Bliss and the Lullaby Trust, while others are very small, including those that make teddy bears or knit little items of clothing for their local neonatal units. We are bringing all those charities together with one common purpose: to reduce baby loss and ensure that we have world-class bereavement care. This is what has genuinely made the difference. When politicians work with the charitable sector, the Government, bereaved parents, clinicians and medical professionals, that is when we can really make a difference, and I genuinely believe that this is a prime example of that happening.

This is also a good juncture to pass on my sincere thanks to the Secretary of State for Health and Social Care. He could not have been more supportive of the formation of the all-party group or of our work, and I have always felt that, with him, we were pushing at an open door at every turn. I know that that feeling will be echoed by other members of the group. Every time we have tried to move the agenda forward, the Secretary of State has been willing to listen and to act, and I thank him for that.

We are also most grateful for the Department’s financial support, in the form of £50,000, to help to launch the national bereavement care pathway. However—this is the big “however”—that funding was exhausted last year. Since then, Sands has continued to support the project, covering the costs of staff, partnership, documentation production, website development and all the engagement activity that supports it. To ensure that the pathway is embedded across England by 2020, in line with commitments on improved patient safety, maternity services and bereavement care, the project has to be suitably resourced. Sands has approached the Department of Health and Social Care asking for support to cover the core costs of the pathway. It has formally requested further funding for the current financial year and the next.

There is overwhelming political, parental and professional support for the pathway. I do not want to put the Minister on the spot, but I ask the Government to commit to provide Sands with additional funding for the roll-out of the pathway, which is so important. This will mirror the commitment given by the Scottish Government, who are funding the roll-out in Scotland. More widely, the Department of Health and Social Care should look to put in place the resources needed to ensure that staff are given the training and facilities that they need to make this a success and to give bereaved parents the best possible care. The loss of a child is something that affects tens of thousands of parents every year. The Government can rightly be proud of the progress made, the ambitious targets set and the plans put in place to reduce baby loss. By committing to funding the pathway roll-out across England, the Government can ensure that families who suffer the loss of a baby receive consistent, sensitive, world-class bereavement care right across our NHS.

6.57 pm

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): I congratulate my hon. Friend the Member for Colchester (Will Quince) on securing this
debate on the important work of the national bereavement care pathway. It is only three years since he was elected to this House, but in that time, he has done more than simply putting this important issue on the political agenda. He has drawn considerable attention to it and really moved it forward, and I thank him most sincerely for that.

I also thank the hon. Member for North Ayrshire and Arran (Patricia Gibson), who has been a willing ally and partner in that work. We thank her for sharing her experiences, which I know must have been very painful. I am also grateful for the efforts of my hon. Friend the Member for Banbury (Victoria Prentis), who has applied her very considerable energy to this project. It is with pride that I stand alongside all these Members today to address this important subject which, as I have said, has really moved on in the past three years. I must also pay tribute to my hon. Friend the Member for Ludlow (Mr Dunne), from whom I have inherited this part of my portfolio. He left it in very good shape, which makes it very much easier for me to address the House on it this evening.

I was fortunate enough to attend the launch of wave 2 of the pathway here in Parliament just last week, when I met the charities, led by Sands, that are working hard to expand the pathway, and representatives from the wave 1 and wave 2 permanent sites. That uplifting event celebrated the difference that the pathway is making to parents across the country, and I was pleased to hear about the positive evaluation of the wave 1 pilot sites since the pathway was launched last October. I was particularly moved to hear the story and experiences of Cheryl Gadsby. She really brought life to the huge difference that the right care can bring to bereaved parents. Against that background—

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Mike Freer.)

Jackie Doyle-Price: I am glad you did that then, Mr Speaker, because I was just getting to a good bit.

Although my hon. Friend the Member for Colchester said that he did not want to put me on the spot about further funding, he actually did—very effectively—so before I go any further this evening, I am pleased to announce that the Department of Health and Social Care will provide additional funding for Sands to further develop and roll out the national bereavement care pathway in the coming financial year. It is a shame that the House is not busier, because it is not often that Ministers get the chance to say things from the Dispatch Box.

The Department has been in conversation with Sands and can confirm £106,000 of funding to support the roll-out of the pathway in 2018-19. That is more than double the Department’s original funding of £50,000 to support the first year of the programme. While I am sure that all Members present understand that funding for future years cannot be committed at present, I hope that the announcement of this funding demonstrates the Government’s commitment to supporting the pathway as it moves towards national roll-out. The funding comes following recognition of the great strides forward that the pathway project is making in ensuring that all bereaved are offered the right high-quality care at a time of enormous tragedy.

I should pause here, as I did at the parliamentary event last week, to highlight the Government’s wider ambitions for maternity care because, as we have heard this evening, the number of deaths at childbirth are too high. The Secretary of State’s ambition is to reduce rates of stillbirths, neonatal and maternal deaths and brain injuries by 50% by 2025. Our even closer goal is to achieve a 20% reduction by 2020, which illustrates our desire to make rapid progress.

To that end, the Secretary of State launched a refreshed maternity strategy last year—not long after the moving debate on baby loss in the House last October. The strategy highlights further action that the Government and NHS England have taken to improve safety and reduce the number of stillbirths and other adverse maternity outcomes. The initiatives include funding for the new healthcare safety investigation branch to develop investigation standards and conduct independent investigations into all cases that meet the criteria of the “Each Baby Counts” programme run by the Royal College of Obstetricians and Gynaecologists. That will amount to around 1,000 cases annually and will improve the rigour and quality of investigations into term stillbirths, neonatal and maternal deaths and serious brain injuries, and of learning from the investigations. The investigations began this month and will be rolled out to all areas of England by this time next year. Other initiatives include more support for safety training for all maternity and neonatal staff and an ambition to reduce the national rate of pre-term births from 8% to 6%, building on the world-class expertise already available across the 35 pre-term birth clinics in England.

The Department of Health, together with the Health Departments in Scotland and Wales, has funded the development of a national standardised perinatal mortality review tool to support systematic, multidisciplinary reviews of the circumstances and care leading up to every stillbirth and neonatal death. The tool is now available and enables teams to provide clear and accurate information to parents about why their baby died. It will also help staff to understand where lessons can be learned and allow for future care to be improved.

I am happy to report that we are making progress towards achieving our 2020 ambitions. The stillbirth rate in England has fallen from 5.1 per 1,000 births in 2010 to 4.3 in 2016. The neonatal mortality rate was 2.7 deaths per 1,000 births in 2016, down from 2.9 in 2010, but we must continue to do all we can to ensure the best maternity care in this country and the most appropriate support if parents do suffer bereavement at birth.

We are committed to providing high-quality bereavement care, as I hope I have proved and demonstrated with my announcement this evening. Since 2010, the Government have invested £35 million in the NHS to improve birthing environments, including better bereavement rooms and quiet spaces, at nearly 40 hospitals. On 2 February 2018, the Secretary of State announced the Government’s intention to conduct a review of whether the law should be changed to allow parents to register a pregnancy loss that occurs at less than 24 weeks’ gestation, as many hon. Members have called for. The review will also look more broadly at what can be done to improve care and support for parents going through such losses.
It is crucial that parents who experience pregnancy loss, regardless of the gestation stage at which the loss occurs, receive the best possible care and support, and that we use all opportunities to learn for the future when things go wrong. The review will speak to parents, clinicians, midwives and other experts to develop recommendations to ensure that pregnancy losses before 24 weeks’ gestation are handled with the same sensitivity and care as losses at a later gestation.

The Department is also conducting a review of whether the law should be changed to enable or require coroners to investigate stillbirths. Currently, coroners have the power to investigate only if there is doubt as to whether a baby was stillborn or lived independently, regardless of whether doctors declared it a stillbirth. Some parents feel that a coroner’s investigation would help to provide answers when a baby is stillborn and that such learning could help to avoid similar tragedies in future. As part of that review, the Department is working with the Ministry of Justice to consult parents and experts about whether and, if so, how current legislation on coronial powers in relation to stillbirths should be amended to ensure that all avenues for investigating and learning from tragic events are considered.

Once again, I thank all Members of the House who have done so much to raise awareness of what can be done to support bereaved families through such tragedies. I am delighted to have been able to announce further funding for the national care bereavement pathway today, and I will closely follow its development as wave 2 of the pilot sites gets under way.

Question put and agreed to.

7.7 pm

House adjourned.
Westminster Hall

Tuesday 24 April 2018

JAMES GRAY in the Chair

Street Homelessness

9.30 am

Adam Holloway (Gravesham) (Con): I beg to move, That this House has considered street homelessness.

It is a pleasure to serve under your chairmanship, Mr Gray. I thought I had had the most interesting February recess, but in fact you were sailing through the south Atlantic to South Georgia in rather hazardous circumstances, so I will defer to you.

In the February recess, I wandered into Covent Garden, armed with some cardboard that I had taken from outside a store, and I bedded down for a night under the awning of St Paul’s church. I was there with a very friendly Italian man and a Romanian couple, who were busy checking their phones before going to sleep. My idea was to spend as many days as I could updating myself on the situation of the street homeless in London. I first did that 27 years ago as a much thinner and fitter ex-Army officer, who had only just left the Army and was trying to become a television reporter. In February, 27 years later, I was doing the same thing as a much fatter Member of Parliament.

I wanted to understand what the Government strategies are to end street homelessness. The Government and the Prime Minister herself have said that they want to eliminate it within 10 years. I wondered how we will do that and whether it will really be possible. I also wanted to look at what effect the Homelessness Reduction Act 2017 is likely to have.

I emphasise that, from my perspective, this debate is about street homelessness, which is the obvious problem. There is, however, also the much bigger problem of sofa surfing, which I am not covering at all, although I acknowledge that it is very much there.

Some things have changed, and some things are the same. Things that are the same are the kindness and compassion of members of the public and of the charities dealing with this problem.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this debate. One of the most profoundly moving things I have heard—possibly he heard it too—was after the recent passing of the Rangers and Chelsea footballer Ray Wilkins. On the radio, a moving tribute was paid live on air by a homeless man, who said that, when he was outside a tube station in London, the person who came to him, took him for a hot drink, gave him some money and changed his life was Ray Wilkins. That man said in his tribute that the world might remember Ray Wilkins the footballer, but he will remember the man who saved his life.

James Gray (in the Chair): Order. Interventions must be brief.

Adam Holloway: What a lovely story—I thank the hon. Gentleman.

The other thing that has changed is that the Mayor of London, Westminster City Council, councils across the country and indeed the Government—I do not speak for the Government; I wish I did, but I am just a passed-over Back Bencher—are taking this problem extremely seriously, and I genuinely believe that. The No Second Night Out programme is a good example.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Gentleman on securing this debate. Earlier he mentioned voluntary organisations, and I am sure he agrees that we should pay tribute to those in Coventry, such as the Cyrenians. They are underfunded to a certain extent, which we could have a debate about, but the serious issue is what to do about the problem.

We need go less than 100 yards from here, across the road, and every morning we can see someone sleeping rough just under cover where the bookshop is. It is a serious problem, so how do we tackle it? I understand that a private Member’s Bill became law last April—

James Gray (in the Chair): Order. Interventions must be brief.

Adam Holloway: I have not come across the Cyrenians, but I agree with the hon. Gentleman that across the road is an excellent sleep spot.

The No Second Night Out programme is a good example of an early intervention service. It was launched in 2011 by my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), now the Secretary of State for Foreign and Commonwealth Affairs, and it aims to ensure that no one, once identified, spends a second night sleeping rough in central London. More recently, Sadiq Khan has gone further and set up the No Nights Sleeping Rough Taskforce, trying to come up with new solutions. The taskforce brings together boroughs, voluntary organisations and central Government.

Apart from the proactiveness of the agencies that are helping, I noticed some other differences. In February 2018 the majority of the people I came across living on the streets were foreign nationals. One evening, at a soup kitchen on the Strand, there were—I will not exaggerate this—certainly 200 people. Various church groups—from Maidenhead, I think—and some Ahmadiyya Muslims, a Sikh group and an evangelical group were helping out. I wandered about while shawls and brand-new trainers were handed out, and I honestly did not hear English being spoken by anyone. I heard east European languages, Arabic and Italian.

The statistics seem to bear out my anecdotal evidence. Information collected by the Combined Homelessness and Information Network—the joint agency of people working with rough sleepers that is run by the excellent charity St Mungo’s—records that, in 2016-17, of the rough sleepers in London for whom nationality information was available, 30% were from central and eastern Europe. The figure for non-UK nationals overall was 52.6%; that does not include those who do not wish to give a nationality, and other sources put the figure nearer 60%, which was certainly my experience.

Melanie Onn (Great Grimsby) (Lab): I note that the hon. Gentleman mentioned that those figures relate to London. Does he accept that, UK-wide, only 4% of rough sleepers in England are non-European Union
nations and 16% are EU non-UK nationals? Will he join me in thanking those faith groups who go out to serve all communities, regardless of background, and to help people who are in the direst of straits if they are rough sleeping?

**Adam Holloway:** Well, of course—the hon. Lady need not even have bothered asking the latter question, because it is a no-brainer, isn’t it? As for the numbers for the rest of the country, I do not know—I have not looked at them—but they are very interesting. There are many different people with different sets of figures, and I am sure that hers are correct. With the example of the numbers of foreign nationals living homeless in London, we can take our pick, but the CHAIN figure is the most reliable—I do not think that the figure is much more than 60%, but nor do I think it is much less.

**Mr Jim Cunningham:** Will the hon. Gentleman give way?

**Adam Holloway:** I will in a minute, but I have only got to page 3 of my speech, and I have quite a few more pages, some of which will go on to cover voluntary organisations, for example, which the hon. Gentleman mentioned earlier.

**Mr Cunningham:** I have another slant on this.

**Adam Holloway:** Go on.

**Mr Cunningham:** I thank the hon. Gentleman for giving way. One of the things that the figures mask is that some people are asylum seekers with no status, going from home to home. In fact, on Monday, I met a young man who is clearly different, because it is a no-brainer, isn’t it? As for the numbers for the rest of the country, I do not know—I have not looked at them—but they are very interesting. There are many different people with different sets of figures, and I am sure that hers are correct. With the example of the numbers of foreign nationals living homeless in London, we can take our pick, but the CHAIN figure is the most reliable—I do not think that the figure is much more than 60%, but nor do I think it is much less.

**Adam Holloway:** Yes. As I said at the beginning of my speech, this debate is about street homelessness, and I totally accept that there is a much bigger and much less visible problem of people sofa surfing. Indeed, tomorrow morning I will be seeing an asylum seeker without recourse to public funds who is in exactly the position that the hon. Gentleman is suggesting.

Going on to the reasons for rough sleeping in 1991 and now, the demographic of the people I met on the streets recently is clearly different, because of the foreign nationals, but the reasons for people being there are as sad and complicated as they always were. Once again, I met that seemingly intractable group—the mentally ill, the drug addicted and, in particular, people suffering from mental health issues. Of the what one might describe as “genuinely” street homeless, the overriding majority had some sort of mental health issue, which is compounded by living on the streets and by drug or alcohol addiction.

**Alex Chalk** (Cheltenham) (Con): My hon. Friend is being very generous with his time. At the last count in Cheltenham, there were nine rough sleepers, often with complex needs relating to substance misuse or poor mental health, as he indicated. Does he agree that, in those circumstances, there can be no substitute for qualified expert and intensive support, such as that provided by P3 in Cheltenham, and that we should continue to fund that generously?

**Adam Holloway:** I do not know P3, but I am sure that it does great work. I agree with my hon. Friend, and I will come on to that point. How we deal with the mentally ill and the drug addicted, how quickly they have access to support, and how the money goes to the teams on the ground is a very important part.

Some of the street homeless I spoke to were ex-soldiers. One guy had separated from his German wife, whom he had met during our time in the Rhine. She had taken the children back there, and he had been living in a forest in Germany for four months. He had come back to London before trying to head back down to the west country.

There are also ex-offenders, some of whom leave prison with £46 in their pocket, although I did not meet any of them. I am sure that there are also those who lost their homes as a result of benefits sanctions, financial problems or the breakdown of relationships, although despite speaking to many dozens of homeless people, I did not come across any of them. But, of course, there are many of them, and there will be many more in the sofa-surfer sector, which we discussed.

The most common theme was mental illness of some kind. If hon. Members have walked along the road to Victoria station, they will have seen all the people zombified out of their heads on this horrible synthetic cannabis, Spice. I spent a night sleeping there, round the back of the “goods in” entrance to McDonalds. I was looking for a suitable place to sleep, and I found a guy sitting on his own. I wandered up to him and had a bit of chat. He was an alcoholic and was quite lonely, and he was quite nervous of all the Spice guys in the area. He said that I could bed down next to him, which I did. He was 30, from the north of England and quite anxious for company. As we lay there in our sleeping bags—him drinking beer—he told me that he had a flat outside London; in fact, he showed me the keys. But he said that when he is in the flat, he just sits there, getting wasted, and sees nobody. I found it terribly sad that he was so lonely that he preferred to be out on the street. That guy illustrates the complexity of rough sleeping and why the problem persists, even when money is being poured into the system and huge numbers of different services exist.

**Mr Ivan Lewis** (Bury South) (Ind): I congratulate the hon. Gentleman on securing the debate and going on to the streets to find out the realities for himself. I have to respond to the point about pouring money into the system. That is absolutely not the case; money is being poured into the system to react to a crisis. The crisis is caused by the breakdown of our public realm—the decimation of frontline public services and the lack of mental health services and drugs and alcohol services. On the one hand, the Government are pouring in ring-fenced money to tackle the problem, but the breakdown of the social fabric of our society—like in the ’80s and ’90s—is the reason we have such a high level of rough sleeping.

**Adam Holloway:** As I said, I would like to be in the Government, but I am not. We will hear from the Minister, who I think will confirm that enormous amounts
of money are being poured in. The hon. Gentleman may have a case in terms of sofa surfers, but for the hard-core rough sleepers, I cannot agree with him. I did not come across the sort of people that he characterised. I accept that, in terms of the other group, he may well be correct, but I think that the number of rough sleepers has much to do with the very high levels of eastern European immigration over the last few years. But he is absolutely right that we still have the intractable problem that, whether or not people think we are pouring in money, we are not getting to the people at the very bottom—I will come to them in a minute.

Paul Blomfield (Sheffield Central) (Lab): I congratulate the hon. Gentleman on his initiative to put focus on this issue. Over the Easter recess, I did the 6 am shift with police community support officer Steve Hart, in Sheffield, where I met all the people sleeping in doorways and stairwells. None of them were foreign nationals—they were all British—and they all had the sort of complex problems that he describes. I talked to the agencies that worked with them; the reason why those numbers have gone up each year over the last few years is surely because, as my hon. Friend the Member for Bury South (Mr Lewis) highlighted, starving money from local authorities has minimised not only their ability to deal with the issue, but a key source of funds for the charities in the third sector, which cannot provide the intensive support that people with complex problems need.

Adam Holloway: Again, I do not want to be a cop-out, but I will throw that to the Minister. If someone is fit and of sound mind, there are all sorts of services, although not quite 24 hours a day, that make it possible to sleep rough. I am 52 years old and I was in the Army; to be honest, sleeping rough in central London is a lot more comfortable than going on exercise when I was in the Army. For those who are mentally ill, drug addicted, old or personality disordered, it is a very different thing.

Laura Smith (Crewe and Nantwich) (Lab): Will the hon. Gentleman give way?

Adam Holloway: Can I go on a little bit, unless the hon. Lady is desperate on this point?

Laura Smith: I will hold on.

Adam Holloway: We have to accept that some people are able to sleep rough in our cities because there are the resources to do so.

Laura Smith: Sorry, I cannot hold on. I have been out with homeless people in Crewe and Nantwich, and I do not relate to what the hon. Gentleman is saying at all. Does he agree that an area that needs to be looked at more closely is the high rate of benefit sanctions among homeless service users and the impact of those sanctions?

Adam Holloway: As I said at the beginning, this is a debate about street homelessness. I accept that is probably true in that other sector, but I did not come across it, and I am here to talk about my experience, so I do not know.

The hon. Lady said that she does not recognise what I was saying. I am not saying that even a large minority of the homeless are there because there are resources for them. I am trying to say, and I will develop this later, that we will get nowhere in solving the problem and getting to the people who are most needy if we just continue to talk about the homeless and feel sorry for everybody. We have to focus on the people in real need. Come out with me some time, and I will show you.

Laura Smith: I go and help the homeless in my community; we have great volunteers who also help them all the time. Thank you, but we are interpreting the issue completely differently. It worries me that you are not recognising some of the real, ingrained problems. I do not think that anybody would choose to sleep rough—I do not buy that.

James Gray (in the Chair): Order. Before the hon. Gentleman replies, I must make a couple of boring points. First, interventions are getting terribly long—Members must make short, one-sentence interventions. Secondly, any Member who says “you” means me. If Members refer to another Member, they must use the third person—“him” or “her”.

Adam Holloway: Thank you, Mr Gray. I can only go by my own experience. I am very keen that we should get to the people who are in real need and that we should start treating people as individuals rather than lumping them all together and suggesting that everyone has the same need. I am trying to be honest; I can only go with my experience of three months back in the ’90s.

Fiona Onasanya (Peterborough) (Lab) rose—

Adam Holloway: I really should not allow another intervention, as I am on page four of 15 of my speech, but go on.

Fiona Onasanya: As you have just said—

James Gray (in the Chair): No, I have not.

Fiona Onasanya: Sorry. As the hon. Gentleman just said, we should not lump all homeless people together; rather, we should look at them individually. Does he agree that, based on his own experience, he is taking a broad-brush approach to all homeless people, and that is incorrect?

Adam Holloway: Well, I am not—actually, I have just turned the page, and I am now on page five of 14. I hope I do not give that impression, because I certainly do not think that. People are on the street for a reason. The problem is not homelessness—although of course that is a problem—but whatever reason someone is on the street. I do not think we disagree at all, but I will get to the hon. Lady’s point.

What was my experience with No Second Night Out? That initiative is based on the idea that once someone is identified, they will not spend a second night out. That happens in cities up and down the country. I reported myself to the StreetLink helpline, and I was woken up at about 2 o’clock in the morning by two outreach workers and asked whether I would like to get in an Addison Lee taxi to go to the No Second Night Out south hub in Hither Green. No Second Night Out has three hubs in London—one in the east, one in the north and one in the south. I had a 3 am interview with a charming, extremely competent and razor-sharp member of staff, and I was then taken into an L-shaped room
about a third of the size of this Chamber where about 30 people were camped out on the floor with their own bedding. I squeezed into the one remaining space between a refrigerator and some French windows. I got up the next morning, had a Pret A Manger sandwich and some coffee, and later had an assessment interview. Not wanting to take a valuable place, I made my excuses and left.

To be honest, I was quite relieved when I left. The thought of spending days or weeks sleeping on the floor in a cramped room between the refrigerator and the French windows did not appeal to me much. I can completely see how, for someone able-bodied and of sound mind, it would be much more appealing to sleep under the awning of St Paul’s church in Covent Garden or at the “goods in” entrance round the back of McDonald’s in Victoria, because people have freedom in those places. Also, if I were a drug addict, I do not think I would want to abide by the rules that hostels must have to protect the other people there. But if I had been ill or elderly, I would of course have been grateful for that place on the floor and the plan that St Mungo’s, which operates the initiative, has for people eventually to go on and find housing.

Even if I were Alastair Campbell himself, I would find it hard to put in terms quite how extraordinary the staff of St Mungo’s are. Having made my excuses and left, I was walking down the street, and I had gone round the corner from the hostel when its manager ran down the road after me and said, “No, no, no—you don’t have to do this yourself. Come back and we will sort you out.” It was quite remarkable.

Eddie Hughes (Walsall North) (Con): Prior to becoming an MP, I worked for YMCA Birmingham dealing with homeless young people. Will my hon. Friend join me in celebrating the £2.2 million it was recently granted by the Government to refurbish its 72-bed hostel in Northfield, creating facilities for organisations such as Mind to provide support to formerly homeless people?

Adam Holloway: Absolutely. Indeed, I experienced that. For another programme I made some years ago, I pretended to be a homeless mentally ill person in Birmingham. When I was discharged from Queen Elizabeth psychiatric hospital, I went to that very institution and the people there arranged to look after me. That was 30 years ago.

Laura Smith: Will the hon. Gentleman give way?

Adam Holloway: Yes, of course—I love the outrage.

Laura Smith: I find it unbelievable that the hon. Gentleman would pretend to be a homeless mentally ill person. That just shows how detached he is from the situation. I find that insulting.

