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# HOUSE OF COMMONS
## OFFICIAL REPORT

# PARLIAMENTARY DEBATES

## (HANSARD)

**Tuesday 1 May 2018**

# House of Commons

*Tuesday 1 May 2018*

*The House met at half-past Eleven o'clock*

**PRAYERS**

[Mr Speaker *in the Chair*]

# Oral Answers to Questions

## BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

*The Secretary of State was asked—*

### Competition and Consumer Protection

1. **Edward Argar** (Charnwood) (Con): What steps he is taking to ensure that markets work in the interests of consumers. [905057]

6. **Nigel Mills** (Amber Valley) (Con): What steps he is taking to ensure that the industrial strategy benefits consumers through increased competition. [905062]

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** The industrial strategy makes it clear that a competitive UK economy in which firms compete on price, service and innovation is one that serves consumers best. Our recently published Green Paper, "Modernising Consumer Markets", sets out proposals to ensure that consumers benefit from new technologies and, in particular, that consumers' data must be used to benefit them and not to act unfairly against them.

**Edward Argar:** I welcome that response. In ensuring that markets work for consumers, it is important that they work for vulnerable consumers, including those with mental health issues or dementia. Will my right hon. Friend enlarge on what he is doing to ensure that the markets work for those sorts of consumers?

**Greg Clark:** It is important that providers of services take into account the struggles of people suffering from mental ill health or dementia. The Green Paper sets out proposals requiring that minimum standards be applied, especially for utilities. In that regard, I applaud the work of the Alzheimer's Society, which has launched the dementia-friendly utility guide, in which several companies are participating. That will help to make sure that people who deal with vulnerable consumers can assist them with bills, booking appointments and suchlike.

**Nigel Mills:** Does my right hon. Friend think that the competition regime that we have in the UK is fit for purpose, and are there sufficient resources to enable it to review all the major deals that seem to keep happening?

**Greg Clark:** I do think it is necessary to keep it under review, hence the Green Paper, because with the rise of new technologies, there are new challenges for regulators and new perspectives are required on mergers. We have increased the funding for the Competition and Markets Authority. My hon. Friend will have noticed that I appointed as chairman of the CMA Andrew Tyrie, who I think everyone on both sides of the House would recognise is a good, robust champion of the consumer.

22. [905078] **Kevin Brennan** (Cardiff West) (Lab): One of the ways in which consumers are very often ripped off is through the practice of drip pricing in online purchases—particularly through the practice of outlaw companies such as Viagogo, for example, which uses it. What work is the right hon. Gentleman doing in relation to that and with his colleagues from the Department for Digital, Culture, Media and Sport?

**Greg Clark:** The hon. Gentleman raises a very important point. Again, this is at the heart of the Green Paper, which looks at how new technologies can disadvantage consumers. In fact, in the case that he mentions, prosecutions are in train. Very robust action is being taken against that kind of abuse.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Will the Secretary of State come down from the clouds? He knows that the biggest damage to all consumers in this country is coming from leaving the European Union. Did he see the LinkedIn report this morning that says that talented people in our country are fleeing overseas? Is that good for consumers?

**Greg Clark:** That was an ingenious piece of shoehorning, I must say. Part of our commitment is to make sure that we have a free trade agreement with the rest of the European Union that allows us to continue to serve markets right across Europe and the world. If the hon. Gentleman looks at the success of employment, including in his constituency in recent months, he will see that companies are employing people at rates not seen for many years.

### Small Business Sector

2. **Ben Bradley** (Mansfield) (Con): What steps he is taking to support growth in the small business sector. [905058]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths):** The British Business Bank supports over £4 billion of finance to over 65,000 small businesses. The start-up loans programme has further delivered more than 54,000 loans, totalling over £400 million. We are tackling late payments through the Small Business Commissioner, and 38 growth hubs across England provide access to information and advice. Through the industrial strategy we plan to unlock over £20 billion of investment in high-potential businesses, including through establishing a £2.5 billion investment fund.

**Ben Bradley:** I thank the Minister for his response. As in many parts of the country, Mansfield has struggled to support shops and other town centre businesses. Will he explain what action the Government are taking to support such businesses and to regenerate what were formerly bustling town centres?

**Andrew Griffiths:** I recognise the work that my hon. Friend has done to support businesses in his constituency. The Government have made 100% small business rate relief permanent while increasing the threshold of the relief, taking 600,000 of the smallest businesses out of business rates. We have introduced the employment allowance, giving employers up to £3,000 off their national insurance contribution, and we have established the Future High Streets Forum to provide businesses with Government leadership to better enable our town centres to grow.

**Melanie Onn** (Great Grimsby) (Lab): I recently visited the food manufacturer Scratch in my constituency, which is just launching a new dough-free pizza. It has taken on an additional 25 members of staff and has asked if more could be done to support it, particularly around reducing its business rates, which would go a long way to supporting it and the local high street.

**Andrew Griffiths:** I recognise the hon. Lady's point. It is good to see that kind of investment and growth in small businesses. We are investing in apprenticeships and skills—44% of apprenticeship participation is in small companies—and, as part of our industrial strategy, we are establishing a technical education system that rivals the best in the world. We are also investing £406 million in subjects such as maths and digital and technical education to support the kind of small businesses she talks about.

**Helen Whately** (Faversham and Mid Kent) (Con): Microbusinesses have told me that they are struggling to get their voice heard—for instance, on their concerns about implementing data protection legislation and the implications of Brexit. What is my hon. Friend doing to make sure he hears and understands the concerns of microbusinesses?

**Andrew Griffiths:** Every week, the Secretary of State meets representatives of the business community from across the country, and I hold a forum with small businesses once a month to ensure that the Government are finely attuned to their needs. The Department is determined not only to understand the issues facing small businesses in our country, such as those my hon. Friend raises, but to ensure that legislation is fit for purpose.

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): The all-party group on disability, which I chair, has published an inquiry report highlighting the fantastic contribution of entrepreneurs with disabilities, but they still face many challenges, such as in accessing finance. Will the Secretary of State meet the all-party group to discuss this issue and ensure a truly inclusive economy?

**Andrew Griffiths:** I thank the hon. Lady for the question and the great work the all-party group does. I absolutely recognise that encouraging people with disabilities to start their own businesses and contribute in this way is good not only for the British economy but for them. I would be delighted to meet her to discuss the matter further and to see what we can do to support those businesses, particularly through things such as the British Business Bank.

**Bill Esterson** (Sefton Central) (Lab): Project bank accounts ring-fence the money for suppliers in construction contracts yet were not used by the Government with Carillion. As a result, 30,000 mostly smaller businesses are likely to lose money, and some will struggle to survive, so will the Minister confirm that the Government will now use project bank accounts to protect businesses and jobs in their own supply chain and guarantee there is no repeat of the Carillion fiasco?

**Andrew Griffiths:** The hon. Gentleman will know that the Government took swift action, led by the Secretary of State, when Carillion collapsed, to ensure we understood the issues relating to the construction industry, including by setting up a forum with trade representatives. He will also be aware that we consulted on project bank accounts in the construction industry. That consultation finished just a few weeks ago. We are considering the responses and will respond shortly.

## Non-UK EU Nationals: Small Businesses

3. **Stephen Gethins** (North East Fife) (SNP): What estimate he has made of the number of non-UK EU nationals who work for small businesses. [905059]

7. **David Linden** (Glasgow East) (SNP): What estimate he has made of the number of non-UK EU nationals who work for small businesses. [905063]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths):** Non-UK EU nationals account for 7% of total UK employment. Scottish businesses have had the opportunity to feed into the Migration Advisory Committee's analysis of the role of EU nationals in the UK. We appreciate the strong contribution that EU nationals make to small and large businesses, and we have already agreed to protect the rights of EU citizens in the UK under our withdrawal agreement with the EU.

**Stephen Gethins:** In my constituency, fruit and veg producers and the tourism industry rely heavily on EU seasonal workers. Does the Minister recognise the damage that continued uncertainty is doing to those businesses? Two years on from the referendum, when will they get a bit more certainty so that we can maintain those EU seasonal workers who contribute so much to our economy?

**Andrew Griffiths:** I can reassure the hon. Gentleman that there should not be uncertainty. We have made it clear that we do not regard the referendum result as a vote to pull up the drawbridge. The United Kingdom will remain an open and tolerant country which recognises the valuable contribution that migrants make, and welcomes those with the skills and expertise that will make our society even better. The Government commissioned the Migration Advisory Committee to report on EU patterns of migration in different sectors and different parts of the UK, and it will do so by September 2018.

**David Linden:** Analysis shows that EU citizens contribute £4 billion a year to the economy in Scotland. We see that happening in small businesses along Shettleston Road, for example. Does the Minister agree that the devastating effect of free-movement restrictions will have a colossal impact on small businesses in Shettleston

and in Scotland as a whole, and will he support the calls from the Scottish Trades Union Congress for immigration to be devolved to Scotland?

**Andrew Griffiths:** Our position on immigration policy and who should be responsible for it is clear, and has not changed. Since the referendum we have been engaging widely with, among others, the devolved Administrations and businesses in Scotland to ensure that we fully understand the requirements, but let me make it absolutely clear that the Government understand the issues of businesses and will ensure that the system works for them.

**Mr Nigel Evans** (Ribble Valley) (Con): My hon. Friend is no stranger to the Ribble Valley. He knows that it is a jewel in the crown for the hospitality trade, which employs a great many EU citizens. Does he agree that post-Brexit there will still be many opportunities for people in the EU to come to the United Kingdom and work in the hospitality trade?

**Andrew Griffiths:** I can report that I have experienced the hospitality in the Swan with Two Necks, and I recommend it to the House.

As my hon. Friend will know, the Migration Advisory Committee is looking at exactly the issue that he has raised, but he is absolutely right: EU migrants play a massive role in our hospitality industry, and the hospitality industry is one of the reasons people visit this country.

**Kirstene Hair** (Angus) (Con): Does my hon. Friend agree that Brexit provides a welcome opportunity for us to attract talent to our shores from all countries, not just those in the EU, and can he assure me that the Government remain committed to ensuring that all businesses have the access to the workforce from overseas that they need?

**Andrew Griffiths:** Absolutely. We have a competitive workforce here. The economy is thriving, partly because of the contribution made by the people to whom my hon. Friend has referred. I particularly commend her for the work that she has done in relation to the soft fruit seasonal workers scheme.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Federation of Small Businesses says that the right of EU staff to remain in the UK is vital. In Scotland, 45% of tourism and leisure businesses rely on EU staff for their workforce. They fear that they will not be able to recruit for their future needs, and their fear is heightened by the possibility that the immigration skills charge—which is currently up to £1,000 a year—will be applied. Can the Minister categorically assure employers that they will not be subjected to any charge for EU workers post-Brexit?

**Andrew Griffiths:** We will set out in due course the system and the scheme that will operate post-Brexit. I can, however, assure the hon. Gentleman that I regularly meet representatives of the Federation of Small Businesses, and we will ensure that the workforce is there for those businesses.

**Drew Hendry:** The Scottish Affairs Committee, the Home Affairs Committee in its report, and the Economics Committee in the House of Lords all see the sense of a differentiated immigration system for Scotland. Can the Minister confirm that he, too, accepts that there is a clear case for a policy that recognises the different needs of businesses in Scotland?

**Andrew Griffiths:** This Government well understands the needs of businesses both throughout the UK and specifically in Scotland. As the hon. Gentleman will know, the Home Office will shortly present further details of the scheme that is to be introduced.

## Good Work Plan

4. **Daniel Zeichner** (Cambridge) (Lab): What progress he has made on implementing the good work plan. [905060]

5. **Justin Madders** (Ellesmere Port and Neston) (Lab): What progress he has made on implementing the good work plan. [905061]

24. **Frank Field** (Birkenhead) (Lab): What progress his Department has made on implementing the recommendations of the Taylor review of modern working practices. [905080]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths):** We are proceeding with work on 52 of the 53 review recommendations made by Matthew Taylor, and we are currently engaged in consultations on how best to implement those measures. We are committed to ensuring that we protect and enhance workers' rights in the modern economy, and to legislating for that purpose. We will ensure that employment law and practices keep pace with modern ways of working, while striking the right balance between flexibility and worker protection.

**Daniel Zeichner:** The Minister may be aware that workers at McDonalds are taking strike action in Cambridge today. One of them, Sheila, told the *Cambridge News* at the weekend that although she has worked for 18 years, her work is insecure, she never knows what hours she will work, and fresh fruit and vegetables are luxuries. What has the good work plan to offer Sheila?

**Andrew Griffiths:** Matthew Taylor set out in the good work plan how we can further enhance the protections for workers such as Sheila. There is a huge amount of day-one protections, and we are looking at what we can do with flexible working and zero-hours contracts to give greater certainty and security to workers exactly like Sheila.

**Justin Madders:** The Government response to the Select Committee report on a modern employment framework stated:

"The Government wholeheartedly agrees that strong action should be taken against employers who repeatedly ignore both their responsibilities and the decisions of employment tribunals."

Those are fine words, but if they are to be meaningful the Government must back them up with action and put in place rules to prevent or deter repeat offenders from bidding for public sector contracts; will they do that?

**Andrew Griffiths:** The Government recognise that unfortunately some employers continue to offend repeatedly in this way. We are looking at what further measures we can take in the work plan, and more widely in the work

of the Department for Business, Energy and Industrial Strategy, to ensure that such repeat offenders are clamped down on.

**Frank Field:** Given the work that the Business, Energy and Industrial Strategy Committee and the Work and Pensions Committee have done on the gig economy, will the Government undertake to ensure that, when they introduce a Bill based on the Taylor report, we will have a chance to stage pre-legislative hearings?

**Andrew Griffiths:** We have worked closely with the right hon. Gentleman's Select Committee, and, as he knows, we greatly value his contribution. We are consulting on the work of Matthew Taylor, and I pledge to the right hon. Gentleman today that we will work hand in hand with his Committee to ensure that it properly scrutinises that proposed legislation as it comes forward.

**Mark Pawsey** (Rugby) (Con): The world of work is changing as businesses respond to changes in customer demands. Does the Minister agree that many workers enjoy and appreciate the flexibility of the freedom to choose when they wish to work?

**Andrew Griffiths:** My hon. Friend is absolutely right. New technologies have provided a huge number of new and exciting work opportunities for people, but we also want to ensure that we not only enhance and capture that potential, but offer protections for those working in the gig economy, to make sure they are not disadvantaged.

## Jaguar Land Rover

8. **Marsha De Cordova** (Battersea) (Lab): What steps his Department is taking to support employees of Jaguar Land Rover facing job losses. [905064]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** This is a concerning time for workers at the JLR factory and in the wider supply chain, particularly the 1,000 or so temporary workers involved, but I can assure the House that I speak to the company regularly; in fact, I met JLR's managing director Jeremy Hicks on 17 April, the day after the announcement. The Government, including my Department and the Department for Work and Pensions, are ready to support those affected, and it is important to recognise that, despite this announcement, the UK automotive industry remains a great success story, in particular JLR.

**Marsha De Cordova:** Following the announcement of these 1,000 job losses at JLR, the Government were urged to work with the unions and assist the workforces in whatever way necessary. What meetings has the Minister had with the unions about these job losses?