Adam Holloway: All I can do is suggest that the hon. Lady watches that “World in Action” series from 27 years ago and draws her own conclusions about whether that was a good thing. Let us have a chat about it when she has done that.

Let us carry on with some realities. It is very depressing, after 27 years, to look at streets with the same cohorts of mentally ill and drug-addicted people on them—the people who fall through the cracks in the system. Although the police are more able to intervene when a mentally ill person is on the streets and local authorities have particular duties to those who are vulnerable due to mental illness, the reality is that someone who has had serious psychiatric problems is extremely unlikely to maintain a tenancy or stay off the streets for some time. Indeed, I had not appreciated the churn of people—even when people are engaged, the system does not seem able to keep them for the time that it needs to.

Let us be honest about the correlation between immigration and the rising number of street homeless. It is no surprise to me that, in 2016-17, 1,950 rough sleepers were migrants from Romania, Poland and Lithuania. Obviously, homelessness is a much greater risk when people are far from home and from familial support structures. It became clear to me that some migrants sleep on the streets by choice, preferring to sleep rough than to pay for accommodation. It is a no-brainer that years of high immigration and of successive Governments not building enough houses will have a knock-on effect for people at the bottom of society. Of course that will make rents unaffordable.

Kirstene Hair (Angus) (Con): Does my hon. Friend agree that the Scottish National party Scottish Government have presided over a decade-long slump in Scottish house building? We went from almost 26,000 new builds in 2007 to almost 17,000 in 2016. That is totally unacceptable, and it has fuelled homelessness in Scotland.

Adam Holloway: The shadow Minister, the hon. Member for Great Grimsby (Melanie Onn), will attest to the fact that I am not well enough versed on what is happening in the rest of the country, so I cannot answer that question, but if my hon. Friend says that, I imagine it must be true.

On people from eastern Europe, perhaps it is time to ask ourselves whether it is exploitative to build an economy on cheap labour provided by those who can barely afford to accommodate themselves in our country. We could of course argue that those people are not strictly homeless, because they might have a home back home, but that is their reality when they are here.

My hon. Friend the Member for Angus (Kirstene Hair) alluded to the housing crisis. We must face up to the inevitable impact of that crisis, and of the related issues of lack of supply and affordability, on homelessness. It is estimated that between 2010 and 2016, population growth, including net international migration, was around 1.58 million. The number of rough sleepers has increased by 169% since 2010. In 2016-17, the housing stock in the UK increased by around 217,000 residential dwellings—an increase of 15% from the previous year, but short of the estimated quarter of a million-odd new homes required to keep up with household formation.

It is not difficult to see that the sums just do not add up, including under this Government. Although the Homelessness Reduction Act 2017 strengthens the duties of local authorities to provide advisory services to people threatened with homelessness and encourages pre-emptive action where house building has not kept up with population increases, it is absurd to think that that will not impact the people at the bottom of society who are often the most unseen—not those on the streets but those on sofas.
We must address the fact that homelessness impacts men and women in different ways. Rough sleepers are overwhelmingly men. During my recent stint on the streets, I saw only a handful of women whom I unscientifically judged to be street homeless—the big giveaway is people carrying bags and suitcases. CHAIN data for 2016-17 shows that only 15% of rough sleepers in London were women. Part of the issue must be that those who care for young children—typically women—are rightly prioritised in the allocation of social housing. However, somewhere along the line we seem to have forgotten that men who live on the streets were once part of a family unit.

Laura Smith: Will the hon. Gentleman give way?

Adam Holloway: I would love to give way again; the hon. Lady is so informed.

Laura Smith: Again, I am astounded by the misogynistic comment that it should be women who look after the children. I know that is a different issue to the debate, but I cannot let it go by.

Adam Holloway: I will read what I said again: part of the issue must be that the allocation of housing priorities goes to those who care for young children, who are typically women, and rightly so.

Laura Smith: And rightly so!

Adam Holloway: Yes, absolutely. It is right for housing priority to go to people who look after children, and typically they are women. Again, I am just stating the reality. If it is different, the hon. Lady should tell us.

Let us move on. We must recognise the particular challenge of mental health issues that affect men, and the way that men who battle for many years with the perceived stigma of mental health problems can be particularly susceptible to a sudden crisis that can lead to homelessness. I also learned about the ways homelessness affects women. Some women in London ride the bus for 24 hours a day to stay off the streets, and some go from place to place in return for a bed to sleep in.

We must also address the issue of how people’s generosity can sometimes be as much part of the problem as the solution. The man I met near Victoria station spent the night drinking beer bought with £30 that kind members of the public had come up and given him that evening. St Mungo’s staff told me of a client who had abused drugs for many years and had a leg amputated as a result, but who finally managed to get clean. This man told them that if he had not been given money by the public for so long he would have sought help much sooner. Begging is part of the problem—an able-bodied person can make quite a lot of money from begging on the streets of London. Generosity by members of the public is a factor in this; generosity can be enabling and mask those in real need.

Fiona Onasanya: Will the hon. Gentleman please clarify whether he seeks to assert that people would rather be homeless and hope for public generosity than in a place where they can have their own income?

Adam Holloway: No, and rather like the hon. Member for Crewe and Nantwich (Laura Smith), the hon. Lady is not listening. I am not saying that; I am saying that if someone is a drug addict, the generosity of members of the public can enable their addiction. I just gave the example of a guy who was on the streets for years and had a leg amputated, and who now believes that if the public had not been so generous, he might have sought help much sooner.

Fiona Onasanya: I recall the hon. Gentleman said that people can make money in order to buy drugs to feed their addiction—that point was pretty clear in what I said.

An added complexity is that there seems to be a perception among some of those involved in helping the homeless that in order to access services someone needs to sleep on the streets. Surely we should be helping people earlier. The endless churn of people entering the system—many of whom could and should have been helped earlier—makes the job of organisations who are trying to care for those vulnerable, and trapped, people even more difficult.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The hon. Gentleman makes an interesting point about the trapped nature of many homeless people. I recently visited a homeless shelter in Glasgow and I discovered a vicious cycle for people who might get a job, but they cannot then secure it because they do not have a bank account, and they cannot get a bank account because they do not have a job or permanent address. That puts people into a spiral of despair, which may well lead to them having addiction problems—no wonder they have addiction problems given the cycle of despair they are in.

Adam Holloway: I agree with the hon. Gentleman’s overall point. I think the business of not having an address has been dealt with by quite a lot of charities, but it is clearly much harder to hold down a job for someone who also has the complexity of sorting themselves out every night and living on the streets. I definitely agree with that.

How should we tackle the problem? From my experience of sleeping rough in 2018, I would say that our priority must be to ensure that we do not make the mistake of lumping all rough sleepers together. That stops us recognising people’s problems, and often means that we do not go far enough to tackle the underlying reasons for rough sleeping. We also need urgently to address how mental health problems experienced by rough sleepers are identified and treated. Since my recent experience on the streets, a link has been made between the scaling back of mental health services and a rise in homelessness. An outreach worker, and former rough sleeper, told me only yesterday how he literally begged a doctor to get him some sort of treatment when no mental health services were available to help him.

Outreach workers also speak about their frustration at the lack of emergency mental health assessments, and the desperate need for help at the right time and in the right place. A supervisor at the No Second Night Out hub in London said that sometimes when someone arrives who is obviously suffering from a mental illness, the charity has to hold that severely mentally ill person...
in the hostel for up to three weeks before they get a mental health assessment. During that time the support workers, who are not psychiatric nurses, have to try to contain the situation, which is hugely challenging. If the person is accepted into an NHS mental health unit—that does not always happen, particularly if the person is a drug addict—more often than not, as has been said, they are simply released on to the streets a few weeks later.

Clearly there is an urgent need for mental health teams to be embedded with outreach teams so that they can look at the needs of an individual and refer them without any delay for the treatment they require. Homelessness charities say that there is no point putting enormous amounts of money into general mental health budgets, where it just disappears. The money has to go to the tip of the spear and stay with those people as they go through the system, so that we do not get the churn I have spoken about.

Thankfully, the problem of homelessness seems to be higher up the political agenda than ever before, and the Government’s 2015 Budget increased central Government funding for homelessness programmes to £140-odd million over the following four years. However, it is important that that money is used correctly, at the tip of the spear, focusing on the immediate needs of those on the streets and getting them the help they require, rather than being wasted on intervention that comes too late or does not tackle the root cause of someone’s homelessness.

If we are serious about this issue—I think the Government’s target is potentially over-ambitious—we must see people as individuals not just as homeless people. We must differentiate between different groups and have the courage to look at whether the provision of service is enabling some people to live on the streets, but obscuring others from the help that they need. We must think carefully about whether public kindness is obscuring others from the help that they need. We must think carefully about whether public kindness is enabling some addiction, and whether by lumping every one together we are masking those in real need. In this country where we spend gazillions of pounds on a welfare state, we must try to rescue the people at the very bottom of our society from roaming the streets of our cities.

Several hon. Members rose—

James Gray (in the Chair): Order. I will call the Front-Bench speakers in 20 minutes, and seven Members wish to speak. My rough arithmetic makes that three minutes each. I do not intend to impose a formal limit, but as a matter of courtesy to each other please speak for three minutes if at all possible.

10.8 am

Mr Ivan Lewis (Bury South) (Ind): It is always a pleasure to speak under your chairmanship, Mr Gray, I congratulate the hon. Member for Gravesham (Adam Holloway) on securing the debate and on his extraordinary account of what he learned.

I care passionately about this issue, as do other Opposition Members, because homelessness is the ultimate symbol of the gross inequality that scars our country and, in my case, the city region of Greater Manchester.

We are proud of the renaissance of Manchester, but we cannot celebrate the cranes in the sky, which represent growth and development, while so many people are sleeping in shop doorways before our eyes. This issue also matters to me because in the 1960s, a middle-aged woman was found sleeping in a Manchester park with her young twins. The police officer who found her said, “You can sleep here, madam, but the children can’t,” and they were whisked into care. That middle-aged woman was my grandmother, who was a war widow battling mental health problems, and the twins were my uncle and aunt. The point that I want to make is that it can happen to anyone, and anyone’s family.

Why do we face such a shocking situation—one that in my view is a repeat of the “no such thing as society” ’80s and ’90s? The hon. Member for Gravesham listed the range of people who could be rough sleepers. It is important to underline the need to look at things on an individual-by-individual basis, as there are many causes. Two points I want to make are that, first, many foreign nationals are of course not eligible for public funding, which creates a range of problems for the system and, secondly, that I do not think that the hon. Gentleman meant to say that someone is better off sleeping on the streets than being in the military. That would, I think, be a great indictment.

Adam Holloway: I just said that sleeping in central London, if someone is able-bodied, is no worse than being on exercises in the military. It certainly would not be the case for someone who was mentally ill or drug-addicted.

Mr Lewis: I thank the hon. Gentleman for that clarification.

I want to talk about the consequences of the slash-and-burn approach that has decimated public services as a consequence of the Government’s policies. The rhetoric is about a shift to prevention and early intervention, but the reality is that slashing and burning local authorities’ budgets has reduced them to providing their minimum legal responsibilities. Prevention and early intervention go out of the window. As for voluntary organisations, we no longer hear the term “the big society”. The reason that that was killed—that it was dropped and never mentioned—was that at the same time as the Government were talking about the growth in the importance of voluntary organisations, they were slashing the funding that they depended on. It is nonsense to talk about the big society. The alleged commitment to localism has proved to be complete nonsense. If you were running a business, Mr Gray, and you had a 50% cut in your budget over four years, you would go bankrupt or would be likely to go out of business. That is what is happening to local authorities under all political direction throughout the country. We are paying a heavy price for that.

I welcome the ring-fenced money that the Government have made available to tackle the issues, especially in Greater Manchester, but the irony is that the money, which is not adequate, is necessary only because of the impact of their social policy failures and cuts. It is right, therefore, that in a debate of this kind we do not say “Take the politics out of it.” There is a rough sleeping epidemic as a direct consequence of political decisions. However, it is incumbent on an Opposition to offer
creative and positive solutions, and Greater Manchester deserves tremendous credit for the innovative approach it is taking under the leadership of its Mayor, Andy Burnham, working with the 10 local authorities, the voluntary sector, faith groups and the private sector. The Mayor’s ambitious and morally right commitment is to end rough sleeping by 2020—seven years ahead of the Government commitment. They are committed only to ensuring that no one has to sleep on the streets of this country by 2027. I argue that that is a massive lack of ambition, in view of the humanitarian crisis.

Eddie Hughes: Mayors across the country have a role to play. We have heard about Sadiq Khan, and the hon. Gentleman has talked about Andy Burnham. Andy Street, in the West Midlands Combined Authority, chose homelessness as the first thing to address in his time as Mayor.

Mr Lewis: I congratulate Andy Street on making it a priority, but if the hon. Gentleman were to meet all the Mayors they would say the problems are the consequence of the breakdown of frontline services that many of the people we are talking about have traditionally depended on. I agree that Mayors have an important role to play, and I am proud of the groundbreaking approach that Andy Burnham is taking, which everyone acknowledges.

The first key element of a successful approach is high-level political leadership. It is of absolute importance that the people at the top should care about rough sleeping and homelessness and make that a priority. Another is that solutions should be co-produced with people who have lived experience of rough sleeping, and frontline organisations. The issue should never be about top-down solutions. There should be a clear strategy and plan, focused on reduction, respite, recovery and reconnection. As the hon. Member for Gravesham said, there should be a personalised approach across organisational boundaries, with key workers, support plans and personal budgets. Also, we need innovative, imaginative public services. I am really proud of the innovative work being done by the NHS and the fire service in Greater Manchester. Expanded housing provision will sometimes need to involve specialist provision. The hon. Gentleman said that the issue is mainly about men, but what about specialist provision for women, who, often, are fleeing domestic abuse, and for young people? There is a dearth of that provision.

There is also a key role for business. The corporate sector in most communities wants to help, and it is important that the statutory authorities find a vehicle to enable businesses to make a positive contribution, through their expertise and skills, and their willingness to make financial resources available. In Greater Manchester the Mayor’s fund and Big Change have been successful in putting together resources from a variety of sectors on a ring-fenced basis.

I agree with the hon. Member for Gravesham about the importance, in addition to support services and a rebuilt infrastructure, of tackling Spice. That is another epidemic, and I do not think that society is yet clear about how to tackle it. I also agree with him that it is of course appropriate, when we have succeeded in minimising the number of people on the streets, to take on the issue of begging on the streets by people who are not actually homeless and who have addresses. However, that is not the place to start. Public support should start with minimising the number of people who are sleeping rough.

Our society reached a post-war consensus that every citizen in this country should have access to free healthcare and universal education, and it is about time that in the same way we offered every citizen the right to a decent, affordable home.

James Gray (in the Chair): That was nearly nine minutes, squeezing out two colleagues.

10.17 am

Derek Thomas (St Ives) (Con): I am grateful to my hon. Friend the Member for Gravesham (Adam Holloway) for securing the debate.

In Penzance we have a problem, and across Cornwall two years ago we had the third highest level of rough sleeping in the country. When I ask people why, they say because it is the end of the line. People get on the train and get off when it stops in Penzance. There are rumours that local authorities buy people tickets to Penzance, but they are yet to be proved. I also know from personal experience about family breakdown, including instances when a new member of the family moves in and younger members feel they can no longer stay. Eviction for debt and so on has recently been a factor.

The problem is not new. In a previous job, many years ago, I worked for a local charity, and we supported homeless people. Long before food banks existed we set up help for them, providing food given by local people and tents and sleeping bags, as well as trying to get them better accommodation and support. Many years ago, under the Labour Government, there was a significant problem in Penzance, while I was on the district council. It was right that the council tried to address it, but unfortunately it caused extreme problems. The approach caused a lot of anxiety for those concerned and for the local communities, and cost several million pounds. The local authority just did not handle it correctly. I was concerned at the time for those who were homeless. It was right to help them, but things were poorly and ineffectively handled. That is why I am so encouraged by the efforts being made now; but we must proceed with caution.

Before I was married I invited a homeless man called Stan to come and live with me. It was quite funny as other people who came to the house were curious as to why there were two toothbrushes in the bathroom, and it started all sorts of rumours. What I learned was that more is needed than a roof over someone’s head, which I think is the point that has been made. In Penzance we have great services. Various meals are available throughout the day and there is support. All sorts of charities and other groups provide support, assistance and therapies.

Members on both sides of the House recognise that homelessness is a complex issue and can be solved only by everyone working together—including the police, local authority, voluntary sector, health and social care providers and landlords. It is true that house building must take place. We have not seen a significant amount of house building, and I am not yet aware of any scheme that is deliberately looking at how we can provide suitable housing for people who, as I have said, need more than just a roof over their head.
I will give three recent examples that have come into my casework folder of people who, as we have heard from my hon. Friend the Member for Gravesharn, could have been helped earlier. There was one family whose business went bust; their house was tied to their business and they lost their business and their home. The council knew well in advance, but the day they left their business they had nowhere to go. More recently, there was the eviction of a tenant where there had been lots of work previously to pursue and achieve the eviction, but very little support, and she had nowhere to go on the day. There was also a young man I met recently who wanted to be close to his family and his children, but the only option available to him was at the other end of the county.

Those are examples of people who become homeless, rough sleepers or sofa surfers, yet none of those cases were a surprise. There was plenty of warning for all those concerned to have helped them. Excuses and reasons given to me included that the property had a section 106 agreement and it was not available for their situation. Another public sector organisation said, “This is not our responsibility.” Another said, “We offered him temporary accommodation,” but, as I have described, it was miles from home. An email I received yesterday described a hostel in Cornwall—it is a hostel for ex-service personnel, with eight beds in the room, mixed sex and miles from home. The individual is “terrified and cannot sleep.” There is no doubt in my mind that more can and should be done.

I am encouraged by the fact that we recognise the issue and that significant money and effort are being put into it. Cornwall Council is receiving £648,000 this year and £846,000 next year to address the issue. My colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed. I welcome the colleagues and I will be asking how it intends to ensure the money goes where it is needed.

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providers are experienced in the issues surrounding homelessness and are often best placed to offer local support and tailored services.

In my constituency it is not the housing itself that is the real challenge, but the complexity of need, including mental health difficulties or addiction. Providing support in managing those things, with financial management, can make all the difference. Too often the way is blocked by bureaucracy or protectionism over different organisations’ priorities and budgets. People cannot get support for a mental health problem if they are on drugs, but they cannot get support for their addiction if they have an obvious mental health problem. The problems are clearly interrelated, but the services are not.

Addressing mental health issues, providing tailored local support and a joined-up approach between housing, health and local social services is key to addressing the issue of homelessness. Most local stakeholders would agree that in Mansfield, our acute services are pretty good. If someone finds themselves homeless, they have a good chance of getting accommodation and support fairly quickly. The numbers of street homeless in Mansfield have fallen over recent years.

We have some amazing local groups and charities such as The Hall, the Beacon Project and the Soup Kitchen that provide excellent care and support, and, most importantly link in with key services. What we do not have is a low-level ongoing support or prevention service, to help people to manage their money and maintain a tenancy as they move on, and to stop them ending up back on the streets. For an entrenched population of long-term homeless, that is key.

It is important to note that a significant number of people, as has been mentioned, might not feature in the rough sleeping statistics because they have hostel accommodation or another form of temporary accommodation. While as a first step hostels can provide useful accommodation for homeless people and help to provide shelter, they are not a long-term solution. The use of drugs and alcohol, threats of violence, theft, bullying and other issues can mean they are not the safe space that people deserve.

It is frequently acknowledged that bed-blocking is a significant problem in the NHS. There is also an increasingly problematic form of hostel bed-blocking, where former rough sleepers in hostels are ready to move on but there is no move-on accommodation or support to help them do so. A joined-up effort to look at the ways in which we can continue to make progress in reducing homelessness will need to involve all levels of Government, the NHS and social care, charities and voluntary groups. There is no one-size-fits-all approach; we must take a range of different approaches to deal with the problem.

I have argued over the last year that tackling homelessness must remain a priority and that the funding should reflect its importance. That funding should not just be based on numbers. London obviously gets a lot of cash because the numbers are incredibly high, but I will argue for Mansfield, where the numbers are comparatively small but we have a deeply entrenched population of long-term homeless, who simply will not be able to get back on their feet without some intense long-term support.

Finally, can the Minister tell us when we are likely to have an assessment of the impact of the Act and the success of the various trials of different services, such as Housing First in Manchester, that have been brought forward by Government? Are more proposals are likely to be brought forward to look at those prevention services that I mentioned, with a view to meeting the target of eradicating homelessness by 2027?

10.29 am

John Mc Nally (Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray. Like others before me, I thank the hon. Member for Gravesham (Adam Holloway) for securing this vital debate.

Homelessness affects probably every Member, not only of this Parliament but of the devolved Administrations and their respective Parliaments, who work side by side with local authority councillors and officers to help to resolve this huge issue. In my constituency of Falkirk, I work with a variety of other local organisations that willingly give their utmost to resolve this terrible situation, which too many of our constituents find themselves in.

Many interesting points have already been made. I have to praise the hon. Member for Gravesham for again getting out of his comfort zone and going to live with the homeless, some 27 years later. I read his report in The Daily Telegraph and thought it was extremely interesting on how different things are—or not—after such a long time. He asked why the problem still persists. It is a great question, and I would like some answers. He made some interesting observations in his report on that point, many of which have been mentioned. The two I noted were the No Second Night Out initiative, which I thought was excellent, and how all people can make all the difference. Too often the way is blocked.

Dr David Drew (Stroud) (Lab/Co-op): Does the hon. Gentleman accept that in rural areas such as the one I represent, the difficulty is that, while we have always had hidden homelessness—people have slept in the woods and so on or have sofa-surfed—it is now street homelessness. We have to look at the dilemma of whether we provide a shelter or whether we try to find other ways of coping with these people. I would obviously prefer the latter. That shows the difference.

John Mc Nally: Hear, hear. I absolutely agree with the hon. Gentleman.

I come back to a point made earlier by the hon. Member for Bury South (Mr Lewis), who is not in her place. She mentioned the Scottish National party Government. I will quote Shelter Scotland to her, which warned, in evidence submitted to the Scottish Parliament’s Local Government and Communities Committee, that the combination of universal credit and the UK Government’s benefit cap reduction and the cap on housing benefit, all “directly threaten tenancies and risk pushing more people into homelessness.”

None of us should tolerate that situation.

The hon. Member for Bury South (Mr Lewis) impressed me with his points on the new mayor’s ambitions. That is an extremely important development for these new powerhouses; taking decisions locally is vital for all areas. The hon. Member for York Central (Rachael Maskell) described the effect of austerity measures on increasing homelessness in her own area.
Jim Shannon (Strangford) (DUP): There has been a 32% increase in homelessness in Northern Ireland. Does the hon. Gentleman agree that, contrary to popular belief, homelessness is not restricted to people who sleep rough? It encompasses a much wider range of individuals in a variety of circumstances—particularly those with mental health issues.

John Mc Nally: I absolutely agree. I will come on later to describe some things I have already managed to do this year. I will first make other Members aware of what the Scottish Government are doing in relation to our own homelessness problems, and I will end my speech by taking the opportunity to mention two initiatives I recently had the honour of being asked to visit, to witness the innovative work being undertaken there to reduce homelessness in a very practical manner.

In Scotland, the SNP Government are taking action to end rough sleeping for good. Scotland has some of the strongest rights for homeless people in the world. A major change was made in the Homelessness etc. (Scotland) Act 2003: from 31 January December 2012, the priority needs criteria were abolished. This was described by Shelter as providing “the best homelessness law in Europe”.

That is praise indeed. It was also described as very ambitious, and required 10 years of preparation between receiving Royal Assent in 2003 and coming into force at the end of 2012.

Everyone found to be homeless in Scotland is entitled to housing. Most people are provided with settled, permanent accommodation. Last winter—I hope it is now finished—the Scottish Government increased the capacity and capability of homelessness services in three Scottish cities, to meet the challenge of the harsh winter. As part of that strategy, the SNP Scottish Government set up the homelessness and rough sleeping action group to bring forward recommendations on how to eradicate rough sleeping, and also announced £150,000 of funding to extend some projects that had already been assisted in the winter.

Another great example of the Scottish Government’s commitment is the creation of the ending homelessness together fund of £50 million over five years from this year. Importantly, this focus on prevention has already contributed toward a significant fall in homelessness applications—a 38% reduction when compared with the number of applications between April and September 2007 and April and September 2017.