**Richard Harrington:** I have not met with the unions specifically on these job losses, because they have not asked for a meeting. *[Interruption.]* The hon. Lady asks why, but I would be delighted to meet them. I hope Members on both sides of the House realise that my door is always open to trade unions—the steel industry in particular would accept that—and I am pleased to meet anyone the hon. Lady suggests, with her, to discuss the automotive industry.

20. [905076] **Michael Fabricant** (Lichfield) (Con): Jeremy Hicks will have told my hon. Friend that the problem is in part uncertainty over diesel engines, but my hon. Friend knows that JLR is particularly keen on developing electric cars. Will he comment on the £80 million Government investment in new battery technology?

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Get plugged in.

**Richard Harrington:** As usual, my hon. Friend the Member for Lichfield (Michael Fabricant) makes a good point—although, unusually, on this occasion he did not mention the John Lewis Partnership. Our Faraday battery challenge, which he indirectly refers to, will ensure that this country is at the forefront of battery technology, and JLR and other companies are firmly behind it.

**Mr Speaker:** The hon. Member for Lichfield (Michael Fabricant) applied a self-denying ordinance, which is not a common feature of our proceedings, but colleagues will have noticed that there is a lot of chuntering from a sedentary position from the hon. Member for Huddersfield (Mr Sheerman) about castles and the importance of being plugged in. He should fear not; we have not forgotten him, and nor will we.

23. [905079] **John Spellar** (Warley) (Lab): Does the Minister accept that under both Governments, his and ours, the renaissance of the British motor industry has been outstanding and that JLR has been a big part of that, to the benefit of the country and particularly of the west midlands? However, the car market is being heavily hit by the Government's ill-thought-out and ill-prepared war on diesel. Will his Department have urgent talks with the Department for Transport so that we can get our policy for the motor industry and the car market back on track?

**Richard Harrington:** I have a lot of respect for the hon. Gentleman, but in this case he is ignoring the fact that my Department and the Department for Transport speak regularly with all the car manufacturers about the evolution from diesel and the internal combustion engine to what will be a brilliant industry for Jaguar Land Rover and all the other companies, involving the eventual production, by 2040, of pollution-free cars.

**Jeremy Quin** (Horsham) (Con): The Minister is right to say that, taken as a whole, the auto sector is a great employment success story. Does he agree that that continues to be evidenced by ongoing investment?

**Richard Harrington:** My hon. Friend makes a good point. All the recent decisions on new contracts by manufacturers in Europe have gone to British firms. This is most recently typified by the announcement by Toyota, near Derby, of its investment in a new model, and I am confident that this will continue. The automobile industry is doing very well. It is investing hundreds of millions of pounds in new products to be produced in UK factories.

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): Last year, the Treasury announced a £400 million public-private sector fund to develop charging infrastructure

for plug-in cars. This is vital for the development and growth of that market. To date, however, no one has even been appointed to manage that fund. Will the Minister tell me when the fund will be operational?

**Richard Harrington:** I can assure the hon. Gentleman that the money is already spent. It is our intention to launch a request for proposals to secure a fund manager this summer. Further details will be included in the Department for Transport's forthcoming zero-emissions road transport strategy.

**Rebecca Long Bailey** (Salford and Eccles) (Lab): Following figures showing that car registrations plunged in March by 15.7% compared with 2017, Jaguar Land Rover announced that 1,000 jobs would be cut at Solihull and that it was temporarily reducing production at Halewood. Sadly, reports suggest that the Solihull workers were told this news at a mass meeting that lasted only 10 minutes, with no opportunity to ask questions. We have heard some hints from Members today, but will the Minister tell us whether he has made any assessment of the causes and the potential knock-on effect on jobs in the supply chain? What steps is he taking to support workers and to reverse this worrying trend in the whole automotive sector?

**Richard Harrington:** The hon. Lady will know that JLR has been clear that this restructuring is part of the cyclical nature of automobile production. It is very confident about this country; it is employing a lot of apprentices and skilled people and training up its workforce to take part in the next phase of automobile expansion.

**Rebecca Long Bailey:** I am not sure that that has actually answered my question. Automotive is not the only sector in crisis. This year alone in retail, Toys R Us has collapsed, Maplin has gone into administration, New Look has announced job losses, Carpetright is planning a company voluntary arrangement and retail profit warnings across the UK have hit a seven-year high. The chief executive officer of The Entertainer has stated:

"The Government just haven't got it. They need to take some responsibility for the high street's decline."

Can the Minister explain why Government action in this sector—from woeful action on business rates and income stagnation and under-investment in retail innovation—has been so lacklustre, and what urgent action he is taking to help a sector that is currently in crisis?

**Richard Harrington:** The hon. Lady will be aware that the same thing is happening in the retail sector all over the world. I would be very pleased—on another occasion—to find out whether there are any exceptions. The Government have taken action. My hon. Friend the Under-Secretary of State for Business, Energy and Industrial Strategy—who is the Minister for retail, among many other things—launched the Retail Sector Council recently. A lot of thought is going into this, to change retail into a modern, leisure-driven shopping choice.

### Offshore Wind Sector

9. **Sir Henry Bellingham** (North West Norfolk) (Con): What estimate he has made of the number of skilled jobs that will be needed to maintain the offshore wind sector by 2030. [905065]

**Claire Perry:** There are already 14,000 people working in well-paid jobs across our coastal communities in support of this vital sector. My hon. Friend will be pleased to know that we are leaders in both the quantity of offshore wind installed and innovation, and it was great that GE announced last week that the world's biggest offshore wind turbine will be tested in the UK.

**Sir Henry Bellingham:** The Minister will be aware that an offshore wind revolution is taking place along the Norfolk coast and, as she mentioned, there is scope for the creation of many jobs. Will she join my campaign to set up an offshore wind energy academy at the Construction Industry Training Board's Bircham Newton site in west Norfolk to further enhance such skills and to create a centre of excellence?

**Claire Perry:** Joining the skills that we already have in one sector with those in another is an excellent suggestion, and I will be delighted to meet my hon. Friend to discuss it.

**Barry Gardiner** (Brent North) (Lab): Offshore wind is an integral part of the clean growth strategy, which the Government have submitted to the United Nations as their official mid-century decarbonisation plan. However, the independent Committee on Climate Change says that the strategy will fail to meet even our existing targets for 2030. Will the Minister tell us when "mid-century" shifted forward 20 years? Why do the Government think a plan that fails even to deliver a 57% reduction in emissions by 2030 is appropriate to meet the much tougher reduction of a more than 80% reduction by 2050?

**Claire Perry:** Once again, I am amazed at the hon. Gentleman's ability to turn one of the great success stories of this country—in fact, he wrote an article about this last week that was so poor that he did not even retweet it. The point is that we have—*[Interruption.]* If he stopped chuntering, perhaps he might learn something. He is most impolite. We have led the world in decarbonising our economy. As the hon. Gentleman knows, we were the first country to set up statutory carbon budgets, and we are on track to meet the first three, as well as to get close to the budgets, based on current policies and proposals, in 10 and 15 years' time. He will also know that we are the first developed nation to have said that we want to understand how we will get to a zero-carbon economy in 2050, and my request to the committee—*[Interruption.]* He is doing it again, Mr Speaker; his mother would be horrified by this level of discourtesy. We were the first country in the world to ask how we will get to a decarbonised economy in 2050, and I would hope that we could enjoy cross-party support for something so vital.

**Mr Speaker:** I do not want to quibble with the Minister, but I do not think that the hon. Member for Brent North (Barry Gardiner) ever indulges in anything quite so vulgar as sedentary chuntering. He is occasionally given to facial expressions, which are not prohibited by the Standing Orders of the House, and he has a penchant for what might be described as the feline purr.

**Antoinette Sandbach** (Eddisbury) (Con): Will the Minister join me in congratulating the Bibby Line Group on the £80 million that it has invested in two ships to service our offshore wind turbines.

**Claire Perry:** Indeed I will. Not only are we leaders in offshore wind servicing, but there are huge opportunities to work with our world-leading oil and gas industries. We are good at installing, maintaining and servicing complex offshore installations.

**Mr Speaker:** And now no chuntering or purring, but simply Gardiner oratory. I call Mr Barry Gardiner. *[Interruption.]* I thought the hon. Gentleman was coming in a second time. The House is deprived, but I am afraid that it will have to rest content with that situation.

**Creative Industries Sector Deal**

10. **Mrs Pauline Latham** (Mid Derbyshire) (Con): What assessment he has made of the effectiveness of the creative industries sector deal. [905066]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** I congratulate you, Mr Speaker, on your ruling that facial chuntering is not in fact a form of chuntering. I am sure that hon. Members on both sides of the House will be delighted to take that into account in future.

As for the creative industries sector deal, Sir Peter Bazalgette's review forecast that the creative industry deal will increase exports, sustain growth, boost jobs and narrow the productivity gap between the south-east and the rest of the UK. The deal launched only on 28 March, so it is in its early stages, but I will be carefully monitoring it and working with the industry to ensure that the deal delivers the expected benefits.

**Mrs Latham:** How can the creative industry sector deal benefit local economies and communities across the country, particularly in Mid Derbyshire?

**Richard Harrington:** My hon. Friend is always talking about Mid Derbyshire and how the University of Derby supports the creative industries sector. She has told me about Mr Paul Cummins, a very creative chap who was responsible for the Tower of London poppies, which went all over the world. The creative industries sector has a £2.5 million regional development fund, managed through a strategic action plan, which is exactly what my hon. Friend is talking about. Her local enterprise partnership is involved, and the university is working with businesses in the area, including small and medium-sized enterprises in the creative and digital industries, to aid local job creation in areas such as Cromford Mills in her constituency.

**Ian C. Lucas** (Wrexham) (Lab): I commend to the Minister the excellent article by one of our finest musicians, Howard Goodall, who is not from Wrexham but is very welcome to visit, recounting the difficulty he had in performing his work in the United States. Does the Minister agree that the creative industries plan will be fatally undermined if we do not have an agreement with the EU to allow the free movement of musicians and other creative artists?

**Richard Harrington:** I am sure that Howard Goodall will be delighted to visit Wrexham after he has been to Watford. I am sure the point about being able to work and live in the European Union will be taken into consideration in the negotiations ahead, and I would not like the European Union, after we leave, to be deprived of a man with such talent.

**Agri-tech Sector**

11. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What steps the Government are taking to support the growth of the agri-tech sector. [905067]

17. **Colin Clark** (Gordon) (Con): What steps the Government are taking to support the growth of the agri-tech sector. [905073]

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** The £160 million agri-tech strategy, which was launched five years ago, has proved a success. We are building on that strong track record through our industrial strategy, including a further £90 million of funding announced in February to bring the UK's world-class agri-food sector together with expertise in robotics, artificial intelligence and data science. This will make it easier for farmers and agricultural supply chains to embrace new technology, enhancing their competitiveness and improving productivity.

**Daniel Kawczynski:** My hon. Friend will know the importance of the agri-tech sector to the county of Shropshire. Can he give more details of how the transforming food production challenge will support our agri-tech sector in Shropshire?

**Mr Gyimah:** The transforming food production investment combines UK academic and industrial strengths, taking a whole system approach, to integrate world-leading research, advanced technologies and farming practices. It will support the development and deployment of precision agricultural technologies and solutions.

**Colin Clark:** The campus of Scotland's Rural College in Gordon and local agri-food business Harbro are playing a key role in agri-tech. Does the Minister agree that continued funding for agri-tech, and the resulting big data, is essential to developing opportunities for global Britain?

**Mr Gyimah:** I completely agree with my hon. Friend. We recognise the excellent contribution that Scotland's Rural College and Harbro have made to developing agri-tech through partnering with the centres for agricultural innovation, where they are aiding the adoption of data-driven products. As I have said, we are investing £90 million in the transforming food production challenge, which will really help the UK to capture significant global challenge.

**Toby Perkins** (Chesterfield) (Lab): The agri-tech sector has tremendous potential in this country, but if we are to get all the manufacturing jobs out of it, as well as the innovation, we need to do something about the most expensive corporate property tax in the entire EU. Will the Minister tell us whether the Government are still sticking to their manifesto commitment to have a wholesale review of the business rates system, so we can have a competitive system for the agri-tech sector?

**Mr Gyimah:** The hon. Gentleman will be aware that, in the Budget, the Chancellor announced that he will be bringing forward proposals on that manifesto commitment in due course.

**John Mc Nally** (Falkirk) (SNP): What proportion of all biomass used to produce energy in the last year came from wood, and what proportion of that came from domestic wood? Will he follow Scotland's example of good practice?

**Mr Gyimah:** The hon. Gentleman makes a very important point, and one that we will follow up with detailed statistics.

**Swansea Bay Tidal Lagoon**

12. **Angela Smith** (Penistone and Stocksbridge) (Lab): What assessment his Department has made of the value of the industrial opportunity presented by the Swansea bay tidal lagoon. [905068]

**The Minister for Energy and Clean Growth (Claire Perry):** Helping businesses create high-quality, well-paid jobs across the country is integral to this Government's industrial strategy. On the Swansea tidal lagoon, taking into account that job creation capability, as well as the decarbonisation potential and the cost to UK taxpayers, is an integral part of that analysis.

**Angela Smith:** It is understood that major infrastructure projects give rise to opportunities for companies throughout the UK supply chain. The proposed Swansea lagoon project certainly falls into that category, and it could provide companies throughout my constituency and South Yorkshire with opportunities to supply products and processes to the project. Will the Minister therefore assure me that a holistic approach that places a value on jobs and investment throughout the country is being used to assess the viability of this project?

**Claire Perry:** The hon. Lady, as always, speaks up powerfully for her constituency. I assure her that exactly those assessments are being made, both by ourselves and by the Welsh Government, to whom there have been very specific requests from the developer. It is right that we are having a cordial, open-book conversation about what commitments are actually being asked for, because this all comes back to UK consumers and/or UK taxpayers.

**Dr Alan Whitehead** (Southampton, Test) (Lab): The Minister mentions that the Welsh Government have committed, in January, to provide substantial equity and loan investment to get the Swansea tidal lagoon project off the ground. Indeed, they are anxious to explore with the UK Government how this might be incorporated into an overall support package for the lagoon. Over and above contacts between officials of the two Governments, what meetings has she or other Ministers in the Department held with Ministers in the Welsh Government to examine and progress this offer?

**Claire Perry:** The hon. Gentleman is right to say that these conversations have to happen jointly. There have been numerous meetings between my officials and officials in the Welsh Government, and I have met the Welsh Environment Secretary and her special advisers to discuss this and many other issues.

**Carillion**

14. **Eleanor Smith** (Wolverhampton South West) (Lab): What steps he is taking to support businesses affected by the liquidation of Carillion. [905070]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths):** The Government have moved swiftly to support businesses, establishing the Carillion taskforce to ensure the co-ordination of support for firms affected by Carillion's insolvency. This has included extra support from the banks of nearly £1 billion; British Business Bank supports to the tune of £100 million; and works with Her Majesty's Revenue and Customs to ensure firms have advice and guidance through the business payment support service.

**Eleanor Smith:** Since my last question about Carillion, 239 jobs have now been lost in Wolverhampton, which is a huge loss to our city. The *Express & Star*, a local newspaper in Wolverhampton, has said that hundreds of suppliers and subcontractors will be left unpaid, which means more job losses. How does the Department plan to provide support for those businesses and their workers?