New recommendations to ensure the eradication of rough sleeping have been set out by the Scottish Government’s homelessness and rough sleeping action group. Some of the measures include a national system of rehousing, involving integrated support from frontline outreach services and, importantly, our own local authorities. For example, that includes moving to a housing first model for those with the most complex needs, whereby people move straight into a permanent, settled home, rather than temporary accommodation. The Scottish Government invested £320,000 to support additional capacity for night shelters and extra staff, to help more people into accommodation over the winter. More money—some £150,000—will be committed this summer to continue some services going forward.

Jon Sparkes, chair of the homelessness and rough sleeping action group and chief executive officer of Crisis, said he was very pleased that the Scottish Government have “given in principle support to all of the recommendations on ending rough sleeping from the Homelessness & Rough Sleeping Action Group”.

That group has to be praised for the manner in which it has dedicated itself to bringing the right recommendations that will have the biggest impact on the way people sleeping rough can access and receive services. The new recommendations have also been welcomed by Annette Finnan and John Mills of the Association of Local Authority Chief Housing Officers, who said: “ALACHO members will welcome these new recommendations, they reflect much of the good work that is already going on in local councils across Scotland.”

That is praise indeed, and it is a good example of how Government and partners can work together.

As has been mentioned by many MPs when discussing Tory policy, welfare cuts are causing major hardship and housing insecurity for far too many people.

Faisal Rashid (Warrington South) (Lab): Between 2010 and 2015, funding to homeless services was cut by 45%. Does the hon. Gentleman agree that that could be one of the main reasons for street homelessness?

John Mc Nally: I absolutely and totally agree. That figure is in your face and unavoidable. The impact those cuts are having on our streets is unavoidable; how could anybody not see it?

The Westminster Government must scrap the punitive cuts that have pushed people into destitution. Other charities and organisations are left firefighting these decisions. I will mention some action that has been taken by way of education into employment—life-changing measures for the vulnerably housed and homeless.

As chair of the all-party parliamentary group on the hair industry, I was honoured and privileged to attend a wonderful example of a community working together, in Exeter in Devon. Hair@theAcademy provides professional barbering courses for the homeless and vulnerably housed. A truly remarkable project, the academy has successfully piloted a level 2 certificate in barbering qualifications for six homeless adults. Those adults, who have issues, are all moving into full-time or part-time employment or self-employment. Before starting, all participants must complete a two-week citizenship course with Learn Devon, to ensure that they are clean and ready to begin learning.

The barbering course has the built-in flexibility to run over six months, recognising that there will be difficulties and issues. I would call it a magna vitae. It shows great, creative thinking from Learn Devon and from Mary Pugsley from Hair@theAcademy, who put the project together. What a great vision she has to help others who are more needy. The course is delivered with one-to-one tutoring, and as the learners become more confident, they are encouraged to become more independent in their learning journey. The courage of the businesses that support the course needs to be recognised. They have allowed these people to enter into life and have changed their lives and their way of living and their own communities are all the better for it.
Melanie Onn (Great Grimsby) (Lab): It is a pleasure to serve under your chairmanship, Mr Gray. I thank the hon. Member for Gravesham (Adam Holloway) for securing this very important debate. The turnout of colleagues goes some way to demonstrating how important this issue is to so many representatives throughout the country. I am only sorry that more colleagues have not had more time in which to share their views and discuss issues affecting their constituents.

Street homelessness is just one part of the ever-increasing problem of homelessness, but it is one that shames the country, so we must welcome the Government strategies to tackle it. I am referring to piloting the Housing First schemes in mayoral areas and bringing in the Homelessness Reduction Act 2017. However, I must enter a small caveat. Housing First has worked incredibly well in Finland and areas of Canada, and St Mungo’s, which the hon. Gentleman has spoken to and worked with closely, has also been undertaking this work for quite some time outside the pilots, so we should take this opportunity to congratulate those organisations that have already been undertaking this good work for some time. I also need to raise my concerns about local authorities’ ability fully to implement the range of facilities in the Homelessness Reduction Act without the funding properly to support the requirements of that Act.

Afzal Khan (Manchester, Gorton) (Lab): I, too, feel that those are exactly the problems, so does my hon. Friend agree that local authorities up and down the country face these difficulties? In my own city of Manchester in 2010, we had only seven people in this situation, but in 2017 the number was 94. Manchester City Council is giving £3 million to tackle homelessness, but it is also fighting the tide of crippling cuts to local authority budgets, an historical housing crisis and punitive welfare reform—

James Gray (in the Chair): Order. Interventions must be brief.

Afzal Khan: So the Government need to do more.

James Gray (in the Chair): I call Melanie Onn.

Melanie Onn: My hon. Friend the Member for Manchester, Gorton (Afzal Khan) is absolutely right, and I could not support him more. I congratulate Andy Burnham, Mayor of Greater Manchester, on the action that he has taken to ensure that homelessness is at the top of his agenda and to tackle this issue for his city, including by putting some of his own funds into the task group. The rise in homelessness in Manchester and other areas has not simply happened by chance; it is a result of Government choices.

Faisal Rashid: The figures show that almost 5,000 individuals are now sleeping rough on our streets. That is a 15% increase on 2017 and a 169% increase since 2010—a massive increase. Does my hon. Friend agree that we cannot help the homeless if we do not provide the homes that they require?

Melanie Onn: Absolutely, and I will come on to that issue shortly. This problem is not insurmountable. When Labour was in government, there was an unprecedented drop in homelessness, but since 2010 it has worsened by every measure. As the hon. Member for Bury South (Mr Lewis) made clear, the doubling of rough sleepers since 2010 is a problem of the Government’s own making. Home ownership is at a 30-year low. The average home costs eight times the average salary. Today in England there are 120,000 homeless children. The building of social rent homes has plummeted, with fewer than 1,000 last year—the lowest level on record.

The Minister, who has responsibility for homelessness, recently said that she did not know why homelessness had risen. I find it very hard to believe that anyone in this place cannot immediately see some of the main reasons for homelessness increasing. My hon. Friend the Member for York Central (Rachael Maskell) rightly recognised some of them: a lack of social and council homes; disproportionately high rental increases making homes unaffordable for those on lower incomes; reductions in council funding meaning less for drug and alcohol services; crippling welfare reforms that have cut too fast and too far for those who were genuinely just about managing; and difficulty in accessing mental health services as the thresholds for those services get ever higher.

I shall take the opportunity to highlight some of the innovative work that NAViGO mental health services is undertaking in my constituency. It has worked closely with the local housing association to purchase properties and then uses them as step-down accommodation to support the service users who come to it for help, to ensure that they have wraparound care. That is the principle of Housing First in action in measures being taken by innovative organisations around the country.

Mr Sweeney: My hon. Friend gives very good examples of people who are homeless being given assistance. I wonder whether she will share my dismay at a letter that I received from Eleanor Wilson, a medical student in Glasgow, last night. She said that she witnessed, in a branch of Starbucks in Glasgow, a homeless man who was just queuing for a cup of coffee being told to get out of the premises. That is one of a litany of issues with Starbucks in the city of Glasgow. Starbucks cannot pay its taxes—does not contribute to helping the public realm—and is also ostracising homeless people on our streets who need help. Does my hon. Friend agree that that is totally unacceptable for a corporate citizen of the UK?

Melanie Onn: Absolutely. I think that we all have a responsibility. The hon. Member for Gravesham talked about a society that is enabling homelessness, but I think that there is room for compassion when dealing with people who have myriad social, economic and personal issues driving them to be in this situation.

A sensible welfare state provides security to those in society who need it. That has been eroded over the last eight years, creating an underclass to the extent that the Bureau of Investigative Journalism has stepped into the Government’s shoes with its report published yesterday in the New Statesman and identified 78 homeless people who have died this winter. That is 78 human lives lost, 78 people without a place that they could call home, 78 lost people. Why do I call them “lost people”?

Because the Government do not collect the figures centrally. Because in response to my written questions and those from colleagues about deaths associated with rough sleeping, the Minister has repeatedly brushed that question off. There was no acknowledgement that
the central collection of data would prove to be of discernible use— that it would better inform the Government of the scale of the issue at hand and provide some evidence and a means by which Government initiatives could be measured.

The Minister’s Department seems similarly unaware of which local authorities have commissioned adult safeguarding reviews in the event of homelessness-related deaths in their area, so we cannot know which local authorities have good practices and which need improvement. Will she agree today to start collecting centrally data in relation to deaths from homelessness? For everyone’s information, at least 59 men and 16 women have died. Their ages ranged from 19 to 68, and 14 of those who died were under the age of 35.

I congratulate them on their assiduousness, but it should not take investigative journalists calling round councils, charities, coroners’ offices and police forces to establish a full picture of how many people are dying on the streets of our country. And it is not just those figures that matter. The Government should be doing better in collating general information about people who are rough sleeping, because the accuracy of those figures is wholly insufficient. In the official figures, the estimated figure for rough sleepers in my constituency sits at around 22, but the list that I get every single month from my local outreach services shows more than double that number.

Mr Ivan Lewis: My hon. Friend is making an excellent contribution to the debate. Does she agree that there is a case for reviewing the nonsensical, arbitrary headcount that takes place once a year, in November, and leads to completely misleading statistics? We actually need a personal profile of each individual so that we know what their needs are and how to address them. The headcount once a year is completely misleading and unhelpful.

Melanie Onn: The hon. Gentleman makes an incredibly valid point, and I hope that the Minister is listening. I see that the hon. Member for Gravesham, who initiated the debate, is nodding: he thinks that what has been referred to would be of great use.

It is shameful that in 2018 we have experienced such a rise in homelessness in all its guises, from families left in supposedly temporary accommodation for up to two years, to those without even a roof over their heads. There must be action. Now is not soon enough, let alone 2027, especially for those who have lost their lives without the security of their own home.

10.48 am

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): It is a pleasure to speak under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Gravesham (Adam Holloway) on securing a debate on this extremely important issue. Tackling homelessness in all its forms is a priority not only for me, but for this Government. I understand his interest in this subject. As he mentioned, he has seen what it is like to sleep rough.

I am also thankful for the other experiences and expertise shared here today, whether it comes from a constituency or wider perspective. I am grateful to hon. Members for their speeches and questions, but I will, I hope, answer them as I work through my speech.

It should never be the case that someone finds themselves without a roof over their head. That is why, as hon. Members will be aware, the Government have committed to halving rough sleeping by the end of this Parliament and to eliminating it altogether by 2027.

Faisal Rashid: Will the hon. Lady give way?

Mrs Wheeler: No, I will not. There is not enough time, because I have to give time to my hon. Friend the Member for Gravesham at the end.

I thank my hon. Friend the Member for Gravesham for his kind comments about the ambitions of this Government. Hon. Members will be aware that at the beginning of this month we implemented the most ambitious legislative reform in decades, the Homelessness Reduction Act, which transforms the culture of homelessness service delivery. For the first time, local authorities, public services and the third sector will work together to actively prevent homelessness for any people at risk, irrespective of whether they are a family or a single person, of what has put them at risk or whether they have a local connection to the area. To deliver the new duties under the Act, we know how important it is to provide local authorities with the requisite support to build the homelessness workforce. To help this, we have funded the London Training Academy, which will provide current frontline staff and apprentices. I am exceptionally proud of the work that has gone into delivering these changes and the work the Department has done. As ever, I am grateful to my hon. Friend the Member for Harrow East (Bob Blackman) for all his endeavours in bringing this Act to pass.

On rough sleeping, hon. Members will be aware that we are publishing our strategy in July, setting out the measures that we will take in order to achieve our manifesto commitments. Overseeing the development and delivery of the strategy will be the ministerial taskforce, chaired by the First Secretary of State, my right hon. Friend the Member for Aylesbury (Mr Lidington), and comprises Ministers from key Departments with responsibilities in relation to homelessness and rough sleeping. It is supported by the rough sleeping advisory panel, which I chair, with Mayors Andy Burnham and Andy Street sitting on it. The panel brings together key figures from local government, central Government and homelessness charities. We have met three times so far. Sub-groups of the panel have also been established to look at a range of themes, such as prevention, intervention, recovery, data and long-term social change for the strategy. Good progress has been made on the development of the strategy and I look forward to sharing our plans with hon. Members this summer.

We are, however, determined to take action to tackle rough sleeping right now. I am sure hon. Members will have seen the recent announcement on what we have called the “rough sleeping initiative”, which lays the foundations for the strategy. The measures contained in the initiative are based on tried and tested measures, which have previously had significant and immediate impact on bringing down rough sleeping. The measures
include setting up a rough sleeping team, made up of rough sleeping and homelessness experts, drawn from and funded by Government Departments and agencies, with specialist knowledge across a wide range of areas, including housing, mental health and addiction. There is a £30 million fund for 2018-19, with further funding agreed for 2019-20. This funding will be targeted at local authorities with high numbers of people sleeping rough. The rough sleeping team will work with local areas with higher pressure to support them and deliver bespoke local interventions to immediately reduce the number of people sleeping rough on the streets. A further £100,000 will be made available to support the frontline rough sleeping workers across the country, to ensure they have the right skills and knowledge to work with vulnerable rough sleepers.

In addition, the Department is working with the National Housing Federation to look at providing additional co-ordinated move-on accommodation for rough sleepers across the nation, to ensure that they can stand on their own two feet once they have received help. As well as the support provided by other Government Departments in developing the strategy, this new package of measures will be supported by a range of Departments across Whitehall. For example—this will answer many colleagues’ questions—the Department of Health and Social Care will make available experts in mental health and drug treatment services to help support the new outreach teams, including those in hostels, and the Ministry of Justice will focus on prison and probation work with local authorities and outreach teams, in particular to identify short sentence prisoners and offenders serving community sentences who are at risk of sleeping rough. These measures build on existing action we have already taken to tackle rough sleeping. For example, as announced in the 2017 Budget, we are piloting the Housing First approach to support some of the most entrenched rough sleepers in our society. I have personally seen the good that Housing First can do, especially for those struggling with addiction, as my hon. Friend the Member for Gravesham mentioned. I saw that when I visited the Housing First projects in Glasgow last month. The Government are keen to see the results of how it will work in England and robust evaluations will inform wider roll-out, which my hon. Friend the Member for Mansfield (Ben Bradley) asked about.

Charities and volunteers carry out vital work across the country. Their work is key to ensuring that rough sleepers get the help that they need and they help us in meeting our manifesto commitment, particularly charities such as St Mungo’s and Homeless Link.

I understand the point made by my hon. Friend the Member for Gravesham that people sleeping rough might be migrants. To be clear, we have always worked closely with councils and homelessness outreach services to ensure that the genuinely vulnerable receive the care they need. The Government also provide funding for local authorities for specific projects to tackle rough sleeping by non-UK nationals. This fund helps projects to secure regular employment and accommodation for non-UK nationals, or facilitate voluntary return to their country of origin.

The Government have allocated more than £1.2 billion to tackle homelessness and rough sleeping over the spending review period. This includes—this is by no means exhaustive—£617 million in flexible housing support grants, £316 million of local authority prevention funding and £100 million to deliver low-cost move-on accommodation places to enable people leaving hostels and refugees to make a sustainable recovery from the homelessness crisis. There is a further £215 million for a central Government programme, which funds a range of innovative projects across the country and a £20 million fund for schemes that will enable better access in the private rented sector for those who are, or are at risk of, becoming homeless, which the hon. Member for York Central (Rachael Maskell) asked about.

Mr Ivan Lewis: I thank the Minister for her contribution to the debate. I ask her to look at a report published today by the organisation Justlife, which shows that there are ten times more people in temporary accommodation than Government figures suggest and that there is a direct correlation between unsupported temporary accommodation, welfare reform and rough sleeping. These people are living in appalling conditions in bed-and-breakfast hotels and guest houses. Will she study that report and will she be prepared to visit one or two of the Justlife projects in Greater Manchester with me, to see for herself the realities on the frontline?

Mrs Wheeler: I heard about that report yesterday. It is devastating to see the quality of the property that certain people are being asked to stay in. That is not acceptable in this country. I had a meeting arranged in Manchester. Unfortunately, it was cancelled by the people in Manchester, but I am sure there will be another time when I will come up.

In conclusion, I thank all hon. Members for their contributions to this important debate, which has been truly worthwhile. I reiterate that this Government are truly committed to achieving our manifesto targets and we will have further updates in the near future on what we will do to ensure that we meet them. Rough sleeping and homelessness is a scourge on our society. We will do everything in our power to sort it out.

10.57 am

Adam Holloway: I thank the Minister and the shadow Minister for their speeches, and the hon. Member for Stroud (Dr Drew) for his excellent intervention. It was fascinating to hear about the grandmother of the hon. Member for Bury South (Mr Lewis). Thank God we have moved on some way from that. I would love to hear more about Stan at some point.

We need to think about the realities of homelessness and see it for what it is, rather than how we would like to characterise it. Homelessness is of course a problem, but it is only a symptom. We will get nowhere if we do not get to the underlying problems these people face. As we have seen from this debate, if we cannot discuss this honestly, without the degree of ignorance and prejudice that we saw from a couple of hon. Members, we will get nowhere. We have to treat homeless people as individuals. We have to segment people to some extent, so that we do not mask the problems of the people at the very bottom of our society, who—at the moment and for generations—we have not managed to reach.

Question put and agreed to.

Resolved.

That this House has considered street homelessness.
Independent Financial Advisers: Regulation

10.59 am

Kevin Hollinrake (Thirsk and Malton) (Con): I beg to move.

That this House has considered regulation of independent financial advisers.

It is a pleasure to serve under your chairmanship, Mr Gray. I put on record my role as co-chair of the all-party parliamentary group on fair business banking and finance, which is primarily concerned with the business banking scandals that have devastated many viable businesses and ruined the lives of many business people and their families. The debate does not directly relate to those issues, but does have connections with the regulator, the Financial Conduct Authority, and its willingness and ability to hold those it regulates to account.

Whether as a consequence of malpractice, incompetence or deception, there will always be situations where innocent investors lose money through the failings of financial advisers. I will refer to the cases of two constituents. For the purposes of confidentiality, one would prefer to be known simply as Helen, and the other is Andy Mohun-Smith. The only connection between them is that they used the same financial adviser, Scott Robinson, who owned and operated a company called TBO Investments until 2016. He also owns a company called Mount Sterling Wealth.

Those cases and the supposed regulation of Mr Scott Robinson are truly astounding because nine years after an initial complaint was made to the FCA, seven years after the financial ombudsman ruled that he had provided unsuitable advice and ordered him to pay compensation, six years after an expert witness concluded that the investments advised by Mr Scott Robinson that were made on behalf of Andy Mohun-Smith were completely unsuitable, four years after it was established that he was providing advice without the required professional indemnity insurance, four years after Mr Mohun-Smith was awarded damages of £2.2 million, three years after Companies House issued a compulsory strike off order against TBO Investments and Mr Scott Robinson. In June 2014, when the trial took place, the judge struck out the defence, because Mr Scott Robinson did not appear at the trial, and awarded damages of £2.21 million. A court of appeal effectively decided that Mr Scott Robinson could have a rehearing, but before that could take place, in August 2016, he placed TBO Investments into voluntary liquidation. That thwarted any opportunity for my constituents to take legal action to cover their losses, and left his own lawyers out of pocket. He then transferred all his clients to his other company, Mount Sterling Wealth, which he still trades in, for a sum of £28,613, despite the fact that the company’s directors earn six-figure sums from their provision of investment advice to those clients.

I understand that the insolvency practitioner for TBO Investments is taking legal action against Mr Scott Robinson to return moneys to the firm, on the basis that he breached insolvency rules by way of those asset transfers. For Helen, the financial services compensation scheme may help, as her losses are below the £50,000 threshold. For Mr Mohun-Smith, that is of little help or consequence.

To this day, Mount Sterling Wealth continues to operate. Its website features Scott Robinson, and it states above his photograph:

“We will help you to create, build, and protect your wealth, and tax efficiently pass it through the generations.”

According to Companies House’s records, however, Mr Scott Robinson’s directorship was terminated by his resignation from that company four days ago, after nine years of directorships. Perhaps that is coincidental, perhaps not.

Crucially, what is the FCA’s role in all this? On the question of TBO Investment’s lack of professional indemnity insurance, it simply states that “it remains the responsibility of the firm”. That is despite going on to say that it requires firms to report on that every six months and despite the fact that the FCA eventually cancelled TBO Investment’s permission to undertake regulated activity due to non-compliance. Despite all that, Mount Sterling Wealth continues to be authorised and regulated by the FCA. It says it will consider outstanding complaints when future applications for authorisations of individuals are made, but it continues to designate Mr Scott Robinson as an approved person.

According to the FCA, an approved person needs to be able to demonstrate that they are a fit and proper person for the purposes of providing advice. Shockingly, once they are approved, there is no ongoing re-approval process or requirement. The FCA has the power to levy fines and to impose banning orders on individuals, but it has thus far decided not to.

My constituents’ connections to Mr Scott Robinson began in May 2007, when Mr Mohun-Smith started to invest in supposedly safe, regulated investments with him. Over the next four years, he invested more than £2 million with the firm. By the end of 2012, he realised that the investment advice he was being given was deficient, defective and deceitful, so he took legal advice.

In January 2013, Mr Scott Robinson’s insurance brokers informed him that his professional indemnity insurance did not cover the investments he was making, but he did not reveal that to Mr Mohun-Smith until June 2014. In March 2013, Mr Mohun-Smith issued a legal claim against TBO Investments and Mr Scott Robinson. In June 2014, when the trial took place, the judge struck out the defence, because Mr Scott Robinson did not appear at the trial, and awarded damages of £2.21 million.

A court of appeal effectively decided that Mr Scott Robinson could have a rehearing, but before that could take place, in August 2016, he placed TBO Investments into voluntary liquidation. That thwarted any opportunity for my constituents to take legal action to cover their losses, and left his own lawyers out of pocket. He then transferred all his clients to his other company, Mount Sterling Wealth, which he still trades in, for a sum of £28,613, despite the fact that the company’s directors earn six-figure sums from their provision of investment advice to those clients.

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I have met Mr Andrew Bailey, the chief executive of the FCA, and I have spoken to other senior executives there. Incredibly, the only justification I can get for Mr Scott Robinson’s continuing designation as an approved person is that they are concerned that they may be “depriving an individual of their livelihood”. That is this individual, with their chequered record. What about the deprivation of my constituents’ livelihoods? What about their income, their investment and their hard-earned money? Is that not what the FCA should be principally concerned about?

I turn to the solutions. The FCA must take action. It must take a more proactive oversight role of the financial advisers that it regulates; it must surely instigate a re-approval process for financial advisers; it must be willing to hold financial advisers to account where there is clear wrongdoing, and impose fines and banning orders; and it should work with the Financial Services Compensation Scheme, and with Ministers if required, to revise and raise the level of the compensation scheme from the current level of £50,000, which is totally inappropriate.

For my constituents, Andy and Helen, this has been a most traumatic experience. In Andy’s words: “This has had a devastating effect on my life—the damage to my health has been considerable. The enormous stress my wife and I were subjected to as a result of Mr Robinson’s disastrous investment decisions was undoubtedly a major factor in the breakup of our marriage.”

Those words say more than I ever could.

The FCA, the regulator that we entrust to make sure that our consumers, investors and businesses are fairly treated, has many questions to answer. It needs to take a long hard look at itself, and it must prove to those it is accountable to—the Treasury and Parliament—that it is able to carry out the role that it is required to perform. I, for one, am very sceptical that it is capable of doing so.

11.11 am

The Exchequer Secretary to the Treasury (Robert Jenrick): I begin by thanking my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for securing this important debate. I also thank you, Mr Gray, for chairman.

I am aware that this debate has been prompted by the constituency cases that my hon. Friend has highlighted today—those of Helen and Mr Mohun-Smith. As my hon. Friend will no doubt appreciate, I cannot comment on the specifics of the cases, although it has been extremely useful to listen to and learn from them. I was very concerned to hear the evidence he brought before us today and laid out so clearly and painfully.

Successive Governments have sought to put in place a policy framework for the regulation of the financial advice market, and they have provided the independent Financial Conduct Authority with the powers that it needs to set out the rules for this market and to enforce them to ensure that consumers are treated fairly. It is troubling to hear the issues that my hon. Friend’s constituents have experienced, which suggest either that the framework itself has not been able to give them the protection they deserve or that the FCA has not acted to enforce the rules in the way we would have hoped it would.

Consumers depend on good advice from honest and reliable individuals to manage their life savings properly, to help them make life-changing decisions and to ensure their security in retirement, especially following the implementation of pension freedoms. We want people to access help to make those important decisions, from simple guidance and information to regulated financial advice.

To ensure that the market for financial advice functions effectively, we have to protect people from unscrupulous advisers, and we also have to protect the majority of reputable advisers from those who would do down their industry and their jobs. The independent FCA has set out the rules for the market, and it has been tasked by us to enforce those rules robustly to ensure that consumers are always treated fairly.

Firms and advisers have to be authorised by the FCA, they have to be qualified to provide advice and they have to ensure that such advice is suitable for an individual’s personal circumstances. As in any walk of life, there will always be individuals and firms out there who try to bend the rules or even to commit fraud and other forms of criminal activity. The FCA has the ability to take swift enforcement action to ban individuals firms from providing financial advice. Although that does not appear to have happened in the cases that my hon. Friend has mentioned, and I will give thought to the point he made about ongoing re-approval. More action may be required in that regard.

In other cases, advisers might not provide suitable advice, leading to financial loss for consumers. In those cases, consumers can refer to the Financial Ombudsman Service for compensation, which is usually up to a maximum of £150,000 per individual. The advisory firm is then legally required to provide that compensation. Sadly, it is often the case that firms go into liquidation and cannot provide the compensation that individuals deserve. There is then a second tier of protection through the Financial Services Compensation Scheme, which is mainly funded by an annual levy on the financial services industry. Since it was founded, the FSCS has helped millions of people and paid billions of pounds in compensation.

As my hon. Friend mentioned, the current limit for compensation from the FSCS for people who have received bad advice is £50,000 per person. Hon. Members will be pleased to know that the FCA has recently consulted on raising that compensation limit to £85,000, with an intention to introduce the new limit from 1 April 2019. We would strongly support such an increase. A limit of £85,000 would mean that—based on historical data, at least—at least 2.5% of claims relating to investments and only 3.8% of claims relating to pensions advice would not have been fully compensated. Clearly, there will be individuals who have invested and lost far greater sums, perhaps including my hon. Friend’s constituents, but the vast majority of consumers would be protected.

Of course, when setting a compensation limit for the FSCS, the FCA has to strike a balance, providing an appropriate level of compensation to enough claimants, without placing an undue burden on the reputable financial advisers and firms that pay the levies—of course, those costs would be passed on in the end to consumers.

That is why it is mandatory for firms to be covered by professional indemnity insurance, which brings us on to another point raised by my hon. Friend. Such insurance
The issue is not static; the Government and the FCA are committed to ensuring that it remains under constant review. I will urge the FCA to step up its efforts, particularly in respect of phoenixing, which is a wider problem and a challenge for all of us who believe in a free economy and who want to see its reputation protected. Like all Members of this House, I want to see consumers and members of the public protected, and the reputations of those who choose to pursue careers as financial advisers protected, not tarnished by the actions of the few.

Question put and agreed to.

11.23 am

Sitting suspended.
2.30 pm

**Graham Stringer** (Blackley and Broughton) (Lab): I beg to move,

That this House has considered the cost of the energy review by Dieter Helm.

It is a pleasure to serve under your chairmanship, Mr McCabe. The motion has a slight ambiguity as to whether we are considering the cost of producing the report or the contents of the report itself, and I want to make it clear that we are considering the report itself, and not the £500 a day paid to Professor Helm for producing it.

The report is a devastating critique of Government policy over the past 10 years or so. That is not just this Government, but the coalition Government and the previous Government. The report’s extraordinary headline is that we will have paid £100 billion—that is one hundred thousand million pounds—more than necessary by 2030 for current energy policies. Consumers are paying 20% more for energy than would otherwise have been necessary. Thinking about the debates, rows and discussions we have about major infrastructure in this place, High Speed 2 will cost £40 billion or £50 billion, which is half as much. Some of my hon. Friends are against that highly controversial project, and many of my hon. Friends are good are inefficient businesses—losers, rather than winners; we would all like to win on the Derby or the Grand National, but most of us are not very good at it, and Governments by and large are not much better at picking winners in industry and energy. The people who are good are inefficient businesses—losers, rather than winners, if you prefer, Mr McCabe. They are good at picking weak Governments and lobbying and arguing for subsidy for less-than-competitive industries. The report says that they have done that, and it is devastating in its analysis.

Not only have the Government—as I said, I am not making a particular charge against this Government; this charge is levelled at the last three Governments—been subject to lobbying and wasted money, but in the background of the process are many lobbyists and green groups whose acquaintance with the truth sometimes leaves a lot to be desired. We not only have industry with vested interests, but groups such as Greenpeace lobbying in the background, many times dishonestly, to support policies that fit their ideological preference.

Mr McCabe, you may remember walking into the House of Commons before Christmas and seeing big signs outside sponsored by Greenpeace that said the cost of wind had been cut by 50%. That was an outright lie. It was challenged at the Advertising Standards Authority, and Greenpeace was made to take those adverts down. When Greenpeace and others were asked to justify their position, they said that they were using projected costs for wind farms in the North sea that had not yet been commissioned, let alone built. That is the background to a controversial policy area that the Government should by now have responded to.

I said that Professor Helm was coherent, which he is, but—this will come as no surprise to the shadow Minister, my hon. Friend the Member for Southampton, Test (Dr Whitehead)—I do not agree with the objectives that Professor Helm has always agreed with. They are the Government’s objectives, too, and I will explain why I do not agree. He starts the energy review by talking about the Government’s target in the Climate Change Act 2008 to reduce carbon emissions in this country by 80% from 1990 levels by 2050. I do not agree with that, and I will explain why. However, it is the Government’s policy and the law, and that is the basis of the review. His second objective, which he took as concrete, was the security of energy supply. Along with those two objectives, he wanted to see whether costs could come down.

My disagreement is that I have always thought that there should be a hierarchy of targets in energy policy. Security of energy supply should always be the top target, because if the lights go out, not only would we be in trouble as Members of Parliament for creating a system that does not keep the lights on, but the country would be in trouble. I have always thought that security of energy supply, rather than arbitrary carbon targets, should be the top priority.

Secondly, I would find it difficult to explain to my constituents and industry in my constituency if price was not one of the top priorities. For it to be tertiary is a mistake. Lower prices should be a priority, but a consequence of the policy is that they have been neglected, and they have gone up by more than they would have otherwise. That is where I disagree.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): I congratulate the hon. Gentleman on securing the debate; he makes some good points. I agree entirely with what he has just said about price, and with what the report seems to indicate. There has been a complete failure of competition in the domestic energy market; Governments always talk about it, but they have failed to deliver. There is still a predominance of the big six...
energy companies, effectively rigging prices. Does the hon. Gentleman agree that that needs to be fundamentally addressed if we are to have a proper energy market that benefits customers?"

Graham Stringer: That is my reading of the report. I think Professor Helm goes slightly further than that—beyond the big six energy companies—and talks about the problems that have been caused by investing in costly new technologies that might have been cheaper to purchase later, but I essentially agree with the hon. Gentleman.

The price of energy is important not just in the way that I have described; it is also probably the most important industrial policy that this country can have. Matt Ridley pointed out in The Times some 12 months ago that at the start of the industrial revolution—this is from memory, so I might have the numbers slightly wrong, but they will not be far out—the cost of energy in Newcastle was about one 20th or one 25th of the cost of energy in China. We know what happened: this country, Europe and the United States boomed ahead because what previously required 20 horses could now be done with a few lumps of coal.

Recklessly putting up the price of energy has been a huge mistake for the country. When I say that, I do not want anyone to think that I am somehow in the category of anti-science. My background is that of a scientist, and I understand the opacity or otherwise of carbon dioxide to different wavelengths of electromagnetic energy. I understand the greenhouse effect in some detail, and I do not deny its existence—I think that what its impact will be is sometimes exaggerated, but that is a debate for another day.

We have been putting the price of energy up and closing coal stations—probably the coal stations should have been closed earlier, as Professor Helm says. As an intermediate pathway to the Government’s goals, it might have been sensible to use gas-fired power stations, which have half the carbon emissions of coal-fired power stations. If we look at the whole-world picture, we see what little impact we have—I think we produce about 2% of the carbon dioxide in the world. Over the next 10 years or so, 1,600 coal plants are planned in 62 countries around the world. China will make 700 of them professors, you understand, Mr McCabe—had said, “There’s no problem with complexity whatever.” I think there is a problem, and anybody who has been in the real world for very long knows that there is a problem. Professor Helm’s key finding and recommendation on that was:

“The scale of the multiple interventions in the electricity market is now so great that few if any could even list them all, and their interactions are poorly understood. Complexity is itself a major cause of rising costs, and tinkering with policies and regulations is unlikely to reduce costs. Indeed, each successive intervention layer on new costs and unintended consequences. It should be a central aim of government to radically simplify the interventions, and to get government back out of many of its current detailed roles. This review explains how to do this.”

In taking on the professors who think that complexity is not a problem, Professor Helm said:

“It is empirically impossible to work out the costs of current policy, because each policy intervention interacts with every other policy intervention. Any cost-benefit analysis of a particular intervention has to do the plethora of interactions with all the other bits as well. If you want an empirical piece of proof, you need to have all that analysis done and then analyse the empirical evidence, of what would have happened if you did not have all that complexity.”

I agree with him: it is impossible.

The report also says that, having created that complexity:

“As a consequence of Electricity Market Reform (EMR), the government now determines the level and mix of generation to a degree not witnessed since these were determined by the nationalised industries”.

I suspect that if I had been a Member of this House when Lord Lawson, as Energy Secretary, proposed privatising the energy industries, I would have voted against. Nationalised industries at least have a direct line of responsibility between the taxpayer, who may benefit from them and subsidise them, and the controlled industry. What we have here is a complete mess: Government intervention, interfered with by lobbyists and vested interests with no accountability, which ends up with the poor consumer paying more than they need to.

Professor Helm criticises the Government for focusing too much on electricity and not enough on agriculture, which is a tiny part of the economy and creates about 10% of carbon dioxide emissions. He strongly believes—this
should please the Government—in a free market solution. He believes that the auctions will not pick winners, but that the winners will pick themselves by being efficient in the auction process.

I want to deal with one of the main questions put forward by my hon. Friends who represent constituencies where Vesta, for instance, produces wind turbines. That question is whether the alternative, renewable energy business would have got going without intervention. Nobody can really answer that. When all that extra cash has been put into the energy market, there are bound to be spin-off benefits, but it cannot be known at any time, unless the market is tested, whether someone could have got more bangs for their buck for investing differently.

One area where I completely agree with Professor Helm is that we need research—not just the research carried out by vested interests who want to produce energy, but pure research. There is a long way to go in battery technology, which may be part of the solution. Unless something has happened since I left the Energy and Climate Change Committee, we do not even have a proper pilot scheme for carbon capture devices. All those things could be explored in a pure way and then, in the way that often happens after pure research, industry could look at what could be used and the way we are investing at the moment.

The final point made by Professor Helm is that tens of billions have been invested in subsidising wind farms in the north sea. On what basis can we say that was the right decision, rather than putting the money into carbon capture and storage? I do not have the answer to that, and I know the Government do not have the answer. They have opened their arms to vested interests and I know the Government do not have the answer. In his review, he put forward many interesting proposals for the future of energy policy, from a carbon price to the replacement of overpriced standard variable tariffs with a new default tariff, to a wider simplification of the whole raft and range of state interventions, which are cumbersome and only understood by a few people, if by anybody.

We do not necessarily have to subscribe to the findings of the review in full to acknowledge that many of its proposals are interesting contributions to the debate and at least merit further examination. That is why it is right that the UK Government have responded to the review by taking evidence from a range of interested parties, including consumer groups, and are now analysing that evidence. The review has been worthwhile and I am confident that it will prove to have been a valuable contribution to the UK Government’s efforts to reduce the cost of energy and to reduce fuel poverty—an important aspect for many—and to assist industry to become far more competitive as we go forward.

2.54 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): It is a pleasure to serve under your chairmanship, Mr McCabe, and I thank the hon. Member for Blackley and Broughton (Graham Stringer) for securing this important debate.

I thank Professor Helm and the advisory board for their work on the independent review. It has certainly contributed to the wider debate on how we should approach energy policy in a way that balances the challenges of climate change, energy security and justice for customers. The true cost, or benefit, of the review will be determined by what the Government do with the findings. I am confident that the review, or at least the debate it has provoked, will lead to positive and successful steps to reduce the price of energy in this country for both domestic and business users.

The concept of starting an important debate about the future of energy markets, with the aim of bringing down the cost of energy for customers, must surely be the right thing to do. The UK Government have already shown that they are serious about making energy prices more affordable for consumers. In July 2017, the UK Government and Ofgem set out a plan to create a smarter energy system. We are seeing some progress, although perhaps not as much as many would like, on smart meters. It is a big hill to climb and I only hope it will continue to accelerate in the next couple of years. I am looking forward to the return of the Domestic Gas and Electricity (Tariff Cap) Bill to the House for its remaining stages, which I believe will be next week. It is entirely reasonable that the UK Government have sought to build on those actions with a review of what else can be done to bring energy prices down and provide energy security in a low-carbon economy. All the elements of energy production and the low carbon aspect make this quite a difficult Rubik’s cube to square off.

Professor Helm has frequently raised concerns about the price of renewable energy as produced by current technology and has called for Governments to take a more balanced approach to sourcing and securing energy. In his review, he put forward many interesting proposals for the future of UK energy policy, from a carbon price to the replacement of overpriced standard variable tariffs with a new default tariff, to a wider simplification of the whole raft and range of state interventions, which are cumbersome and only understood by a few people, if by anybody.

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2.58 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I express my thanks to the hon. Member for Blackley and Broughton (Graham Stringer) for securing this debate. I am pleased we are having this debate on the cost of the Dieter Helm independent review, launched by the Department for Business, Energy and Industrial Strategy and led, of course, by Professor Helm, an economist specialising in energy. Such a review is a rather important matter. Therefore, it was extremely disappointing that it was announced by BEIS on a Sunday in the peak of the August holiday season last year and was scheduled to last a mere 30 days.

The review was set in the context of rising customer concern about power prices, which were set to increase by 15%, following the decision by British Gas to increase electricity prices by 12.5% on average, despite falling wholesale prices. Although UK domestic power tariffs remain low relative to other countries in the EU, they are rising, and for industrial users, they are the third highest of 15 European countries, according to the UK Government’s figures. One reason is increases in climate-related policy costs, which make up a growing proportion of the average energy bill.

The review’s terms of reference are about ensuring energy is affordable for households and businesses. It sets out 11 short bullet points and reiterates the laudable ambition to have the lowest energy costs in Europe for homes and businesses. However, the expert panel of five working alongside Professor Helm lacked a consumer
To read the natural text, a plain text representation of the document is needed. The text contains discussion about the Government's review of energy costs and how they impact households and businesses. It highlights the importance of energy efficiency and the need for transparency in energy pricing. The text also mentions recent technological advancements and their potential to reduce costs. The discussion includes references to specific reports and the challenges associated with the current energy market. The text concludes with the importance of collaboration between stakeholders to ensure sustainable and equitable energy solutions.
I do not accept that it is all doom and gloom. I accept the criticism from the hon. Member for Blackley and Broughton of the advertising that suggested that the cost of offshore wind had come down by 50%, but let that not hide the fact that the speed at which the cost of offshore wind has come down is a stunning success. Whatever the reduction is—we can debate that—there is no doubt that, only a few years ago, it was well over £100 per megawatt-hour, and it is now well below that. That is a consequence of the Government seeing the opportunity both from an energy perspective and for industrial strategy in the north-east of England. I think that is a good thing.

Graham Stringer: I appreciate the hon. Gentleman’s point, but does he agree that there has not been a huge technological advance in windmill technology over the past few years? The drop in costs probably represents how inefficient the energy market was previously, rather than an increase in wind turbines’ efficiency.

James Heappey: I do not have the evidence at hand to disagree with the hon. Gentleman absolutely, but my understanding from the industry—I accept that he is sceptical about the industry’s lobbying prowess—is that there have been some fairly significant improvements in the cost of manufacture and in the scale of the wind turbines that can be deployed. It may be that the cogs, wires and mechanisms within are no more efficient than they were—I honestly do not know—but if they can now be deployed much more cheaply because of the scale at which they are being manufactured, and if they can generate so much more electricity because of the size of these things, I think that those are cost reductions even if the underlying technology has not moved on. I suspect it has a little, but I do not have the evidence at hand to debate that point today.

Renewables have, I think, become the cheapest form of generation. Solar has been going gangbusters in the speed at which it has brought down its costs and so, too, has onshore wind, notwithstanding the political pressures against it in this place. It is increasingly hard to argue that the burning of hydrocarbon for the purpose of generating electricity is the cheapest way of providing electricity. More and more often, we can buy out the intermittency of renewables to deliver very cheap clean green energy, and it is no longer a choice between decarbonisation and cheap energy. It is just that the greener energy happens to be the cheapest as well. Crucially, what renewables also allow us to do, which will realise a big saving, is to decentralise the energy system. That will certainly bring with it significant reductions in the costs of transmission, and potentially even distribution as well.

I have said that our auction mechanism is imperfect, but it is worth noting that many other countries have sought to emulate what we have done with Government policy on the deployment of renewables. It has sped up our decarbonisation—spectacularly so—and has reduced the wholesale price of energy. I accept that that has been clouded by a combination of the energy companies not necessarily passing on the savings to consumers as quickly as they could and of the green taxes that the Government put on top of the wholesale price. That has meant that consumers do not see it, as some people in this room would, as the right thing, because, as the hon. Member for Blackley and Broughton said, they have not seen on their bill the translation of that change into their energy costs.

Professor Helm also rightly mentioned that there are other areas for decarbonisation where the Government have not yet made as much progress as they might. Some very good things are being talked about within the Minister’s Department and I know that she is a big champion of the decarbonisation of heat and how we do that better. I am a Parliamentary Private Secretary in the Department for Transport and I know that a lot of work is going on there to look at how we decarbonise transport and the future of mobility.

My right hon. Friend the Secretary of State for Environment, Food and Rural Affairs is doing great things on waste. I accept the criticism of Professor Helm and others in this place that agriculture has been lagging behind. Representing a farming constituency, I know exactly why that is the case. It will be very challenging when we have to start telling people that they need to reduce their consumption of meat, milk, cheese and everything else in the interest of decarbonisation, but that conversation is surely coming.

The issue is how we translate all the advances in technology in the power sector into reduced bills. The Domestic Gas and Electricity (Tariff Cap) Bill, which I spoke to on Second Reading—I also served on the Public Bill Committee—should not be regarded as the process by which we do that, I am reassured by my previous discussion with my right hon. Friend the Minister, and I hope that the Bill will not be a temporary raid on the market.

The analogy that I like to use is that the current market, the caterpillar, is going into the chrysalis and on the other side we will have the butterfly that is the wonderful, digitised, decentralised energy system of the future. It would be disastrous if the caterpillar went into the chrysalis and after an inordinate period of time what emerged on the other side was still a caterpillar. We need to give Ofgem the latitude to use this as an opportunity not just to introduce a price cap, but to transform the energy system so that all of the savings that clean tech undoubtedly will afford start to translate into reduced bills for consumers.

In this place, we have a job to keep ahead of what will undoubtedly be a change in the mindset of consumers. Electric vehicles are not gaining in popularity among the electorate because we in Parliament have told people they are a good thing. They are gaining in popularity because they are unquestionably the future of motoring. They are technologically advanced, better than normal cars and cheaper to run, and people will be going for such things as a result of that, not because they are motivated by decarbonisation. We need an energy system that is ready to give them not only the ability to motor effortlessly because the charging network is all there, but from which, with their electric vehicles, they can take full advantage of the fact that they now have a battery parked outside their home, and can participate in the energy system to further reduce their bills.

Increasingly, people will start to get the internet of things within their home and businesses. They might not realise that that transition is happening because all that it might mean at the moment is a smart speaker in the corner of the room from which they invite Alexa to tell them the weather. Increasingly, people will find that
as their homes become smart, they will be able to participate in the energy system and access services that will allow them to deliver their domestic energy much more cheaply because something like Alexa, Siri, Google Home or whoever else will be able to run their homes more cheaply and will work out when they need to perform various functions to take advantage of cheaper market prices.

In turn, as policy makers we need to ensure that everything is in place for storage to be fully unlocked both in catalysing the research and development for grid scale storage and making sure that the market is ready for people who have storage in their business, home or community. We need to make sure that the market is ready for storage to participate.

Demand-side response has been spoken about for so long, but I am not sure we have the policy levers quite right yet to make sure that demand responds on a meaningful scale, particularly when aggregated across lots of domestic users and small businesses. We have the big users signed up to it, but delivering it when it is aggregated across a large number of consumers is very important. We need to accelerate that transmission because I suspect that consumer demand for those things will start to take off quite quickly in the next five to 10 years. There is a danger that we will get caught out having not put in place policy and regulatory frameworks for the new energy system that people will realise they want, and it will not be delivered if we do not get that right.

The other thing it is tempting to do when talking about Professor Helm’s report, which focuses on the big stuff, is to forget that energy efficiency is far and away the best way to deliver savings to consumers. I know the Government have made some eye-catching announcements on this recently, and it is absolutely right that we continue to see small gains in people’s homes and businesses as just as important as the things that we talk about in the North sea or the big power stations that we build here in this country. They will deliver the biggest savings by far for consumers in the short and medium term.

I will wrap up simply by saying that the report is not perfect—we know that—but it raises interesting points that have stimulated a conversation in Parliament and helped to focus the Government on what could change. We are in danger of losing the argument with the bill payer if we do not start to show how all the clean technologies can and will translate into lower bills for users. The longer-term challenge is how we make sure that we fully decentralise and digitise the energy system. With that comes an opportunity to balance upwards that we fully decentralise and digitise the energy system. With that comes an opportunity to balance upwards that we fully decentralise and digitise the energy system.

Last week BP announced some eye-catching policies for their internal decarbonisation goals over the next 10 to 15 years, but what was interesting was to hear Bob Dudley. When asked about the role BP might play in 10 to 15 years, but what was interesting was to hear Bob Dudley. When asked about the role BP might play in their internal decarbonisation goals over the next operator.

that is run rather inefficiently by a centralised system then the region, rather than having the current system with that comes an opportunity to balance upwards that we fully decentralise and digitise the energy system. With that comes an opportunity to balance upwards that we fully decentralise and digitise the energy system.

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promoting the right behaviour from industry and not being punitive when it comes to increasing the price of energy. The opportunity for a future hydrogen economy requires decades of planning as we seek to transition, so starting that conversation now is very important indeed.

The discussion that we are having today is excellent. There is a lot that the Government need to do, and that Professor Helm will have prompted them to do through his report. It is not perfect, but the fact is that renewables are driving down the costs of energy. We need to be able to translate that into cheaper bills for the consumer. I know that the hon. Member for Blackley and Broughton is sceptical on such matters, but I passionately believe that the evidence shows that what we are doing is the right thing, and that we should keep our course.

3.20 pm  

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate the hon. Member for Blackley and Broughton (Graham Stringer) on bringing forward the debate. I was glad that we cleared up, right at the start, the pedantic point about the title and that we were not going to be debating whether Professor Helm should have been paid £500 or £400 a day.

The hon. Gentleman set out his stall with respect to the potential value of the overpayment by consumers. Obviously, we need to realise, going forward, that the issue is about getting the best value for consumers. I was a wee bit alarmed when he said that he was a scientist. I am a civil engineer, and I am always aware of how scientists like even more evidence-based detail. Funnily enough, one of the criticisms of Professor Helm’s report by some parties was that there was perhaps not enough evidence to back up his assertions. However, as other hon. Members have touched on, it certainly provides a good debating point, and throws down a few markers for the Government to consider.

The hon. Member for Blackley and Broughton mentioned a potential 1,600 new coal plants coming in around the world, while we are decarbonising and, correctly, eliminating coal-fired plants, so the UK impact on overall world reductions is pretty minimal. I do not think that that is the correct attitude. We must continue to lead by example on decarbonisation and to lobby and negotiate for others to do so. The hon. Gentleman was correct in pointing out that complexity is an issue—a theme that Dieter Helm brought out in his report.

A recurring theme of the hon. Gentleman’s remarks was the correctness or otherwise of the information presented by lobbyists for what he sees as vested interests. There is no doubt that it is a challenge for the Government and for all politicians when someone sets out how good their technology might be and how it might change the world. As I get more involved with the energy sector, it is a challenge to get to grips with the terminology—the buzzwords and abbreviations.