**Andrew Griffiths:** The Government recognise that there will be an impact on the supply chain and on lots of small businesses that supplied Carillion. That is why we acted quickly to ensure that the banks were aware of those situations and the pressures that would be put on those businesses, to make sure the support was in place, with access to loans and finance, to ensure that we limit the impact as much as is possible. The hon. Lady will know that, so far, 11,450 jobs have been protected in the Carillion network, and we are doing more to ensure that we protect the rest.

**John Cryer** (Leyton and Wanstead) (Lab): The Minister will be aware that Carillion regularly contravened the prompt payment code without actually acting illegally. Is it not time to examine the possibility of giving the code a statutory basis, so that in future cases there could be prosecutions?

**Andrew Griffiths:** The hon. Gentleman makes a very valid point. We want the prompt payment code to be fit for purpose and for it to do what it says on the tin. That is why I am in discussions on the prompt payment code and why the Chancellor said in the spring statement that we would consult on late payments. He wanted to end the scourge of late payments, because this is so important for small businesses up and down the country.

**District Heating Sector**

15. **Matthew Pennycook** (Greenwich and Woolwich) (Lab): What recent assessment he has made of the potential merits of statutory regulation of the district heating sector. [905071]

**The Minister for Energy and Clean Growth (Claire Perry):** A formal assessment has not yet been made, but the hon. Gentleman and I have exchanged correspondence on this important issue. It is vital that we create a market framework that works to deliver the benefits of energy cost reduction and carbon reduction from these networks but that protects consumers. I know he has a passionate interest in this, given the eight networks already operating in his constituency.

**Matthew Pennycook:** Not a month goes by in which I do not receive scores of emails from desperate constituents who are paying over the odds and are ill served by district heating networks. They are not getting a fair

deal and cannot afford to wait for the Competition and Markets Authority's partial market study to report. For their sake, I urge the Minister to give serious consideration to introducing statutory regulation now. Will she meet me to discuss the issue?

**Claire Perry:** I am always happy to meet the hon. Gentleman, as he knows. It is interesting, because on average consumers are paying less and have the same level of satisfaction as they have with other heating options. Well designed and well regulated frameworks can really deliver a benefit for consumers, which is why we are investing more than £300 million, but the hon. Gentleman and I should get together to discuss his constituents' particular concerns.

**Rebecca Pow** (Taunton Deane) (Con) *rose—*

**Mr Speaker:** Forgive me, but I want to get to other colleagues' questions as well, so if it is a short sentence, I will take it, but if it is not, I will not. No? All right.

**Sir Edward Davey** (Kingston and Surbiton) (LD): Will the Minister tell us why it has taken so long to disburse some of the £320 million fund for district heating schemes? So many local authorities and other bodies want to apply for funding, but the Government are being slow in disbursing the money.

**Claire Perry:** I am not sure I agree with that, partly because we have to get this right and make sure that there is a competitive market and that consumers do not feel that these things are being imposed on them. We should celebrate the fact that we have £300 million to take these pilots forward. Pilot projects are under way in Manchester, Sheffield and Barking, and I look forward to funding many more.

**Employee-owned Companies**

16. **John Grogan** (Keighley) (Lab): What steps he is taking to encourage the growth of employee-owned companies. [905072]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** I should declare that I worked for the John Lewis Partnership for three years, from 1979 to 1982, and was therefore a beneficial owner of part of the company. That is not the only model to encourage employees, of course; share ownership is developing more widely as part of generally non-employee-owned companies. I look forward to the private sector making the business case for this model through the Employee Ownership Association, which is the representative body for employee-owned businesses.

**John Grogan:** Does the Minister agree that, taken as a sector, the UK's 300 employee-owned businesses have higher than average productivity? Will he follow the example of the Scottish and Welsh Governments and more actively promote the sector, particularly to small and medium-sized businesses that are looking for a succession plan?

**Richard Harrington:** That is very interesting. I will look with care at what is happening in Scotland and Wales. We are generally in favour of employee-owned companies and companies with employees who have a share in them.

**Retail Sector**

18. **Liz Twist** (Blaydon) (Lab): What steps he is taking to support the retail sector. [905074]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths):** The retail sector is a vital part of the UK economy and we want it to thrive. In March, as part of our industrial strategy, I created the Retail Sector Council. Through that group, Government and industry will work together to contribute to the sector's future direction, to boost its productivity and economic health.

**Liz Twist:** The retail sector is hugely important to my constituency, from the Metrocentre through to the small fruit and veg shops on the high street. Given that the retail sector is the UK's largest industry, will the Minister explain the rationale behind the Government's decision to do so little for the sector in the industrial strategy?

**Andrew Griffiths:** The hon. Lady just is not correct. The Government recognise the importance of the high street and the retail sector, which is why we have provided more than £18 million in dedicated funding. It is also why in the 2017 autumn Budget we announced measures worth £2.3 billion over five years to cut business rates and improve the system's fairness, which will support the retail sector.

**Paris Climate Change Agreement**

19. **Geraint Davies** (Swansea West) (Lab/Co-op): What steps he is taking to ensure that investment in renewable energy contributes to the achievement of the 1.5° C global warming limit set out in the Paris climate change agreement. [905075]

**The Minister for Energy and Clean Growth (Claire Perry):** The hon. Gentleman will know that investment in renewable energy is vital so that we can get towards our interim targets, as well as the 1.5° C target. With a combination of the binding statutory budgets, the investments we have made and some good policy design, we are cranking ahead with renewables. More than 30% of our energy came from renewables last year, and I am sure we will all celebrate the fact that just in the past month we went for 77 hours without coal contributing to our grid.

**Geraint Davies:** Satellite data shows that 5% of the methane produced by fracking is leaked through fugitive emissions. Given that methane is 86 times more powerful than carbon dioxide in global warming terms, that makes fracking twice as bad for climate change as coal. Will the Minister commit not to proceed with fracking and to proceed with the Swansea bay tidal lagoon project to deliver on climate change?

**Claire Perry:** I think the hon. Gentleman has seen some of the same slides that I have seen, which show a hypothetical model put forward by some scientists. We are of course always concerned about fugitive methane emissions, and we will bear that in mind going forward.

**Sammy Wilson** (East Antrim) (DUP): Germany, France, India and China are building coal-fired power stations by the hundreds while we are relying on more and more expensive sources of energy. Does the Minister not

recognise the damage done to our economy by pursuing means of expensive energy while turning her back on cheap energy? Does she really believe that erecting a few windmills will affect the world's climate, which is determined by the sun and by natural forces beyond the control of man?

**Claire Perry:** It is always good to listen to the right hon. Gentleman on this point. We could debate the science, but the truth is that we and 57 other countries, states and cities around the world have committed to phase out coal, because it is the most polluting fossil fuel. We do not need it, because we have a big investment in renewables and we have clean gas as part of our energy mix, which we must maintain going forward.

**Mr Speaker:** We are running late, but I am very keen to hear the voices of Harlow and of Washington and Sunderland West. We will begin with Harlow—I call Mr Robert Halfon.

### Public-private Partnerships

21. **Robert Halfon** (Harlow) (Con): What plans his Department has to develop innovative projects through public-private partnerships. [905077]

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** The Department has no current plans to develop projects through public-private partnerships. There are a number of areas where the Department for Business, Energy and Industrial Strategy co-funds projects with businesses, including in the areas of innovation and skills.

**Robert Halfon:** Does my hon. Friend not agree that the public-private partnership between Harlow College and Stansted airport in building a skills academy is exactly the kind of public-private partnership that we should be following? Harlow will now be the skills capital of the east of England. Will he use the Harlow example for the rest of the country?

**Mr Gyimah:** My right hon. Friend is right: Harlow often leads the way in a number of areas, and I wish to congratulate him on the opening of the Stansted Airport College. The new apprenticeships build on the 1.3 million apprenticeship starts since May 2015.