Most of the hon. Members in the Chamber seem to agree that the review is a good thing, but there has been debate on aspects of it. The hon. Member for Blackley and Broughton seems to question the value of the reductions in respect of offshore wind and how much is through cost reductions or efficiencies. I suggest that, at the very least, there has definitely been an increase in the efficiency of the manufacturing supply chain from
going bigger and better. There is obviously an initial up-front cost. Cost reductions can be seen all around Europe. Given those similarities, I think there are genuine reductions in connection with technology.

In a relatively brief speech, the hon. Member for Ayr, Carrick and Cumnock (Bill Grant) touched on smart meters and the progress of the Domestic Gas and Electricity (Tariff Cap) Bill. He mentioned the Rubik’s cube, which is another thing I never got to grips with, and overpriced standard variable tariffs. At least in terms of the tariff cap and overpriced SVTs, cross-party working and political pressure are bringing the energy companies to book at last. I welcome that.

The hon. Gentleman talked about reducing fuel poverty. That is certainly important. I suggest that it is not just energy policy that leads to fuel poverty; austerity clearly feeds into it—if people do not have enough money coming into their household, they will, by default, almost certainly experience fuel poverty. So other Government policies have an impact.

My hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) gave a characteristically laid-back and chilled speech. I am tempted to go down that route, but I certainly agree with all the points she made. She concluded that consumers need to be at the heart of considerations. She is a champion of consumers, and I echo that sentiment. She correctly highlighted the issue of Hinkley Point. I shall come back to that and the fact that the cost of decarbonised energy is equivalent to 20% of bills; perhaps there is a better way of paying for decarbonisation.

Finally, we heard from the hon. Member for Wells (James Heappey). I congratulate his children on the high standard of their art work. The hon. Gentleman echoed Dieter Helm’s assertion that the auction system may be imperfect, but, as he said, it has clearly led to decarbonisation and the introduction of low-carbon technologies. There may be faults, but it has moved things in the right direction.

When the hon. Gentleman spoke of lobbyists and of losers backing Governments, I thought he might mean losers in government—but perhaps that is just a cheap shot by me. Electric vehicles are perhaps an offshoot of the debate, and although he said that there is increased uptake because people see them as the technology of the future, I am not sure we are quite there yet. Electric vehicle uptake is still too low, and we need to do more to get people to use them.

Uncharacteristically, I want to commend the Government for commissioning the review of energy policy. It may have been an admission that household energy bills are too expensive. As we have heard, that point has been reinforced by the announcement of the intended energy price cap—the Bill has its Third Reading on Monday. In October 2017 the Secretary of State said:

“Over the past 15 years energy prices have risen by over 90% in real terms.”

He added that there were bill increases “on prices the CMA had already concluded were too high.”—[Official Report, 12 October 2017; Vol. 629, c. 473.]

The cap is intended to be temporary—until 2023—which does not give the market too much time to become truly cost-effective and competitive. That means that we need longer term, consistent, logical energy strategies in place by then. Hopefully we shall see the butterfly come out of the chrysalis, as the hon. Member for Wells said.

It is therefore not surprising that Dieter Helm obviously agrees that the cost of energy is too high “to meet the government’s objectives and, in particular, to be consistent with the Climate Change Act”.

Another key finding was that “energy policy, regulation and market design are not fit for the purposes of the emerging low-carbon energy market, as it undergoes profound technical change.”

Those aspects of the matter, as the hon. Member for Blackley and Broughton said, are the result of a combination of successive Government failures to remedy matters.

The review highlights the fact that the investment strategy of picking winners is not necessarily efficient, and suggests that interventions should be radically simplified. No doubt the latter point will appeal to a Tory Government, but it is also the case that simplification should not happen to the detriment of emerging technologies. I have sympathy for a Government trying to support particular technologies. However, it should not be done on too much of an ad hoc basis. The way the Government have tackled the matter has not always been logical. My hon. Friend the Member for North Ayrshire and Arran mentioned Hinkley Point C, with a price of £92.50 per megawatt-hour, compared with £57.50 per megawatt-hour in the latest auction for offshore wind. That is only half the story. As Dieter Helm correctly reminds us, Hinkley is sucking those costs out for a 35-year contractual period. Meanwhile offshore wind gets only a 15-year contractual period. As he says:

“The nuclear plant will always run, reducing the market available to newer technologies until mid-century or possibly longer. This could act as a brake on technical change”.

Will the Government heed that warning and pull back from other nuclear projects such as Sizewell?

On my recurring theme of onshore wind, we need to find another route back to market. It has been excluded from contracts for difference auctions, cannot bid for the flexibility market under current arrangements, and is not allowed to bid for the capacity auctions. We need to find a way to get onshore wind and photovoltaics or solar back to market so that we can capitalise on the reduced prices.

Dieter Helm also recommends that the legacy costs for renewables obligations certificates, feed-in tariffs and contracts for difference should be separated, ring-fenced and placed in a legacy bank. It will be interesting to hear the Minister’s recommendations on phasing those out.

Dieter Helm highlights the fact that the “revenue = incentives + innovation + outputs” framework for Ofgem, which covers the transmission and network operating regime, needs to be changed, and is resulting in higher than necessary prices. We have long argued that the current transmission system is outdated and does not incentivise the construction of appropriate generation in the correct locations. Of course, it also disadvantages Scotland—particularly the north of Scotland.

Dieter Helm suggests that the Government should establish an independent national system operator and national system operator in the public sector, with relevant duties to supply and take on some of the obligations of the relevant licences from regulated transmission and distribution companies—again, it would be good to
hear a ministerial response on that. Such a provision might be slightly different, but to me it vindicates the SNP Government’s proposals to develop a not-for-profit energy retail company, and further changes that Dieter Helm suggested would complement that venture. It would also reduce Ofgem’s role in network regulation, which would be good.

Dieter Helm highlights that capping the supply margin would be the best way to meet the objectives of new legislation, and that the Government should issue an annual statement to Parliament, setting out required capacity margins and guidance for system operators. That would give parliamentarians greater scrutiny and input, which I would welcome.

Energy costs are a function of two things—the cost of energy and the amount of energy households use, which is linked to a property’s energy efficiency. Other hon. Members have touched on that issue, and I think the Government need to make more direct investment in energy efficiency policies. The SNP Government are doing that, and there is no doubt that the cost of energy then becomes less of a burden on those who might be fuel poor or struggling with their energy bills. If the money comes from direct taxation—especially in Scotland, where we have a more progressive tax system—that is clearly a much better way of paying for such initiatives and creating a fairer society.

As other hon. Members have said, this is a great starting point for debate. In the long term, we look forward to a proper Government response after their call for evidence, and I would certainly welcome a response from the Minister on the matters raised today.

3.31 pm

Dr Alan Whitehead (Southampton, Test) (Lab): I congratulate my hon. Friend the Member for Blackley and Broughton (Graham Stringer) on securing this debate. He is well ahead of the Government in having the first response to the Helm review—as he rightly said, a response from the Government who commissioned the report in the first place is currently conspicuous by its absence. Given how these things proceed, it is a little odd that the Government’s initial response to the Helm review into the costs of energy was essentially to call for evidence on the cost of energy. I am not quite sure where we are with the Government response to the report they commissioned, although I am sure we will hear about that from the Minister. Because we have no indication of what the Government intend to do with the Helm review, we are slightly at sea in terms of how best to respond to it at this stage. Should we consider the commissioner’s report, its terms of reference, the recommendations within it, or, indeed, what the Government will do with it?

Stephen Kerr (Stirling) (Con): A good place to start would be Dieter Helm’s conclusion that there is apparently nobody in government or any other sphere who can explain all the interventions being made in the energy market, such is the clutter of interventions in that market.

Dr Whitehead: The hon. Gentleman makes a strong point. That point is also made strongly in the Helm report, which has a list of the various interventions in play. Indeed, I think we can add a few more to those in the report, some of which have appeared more recently, such as energy intensive industry, underwriting and so on. What the Helm report says is right: we have over-complicated many of the areas that we consider necessary as policy levers. Indeed the temptation, not just for the current Government but for successive Governments, has been than when they see a shed that is slightly leaning, they build another outhouse on the side to stop the shed leaning. They subsequently have to do something with the outhouse, and then we get the current extraordinary complexity of the whole process.

To get a feel for exactly how complex the market is, I refer hon. Members to a recent chart produced by the University of Exeter about the various interactions that the energy market now undertakes. Helm makes that point strongly. The question is this: if we are simplifying the market and how it works, how do we do that? How do we dismantle the complexity as we simplify the market, and what will be the consequences of that simplification?

All other things apart, this review was a hospital pass for Dieter Helm, and, as the hon. Member for North Ayrshire and Arran (Patricia Gibson) emphasised, it was, frankly, an unbelievably rushed job. It was commissioned on 6 August last year, and concluded on 25 October last year. Not only was it commissioned on 6 August, but it had terms of reference that ran to one and a half pages. If hon. Members read them, they will see that not only do they greatly curtail what the review could have covered, but they are internally contradictory regarding what they ask the review to do. For example, the review states that the Government have “the ambition for the UK to have the lowest energy costs in Europe”, but, as the hon. Member for Kilmarnock and Loudoun (Alan Brown) emphasised, the review merely talks about power. Although we are supposed to have the lowest energy costs, the review is only supposed to consider power, and not heat or energy efficiency; that point was made by the hon. Member for Wells (James Heappey). The review has apparently wide ambition, but in practice it covers a constrained area of examination. It is essentially a review of the cost of electricity, and that is what it concentrates on.

Given where energy is now, if we talked properly about its overall cost we would have to mention that, as the Helm review lays out in some circumstances, the cost of energy is higher in a number of other European countries but the cost to consumers is much lower. That is because of the difference in energy efficiency in those countries, and the interaction between different forms of energy—what happens to heat, for example—and the power sector. If we take the lowest energy costs in Europe as our theme, it is not immediately clear what we are talking about. What will those lowest energy costs be compared with? If we restrict ourselves to the power sector, how can we complete that examination in terms of overall energy costs? That is a bit of a theme of the report, hospital pass that it is, although given the short time span and the terms of reference given to Professor Helm he has done a tremendous job.

Nevertheless, we should be clear that the report in essence represents an extended opinion piece: the opinions of Professor Dieter Helm on how the energy market and the electricity market in particular will work in
future. He has been expressing those opinions—I am familiar with a number of them—forcefully for a considerable period. I strongly agree with some of his opinions and do not agree with some, but they are mostly there in the report, one way or another.

The question we have to ask about the recommendations that Professor Helm makes in the report is, how are they backed up with evidence? Having read the recommendations or even the executive summary, we might confidently assume that in the report we would find not only evidence to back up the recommendations, but talk of their consequences. However, we do not find that. What we find is material to back up why Dieter Helm’s opinions are right. As a satisfactory answer to the question asked, the report falls rather short of what one wishes might have been achieved. That is a problem in responding to it fully.

I strongly agree with some of Professor Helm’s conclusions, but some I do not agree with at all. However, I would have liked to see in the report what informs his conclusions, what the consequences of those conclusions are, and how they will be worked through. Professor Helm, for example, talks about the legacy costs of energy and of interventions by Government. As the hon. Member for Stirling (Stephen Kerr) intimated in his intervention, the extent of those potential legacy costs is laid out for us in the Helm report.

The solution provided is that those legacy costs should be discontinued as something that goes on people’s bills, as they do at the moment, but that they should be all bundled up and put somewhere else. Where are they put? There is nothing in the report to tell us that, except that they will be socialised across consumers and not across to industry. One way or another, the bundle of legacy will reach back on consumers’ bills, in just the way that the social and environmental costs that appear on bills now are also borne by customers. Not only that, that cost will land on customers’ bills in a more concentrated way because, according to Professor Helm’s recommendation, industry will be exempted from the impact of the legacy costs. That means that customers’ bills will go up considerably and not down considerably over the period, as I assume is the intention of that particular proposal.

Similarly, one suggestion is that generators that produce power intermittently might be required to back up that up by commissioning their own power resources to ensure that the intermittency is not spilled across the rest of the market. That sounds like a good idea except that if we look very different from most things that we are used to today. We know that is the case, because that transition is proceeding apace. I am not sure that the report does justice to that transition, and I hope that the Government response to it and their actions on its recommendations—that transition and the need to achieve a safe landing with that transition in the interest of customers and carbon emissions—are properly undertaken for the future. I look forward to the Minister’s response.

3.48 pm

Steve McCabe (in the Chair): Order. I am very conscious of time, Dr Whitehead. Perhaps we could get back to the wind-up.

Dr Whitehead: Yes, Mr McCabe. I am just about done with the axolotls.

To conclude that remark and indeed all my remarks, in our energy markets we are above all—indeed, the terms of reference to an extent underline this—in a period of rapid transition towards forms of energy generation, transmission, distribution and supply that will look very different from most things that we are used to today. We know that is the case, because that transition is proceeding apace. I am not sure that the report does justice to that transition, and I hope that the Government response to it and their actions on its recommendations—that transition and the need to achieve a safe landing with that transition in the interest of customers and carbon emissions—are properly undertaken for the future. I look forward to the Minister’s response.
Wells (James Heappey), those trade-offs increasingly are going away. I accept that renewable energy without the necessary level of battery, solid state or liquid storage will not keep the lights on and give us the hot showers we want, which is why I am such a proponent of gas, particularly clean gas, in the system in future.

Tackling our climate change issue and delivering on our carbon commitments, which are world leading in their scope, does not mean that we are looking forward to a high-cost, low-economic productivity future—quite the opposite. As we have set out in the clean growth plan, we are employing more than 400,000 people in the low-carbon economy, which is bigger than aerospace in the UK. That economy is growing very rapidly, creating great export opportunities, and is doing so in the knowledge that we have decarbonised more and grown our economy more than any other G7 country. That is something of which successive Governments should be very proud.

I want to reassure the hon. Member for Blackley and Broughton that when we think about technological investments in the future, we are trying to apply a triple test. First, what happens to the carbon emissions? Can we see emissions actually coming out—can we count them? Secondly, can we see a cost-effective pathway to deployment? Can we deliver technology that will reduce costs rapidly? Thirdly, does this give us a competitive advantage based on what we are doing well in the UK, which we can export? It is not just us on this low-carbon journey; the world is pivoting to a low-carbon economy. Trillions of dollars are being spent on low-energy production and transport.

The hon. Gentleman talked rightly about coal; as a founding member of the Powering Past Coal Alliance, I wish we could persuade all countries that it is the fuel of the past. Equally, it is not right for us to dictate to some of the emerging economies their energy mix. We have to encourage and support them. India has said that it wants its entire car fleet to be electric by 2030. That will have a material impact on the price of that technology around the world. All that creates a reinforcing, positive spiral. If we can demonstrate leadership in technologies and other countries do, too, the price will drop, as has been seen with solar panels. That means that more countries can adapt and we get ourselves to a better place.

The focus on low carbon is not a win-lose situation; it is a win-win situation. The emphasis on innovation cannot be made strongly enough, which is why we have committed £2.5 billion over this Parliament just for this area of low-carbon innovation, which is part of the biggest increase ever in public spending on UK science research and innovation.

We can debate strategies, and we will, but we need to focus on costs now. Reducing costs both for consumers and for businesses is the heart of what we want to do. We have seen and heard what has happened to the input cost going into the system; I accept the point about onshore wind—the hon. Member for Kilmarnock and Loudoun (Alan Brown) and I have debated that. We have not made a commitment that we do not believe large onshore wind is right for England, but I am aware of other parts of the country and we are working to see what we can do.

We have seen a dramatic fall in the cost of low-carbon energy. Indeed, we have just celebrated our second period of coal-free power generation—a record of 57 hours not using coal to power our electricity in the UK. There are some other more subtle points, too. Network costs, which make up a quarter of dual fuel bills, have fallen 17% since privatisation, and the pressure is downwards on those. We have seen a dramatic increase in the level of competition in the retail energy market—there are now more than 65 suppliers. Switching levels are hitting record highs.

As hon. Members will know, I will bring back to the Floor of the House the Report stage of the Domestic Gas and Electricity (Tariﬁ Cap) Bill next week. It sounds as if we will have strong support from all Members present. We believe that we need to do more to help that market move towards a more price-competitive place, and we want that cap to be in place for this winter.

On household energy bills, it has not just been about consumers and taxpayers investing in the future of energy generation and low carbon. Much of that investment has been offset by improvements in fuel efﬁciency in homes, which I believe the hon. Member for North Ayrshire and Arran (Patricia Gibson) alluded to, often directly through measures such as the energy company obligation. In fact, although prices have gone up as a result of the investment in future forms of technology, the average bill in homes has dropped by £14 since 2012, because we have become much more efficient.

Stephen Kerr: The Minister has not mentioned smart meters in her list. When does she feel she might be in a position to tell us where we are going with the SMETS2 meters and the connection with the Data Communications Company?

Claire Perry: My hon. Friend has anticipated my speech; I was also going to mention the very dramatic, large roll-out of smart meters. We know we need to move to SMETS2 and make sure that that is done as seamlessly as possible for consumers who already have a SMETS1 meter—I am happy to take that offline.

Alan Brown: On the point I made, does the Minister agree that there is also scope for direct Government investment in energy efﬁciency, rather than relying on the likes of ECO, which still makes the consumers pay for it in their bills?

Claire Perry: I do; things such as the warm home discount are part of the long-term commitment that we have made to ensuring that there is better energy efﬁciency. We are working hard to take out costs wherever possible.

The hon. Member for Blackley and Broughton represents a manufacturing and industrial constituency; we have reduced the policy impact of energy bills on our most energy-intensive industrial consumers by up to 80%. He mentioned the relative costs of energy in Europe, where we tend to do very well in terms of gas costs and not so well in terms of energy. That is often because of political choices that countries make about where they will allocate their network costs. That is exactly why we commissioned the Helm report, to understand what it is we need to do better to ensure that our cost of energy for both households and businesses is as low as it can be.
I heard a lot of conversations about not wanting Government meddling in the design of the energy system, but somehow the terms of reference were too broad and Government should have been involved in setting them, and that the report was too short. Professor Helm is one of the world-leading experts on energy markets and design. It is fantastic that he has come out with some incredibly far-reaching recommendations; it is a no-holds-barred look at how we deliver more affordable energy, keep the lights on, decarbonise, create innovation and build relationships between the market and the public sector. I will not even answer the criticisms about his remuneration; he did a great report and it was good value for money.

We have had a very vibrant debate about the report; we will not rush to respond to it. This is an opportunity when we are at a tipping point on how we generate and deliver our energy. We need to take a very sensible, sober look at what we want to do. Much of that was covered in the report—questions about the importance of energy to our economic success, the disruptors that are going along, the move from passive to active demand, zero marginal low-cost clean generation, and the need to access lower cost, effective storage technologies. The market is changing, regardless of what the Government do. All the analyses of the report benefit strongly from hindsight, which is a wonderful thing, but the hon. Gentleman’s point about complexity, and Government layering intervention on intervention, are really well made. We need a response that is sober and sensible, that sets out an energy policy or strategy for the future that can survive successive political cycles and can respond quickly to what I have no doubt will be enormous technological changes.

The job of Government is to set ambition. We are among the most ambitious Governments in the world—we are the first developed country to ask for advice on what a zero-emissions economy would look in 2050. It is great to see other countries joining us. We are also responsible for setting a balanced budget, so that all our decisions can be made secure in the knowledge that we will have a stable financial framework. Our job is not to respond to customers who lobby loudest, but to look to work with companies that create value for consumers, so we have frameworks and stability that will stand the test of time. If we get that right, this trilemma that we always talk about of cost, carbon and security, would be solved, at least for electricity.

I thank all the Members who have spoken; it is always a pleasure to talk about this very important subject. I look forward to repeating the debate when we bring forward the response to the Helm review, but I am extremely grateful to Professor Helm for his report and for challenging us to think about these vital issues for the future.

3.59 pm

Graham Stringer: It has been a good debate. I thank the Minister; I understand why she says she is reluctant to formally reply to the report in the short term. That is disappointing—an interim reply on the Government’s position would be useful. I am pro-renewables: I just think that we are at the stage where they have to answer the question of whether they can exist without subsidy. If they cannot, auctions look to be the way forward, as Professor Helm says.

Motion lapsed (Standing Order No. 10(6)).
Protection of Welsh Speakers from Defamation

[Mr Philip Hollobone in the Chair]

4 pm

Mr Philip Hollobone (in the Chair): Will those who are not staying for the next debate please be kind enough to leave quickly and quietly? We now come to the important issue of the protection of Welsh speakers from defamation. I call Liz Saville Roberts to move the motion.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I beg to move,

That this House has considered protection of Welsh speakers from defamation.

Diolch yn fawr, Mr Hollobone. It is an honour to serve under your chairmanship. It will probably come as no surprise to anyone present that the subject of the debate was inspired by the recent contributions of a topical columnist to a national Sunday newspaper and current affairs magazine. The text is in the public domain, so I will refrain from using the little time available to repeat it. Suffice it to say that those comments are the latest manifestation of a long tradition of decrying, belittling and mocking the Welsh language and, by association, Welsh speakers.

The royal commission on Welsh education stated in 1847, in Y Llyfrau Gleision, or the Blue Books:

“The Welsh Language is a vast drawback to Wales and a manifold barrier to the moral progress and commercial prosperity of its people. It is not easy to over-estimate its evil effects.”

Fast-forward to 2011, and the Daily Mail saw fit to allow a book reviewer to describe Welsh as an “appalling and moribund monkey language”.

There has been much in between—you get the picture.

I want at the outset to establish a sense of proportionality. I do not seek to equate the bigotry against the Welsh language in the 21st century with the extremes of Islamophobia or anti-Semitism, but neither should the fact that majority prejudice is directed against a range of minorities devalue the need to address this issue.

Nick Thomas-Symonds (Torfaen) (Lab): I congratulate the hon. Lady on securing this debate. She talked about how this issue sweeps back to 1847. Putting aside the specifics of what has happened in the modern era, does she agree that no one should be discriminated against by virtue of the language they speak, whether it is Welsh or any other language?

Liz Saville Roberts: I agree entirely. We need to consider the effects on groups in how we deal with press regulation and in our regulation of hate crime and hate words.

Ian C. Lucas (Wrexham) (Lab): I congratulate the hon. Lady on securing the debate. She does agree that the refusal by the Independent Press Standards Organisation to apply clause 12 of the editors’ code of practice to groups such as speakers of the Welsh language shows how inadequate the regulatory system run by IPSO?

Liz Saville Roberts: I am grateful to the hon. Gentleman for raising something that I will raise anon. The two of us agree with the National Union of Journalists, which has raised that very point. Sadly, we live in a time when bigotry is increasingly acceptable. Hate words open the way to hate crimes.

Kevin Brennan (Cardiff West) (Lab): The hon. Lady is being hugely generous in giving way. Does she agree that one way we could address this issue is by extending the use of the Welsh language in this place? It is currently restricted to the Welsh Grand Committee, but I wrote to the Leader of the House today to ask her to meet me to discuss permitting the use of Welsh in our debates in this Chamber and in the main Chamber. Does the hon. Lady think that that might be one way to raise the profile of the Welsh language and stop the bile of the bigots?

Liz Saville Roberts: Of course. We recently used Welsh for the first time in the Welsh Grand Committee, but allowing its use in the Chamber and here in Westminster Hall would be a clear statement about the status of the language.

IPSO acknowledges that hate crimes and hate words are connected by exhorting the media to avoid prejudicial or pejorative reference to an individual’s race, colour, religion, sex, gender identity or sexual orientation, or to any physical or mental illness or disability, but complaints to IPSO are turned down on the ground that the editors’ code does not apply to groups of people. As I mentioned, the NUJ has long campaigned for the press regulator to accept complaints about how specific groups are represented in the media, rather than confining its remit to comments relating to specific individuals.

The drip feed of mockery undermines the extraordinary success story of one minority language at a time when 97.9% of the world speaks around 4% of the world’s languages—mostly English, Spanish, Portuguese, Mandarin Chinese, Russian, Indonesian, Arabic, Swahili and Hindi—and only 3% speak the roughly 96% remaining languages. Wales’s Government have set a target of doubling the number of Welsh speakers to 1 million by 2050. The number of pupils in Welsh medium schools reached an all-time high last year of almost 106,000, and more than 1 million people learn Welsh on the language learning app Duolingo.

Tonia Antoniazzi (Gower) (Lab): I thank the hon. Lady for giving way. She must be proud of having secured this excellent debate. Does she agree that we should not belittle the advancements the Welsh Government have made with Welsh language learning? Although I am not a Welsh speaker, I am a proud person who represents Wales and I speak other languages. The advancements that Wales has made are a good example for other languages, particularly in Northern Ireland.

Liz Saville Roberts: Indeed. Much about Welsh is a success story. None the less, the constant undermining—the drip feed—affects the way parents approach sending their children to Welsh medium schools and the way individuals approach using Welsh in services. I will return to that.

There is an idea that Welsh is somehow antiquated rather than new. We need to challenge that. Many of us are frustrated by references to Welsh as a quaint folk antiquity. A language is as venerable as its oldest literature and as vital as its youngest speaker. Yet language is not
just a mechanical tool of communication. There is an expression—in Welsh, of course—“Cenedl heb iath, cenedl heb galon,” which means, “A nation with no language is a nation missing its heart.”

For many people, Welsh is their first language. For many, the Welsh language is their mother tongue. It is the language of the home, the language of the community and the language of the workplace. Why would anyone seek to force those people to justify the language in which they think, dream, work and live? It is as natural and as normal to them as the English language is to its first-language speakers. I was lucky enough to have the opportunity to learn the language as an adult, but my daughter’s first language is Welsh, as it is for my husband and for the majority of people in my constituency. For them, speaking Welsh is not an optional extra; it is who they are. The Welsh language just is.

Ask almost any Welsh speaker and they will talk about the accumulative effect of centuries of establishment scorn. They will talk about parents choosing not to pass their own first language on to their children, about Welsh speakers being reluctant to use the language beyond a narrow social group, about the social norm of turning to English, about children who lack the confidence to use Welsh outside school, and about adults who are reluctant to access services in Welsh, internalising the negative stereotype. Let us speak plainly. We know that that prejudice is an example of the majority asserting its power over minorities to devalue them. Tolerance and diversity walk hand in hand. This is on the spectrum of oppression.

Albert Owen (Ynys Môn) (Lab): I am extremely grateful to the hon. Lady for securing this debate. I have the advantage of not reading the Sunday papers, but I understand that the debate originated with Rod Liddle. I am not a defamation lawyer, but does the hon. Lady agree that, rather than moving the debate originated with Rod Liddle. I am not a defamation lawyer, but does the hon. Lady agree that, rather than a conjectural origin of the debate, it is more likely to have originated with Rod Liddle. I am not a defamation lawyer, but does the hon. Lady agree that, rather than the conjectural origin of the debate, it is more likely to have originated with Rod Liddle. I am not a defamation lawyer, but does the hon. Lady agree that, rather than the conjectural origin of the other person or of some or all of the people in the room? The hon. Lady has said, “The Welsh language just is.”

Liz Saville Roberts: I agree entirely that we need a range of approaches. We do not want to be heavy-handed in our legislative approach, but when there is legislation that could be put into effect, as there is in other countries—I will come to that—it would be remiss of us not to consider all the options open to us.

Let me give an extremely brief synopsis of the status of Welsh in law, which is concerned mostly with the rights of Welsh speakers to use and access services in the language. The office of Welsh Language Commissioner was established by the Welsh Language (Wales) Measure 2011, which gave Welsh the status of an official language in Wales with legal effect. Most of the commissioner’s work concerns the creation and implementation of language standards, but she also has a remit to ensure that Welsh speakers are treated fairly. In the light of what we are discussing, the commissioner recently stated:

“While it is important that we respect freedom of expression...the increase in the offensive comments about Wales, the Welsh language and its speakers is a cause for concern.”

She called for action to stop such comments and said that “legislation is needed to protect rights and to prevent language hate.”

I remind Members that Welsh and Scottish Gaelic enjoy European status as semi-official or co-official languages, meaning that they can be used in the European Council and the requesting member state. The UK ratified the European charter for regional and minority languages 17 years ago, and article 7 of the charter includes provision to,

“promote...mutual understanding between all the linguistic groups of the country and in particular the inclusion of respect, understanding and tolerance in relation to regional or minority languages among the objectives of education and training provided within their countries and encouragement of the mass media to pursue the same objective.”

I also draw attention to the evident relationship between the characteristics afforded protection under the Equality Act 2010 and how a number of those are reflected in the way police forces and the Crown Prosecution Service record hate crimes on the grounds of hostility or prejudice towards a person’s disability, race, religion or belief, sexual orientation or transgender identity.

It is interesting that some forces have chosen to identify additional protected characteristics, with Greater Manchester police recording hate motivation against alternative subcultures such as goths. North Wales police treat that the Welsh language and culture as legally protected characteristics. Such hate crimes and incidents are identified under race and further categorised as Welsh or English, with 42 such crimes and incidents recorded in the last two years in the force’s region. Indeed, it appears that legislation may already cover hate crime on the grounds of people speaking a different language, given that the Crime and Disorder Act 1998 and the Criminal Justice Act 2003 included national origins within the definition of a victim’s membership or presumed membership of a racial group when considering whether an offence was racially aggravated.

Looking further afield, it is interesting to note that a number of legislatures make specific reference to language as a factor in crime. Those include Canada, Belgium, Croatia, Kosovo, South Africa and Australia. Australia’s federal Racial Discrimination Act 1975 makes it “unlawful for a person to do an act”,

“if “the act is reasonably likely, in all the circumstances, to offend, insult, humiliate or intimidate another person or a group of people;”

and

“the act is done because of the race, colour or national or ethnic origin of the other person or of some or all of the people in the group.”

I draw attention to the reference here to both individual and group rights, which is significant to our debate.

As the Welsh Language Commissioner has stated, this matter requires a number of approaches, but I question why Welsh speakers, as individuals within a group, have no legal protection at present. Put simply, that is felt by speakers in the present post-Brexit climate to encourage comments against them that they as individuals feel to be defamatory.

I ask the Minister to commit to respond to the Welsh Language Commissioner’s call for a meeting with interested individuals and groups to explore how to move this agenda forward. I also ask him, in his response, to consider the implications of article 7 of the European charter for regional and minority languages, which we
have of course ratified, and the UK’s commitment to encouraging the mass media to play its part in promoting respect, understanding and tolerance across linguistic groups.

Although I understand full well that defamation as a legal concept refers to the individual rather than the group, I beg the Minister to consider that linguistic groups are made up of individuals, as are groups protected from discrimination and hate crime by the Equality Act’s protected characteristics, which in turn are reflected in IPSO’s list of what qualifies as discriminatory.

I ask the Minister to approach his Government colleagues and discuss how to deal appropriately with the prejudiced caste of Welsh language speakers by acknowledging the existence of language hate and thus laying the foundations necessary to identify language as a recognised protected characteristic in equality legislation. That might be on the grounds of the Welsh language’s status as an official language, along the lines of a list of identified languages, or by an alternative method. It might be via greater clarification of the resources already available in criminal law. As this is potentially a protected characteristic, could he comment on the means by which IPSO might then be called on to review its present dismissal of Welsh speakers’ complaints, and on the wider question of IPSO’s handwashing of responsibility for the effects of media incitement of hatred against protected characteristic groups?

Finally, I ask the Minister to join me in welcoming North Wales police’s inclusion of the use of both Welsh and English as protected characteristics in relation to hate crime, and request that we work together to facilitate the complete devolution of policing and the enabling of Wales’s four police forces to establish a hate crime unit best able to address our country’s needs. Would he also note that once again this might well be an example of how a separate legal jurisdiction would better serve the needs of Wales than the England-and-Wales anachronism? Diolch yn fawr.

4.15 pm

The Parliamentary Under-Secretary of State for Wales (Stuart Andrew): Diolch yn fawr, Mr Cadeirydd. I first congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on securing this debate. I welcome the opportunity to discuss the important matter of the protection of Welsh speakers.

The hon. Lady’s speech, and the interventions, were certainly interesting. I have noted the strong views expressed on all sides and I am grateful to hon. Members for their contribution. I will try to respond to as many of the points as possible in the short time I have, but I will say at the outset that I would be more than happy to meet the hon. Lady so that we can perhaps discuss this in more detail. I think we need more than half an hour to discuss this important matter. I also think it would be useful to ensure that we include an invitation to the Welsh Cabinet Secretary, given the important role they play in the Welsh Assembly and the Welsh Government, to come to that meeting. I hope she will be happy with that offer.

The right of the people to speak in Welsh is simple, but powerful. Our language is part of what defines Wales as a nation, but it should not set us apart. I am very proud to be a Welsh speaker. I grew up in an English-speaking household, but my parents sent me to a bilingual primary school because they wanted me to have the best options available to me. When I moved away, as I have mentioned before, I stopped speaking Welsh daily. Now, returning to more frequent use of the language, I have noticed that it is not easy to get back into the swing of things and confidence can sometimes be something we struggle with.

As a Minister, though, I not only want to use Welsh more frequently, but believe I have a responsibility to do so. We all work in privileged positions and we have an opportunity to show Welsh speakers that our language is a normal part of the business of running the country. That is why, although I felt quite a bit of nervousness about it, I was keen to get on with doing media interviews in Welsh and trying as much as I can to conduct some of my meetings in Welsh, and indeed a phone call with the hon. Lady just yesterday. I do that because I believe it sets a good example, because people have a right to expect to be able to interact with their Government in the language of their choice.

Tonia Antoniazzi: Does the Minister acknowledge the inappropriate comments made by the hon. Member for Monmouth (David T. C. Davies), when he condoned Rod Liddle’s comments as, “kind of pub banter shock-jock stuff”?

Stuart Andrew: I will come on to Rod Liddle’s comments later, but I will not make a comment about my hon. Friend the Member for Monmouth at this stage. I am sure the hon. Lady will not mind.

I was also immensely proud to be able to speak Welsh in the first bilingual Welsh Grand Committee that was held in this House in February. Again, I confess I was apprehensive, and I was worried that people would pick up on my mistakes rather than focusing on the content of what I was trying to say. I know that many speakers have that worry, but we all have to get over it, frankly, and we all have to support each other. I think I mentioned during the St David’s day debate that I was struck by the comments of the hon. Member for Dwyfor Meirionnydd:

“Only through the use of the language will the language live.”—[Official Report, Welsh Grand Committee, 7 February 2018, c. 81.]

Governments at both ends of the M4 can set policies and targets, and commit to certain service levels, and those are undoubtedly important, but what is critical is to support Welsh speakers to feel able to speak the language. We have a responsibility to continue to protect and support its use not only when dealing with officialdom, but as everyday conversation. I say we all have a responsibility. Yes, the Government have a role, but those who are fluent in Welsh also have to help those who are learning to feel confident to be able to speak it. If they make a mistake, it does not really matter; it is about giving oxygen to the language.

I know that the Welsh people as a nation have a sense of humour. Much of the debate has centred on the individual who tried to denigrate our language, and even though we have a Welsh sense of humour, and even though the author of the article says it was a joke, I have news for him: he is not much of a comedian. His articles were, frankly, downright rude.
The Government are committed to a free and independent press, and as such only intervene in cases where publishers have broken the law. I am sure that we all agree that that is vital to a strong and fully functioning democracy, in which the powerful can be held to account without fear. The hon. Member for Dwyfor Meirionnydd and others have mentioned IPSO, which regulates 95% of national newspapers, by circulation. The rights of individuals are protected under IPSO’s editor’s code, but not the rights of groups. I am sure that the hon. Lady and I will discuss that in the meeting we will arrange.

**Ian C. Lucas:** The crucial point is the Government’s position, so far as IPSO is concerned. The Secretary of State for Digital, Culture, Media and Sport recently asserted that he supports IPSO in its regulatory role. However, IPSO refuses to look at cases such as the one we are discussing. Does the Minister support the Secretary of State, or does he support people who want an appropriate regulator?

**Stuart Andrew:** The Government are committed to a free and independent press. That is an important part of what we do. We intervene only when the law has been broken. I have been asked if I will raise these issues with my colleagues, and I commit to do just that. Once I have had those meetings, I will be happy to reply to the hon. Member for Dwyfor Meirionnydd and, if he wants, to the hon. Gentleman too.

The issue of equalities has come up. The hon. Lady mentioned the various groups and individuals that are protected because of their age, disability, sex, sexual orientation and so on. However, there is already appropriate legislation to capture potential cases of defamation—the Defamation Act 2013. Unlike colour, nationality and ethnic or national origins, language is not, as she knows, an explicit aspect of race for the purposes of the Equality Act 2010.

Nevertheless, where an organisation, such as an employer or service provider, imposes language requirements that may in some way be linked to person’s nationality or national origins, it would be a matter for the courts to determine whether that might constitute unlawful indirect discrimination under the race provisions of the Equality Act.

Liz Saville Roberts: Along those lines, it is important that I mention Gwynedd County Council v. Jones in 1986. It was declared legal for Gwynedd County Council to have a language requirement across a number of its jobs because there was not, in terms of employment, a connection between race and language, because language is an acquirable skill.

**Stuart Andrew:** Again, this is why we need careful consideration of many of the issues that have been raised. Looking at the Equality Act, for example, it is not clear what the effect of adding language to the list of protected characteristics might be. For example, if it was unlawful to discriminate on the basis of language, would it be possible to advertise a job that required a person to speak Welsh, or would that be discriminatory against speakers of other languages? I hope the hon. Lady understands why I want to make sure that we discuss this in great detail and that we do not actually create unintended consequences.

**Liz Saville Roberts:** I agree entirely with the need to not rush legislation and to avoid unintended consequences. I draw a line between employment law, and the skills necessary for jobs, and defamation.

**Stuart Andrew:** I take note of what the hon. Lady says. I will move on, because I notice that time is running out, as often happens in these debates.

I know that the author of that article wanted to be provocative. It is what he is about. It is how he tries to gain publicity, in the hope that more people will read his articles. He will probably give some publicity to this response. However, I do not personally intend to give him any more airtime.

**Albert Owen:** The Minister and I are both from a bilingual community. Although he does not want to give any more oxygen to that author, is he as concerned as many Opposition Members, including the mover of the debate, about IPSO? Will he take this matter up with the editor of the newspaper that the article was published in, to show the concern there has been in Wales? I am sure that the Wales Office is also upset by the article. Will he make the editor of that newspaper aware of what has been said in the debate?

**Stuart Andrew:** I will happily write to the editor.

As I say, I do not want to give any more oxygen to that article—although I commit to writing that letter. Instead, I will focus on our language and the important contribution it makes to our culture. At about 4,000 years old, Welsh is one of the oldest languages in Europe. We should be proud of how we teach people to speak Welsh; of how we are keeping the language alive; of our institutions, such as S4C, which, through the reforms we are implementing following the independent review, will broaden the appeal of the language to a digital audience; and of events such as the National Eisteddfod, which has roots back to the 12th century and attracts more than 150,000 visitors each year. Our attention must be focused on the important matter of ensuring a strong language for the future; on giving people across Wales the opportunity and confidence to use Welsh in social and official capacities; on ensuring that more and more Government services are available in Welsh; and on taking every opportunity to promote the strengths and attractions of our nation.

I pay tribute to the hon. Member for Dwyfor Meirionnydd. She made an important contribution, as have other hon. Members. I know that there is a great strength of feeling on this in Wales, but I also know that Wales is a very confident nation. It is staggering to compare the number of Welsh speakers in my community of Llanfaes and around Beaumaris when I was growing up on Anglesey with how many there are now. I was there just a week or two ago and it was pleasantly surprising to hear more and more people speaking in Welsh in shops, in restaurants and, of course, in the pub. I hope we will see more of that.

I have agreed to the hon. Lady’s meeting request, and I will of course approach other colleagues. However, the Government have a firm view on policies and practices. The practice of English and Welsh police forces working together is a strong one that we will stick to. On the other issues, I look forward to our meeting in due
course, so that we can debate these issues even further and hopefully get the resolution and the confidence that we all want to see.

Question put and agreed to.
Jim Fitzpatrick (Poplar and Limehouse) (Lab): I think that I have to challenge my hon. Friend. He said that if he mentioned the word “safety”, colleagues in the Chamber should stop him, so I am stopping him—because he has a very proud record on transport safety, in terms of seatbelts, his private Member’s Bill, the role that he played in setting up the Parliamentary Advisory Council for Transport Safety and his recent role, which I am sure he will come on to, leading the inter-country legislators committee at the United Nations. Safety is in his DNA, and he should not be embarrassed by that.

Mr Sheerman: I am very grateful to my hon. Friend, who has campaigned with me for many years on this topic. One thing that I am trying to highlight today is that too many of us in this field have been doing this work for a long time. We need fresh blood; we need new people coming in who will be as passionate as we have been. Certainly part of my role as chair of the Global Network for Road Safety Legislators will be to enthuse people in legislatures around the world to get involved to understand that 1.3 million deaths a year is unacceptable to any civilised society.

When I was working in this area some years ago, a Swedish professor—a doctor—said to me, “We have to get the United Nations to take this seriously and then we can lift the profile of what is happening on our roads.” As Lord Robertson said in a presentation only recently, people forget that if road deaths carry on at the present level, more people will die in the 21st century on the roads than died in all the wars of the 20th century. I hope you agree, Mr Hollobone, that that is a chilling statistic.

I want to say a little about Britain. In 2016, 181,384 casualties on Britain’s roads were recorded. There were 1,792 fatalities—that is 1,792 knocks on the door. Please let us use that all the time—the knock on the door, the chilling moment when someone is told that a member of their family has died. The long-term trend in the numbers of people killed and injured in road accidents has been declining, but the decline has stalled since 2011, and in 2016 we actually had an increase. To those figures we should add the road deaths and injuries in Northern Ireland; otherwise the Minister, who understands these stats very well, would pick me up on that.

It is important that the United Nations now has road safety as one of its sustainable development goals. Why is that? It is because the United Nations knows that that is vital to taking on poverty worldwide. We know that the death of a member of a family in the developing world usually means that family unit lurching into poverty, or, if it is a long-term disability, it drags the family down because it affects their ability to live a decent life. These tragedies are not just about statistics; they affect real families.

In relation to the countries that we have knowledge of, we know that we probably have an underestimate of the numbers of people dying. I was in Beijing not many months ago, and an interesting fact is that, mysteriously, as soon as the United Nations introduced a 5% reduction target, a 5% reduction started appearing every year in the Chinese statistics. I am saying that the stats may be worse even than we are arguing today.

I have just come back from New York, where we had a General Assembly debate on road deaths. It was a very good debate indeed, and a motion was passed on an action programme that I think will be very useful if we take it seriously.

I am arguing today that the United Kingdom has great knowledge about transport safety and great expertise. We have quite a good record. It is not the best in the world—sometimes Sweden is better than us—but the fact is that we have a good record. As I said, we have enormous knowledge; we have research centres and research evidence. We know very well how to reduce the number of accidents on the road, and we do not do that by a lovely gesture.

I have been in this field long enough to know that someone has only to knock on the door of an insurance company and it will say, “I will give you this flashy little thing that you can put on your bicycle when it’s dark and it will illuminate you and prevent accidents.” Another company will say, “I’ll give you lots of money to have a brand-new version of the Tufty Club, where you train all children about road safety.” Neither of those things, according to the research evidence, has been very successful at all. They may be quite fun to do, but they are not the way in which we tackle these things.

I have worked very closely with the Safer Roads Foundation. It knows very well the efficacy—all the research shows this—of low-cost engineering schemes. We know where people are having accidents. We modify the landscape; we do something about a particular junction that is dangerous, and that low-cost engineering scheme provides the best return possible on our investment.

We have knowledge of the research across the world. I also chair the international committee for road safety research. That is an attempt to link all the researchers on this planet of ours to one another so that we know what each of us is doing. We have worked very closely with India, for example. It is a case of finding out which research can help and sharing the information. One nation will have done the research and can pass it on quickly to the others.

We did not have a millennium development goal for road safety, but the sustainable development goals adopted by the United Nations changed the whole framework. We are now being taken seriously and we need to work very hard indeed to ensure that we achieve something substantial.

In September 2015, at a UN Heads of Government summit, the UK accepted sustainable development goal target 3.6, to halve road deaths by 2020. That was welcomed, but it was rather paradoxical, as our Government have failed to adopt a target for the UK since 2010. The Minister and I get on very well. He knows that, in a debate like this, I will nudge him again on two things: first, to have targets in the UK and, secondly, to have a national centre for investigation of all road accidents, particularly road accidents involving a road death.

We know that we are holding back casualty reduction at home. Targets are not a solution, but they do indicate ambition and commitment, and they influence where we put the resources. When the Government have targets for issues such as reducing suicides, hospital waiting times and net migration, it is hard to see the logic for not having an accident death reduction goal as well.

Jim Fitzpatrick: My hon. Friend is making a powerful point and one that many of us have challenged the Government on since 2010. Does he agree that it is
completely anomalous that the Government are signed up to the sustainable development goals for the reduction of road casualties, deaths and serious injuries internationally, and that they are signed up to the European Union’s targets for the reduction of road deaths and serious injuries, but that they will not sign up to targets for the reduction of deaths and serious injuries in the United Kingdom?

Mr Sheerman: I take that point. My hon. Friend is a great campaigning friend of mine. I did not know whether to apply for this debate under this Department or the Department for International Development. I hope that I am stimulating a relationship between the Department for Transport, which is very good—I will give it its due—and has a Minister who cares about this, and the International Development team, so that they make proposals.

Using our experience, research and knowledge to help people around the world is one of the best investments we can make in helping a developing country at the moment. Road crashes are the No.1 killer of young Africans aged between 15 and 29. Certain countries leap off the page, such as Tanzania and South Africa, because they are well above where they should be, given the size of their population, the nature of their roads, and the number of people driving cars and two-wheeled vehicles. Much of this has a heartbreaking real cost. Road crashes frequently kill or injure household breadwinners, causing loss of income, increased costs—such as those of caring for a disabled victim—and tipping people into deepest poverty.

The Overseas Development Institute report “Securing safe roads” contained in-depth analysis in three cities—Nairobi, Mumbai and Bogota. That analysis was led by the ODI and the World Resources Institute, which found that it is the poorest sections of society that bear the brunt of traffic-related injuries and deaths, and that politicians and the public tend to blame individual road users for collisions, rather than policy makers or planners.

Can I put this next point at the heart of my remarks? The fact is that, in many ways, cars have become much safer—like a cocoon. My wife recently changed her car because she wanted a hybrid car. It has automatic collision avoidance and 16 airbags. Cars are safer and getting safer still thanks to some of the great work that is being done on the new car assessment programme worldwide. The people in danger are the vulnerable road users—the pedestrians, cyclists and people on two-wheeled vehicles—across the world. Those are the people we really have to worry about.

In terms of other places, America is in fact slipping back on its success. There should be good laws and sensible research-based activity by Government, such as seatbelt legislation, as well as law enforcement, so that people are not let off, or able to pay bribes, because they do not want to be caught for speeding or drunk driving. In the United States, because the states have different rules and regulations, many of their cars do not have rear seatbelts or regulation on that. They are slipping behind. We need that mixture of wise laws, good science-based answers and ensuring that these laws are enforced. How confident are the Government that their contribution to accident prevention overseas will be well spent?

There is a new United Nations trust, which we established last week. It has every possibility of being a good and substantial fund. The Fédération Internationale de l’Automobile put in the first £10 million, and some companies will put in. However, given my experience with the World Bank and the Global Road Safety Partnership, there is a danger that we put too much emphasis on the private sector. Individual Governments must come in. I hope the British Government will put money into the United Nations trust, but they must ensure that there are strings attached, so that we know that the money flows to evidence-based, good ends.

We need to support the development of a road accident strategy across the world. We need to highlight what the Overseas Development Institute report says. We need to reframe road safety in public debates, making connections with issues that people care about, such as the economy, equality and education, and to build alliances at all levels of government, including local, regional and national. We must also produce, in every country, a dedicated road safety plan with short, medium and long-term objectives.

I have had the privilege to work with some very good people on this. Etienne Krug at the World Health Organisation in Geneva has been inspirational in the work that I have done. David Ward and the team from his organisation produced the wonderful report “Manifesto #4roadsafety” for the Global Network for Road Safety Legislators—that comes out of the Towards Zero Foundation. There are some very good people in this area, but at the end of the day, we must ensure that we have, as the World Health Organisation says, a policy called “save lives” based on an integrated safe-systems approach. The WHO report recommends 22 priority interventions in six key areas: speed management, leadership, infrastructure, vehicle safety, enforcement and post-crash survival.

To conclude, we know the answers. We can stop these 1.3 million deaths. We can reduce them dramatically if we work together on the basis of good laws that are enforced fairly and squarely across every country that we work with. We have an enormous opportunity to save lives, communities and families. Let’s go for it!