### Automotive Industry: Cleaner Fuels

25. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What steps he is taking to support the automotive sector to move from diesel to cleaner fuels. [905081]

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** We are investing nearly £1.5 billion between April 2015 and March 2021 to grow the market for ultra-low emission vehicles. That is one of the most comprehensive programmes of support globally.

**Mrs Hodgson:** Two weeks ago, Nissan in my constituency announced job losses, which were more than likely owing to a decline in diesel sales and the switch in production to newer, cleaner models. Therefore, notwithstanding what the Minister said, can he give us some details on what he is doing to support the automotive sector in moving from diesel to cleaner fuels?

**Richard Harrington:** The hon. Lady will know that Nissan is one of the biggest investors in cleaner technology, and through the industrial strategy challenge fund we are supporting the next generation generally. In her constituency, the production of the new Nissan Leaf, which is the most popular electric car in the world, began in Sunderland last year with batteries actually made there.

**Mrs Hodgson:** Well, I know that!

**Mr Speaker:** We are very grateful to the hon. Lady, who says that she knows that, but I am also most grateful to the Minister.

### Topical Questions

T1. [905082] **Damien Moore** (Southport) (Con): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** Over the six weeks since our last questions, I have launched, as colleagues have heard, the creative industry sector deal, a partnership with industry to unlock growth for creative businesses across the UK. Last week, more than 50 leading technology businesses and organisations united to launch another sector deal worth £1 billion to put the UK at the forefront of artificial intelligence. Our industrial strategy is building confidence across the economy, which I saw at first hand in Luton a few weeks ago with the announcement that Vauxhall's new Vivaro van will be made in the UK, securing 1,400 jobs and the long-term future of the plant.

**Damien Moore:** Many small businesses in my constituency of Southport are still struggling despite the Government's various business rate relief schemes. What programmes and initiatives aimed at small business can my right hon. Friend recommend to help small business owners who are struggling in my constituency?

**Greg Clark:** I remember with great pleasure visiting a small dairy business—a milk business—with my hon. Friend. I hope that it is thriving. Since that visit, I am delighted to say that a number of loans from the Start Up Loans Company, totalling about £800,000, have benefited businesses in Southport. The Liverpool city region growth hub has been established to give advice and support to small businesses, too.

**Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): I welcome this morning's news that the EU has secured a further 30-day exemption from the US's steel tariffs. However, that merely prolongs the uncertainty facing the sector. What steps is the Secretary of State currently taking to secure a full UK exemption when the temporary one ends on 1 June, and when will his Department respond to the steel sector deal, a proposal crucial to the long-term sustainability of the sector?

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** I can reassure the hon. Lady that there have been full

negotiations between us, the Americans and the European Union from the day that this started, and I have briefed her regularly. I have a call on Thursday morning with the chief executive officers of all the steel companies, which she is very welcome to join. I assure her and everyone else in this House that every effort is being made to help the steel industry.

T2. [905083] **Nigel Huddleston** (Mid Worcestershire) (Con): What plans does his Department have to keep Britain a global leader in artificial intelligence?

**Greg Clark:** The sector deal will help, and has had an enthusiastic reception from the industry. This country is leading the way in the development of artificial intelligence. The Alan Turing Institute is attracting scholars from across the world. One part of the deal is to ensure that we have an extra 8,000 specialist computer science teachers in schools to ensure that the next generation can reap the rewards.

T5. [905086] **Rosie Cooper** (West Lancashire) (Lab): Will the Secretary of State make an assessment of the potential merits of placing a requirement on private businesses seeking the long-term lease of roofs for solar panel fittings to inform their potential customers of their mortgage providers' policies on such fittings before the lease is agreed?

**The Minister for Energy and Clean Growth (Claire Perry):** I will be happy to discuss the matter further with the hon. Lady. She has raised a hugely important point about how we include in a mortgage mix or a financing mix the value of companies and households installing measures to reduce their energy bills. The green finance taskforce, which has just reported to us, had some suggestions, and I would be delighted to discuss them further with the hon. Lady.

T3. [905084] **Antoinette Sandbach** (Eddisbury) (Con): Drax power station received £2 million a day last year to burn 13 million tonnes of imported wood, emitting more carbon dioxide per unit of energy generated than the coal burning that it replaces. Will the Minister commit to looking at this and ensuring that the renewables obligation goes towards no-burn renewables and energy efficiency?

**Claire Perry:** My hon. Friend will be pleased to know that the current support for existing coal to biomass conversion will end by 2027. I am aware of many of the concerns about biomass, and we are looking at the issue carefully. However, sustainable, low-carbon bioenergy can help us on this transition, particularly away from coal burning.

T7. [905088] **Matt Western** (Warwick and Leamington) (Lab): The proposals announced at the weekend regarding a merger between Sainsbury's and Asda will result—along with Tesco—in the most powerful duopoly in the UK grocery sector, accounting for 60% of the market. The Secretary of State will know that the likes of Terry Leahy, Justin King and Stuart Rose adopted the mantra that the consumer wants more choice, not less. Does the Secretary of State agree that this merger is not in the interests of producers, farmers and especially consumers?

**Greg Clark:** As the hon. Gentleman knows, this is why we have the Competition and Markets Authority, which is virtually certain to conduct an inquiry into this matter, precisely to look into all the aspects to which he referred. I mentioned that the CMA has a new chair in Andrew Tyrie, and I am sure that the issue will receive the most rigorous scrutiny.

T4. [905085] **Stephen Kerr** (Stirling) (Con): The subsidy available to energy plant for burning wood is causing distortions in demand for virgin and recycled wood, which is constricting supply and increasing input costs for businesses such as Norbord in Cowie. Will the Minister meet me and representatives of the wood panel industry to hear at first hand about the issues that they are facing and the consequences?

**Claire Perry:** My hon. Friend is right to highlight a concerning issue. My officials are meeting representatives of the wood panel industry today, but I would be delighted to follow up with a personal meeting with him and his constituents.

T8. [905089] **Kevin Brennan** (Cardiff West) (Lab): May I congratulate the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Burton (Andrew Griffiths), on the recent birth of his daughter? In doing so, I remind the House that, as an office holder, he was unfortunately unable to take up shared parental leave—at least, that is certainly what he told the media. Does he have any empathy with people who cannot take up shared parental leave, and will he extend the provision to allow families who are working freelance, particularly in the creative industries, to get the flexibility they need to maintain their careers?

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Griffiths):** I thank the hon. Gentleman for his good wishes. Having just returned from my paternity leave, I reassure him that, although I am not legally allowed to take shared parental leave, the Government are very supportive of Ministers being able to take up such provisions. The Government want more families to benefit from the joy that comes from shared parental leave, which is why we have invested over £1 million in an advertising campaign to increase take-up.

T6. [905087] **Jeremy Quin** (Horsham) (Con): How are the Government supporting the growth and full geographic spread of degree-level apprenticeships?

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** The Government have created the £10 million degree apprenticeship development fund to support the development of infrastructure across England and to raise awareness of apprenticeships, among other aims. A degree apprenticeships website has been created by the National Apprenticeship Service and UCAS to highlight vacancies.

T10. [905091] **Ruth George** (High Peak) (Lab): Businesses in my constituency are extremely concerned that they will see more bureaucracy when we move out of the European Union. What is the Department doing to make sure that the UK will continue to be part of the single euro payments area, and also the VAT information exchange system, which my local businesses say is absolutely vital to keep them being able to pay and do business?

**Greg Clark:** My colleagues in the Department are very clear that we need to make it possible, through our agreement with the European Union, to trade not only without tariffs but with the minimum of frictions. The hon. Lady describes some elements of that. It is absolutely the purpose of the negotiations to avoid the introduction of any unnecessary frictions.

T9. [905090] **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): Post Brexit, if the European Union restricts access to the Galileo satellite project, will the Minister undertake for us to restrict its access to the communications infrastructure of the Falklands and Ascension Island?