Mr Philip Hollobone (in the Chair): I am obliged to call the Front-Bench spokesperson no later than 5.8 pm. The guideline limits are five minutes for the Scottish National party, five minutes for Her Majesty’s Opposition and 10 minutes for the Minister. Then Mr Sheerman has a minute or so to sum up the debate at the end. There are five hon. Members seeking to catch my eye, including at least two former firemen. I am afraid there will have to be a time limit of four minutes to ensure that everyone gets in.

4.48 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): It is a pleasure to serve under your chairmanship, Mr Hollins. As you suggested, I have served more than 31 years in the fire and rescue service and sadly, I am no stranger to road traffic crashes. It is unbelievable—indeed shameful—that road crashes are the leading cause of death worldwide for people aged between 15 and 29. It is a sobering thought to consider the number of lives and the human talent, especially in less well-off countries, that have been lost due to road crashes that were in many cases, if
not all, entirely preventable. Things can and do change. In my time in the service, from the early '70s to 2005, I witnessed many advances. I thank the hon. Member for Huddersfield (Mr Sheerman) for his contribution to some of them. They include local authorities’ road improvements at dangerous corners, chevrons, warning signs and improved lighting.

The law has been brought to bear through drink-driving limits, speed limits, speed cameras, seatbelt-wearing, crash helmets for motorcyclists and improved driving tests. Safety campaigns such as “Reckless driving wrecks lives” are another advance that many authorities introduce to school children at secondary 5. Manufacturers are to be complimented again for introducing air bags, side impact bars, advanced braking systems, child safety seats and restraints. The fire service has also improved training and equipment and introduced collaborative working with the police and our wonderful ambulance service in the UK.

Road deaths around the world are tragic and costly, and it is time that we stopped treating them as simply things that happen. With others, I delivered fire service training in Romania in the '90s post the Ceauşescu regime. That was an eye opener. It was a wonderful country with wonderful people, but they had no particularly good infrastructure. They had poor equipment and poor training and, at the time, the fire service was linked to the military. I am sure the situation will have improved in recent times.

A report earlier this year by the World Bank and the World Resources Institute spoke about treating road deaths as a public health issue, which I would be very much minded to support. There is much more that can and must be done, particularly in developing countries, to improve road safety and reduce the number of accidents and the number of lives needlessly lost due to traffic accidents every year.

As the hon. Member for Huddersfield said, it is very often the police officer who has to go and chop at the door to advise mum or dad that their son or daughter is not coming home, or sometimes to advise the son or daughter that their mum or dad is not coming home. That is a horrendous consequence of a road traffic crash.

I am proud that the UK still has one of the lowest traffic-related fatality rates in the world, with 2.9 deaths per 100,000 people per year. Despite the improvements mentioned earlier, that is still too many, and we should continue to work to reduce that figure further, but it can be compared with the African average of 26.6 deaths per 100,000 people per annum, which is surely unacceptable. I hope that the Department for International Development and the Department for Transport recognise that global road safety is a public health issue of immense importance. The unacceptable fact is that traffic accidents—or traffic crashes—cause almost as many deaths each year worldwide as malaria, HIV and AIDS combined.

I trust that DFID and Transport will consider what more can be done to engage with Governments and stakeholders to promote road safety around the world and in developing nations. The UN rightly included among its global goals for sustainable development a target of halving road deaths by 2030. I hope that those who can implement change are listening, especially to the passion and enthusiasm of the hon. Member for Huddersfield.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): It is a pleasure to see you in the chair, Mr Hollobone. I am pleased to follow my friend, the hon. Member for Ayr, Carrick and Cumnock (Bill Grant), and I commend my hon. Friend the Member for Huddersfield (Mr Sheerman) on securing the debate and on his excellent speech that laid out the issues.

My hon. Friend outlined the statistics of more than 1.25 million people dead and 20 million seriously injured across the world, and the international response, including the World Health Organisation’s and the United Nations’ sustainable development goals, of which two specifically target road crashes. I am delighted to see the Minister present, who is highly regarded, which is the upside. The downside is that because he is highly regarded, much is expected of him. We look forward to his contribution.

The UK is one of the world leaders in road safety. My hon. Friend the Member for Huddersfield attended the UN General Assembly, as he described, and I commend his activities in sponsoring the inter-parliamentary legislators group to share best practice. We can help other countries. We are doing so already through individuals and organisations such as His Royal Highness Prince Michael of Kent, the international patron of road safety; the FIA Foundation; the Towards Zero Foundation; the Parliamentary Advisory Council for Transport Safety; the Department for Transport; the THINK! campaign; Max Mosley; and Stop the Crash, chaired by David Ward and Lord Robertson and mentioned by my hon. Friend, to mention just a few.

In this Chamber, we recently debated the International Development Committee’s report on education for all. I made the point that it is all very well promoting education in developing countries, but we should also be teaching road safety in schools, because 500 kids leave for school every morning and do not return home. They die on the world’s roads. We need to get those kids to and from school safely.

I chair Fire Aid, which is the umbrella organisation for the UK fire service and fire industry that delivers post-crash response and training equipment to more than 30 countries. One of our founding partner organisations, the Eastern Alliance for Safe and Sustainable Transport, quotes the 2015 World Health Organisation report on road safety, which details that half a million lives could be saved each year through good post-crash care. That includes stunningly simple things, such as a single universal telephone number for an emergency service response—18 countries have no 999 number and 41 countries have multiple numbers. Our partnership organisations deliver equipment and training, and are saving lives.

The UK has a good road safety story. The THINK! brand of the Department for Transport is held in international regard. We have expertise across the piece that we can share with other countries, whether on legislation, regulations, equipment or training. That soft diplomacy could enhance UK plc’s reputation. We can save lives. We can prevent broken bodies. We can have the most positive economic impact in the countries that would benefit most.

We need a signal from Government that recognises not only the opportunities that the sustainable development goals provide but that we are in the best position to help...
so many countries, whom I hope would acknowledge our assistance. We should not do it just for geopolitical advantage, although that should not be lost on the Foreign and Commonwealth Office, but because it is the right thing to do. It is already being done by all those I mentioned earlier and others.

I am keen to hear how much the Government are doing, how much they recognise what is being delivered by those UK organisations and how much more they think we can do—not just through the Department for Transport, but through the Department for International Development too. I look forward to the Front-Bench responses from the SNP, from my hon. Friend the Member for Reading East (Matt Rodda) for the Opposition and from the Minister. This issue should demonstrate that there is no difference between any of the UK parties.

4.56 pm

Stephen Kerr (Stirling) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for Huddersfield (Mr Sheerman) on securing the debate and on his excellent speech, which many hon. Members found very stirring. His passion in the subject reawakened in me the memory of a phone call to our home in the middle of the night when my cousin, Eric, sadly died in a road traffic collision. I shall never forget the sight of my father, a typical Scot who did not wear his heart on his sleeve, standing in the kitchen of our home in Forfar and crying.

I want to speak briefly about the privilege I recently had of attending a presentation on stage at the MacRobert theatre at the University of Stirling entitled “Safe Drive, Stay Alive”, which shows young drivers how dangerous the roads can be. All the year 4 and year 5 pupils from the surrounding secondary schools in central Scotland attend the presentation. Frankly, the dramatic production uses shock tactics to hammer home the message about the importance of being aware on the roads and concentration when driving, and about how dangerous the roads are. I pay tribute to the team who I saw on stage: PCSs Vinny Lynch and Andrew Starkie alongside Alan Faulds, Patrick Boyle, David Galloway and Bill Taylor. David Galloway particularly deserves a special plaudit. He talks about road safety with the authority of someone whose life has been drastically changed by a road collision. The performance is intensely emotional and moving, so it is hard not to shed a tear throughout the evening. From start to finish, it works effectively to truly convey the impact of a car crash—one of those seconds that change lives forever, both physically and mentally.

I will never forget what someone from one of the blue light services said on stage:

“When I go home from my shift at night, and I lay my head on my pillow and I close my eyes, I see you lying in the wreckage of the car.”

No matter how hard the rescuer tried to expunge that memory from her mind’s eye, that is what she saw. It is my view that although it is a shock production, it is so important that the relatives of those who have died, the voices and testimonies of the emergency service first responders, and the victims themselves speak to young people, as it can truly be a turnaround moment in their appreciation and awareness of the danger of roads. If every young driver could see this production and see through the eyes of a road casualty, I am sure that it would go a long way to ending the scourge of car fatalities among young people. I believe that it would teach lessons that would remain for a lifetime.

5 pm

Jim Shannon (Strangford) (DUP): Thank you for calling me to speak, Mr Hollobone.

I congratulate the hon. Member for Huddersfield (Mr Sheerman) on securing this debate, on the compassion and passion that he always shows for his subject matter, and on the vociferous way that he speaks on each and every occasion that he brings an issue forward. The hon. Gentleman is a Huddersfield Town supporter, but we forgive him for that. As a Leicester City supporter, I am very pleased to remind him of that; I think that his team beat us once this season, but we beat them the other time. However, that is by the way.

It is very good to come along and speak about an issue that is very important to the hon. Gentleman and indeed to every one of us who is here in Westminster Hall to participate in this debate. One preventable death is one too many. The fact is that road deaths are largely preventable and we must do our part to try to ensure that such deaths are prevented.

As I always do in these debates, I will give a Northern Ireland perspective. I look forward to the Minister’s response. There is a great responsibility on his shoulders to come forward with the answers that we are looking for, but I have no doubt that he will respond in a very strong and supportive way to what we are saying.

The Police Service of Northern Ireland data shows that 95% of all deaths and serious injuries on roads are caused by human error, whether that is drink-driving, speeding, carelessness, inattention, or not wearing a seatbelt. We all know what we have to do on the road and sometimes, inadvertently and for whatever reason, we may not do those things.

The latest figures released by the Department for Infrastructure in Northern Ireland show an increase in the number of serious injuries from road collisions to 828, which is the highest figure since 2010. While the number of road deaths has been dropping in the last couple of years, the number of road injuries has not, and we also have to consider that.

The 63 road deaths in Northern Ireland in 2017 continued the downward trend that began in 2014, when 79 people in Northern Ireland lost their lives on the roads. Although the 2017 total is significantly higher than 2012’s low of 48 deaths, about half as many people die on Northern Ireland’s roads now compared with a decade ago. Yet, as I said at the start, one preventable death is one too many. Sixty-three families are grieving today; 63 homes have been torn apart; and the communities of those 63 people are living without a vital part of their make-up. We need to see an improvement in road safety and in this place we need to play our part in achieving that.

A recent survey by the Brake charity and Churchill Car Insurance of 2,000 UK drivers was quite illuminating: we always cite statistics, but I believe they give an indication of what people are thinking. Some 52% of those surveyed admitted to driving at 25 mph or faster in areas with a 20 mph speed limit; 25 to 34-year-olds...
were the age group most likely to drive at 25 mph or faster in a 20 mph area, while 55 to 64-year-olds were the least likely to do so; more than seven in 10 drivers underestimated the number of children who are killed on roads globally every year; and eight in 10 drivers thought that vehicles travelled too fast in their area. In addition, research has found that children cannot judge the speed of approaching vehicles that are travelling faster than 20 mph, so children may believe that it is safe to cross a road when it is not.

In his introduction to the debate, the hon. Member for Huddersfield referred to the Green Cross Code, the Tufty Club and so on; I am of the generation that can remember those things. When we were children, those things were very much part of the safety regime that existed.

Five hundred children are killed on roads globally every day, which comes to nearly 183,000 deaths across the world each year. It is for that reason that we must take on board the manifesto of the Global Network for Road Safety Legislators—Manifesto #4RoadSafety—which highlights the measures that it believes parliamentarians worldwide should adopt to reduce the number of road deaths.

As I have said, we have a role to play to improve road safety globally. I congratulate the hon. Gentleman on bringing this matter forward, raising awareness of it and highlighting it for the attention of the Minister. I would also like to highlight the fact that any strategy must be carried out in co-operation with the devolved Assemblies, and I look forward to understanding what the cohesive UK-wide strategy will entail. I ask the Minister to consider—indeed, very much consider—having a United Kingdom of Great Britain and Northern Ireland-wide strategy. If he introduced such a strategy, all the regional devolved Administrations could be part of it, which would also be a good idea.

5.4 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I thank my hon. Friend the Member for Huddersfield (Mr Sheerman) for calling this debate on a really important topic. Around the world, we must design better safety into our roads, and as a member of the Transport Committee I will confine my remarks to how we can design better safety into roads, not only here in Britain but around the world.

There is one feature in particular that I will speak about, which is road signs, because right around the world, whether the road signs are pointing to Plymouth—

5.4 pm

Sitting suspended for Divisions in the House.

5.28 pm

On resuming—

Mr Philip Hollobone (in the Chair): The debate will now run until 5.54 pm.

Luke Pollard: Before the interruption, I was talking about road signs. Whether they point to Plymouth, Perth, Paris, Panama or Phnom Penh, they are important around the world. The issue was brought to my attention by one of my constituents, Trevor Gorman. His son, also called Trevor, was killed in a road accident last June on the A38, which runs through Plymouth. Trevor was driving with two friends when their van collided with a road traffic post, killing all three men. The post they collided with was made of steel, and was not designed to collapse or crumple to absorb the impact. Experts at the inquest said that the pole met requirements when it was erected in the 1990s, but had not been replaced since then.

The accident that took the lives of these three young men could have been prevented. Thanks to Highways England, the steel signpost has now been changed to a lattice-type pole that crumples in the event of an impact. I wrote to the Minister on 15 March trying to raise awareness of the importance of crumple-able lattice poles in preference to hard steel poles that do not crumple when hit by traffic that comes off the road. I wrote to and met Jim O’Sullivan, the chief executive of Highways England. He confirmed that the sign would be replaced with a crumple-able post, not the same steel post that has been used in the past. That is really important, because as there is more and more traffic, more and more hard, galvanised steel posts are being erected on motorways and lesser roads across the world. In Britain, many of those hard posts are being replaced by lattice-type posts. I invite hon. Members, next time they are driving on busy motorways, to have a look at the signposts. The lattice-type posts—those that can be seen through—crumple if they are hit by a car, absorbing the impact. The pole will not come loose and hit people in cars, which is how Trevor Gorman and his friends died.

We have an obligation not only to learn from best practice of replacing hard, galvanised steel poles in the UK with crumple-able, collapsible poles, but to ensure that best practice is shared around the world. I am sure that hon. Members will be familiar with the 1968 UN convention on road signs and signals, which sought to standardise the amount of signs. What it did not do is standardise the poles to which those signs are attached. I invite the Minister to engage in international collaboration and co-operation on road safety. Could the best practice that is being adopted on our roads in the UK—replacing hard poles with collapsible poles—be shared with our international neighbours?

Mr Gorman, who has been running a fantastic campaign to raise awareness of this issue, wants to ensure that no other families suffer the knock on the door spoken about by my hon. Friend the Member for Huddersfield. If we can do that not only in England and for traffic authorities across the UK, but around the world, those three young men who died on the A38 because their van hit a pole that could not collapse might not have died in vain.

Mr Philip Hollobone (in the Chair): We now come to the first of the Front-Bench speeches. To help our Opposition spokesmen, I will ask the Clerk to set the clock to show how long a five-minute speech should last. I call Alan Brown for the Scottish National party.

5.31 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): Thank you, Mr Hollobone. It is a pleasure to serve under your chairmanship; the debate has been impeccably run, as usual.
I congratulate the hon. Member for Huddersfield (Mr Sheerman) on introducing the debate. He has spent a long time campaigning on road safety in general, and I pay tribute to his previous work on seatbelts and his parliamentary manoeuvres to ensure that that important legislation got through. He clearly set out the magnitude, scale and impact of global road deaths, how important the issue is, and the fact that this is the 10th biggest killer in the world at the moment —set to rise to seventh, around the level of tuberculosis and all the rest of it. As parliamentaryarians we all sign up to campaigns to eradicate diseases and other killers, but clearly more needs to be done to tackle the scourge of global road deaths.

I pay tribute to all the other speeches made by hon. Members—I cannot go through them all due to time constraints. Clearly, it has been a consensual debate because it is on such an important subject, but I may make a couple of comments about the Government that are not quite so consensual. I pay tribute to the hon. Members for Poplar and Limehouse (Jim Fitzpatrick) and for Ayr, Carrick and Cumnock (Bill Grant) for their work and the work they have done in the fire services. I have friends in the fire services. Such personnel are at the front end, seeing this close up. The devastation is not just for the families; we have people at the front end, and the psychological stress has an impact on other people besides the families.

We have touched on the fact that according to the World Health Organisation, road accidents are the 10th leading cause of death, so obviously the issue needs to be tackled. To tackle it properly, we need to understand the causes. Over the years, better vehicles and roads have contributed, particularly in the UK, to a reduction in the number of deaths on the road, but the fact that 90% of deaths occur in low and middle-income countries—Africa has the highest death rate—suggests that there are other factors such as healthcare and remoteness when people are involved in accidents. We need a detailed analysis to tackle the issue on a proper, global scale.

From the Library briefing paper, Great Britain seems to do well; it is ranked 46 out of 49. I noticed that, interestingly, Mexico has the same death rate per million as the UK—27.7 deaths per million population. Mexico is not a high-earning country, so other factors are obviously at play. As the hon. Member for Huddersfield mentioned, the US does not have as good a record—it is the 9th worst in the chart. What are the reasons for that? In the US, they have a car culture, so I would have thought that they would be more safety conscious. They certainly have a much more lax attitude to drink-driving. There is no compulsory requirement for crash helmets for motorcyclists, who are vulnerable road users. The hon. Member for Huddersfield touched on rear seatbelts. It shows again the theme of having correct laws, enforcing the laws and making sure people adhere to them.

In the UK, there were fewer road deaths this year than in 1926 when records started, which shows the progress made. There was a post-war increase in the number of deaths, up to 1966, in line with the number of road users. In 1966, drink-driving legislation was introduced and that started a downward trend in the number of deaths, which has continued since.

A few years ago, the Scottish Government went one step further. They have lowered the drink-driving limits further, from 80 mg per 100 ml of blood to 50 mg per 100 ml. The measure was met with scepticism by Opposition politicians at the time. The Tories were telling us that all these poor wee grans were going to be targeted by the police and meanwhile real criminals would be going scot-free. In actual fact, there has been a 7.6% reduction in the first year of the new legislation. It has helped to bring about a change in culture, which will clearly lead to a reduced number of fatalities and accidents. I urge the Minister to think carefully about this and to fall in line with Scotland, rather than having the joint highest drink-driving limit in Europe.

In terms of other road safety measures, average speed cameras have been a success. On the A9, average speed cameras have reduced the number of fatalities by 40%. Investment in the strategic road network helps. I would also suggest that the UK needs to sign up to the UN target to halve the number of road deaths. The Scottish Government have a target of a 40% reduction in road deaths between 2010 and 2020. I believe the UK Government abandoned their target for a reduced number of fatalities—I would urge the Minister to think carefully about that.

5.37 pm

Matt Rodda (Reading East) (Lab): It is a pleasure to see you in the chair, Mr Hollobone. I start by congratulating my hon. Friend the Member for Huddersfield (Mr Sheerman) on securing this important debate and on his knowledgeable speech. He has been an impressive road safety campaigner for many years, and the debate is worthy of him. I also pay tribute to other hon. Members who have spoken today.

This is a very timely debate. Globally, about 1.3 million deaths as well as more than 50 million injuries are caused by road accidents each year, according to the latest estimates from the World Health Organisation. In the UK, we have a proud record and some of the safest roads in the world. There are an estimated 3.7 road traffic deaths per 100,000 people in the UK, meaning we have the safest roads in the world other than in Sweden. However, we must strive to be even better.

I am pleased that the last Labour Government supported global road safety. In 2009, Labour pledged to donate £1.5 million each year from the Department for International Development to a global road safety facility. However, under this Government, progress has somewhat stalled. The 2010-2015 coalition originally scrapped our 2009 pledge, before being forced into a U-turn by the International Development Committee in 2011. In our 2017 manifesto, we said that a future Labour Government will reset the UK’s road safety vision and ambitiously strive for a transport network with zero deaths, reintroducing road safety targets and setting out bold measures that will continuously improve road safety standards.

I ask the Minister why the Government scrapped the road safety targets that were introduced by Labour. The Government talk about road safety being a top priority, but Ministers have failed to reduce the number of those seriously injured or killed on our roads.

Jim Fitzpatrick: I know my hon. Friend has limited time, so I will just ask a quick question. We had a 30-year consensus on the reduction of deaths and serious injuries on roads, starting with the Conservative Administration in the ’80s under Mrs Thatcher—I think the hon. Member for Worthing West (Sir Peter Bottomley)
was Road Safety Minister at the time. Does my hon. Friend agree that it is very disappointing that the coalition Government moved away from targets? Does he hope, like I do, that the present Conservative Government would restore the targets that they started 40 years ago?

**Matt Rodda:** My hon. Friend puts it very well. I seek consensus on this issue and I hope the Minister will consider the points that my hon. Friend has made eloquently. He did not mention the reductions in the police, but I should add that there is a link to that as well. I hope the Government will also reconsider their cuts to the police service.

It is worth bearing in mind that the road injury statistics are rising. A Department for Transport statistical table for the year to September 2017 showed that serious road injuries had increased by 7%. We should focus on that point and seek consensus. As I mentioned earlier, the Minister should seriously look at the UK taking a leading role in promoting road safety globally. What discussions has the Minister had with colleagues in the Department for International Development about global road safety? I also believe, in addition to domestic consensus, that there should be consensus between Departments. We should seek to work with our international partners.

In conclusion, although we have one of the safest road networks around, we should not be complacent. The Government should be doing much more to make our roads even safer. I look forward to hearing the Minister’s comments on some of the important points raised in today’s debate.

**Mr Philip Hollobone (in the Chair):** If the Minister would be kind enough to finish his remarks no later than 5.52, that will allow Mr Sheerman two minutes to sum up the debate.

5.41 pm

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** I am very grateful for those remarks, Mr Hollobone. It is a pleasure to serve under your chairmanship. I am grateful to colleagues from all parts of the House for the thoughtful interventions they have made on this important topic and for how they have managed to compress a lot of thought and passion into a small number of minutes. That is impressive and good to see.

I congratulate the hon. Member for Huddersfield (Mr Sheerman) on securing this debate. As he said, this is a serious global issue. It is a sobering thought indeed to reflect that around the world, 3,500 lives are lost in road crashes every day according to the World Health Organisation. I absolutely recognise his efforts over many years, internationally and at home, to create a positive force for change. I am also pleased to acknowledge that sat behind him is a Mount Rushmore of dignitaries who have pioneered initiatives that will match anything that my hon. Friend the Member for Strangford could mention. I have visited it myself. As the sixth formers come out, seeing a smoking ruin of a car with bodies slumped over it and blood everywhere, the colour drains from their faces and they become completely aware in the most graphic way possible of what it could be to have an experience like that. As my hon. Friend rightly said, it is absolutely harrowing.

Just looking at our young adults, the number of those aged between 17 and 24 killed on Britain’s roads has fallen by 25% since 2010 and 77% since 1990. There is therefore much to be proud of but much still to do. The UK has been a key driver in the development of the sustainable development goals. We are in a strong position to make an effective contribution to the UN’s target on road safety, sustainable development goal 3.6, which is to halve the number of global deaths and injuries from road traffic accidents by 2020. We are also pleased to play our part in the development of a common global vision and narrative on sustainable transport through a target to provide by 2030 access to safe, affordable, accessible and sustainable transport systems and special attention to the needs of those in vulnerable situations. The hon. Member for Huddersfield rightly focused on the impact that a death can have in destroying the fabric and the social and economic integrity of a family. That is one reason why that is a development issue as much as it is a road safety issue.

I suggest to the House that the Government’s commitment in the area is clear. The road safety statement, “Working Together to Build a Safer Road System”, published on 21 December 2015, set out our priorities for action. We have delivered heavily on those actions.
In particular, in March 2017 we doubled the penalty points and increased the fine—to £200—for using a hand-held phone when driving, as part of our continuing efforts to tackle that dangerous and reckless action.

For more than 50 years, we have used a combined approach of tough penalties and rigorous enforcement along with the THINK! advertising campaigns, recognised by Members across the House for their quality and the international respect that they command, to reinforce the social unacceptability of drink-driving, reminding people of the serious ramifications that drinking and driving can have on themselves and others. That has had results: alcohol-related fatalities have reduced from 25% of all road deaths in 1979 to 13% of a much smaller number of reported road deaths two years ago.