**Mr Gyimah:** The Government have been clear that we are unconditionally committed to European security and want to continue working together to develop defence and space capabilities. We feel that the Commission's approach runs counter to what has been agreed as part of article 50, where a shared intent was agreed for strong UK-EU co-operation on defence in the future.

**Mr Jim Cunningham** (Coventry South) (Lab): The Minister will know that I have Jaguar Land Rover in my constituency. What will be the impact on Jaguar Land Rover of the changes to tax on diesel engines?

**Greg Clark:** The hon. Gentleman knows, and the House knows, that there has been a fall in sales of diesel engines, not just in this country but across Europe. That has been the reason for some of the termination of the contracts there. We will be setting out, as a Government, the future regulatory path to clean up our roads of emissions. In doing that, we will be consulting with the industry.

**Martin Vickers** (Cleethorpes) (Con): When does the Secretary of State anticipate being able to make an announcement about the Greater Grimsby town deal?

**Greg Clark:** I do not have a date in mind, but my hon. Friend's persistent urging of me will make sure that it will be as soon as it can practicably be done.

**Laura Smith** (Crewe and Nantwich) (Lab): Have the Government made any assessment of whether social care providers will go bankrupt this year due to the ruling on sleep-in shifts and the minimum wage, and whether this will have any impact on social care? If so, will they provide that assessment to the House?

**Andrew Griffiths:** The Government are well aware of the challenges involved in sleep-in legislation and the national minimum wage and are working closely with providers. We are also in discussions with the European Commission and will bring forward plans in future.

**Nicky Morgan** (Loughborough) (Con): When will we see the review of Companies House procedures that I mentioned in my Adjournment debate on 20 November last year, which covers people who transition from one sex to another, whose records are sometimes left on the Companies House register? The previous Minister agreed to look at that.

**Andrew Griffiths:** I thank my right hon. Friend for that very important question. I remember the Westminster Hall debate that she had on this issue. The Government are minded to protect the rights of the transgender community. She will know that I recently brought forward a statutory instrument to allow directors to remove their addresses from the Companies House register in order to protect safety. I would be delighted to work with her to see what we can do to provide greater protections for the transgender community in this area.

**Jo Swinson** (East Dunbartonshire) (LD): The industrial strategy rightly sets out opportunities arising from the new technology and STEM—science, technology, engineering and maths—sectors but says little about the increasing importance of skills that are unique to human beings, such as care. Does the Secretary of State recognise that part of our answer to increasing automation should be expanding employment in the care sector and the value we attach to it? If so, will he start treating this as a strategic priority?

**Greg Clark:** It is indeed such a priority. I am delighted to see a copy of the strategy in the hon. Lady's hands. In fact, one of the four grand challenges that we have set out regarding areas in which we can be a world leader is to develop the opportunities that arise from an ageing population, and care is absolutely central to that.

## Point of Order

12.34 pm

**Robert Halfon** (Harlow) (Con): On a point of order, Mr Speaker. Last night in the House of Lords, Lord Roberts said:

"My mind went back to Berlin in March 1933 when the enabling Bill was passed in the Reichstag, which transferred the democratic right from the Parliament into the hands of one man—that was the Chancellor, and his name was Adolf Hitler."—[*Official Report, House of Lords,* 30 April 2018; Vol. 790, c. 1856.]

As someone who is Jewish and very proud of our Parliament, I find those remarks absolutely disgusting. They are shameful for our country and for our Parliament, and completely unacceptable. Can you advise me of ways that this House can send a message to that peer that such trivialisation of evil is unacceptable and that he should withdraw those remarks?

**Hon. Members:** Hear, hear!

**Mr Speaker:** I am very grateful to the right hon. Gentleman for his point of order, and I understand and respect, not least having known him for a quarter of a century, the strength of feeling that he has just articulated on the matter. I am sorry to have to say to him, but I do, that the Speaker of this House has no role in policing or overseeing utterances in the other place. I do not think it is for me formally to take the matter forward. However, the right hon. Gentleman received strong support from colleagues for what he said, and if he wishes to write to the noble Lord and to enclose a copy of what he has said in this Chamber, I think he will feel that he has done the right thing, and it may elicit a response. I think we should always speak with great care and sensitivity in either House, and I thank the right hon. Gentleman for what he said. We must now move on, because we have heavy business today.

## Tributes (Speaker Martin)

12.36 pm

**Mr Speaker:** I informed the House yesterday that there would be an opportunity today for hon. and right hon. Members to pay tribute to the former Speaker of the House, my immediate predecessor, Michael Martin, latterly Lord Martin of Springburn. On behalf of all Members, I want to start by paying tribute to the memory of Michael Martin, and in doing so, I send my deepest sympathy to his wife Mary, to his daughter Mary, to his son Paul and to his grandchildren.

A Glaswegian former sheet metal worker, Michael was the son of a merchant seaman and a school cleaner. As some will know, he was born in a tenement in the nearby Anderston area on the north bank of the River Clyde in 1945. As I said yesterday—I make no apology for repeating it today—Michael Martin was passionate about and proud of his roots. Specifically, he was proud, and rightly proud, of the way in which he had overcome a difficult start in life to rise to one of the highest ceremonial offices in the land.

After leaving school at 15, he began his political journey as a shop steward for Rolls-Royce aero-engineers. In the 1970s, he became an organiser with the National Union of Public Employees, and after a period as a Labour councillor, he became Member of Parliament for Glasgow Springburn in 1979. He subsequently served for three decades as Member of Parliament for his people, to whose wellbeing and to whose advance he was throughout his career utterly dedicated.

As a Member of Parliament, Michael immersed himself in Commons life, and he eventually spent over a decade as a member of the Speaker's Panel of Chairmen. He also became Chairman of the Scottish Grand Committee before devolution. After serving as Commons Speaker Betty Boothroyd's Deputy from 1997, he was elected by Members of this House to succeed her in 2000. In doing so, he became the first Roman Catholic to serve in the role since the Reformation.

I think it is true to say, and I see around the House Members who recall Michael Martin—this is hugely to his credit—that he never forgot where he came from. In his coat of arms, which is still exhibited in Speaker's House, he included a 12-inch steel rule, which signified his time as a sheet metal worker, and a chanter from a set of bagpipes, of which I must advise the House he was a keen and highly accomplished player. Indeed, he staged the first Burns night supper in the Palace of Westminster. The tradition has been continued since under various auspices, but his was the first.

As Mr Speaker, Michael quickly set about making his mark on the role by holding an unprecedented press conference, which provoked his critics into saying that he had broken the convention of keeping one's distance from the media. He also dispensed with the traditional tights worn by his predecessors in favour of dark flannel trousers. If I may say so, he continued the precedent set by Lady Boothroyd of declining to wear the traditional wig. As colleagues will have noted, I have followed Betty and Michael in that regard.

Sadly, despite the many improvements Michael sought to make in the House of Commons to increase its diversity and his step of establishing an apprenticeship scheme, it was the MPs expenses scandal that led to his resignation from office in May 2009. Today, however,

we remember Michael as our colleague and, to many, a friend. Fundamentally, he was a decent, public-spirited, hard-working, unpretentious person who sought to make life better for the people whom he was privileged and elected to represent.

Michael was well known across the House for his care and concern for Members, for their staff and for the staff of the House. He was a fine campaigner, and he was very protective of Back Benchers. If memory serves me correctly, he was not the favoured choice of the Front Benches when he became Speaker, but he garnered huge support—that says something about his effectiveness and his popularity—and, colleagues, he also had a great sense of humour. On a personal level, as I mentioned yesterday, he was always very kind to me, and I have met many Members who say the same from their own experience. To this day, I still remember the lovely letter of congratulation he sent to me after my election as Speaker.