On drug-driving, we introduced a specific drug-driving offence in 2015, with specified limits for 17 drugs, including illegal and prescription drugs. In addition, in 2015 we provided £1 million in funding to police forces specifically for better equipment, enforcement and training of officers in drug-recognition and impairment-testing skills. Last year we published research on the effectiveness of the drug-driving legislation introduced in 2015. It found that the legislation had led to additional police activity against drug-drivers, and higher prosecution and conviction rates.

It is important to say that we also recognise the importance of equipping drivers with the right skills, encouraging the uptake of more pre-test practice in driving and a broader range of real-world driving experiences for novice drivers. Following a public consultation last year, therefore, we have announced amended regulations to allow approved driving instructors to provide lessons on motorways to learner drivers in a dual controlled car. Those new rules will come into effect in June this year. Meanwhile, from 4 December 2017 the practical driving test changed to include following directions from a sat-nav and testing different manoeuvres, making it more applicable for modern driving.

A theme of this debate has been that young people are particularly at risk. That is absolutely right. We know that they are disproportionately represented in our casualty figures, and we are undertaking a substantial £2 million research programme to identify the best possible interventions for young and novice drivers. Those measures to be considered include voluntary limits during the first months of driving solo, more pre-test learning and hazard perception learning, the use of telematics to help novice drivers, and a range of educational interventions.

It is also important to recognise that other vulnerable road users other than drivers need attention. Motorcyclists account for 19% of all road deaths, despite accounting for only 1% of traffic. They have not been mentioned in this debate, which I know is by accident and because of the short time we have had, but they are a very important source of the killed and seriously injured statistics. We consulted on improvements to motorcycle training and provided our response last year, setting out our long-term intention to provide for change.

In September last year I announced a cycle safety review. In March this year I launched the consultation on the cycling and walking investment strategy safety review, which invited those with an interest in improving safety of cyclists and pedestrians—including vulnerable road users—to provide evidence, whether drawing on experience from this country or other countries, so that we may use that evidence to shape future policy decisions.

Our road safety statement sets out the Government’s vision, values and priorities to improve the safety of our roads, and how we are working towards a reduction in the number of deaths and injuries domestically. However, I recognise that our road safety statement—it is a theme that has come out today—does not include a national road safety target.

Jim Shannon: No mention has been made of the insurance companies, which have been strategically and purposefully trying to reduce accidents by offering insurance incentives. Perhaps the Minister will comment on that, because some of those insurance companies have brought in systems that really help.

Jesse Norman: As the hon. Gentleman acknowledges, insurance can cut in different directions based on the pooling effects and the way it is segmented, but potentially insurance can be a valuable part of setting a set of incentives, particularly for young drivers, that could improve road safety over time.

I will return to the key topic that has been raised: the lack of a national road safety target. It is true that we do not have one and we do not have road safety targets for local authorities or the police. Our judgment has been that there is a tremendous need, as has been recognised here, for local road safety practitioners, the police and local authorities, to supply and apply their knowledge and skills to local circumstances, but we are wary of a centralised approach to setting targets. That occurs in a political context in which the 2010 Government took over a vast panoply of targets across the whole of Government and sought to create greater empowerment and local accountability by removing many of those targets. It is important to say that local authorities, the police and other bodies remain free to set their own targets, if they find that useful. It is also worth saying that the over-emphasis on targets can itself be counterproductive, because it can cause people to chase the target, rather than the problem.

We understand and remain committed to the international road safety goals, to which we have already committed ourselves, to sharing our experience and expertise with other Governments, and to taking part in many global forums, which have responsibility for making roads safer, including the UN World Forum for Harmonisation of Vehicle Regulations and the Global Forum for Road Traffic Safety, both hosted by the UN Economic Commission for Europe in Geneva. In addition, my colleagues in the Department for International Development are contributing nearly £10 million—not £1 million or £1.5 million—to the Global Road Safety Facility, a multi-donor trust fund operating through the World Bank. That is a scheme to which the Government as a whole are signed up. The programme has been running since 2013 and is due to continue until 2021.

The Global Road Safety Facility generates research and evidence on road safety. Working on these areas directly relates to the focus area of disability through potential reductions in future disabilities incurred through road crashes, as well as all the other economic and social effects that have been highlighted today. That facility has made progress on road safety particularly
within the World Bank, and in 2015 all World Bank-funded road programmes included the road safety component as a result of its work. Also, in 2016, road safety was accepted as a theme in the World Bank environmental and social safeguarding framework, so that all programmes approved near a road will need to include an appropriate road safety component.

This research will help to reduce the high numbers of fatalities for road traffic accidents in low and middle income countries. We will be collecting road transport data through a grant between the Department of Health and Social Care and the work of the official development assistance research funding, in order to assess solutions to road safety problems globally. That will help shape policies and regulations to reduce accidents in four partner countries: Vietnam, Bangladesh, Kenya and China. In summary, the Government take an active role in reducing global road deaths and will continue to support and engage in making not just our roads, but all roads around the world, safer.

5.53 pm

Mr Sheerman: We have a thoughtful Minister, and we are building a good relationship with him. This is not a party political matter—

5.54 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).
Written Statements

Tuesday 24 April 2018

TREASURY

Bilateral Loan: Ireland

The Economic Secretary to the Treasury (John Glen): Her Majesty’s Treasury has today provided a further report to Parliament in relation to the bilateral loan to Ireland as required under the Loans to Ireland Act 2010. The report relates to the period from 1 October 2017 to 31 March 2018.

A written ministerial statement on the previous statutory report regarding the loan to Ireland was issued to Parliament on 7 November 2017, Official Report, column 45WS.

[HCWS641]

HEALTH AND SOCIAL CARE

Sodium Valproate Regulation

The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price): My hon. Friend the Parliamentary Under-Secretary of State for Health (Lord O’Shaughnessy) has made the following statement:

The EU review into the safety of sodium valproate has now been completed and has recommended that a contraindication for valproate should be introduced in pregnancy and in girls and women of child bearing potential unless they are enrolled in a pregnancy prevention programme.

Valproate is a very effective treatment for epilepsy and bipolar disorder. For some women with epilepsy it may be the only effective treatment. Use of valproate (Epileptite, Depakote and other generic brands) in pregnancy is associated with a 40% risk of persistent neurodevelopmental disorders and a 10% risk of physical birth defects. Clear information on the risks of valproate in pregnancy is failing to reach patients, and the warnings issued over the last four years have had a significant enough impact on valproate prescribing in women of childbearing age. Despite repeated communications on this risk, it is estimated that 400 women in the UK took valproate during pregnancy in 2016.

Following the completion of the EU review, the UK healthcare system will now be making changes to ensure that girls and women of childbearing potential are only taking valproate if there is no other suitable treatment, and that the woman is enrolled in a pregnancy prevention programme. This programme will ensure that every girl or woman knows about the risks of valproate in pregnancy, that where appropriate she is on effective contraception, and that she has a review by her specialist prescriber at a minimum once a year, when a risk acknowledgement form will be discussed and signed by both prescriber and woman herself.

There are approximately 27,000 women of childbearing age receiving prescriptions for valproate in primary care. Within the coming months, GPs should identify all relevant women and girls on valproate in their practice, check that they are on effective contraception as appropriate, and refer them for specialist review unless they have already had a review in the last year.

Specialist prescribers should assess whether treatment with valproate is necessary for women of childbearing potential referred to them, namely that there is no suitable alternative treatment. If continued treatment is necessary, the woman must be enrolled in the pregnancy prevention programme, be on effective contraception, and understand the need to avoid pregnancy.

Pharmacists will ensure the medicine is dispensed in packs which will include the new pictogram and the warning statement. Pharmacy professionals will also make sure that the GP has discussed the risks in pregnancy with female patients and where this has not happened advise them to make an appointment with their GP to have this discussion at the earliest opportunity.

The Medicines and Healthcare products Regulatory Agency has been working in partnership with professional bodies and the healthcare system to bring together a package of measures to support healthcare professionals in implementing these important changes. Educational materials for healthcare professionals and patients are being sent to GPs and specialist prescribers. NICE has updated its guidelines which mention valproate to reflect the new regulatory measures. GP electronic system providers have provided a search and audit function to facilitate the identification of women of childbearing age on valproate and are updating the alerts for valproate.

The MHRA will be closely monitoring the effectiveness of the new measures for avoiding prescribing of valproate to women of childbearing age and in preventing pregnancies from being exposed to valproate. Relevant data will be published and there will be ongoing follow up to ensure progress is being made.

I would particularly like to thank the families involved the Valproate Stakeholder Network who have shared their experiences and expertise. Their dedication, support and altruism will help to keep future generations of children safe.

[HCWS640]

TRANSPORT

Port Connectivity: England

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): I am today publishing the Go vernment’s report on port connectivity, entitled “Transport infrastructure for our global future: A Study of England’s Port Connectivity”.

This country’s ports are a modern success story. At present around 95% of all goods entering and leaving Britain are moved by sea and the port sector directly contributes £1.7 billion to the UK economy. Once factors such as supply chains are considered, the port sector’s economic contribution to the UK is estimated to be £5.4 billion per annum.

The role ports play in facilitating trade and driving economic growth is only likely to increase. As an island our ports are fundamental to our global success as an outward-facing trading nation.

Ports are investing many billions of pounds in their own infrastructure to ensure larger ships and volumes can be accommodated, and so that England continues to be a key destination for global trade. It is therefore vital there is appropriate capacity on our inland transport network, to and from our international gateway ports, to meet demand.

As part of a wider commitment, Government are making investment totalling over £60 billion in this Parliament alone to improve our transport networks as a whole, including freight connectivity.
This connectivity supports the movement of everything to and from our ports which are vital to our everyday lives from providing fuel to our power stations to generate electricity for our homes, to transporting the produce to our supermarkets so we have food to eat.

“Transport infrastructure for our global future: A Study of England’s Port Connectivity” sets out our vision for how we can continue to grow a thriving English port sector and how collaboration and innovation by Government and industry can enhance the trade, economic and productivity benefits delivered by ports.

The report has been developed with input from Network Rail, Highways England, the port and wider freight industry, and its customers. In doing so the study has looked at the current challenges and opportunities for port and freight connectivity, and makes specific recommendations which the Government and industry can work together to achieve.

A copy of the study has been placed in the Library of both Houses and is also available on gov.uk, together with the supporting regional case studies report on connectivity.

1 Ports policy is fully devolved to the Scottish and Northern Ireland Governments. In Wales, responsibility for fishing ports only was devolved to the Welsh Government but from 1 April 2018, powers in the Wales Act 2017 will see further devolution to include all ports wholly in Wales, other than reserved trust ports (Milford Haven is the only one of these) for which the UK Government retain responsibility. An overview of Milford Haven’s connectivity is included in the supplementary case study document for information, but the recommendations are not intended for implementation in Wales.

WORK AND PENSIONS

Financial Guidance and Claims Bill

Employment, Social Policy, Health and Consumer Affairs Council

The Parliamentary Under-Secretary of State for Work and Pensions (Guy Opperman): Later today I will place in the Library of the House the Department’s analysis on the application of Standing Order No. 83L in respect of the further Government amendments tabled for Commons Report stage for the Financial Guidance and Claims Bill.


The agenda consisted of presentations from experts and panel discussions among experts, member states, the presidency and the Commission.

The first day focused on how member states and social partners can deliver upon principle one of the European Pillar of Social Rights: education, training and life-long learning. Following an opening plenary, a number of speakers presented on themes including early childhood development, and the implementation of the Council recommendation on upskilling pathways. Panellists then reflected on how to best provide upskilling opportunities for adults.

The second day centred on delivering on principle four of the European Pillar of Social Rights: active support to employment. The Commission first took stock of progress against the Council recommendation on the integration of the long-term unemployed into the labour market and the youth guarantee. A presentation was then provided by Eurofound on the remaining challenges with regard to integrating young people and the long-term unemployed into the labour market. Panellists then discussed domestic measures being taken to address the challenges.

The informal Council concluded with remarks from the EU Commissioner for Employment, Social Affairs, Skills, and Labour Mobility, and Dr Biser Petkou, Minister of Labour and Social Policy of the Republic of Bulgaria.
Petitions

Tuesday 24 April 2018

OBSERVATIONS

TRANSPORT

Cross border contracting of taxis

The petition of residents of Charnwood Borough,

Declares that the taxi drivers in Charnwood Borough Council seek an end to the practice of cross border contracting; further that taxi drivers in the area believe that this practice has affected the industry in a negative manner; further that cross border contracting poses a risk to public safety, takes work away from local drivers, is a crime that is difficult to prosecute and is the reason for a decline in the standard of service that the public expects.

The petitioners therefore request that the House of Commons urges the Government to review their policies relating to cross border contracting.

And the petitioners remain, etc.—[Presented by Nicky Morgan, Official Report, 29 January 2018; Vol. 635, c. 646.]

Observations from the Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani):

Legislation allows all taxis and private hire vehicles (PHVs) to undertake pre-booked journeys outside the area in which they are licensed, and PHV operators to sub-contract bookings to PHV operators based in other licensing areas. These measures have enabled the taxi and PHV trade to work more flexibly to meet the needs of passengers, increasing the availability of licensed operators, drivers and vehicles and mitigate the risk of passengers being turned away when a booking cannot be directly fulfilled.

Where local operators cannot meet demand, I believe that the sub-contracting of bookings, both within and across licensing borders, is preferable to the risk of the public resorting to the use of illegal, unlicensed, uninsured and unvetted drivers and vehicles.

Local licensing authorities in England and Wales have a duty to ensure that any person to whom they grant a taxi or PHV driver’s licence is a fit and proper person to hold such a licence. Although the term ‘fit and proper’ is not defined in legislation, all licensing authorities require an enhanced Disclosure and Barring Service (criminal record) check.

Licensing authorities remain responsible for ensuring that all drivers it licenses remain fit and proper throughout the period of the licence. Any complaints about a driver can be investigated by the authority that issued the licence, regardless of where the driver was working at the time. Licensing authorities are also able to work together to ensure that enforcement action is taken against all vehicles and drivers licensed regardless of which authority licensed them.

The Government attach the utmost priority to passenger safety in the licensed taxi and PHV trade. My Department will consult on statutory guidance enabled under the Policing and Crime Act 2017. This guidance will contain robust standards that I expect all licensing authorities to adopt; these will ensure all passengers, particularly children and vulnerable adults, are protected when using taxi and PHV services. Also, we will be consulting on revised best practice guidance which will include recommendations to licensing authorities to assist them in setting appropriate standards to enable the provision of services the public demand.

At a Westminster Hall Debate on the ‘Regulation of working conditions in the private hire industry’, the former Minister for Transport, the right hon. Member for South Holland and The Deepings (Mr. John Hayes), announced his intention to set up a working group to consider how PHV and taxi licensing authorities use their powers, and produce focused recommendations for action. The Task and Finish Working Group is considering the regulation of the trade as one of its key areas for discussion. I look forward to receiving the group’s findings soon.

Speed Limit in Spatham Lane, Streit Lane and Underhill Lane

The petition of residents of the United Kingdom,

Declares that the current national speed limit in use on Spatham Lane, Streit Lane and Underhill Lane in the County of East Sussex is unsuitable as it is a danger to other users of the lanes, notably equestrians; further that the petition follows an incident that took place on Spatham Lane during September 2017 whereby a car collided with resident of Ditchling Mrs Beverley Berrill, who was on horseback; further that the accident resulted in the temporary hospitalisation of Mrs Berrill and the termination of the horse; and further that the incident has resulted in distress for local equestrians who wish to exercise their use of the local lanes in safety.

The petitioners therefore request that the House of Commons urges the Government to reclassify said roads as quiet lanes, or alternatively reduce the speed limit of the said lanes from its current national speed limit classification, to ensure greater safety for equestrians and other users of the lanes.

And the petitioners remain, etc.—[Presented by Maria Caulfield, Official Report, 21 March 2018; Vol. 635, c. 355.]

Observations from the Parliamentary Under-Secretary of State for Transport (Jesse Norman):

Local traffic authorities are responsible for setting speed limits on local roads. They have the flexibility to set local speed limits that are appropriate for the individual road, reflecting local needs and taking account of local considerations. The Department issued guidance to local highway authorities on setting local speed limits in 2013, which can be viewed online at: https://www.gov.uk/government/publications/setting-local-speed-limits.

All road users are required to comply with road traffic law in the interests of their own safety and that of other road users. For those who do not adopt a responsible attitude, or if their use of the highway creates an unsafe environment or causes nuisance, there are laws in place that can make them liable for prosecution. The offences include: driving dangerously, driving without due care and attention, and driving without reasonable consideration for other road users. This is set out in Rule 144 of The Highway Code and the penalties for these offences are listed in Annex 5. The Highway Code is available online at: www.gov.uk/browse/driving/highway-code-road-safety.
Enforcement of the law is a matter for the police who will decide, on the evidence of each individual case, whether an offence has been committed and the appropriate action to take.

The Department takes every opportunity to remind motorists of their responsibilities towards vulnerable road users, such as equestrians and their horses.

The Department, through the THINK! Road Safety Campaign, worked with the British Horse Society (BHS) to support its “Dead Slow” campaign to encourage car drivers to pass horses safely. The Department was able to reinforce the BHS campaign by developing a short film that is being promoted as a public information film on UK TV stations.

The Department also invested in promoting the film on YouTube and other social media, such as Twitter and Facebook. Leaflets and posters to support the campaign further reminded motorists of the need to be patient when they encounter horses on the road, and supplemented the advice already given in the Highway Code.

In addition THINK! launched a campaign to warn drivers of the dangers of country roads. Details of the campaign can be found at: http://think.direct.gov.uk/country-roads.html.

The driving theory test contains questions about how drivers should interact with vulnerable road users, including horse riders; and the hazard perception test includes a number of clips where horse riders are the hazard, either directly or indirectly. These clips are refreshed and updated periodically.
**Ministerial Corrections**

*Tuesday 24 April 2018*

**TRANSPORT**

*Thameslink Upgrades*

The following is an extract from the Minister’s reply to the Adjournment debate on 18 April 2018.

**Bim Afolami:** First, when was the decision made to make changes to East Midlands trains that would impact Harpenden? At what stage were changes to Harpenden’s services considered and decided upon?

**Joseph Johnson:** This has been one of the biggest timetabling changes the system has ever undertaken and, as I have said, it will not have satisfied everybody in its first iteration. However, December is coming along in not too lengthy a period of time, and hon. Members are always welcome to put suggestions to the Department and to their operators for consideration.

The impact of the midland main line works only became apparent to us in November 2017, as I mentioned. This short timeline meant that a specific consultation for Harpenden passengers was simply not a viable option.

**Letter of correction from Joseph Johnson:**

An error has been identified in the response I gave to the hon. Member for Hitchin and Harpenden (Bim Afolami) during his Adjournment debate on Thameslink Upgrades.

The correct response should have been:

**Joseph Johnson:** This has been one of the biggest timetabling changes the system has ever undertaken and, as I have said, it will not have satisfied everybody in its first iteration. However, December is coming along in not too lengthy a period of time, and hon. Members are always welcome to put suggestions to the Department and to their operators for consideration.

The impact of the midland main line **constraints** only became apparent to us in November 2017, as I mentioned. This short timeline meant that a specific consultation for Harpenden passengers was simply not a viable option.

**DEFENCE**

**Topical Questions**

The following is an extract from Questions to the Secretary of State for Defence on 23 April 2018.

**Nia Griffith:** I thank the Secretary of State for that answer. Taking that as a yes, how is it that more than half a million pounds of LIBOR funds has been spent by the MOD in support of armed forces welfare, when the Under-Secretary of State for Defence, the right hon. Member for Bournemouth East (Mr Ellwood)—the Minister for Defence people—has said categorically that “LIBOR funding should not be used to fund Departmental core responsibilities”?

Is it not time for the Secretary of State to admit that it was a serious misjudgment to use LIBOR funds in such a scandalous way? When will his Department be paying back that money?

**Gavin Williamson:** I am sure the hon. Lady is very well aware that the Ministry of Defence does not actually administer LIBOR funding—that is the Treasury. So much of the LIBOR funding has made such a difference, not just to those who have ceased to serve in our armed forces but to those who continue to serve. We are very grateful for the positive impact of that funding on so many of our services.

**Letter of correction from Gavin Williamson:**

An error has been identified in the response I gave to the hon. Member for Llanelli (Nia Griffith).

The correct response should have been:

**Gavin Williamson:** I am sure the hon. Lady is very well aware that the Ministry of Defence does not actually commit LIBOR funding—that is the Treasury. So much of the LIBOR funding has made such a difference, not just to those who have ceased to serve in our armed forces but to those who continue to serve. We are very grateful for the positive impact of that funding on so many of our services.

The following is an extract from Questions to the Secretary of State for Defence on 23 April 2018.

**Andrea Jenkyns (Morley and Outwood) (Con):** Following on from what has been said earlier about the cadet force, does the Minister agree that the cadets are a great introduction to military life, because as well as giving children positive role models, they help to promote social mobility? Will he update the House on what steps the Department is taking to encourage the participation of state schools in the cadet movement?

**Gavin Williamson:** What our cadets do is extraordinary, right across the country, and we have had a roll-out of 500 new cadet units this year. This is about the ability to promote social mobility and giving youngsters an opportunity to really succeed in life—that is what our armed forces do. The cadet units are a brilliant way of giving young people the opportunity to get a taste of military life and they provide those role models. The question we need to be asking is: can we be doing more to inspire young people in our schools? I think the answer to that is a most certain yes.

**Letter of correction from Gavin Williamson:**

An error has been identified in the response I gave to the hon. Member for Morley and Outwood (Andrea Jenkyns).

The correct response should have been:

**Gavin Williamson:** What our cadets do is extraordinary, right across the country, and we are planning to have a total of 500 cadet units in schools within the next two years. This is about the ability to promote social mobility and giving youngsters an opportunity to really succeed in life—that is what our armed forces do. The cadet units are a brilliant way of giving young people the opportunity to get a taste of military life and they
provide those role models. The question we need to be asking is: can we be doing more to inspire young people in our schools? I think the answer to that is a most certain yes.

TREASURY

Spring Statement

The following is an extract from the Chancellor of the Exchequer’s spring statement on 13 March 2018.

Wes Streeting (Ilford North) (Lab): It is astonishing that Brexit, the single biggest risk to the economy, merited only two sentences in the Chancellor’s otherwise uneventful spring statement. If the economy and economic outlook are so rosy, perhaps he can explain why almost every school in my constituency is facing budget cuts, why my local NHS trust is in special measures, and why, when my constituents are crying out in the face of one of the worst waves of burglaries we have ever seen, the police are not responding because the Metropolitan police is subject to real-terms budget cuts. Is that not the grim reality facing our country, and is it not set to get worse because of the hard Brexit course his Government are following?

Mr Philip Hammond: No. The Government are pursuing a Brexit that protects British jobs, British businesses and British prosperity, as the hon. Gentleman well knows. We have protected school funding so that it will rise in real terms per pupil next year, and as we move to the fair funding formula for schools, every authority will be funded to enable every school to receive a cash increase. The police settlement on which the House recently voted provides £450 million of additional resource for police forces across the country. We have protected police budgets since 2015.


Letter of correction from Mr Philip Hammond:

An error has been identified in the response that I gave to the hon. Member for Ilford North (Wes Streeting). The correct response should have been:

Wes Streeting (Ilford North) (Lab): It is astonishing that Brexit, the single biggest risk to the economy, merited only two sentences in the Chancellor’s otherwise uneventful spring statement. If the economy and economic outlook are so rosy, perhaps he can explain why almost every school in my constituency is facing budget cuts, why my local NHS trust is in special measures, and why, when my constituents are crying out in the face of one of the worst waves of burglaries we have ever seen, the police are not responding because the Metropolitan police is subject to real-terms budget cuts. Is that not the grim reality facing our country, and is it not set to get worse because of the hard Brexit course his Government are following?

Mr Philip Hammond: When she was Education Secretary, my right hon. Friend for Putney (Justine Greening) announced that the fair funding formula would be introduced in a way that would protect per capita spending per pupil, and we would guarantee that every school would receive a cash-terms increase. That guarantee stands today.


Letter of correction from Mr Philip Hammond:

An error has been identified in the response that I gave to the hon. Member for Hazel Grove (Mr Wragg). The correct response should have been:

Mr Wragg (Hazel Grove) (Con): My right hon. Friend has struck the right balance between the need for financial discipline and the justifiable need for investment in public services. With that in mind, will he ensure in the autumn Budget that additional funds are provided for schools to ensure the successful implementation of the national funding formula, which we welcomed in Stockport?

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### ORAL ANSWERS

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