Michael Martin was a good man, and he served people faithfully. Above all, as people who knew him well will know, he was devoted to his community and he loved his family. He loved his family, and he was loved by his family. I hope on behalf of each and every one of you that I can today extend our heartfelt sympathy to his family.

To lead the tributes from the Front Benches, I call the Leader of the House.

12.43 pm

**The Leader of the House of Commons (Andrea Leadsom):** On behalf of Her Majesty's Government, I join you, Mr Speaker, in expressing our sadness at the death on Sunday of the former House of Commons Speaker, Michael Martin—latterly, Lord Martin of Springburn. As we remember his life and contribution to this place today, the thoughts and prayers of the whole House will be with his family and friends.

First elected to the House of Commons for the seat of Glasgow, Springburn in 1979, Michael Martin was dedicated to the people of Glasgow. He was a proud Scotsman who never forgot his roots, and some Members, including my right hon. Friend the Secretary of State for Scotland, experienced his bagpipes playing at his annual Burns night supper, which I gather was something of a special event. He demonstrated that pride during his time as a Back-Bench Member, during his spell as Parliamentary Private Secretary to Denis Healey between 1981 and 1983 and, of course, during his time as a Cross-Bench peer in the other place.

As a Back-Bench Member, in addition to representing his constituents in Glasgow, Michael Martin was a member of the Trade and Industry Committee between 1983 and 1987. In 1987 he became First Deputy Chairman of Ways and Means, and he was elected to the position of Speaker in October 2000. In the debate before his election, he said:

"My apprenticeship has been one of serving the House as a Chairman of Standing Committees, the Administration Committee and the Scottish Grand Committee. I have never sought to be a Whip, a Front-Bench spokesman or a Minister…I have enjoyed defending the rights of the House."—[*Official Report*, 23 October 2000; Vol. 355, c. 14.]

Michael Martin served as Speaker for almost nine years. He was introduced to the House of Lords in August 2009, where he was an active Cross-Bench peer. While his tenure as Speaker was not always the easiest, in recent days a number of former and current Members have remembered the time that he took to welcome them as new Members.

Today we remember the contribution of Michael Martin to this House and send our sincere condolences to his family—to Mary, their children and grandchildren—and to his friends.

12.46 pm

**Valerie Vaz** (Walsall South) (Lab): On behalf of the Opposition, I thank you, Mr Speaker, for your kind words, and the Leader of the House for hers, in leading the tributes to Lord Martin of Springburn. Like her, I was not a Member when he was the Speaker of the House. Every Speaker has their own style and is a Speaker of their time, and he had to contend with some challenges. But we can remember the fact that he left school without qualifications at 15, and from a poverty-stricken background he ended up as the first Catholic Speaker, in one of the most senior posts in public life.

Michael Martin worked as a sheet metal worker at Rolls Royce, and then as a full-time organiser for the National Union of Public Employees—NUPE. There he met another union organiser who ended up as Leader of the Opposition. He entered Parliament in 1979 for Glasgow, Springburn and then for Glasgow North East, serving this place for 30 years. He was a member of numerous Committees and he clearly knew how this place worked. When elected Speaker, he sat in the chair without tights—as you said, Mr Speaker—a practice for Speakers he abolished. He started his tenure by holding a press conference—a very progressive move. He also served in the other place from 2009—nearly 40 years of public service.

You mentioned Michael's kindness: a Member told me how anyone from a working-class background was always shown support so that they did not feel out of place in Parliament. A member of staff, who was also from a Glasgow housing estate, told me how Michael wrote to her mother saying how proud she should be of her daughter's contribution in Parliament.

To Michael's wife Mary, his son Paul, his daughter Mary Ann and his family, we send our condolences at this difficult time. Lord Martin was a politician, trade unionist and public servant, who was born on 3 July 1945 and died at the age of 72 on 29 April 2018. We salute his journey from poverty to the Speaker's chair, from Anderston to Westminster. May he rest in peace.

**Several hon. Members** *rose—*

**Mr Speaker:** I will come to the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), who is an immensely senior Member, but we do not want to squander him too early. He is so senior, we will hold on for a moment. I call Nadine Dorries.

12.48 pm

**Ms Nadine Dorries** (Mid Bedfordshire) (Con): I endorse everything that has been said. The shadow Leader of the House was right: when I got here as somebody from a working-class background, Michael was kindness and support itself. I will never forget receiving a letter at home during my first summer recess in 2005, and being shocked to discover it was from the Speaker. It was a letter of praise and encouragement, informing me that

*[Ms Nadine Dorries]*

when I came back in September I might feel daunted again, but not to be. He was a testament to social mobility, how someone could come from his background to this place. The first time I saw him I remember thinking that he looked like Father Christmas sitting in the Chair and he embodied all those virtues of kindness and welcome. He was the first Speaker I ever encountered and I will never forget him. He professed his love for his family every time he spoke to me. He always mentioned his daughters and his family. That is all I have to say. I think that everybody who knew him will have the same sentiments.

12.50 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): I thank you, Mr Speaker, for your very kind remarks, and I thank those who have followed you.

On behalf of the Scottish National party, I join the tributes paid to Michael Martin and send our deepest condolences and sympathies to his wife Mary and the whole family. Our thoughts and prayers are with all of them.

Very few of the current SNP group served in this House under Michael Martin's Speakership, but those who did, and the former Members who did, have spoken fondly of their memories and the high regard in which he was held by Members right across the House. He was, as you and others have said, Mr Speaker, proud of his Glasgow roots and his Scottish heritage. His love of the pipes was well known, and I believe he once had the unique honour of playing his set of pipes at the top of the Elizabeth Tower.

Some of our longer serving staff members recall the occasion when the Serjeant at Arms informed the SNP group that bagpipes would not be permitted at a reception on St Andrew's Day. When this came to the attention of Speaker Martin, he immediately intervened and ensured that the pipes were liberated and heard loudly across Portcullis House. I am also informed that two weeks before his resignation the recipe of his Speaker's whisky was changed. Apparently, the few bottles that now remain change hands for exorbitant prices on eBay and so on.

There are few of us in the SNP who served under Michael, but my hon. Friend the Member for Argyll and Bute (Brendan O'Hara) did have the unenviable task of standing against him in the 1987 general election, attempting to overturn his robust majority of 26,000. The story goes that one day Michael stopped a woman in Duke Street to ask for her vote, only to be told that she would be voting SNP. Michael responded robustly, advising that the young candidate was, shall we say, something of an upstart, to which the woman replied, "Really? That's my son you're talking about!" My hon. Friend to this day claims that his mother did vote for him and not Michael Martin, but perhaps we will never know.

In later years, some of our Members who now represent Glasgow constituencies—my hon. Friends the Members for Glasgow North (Patrick Grady), for Glasgow Central (Alison Thewliss) and for Glasgow East (David Linden)—lived in his constituency. Despite any political differences they might have had, they were all well aware of Michael's diligence as a constituency MP, and of the affection and high regard in which he was held by the local community.

I am sure you will agree, Mr Speaker, that being Speaker of the House is not an easy task, but the tributes today make clear the respect the whole House had for Speaker Martin. He began a process of reform and modernisation that you, Mr Speaker, have continued, and which will no doubt carry on into the future. That can rightly be considered an important part of his legacy.

To have risen from his roots in poverty to the Chair of the House was a significant and considerable achievement. Michael was an inspiration to many. Michael, rest in peace.

12.53 pm

**Mr Iain Duncan Smith** (Chingford and Woodford Green) (Con): I rise, very briefly, to join your tribute, Mr Speaker, which I appreciated very much.

On two occasions in my time in the House, I had cause to work closely with Michael Martin. The first occasion was when, after my Maastricht rebellions, I was banished by the Whips Office—they were able to do that in those days, as Mr Speaker will know—to an in-House Committee which met but infrequently. They thought that would be a punishment, but it was an absolute pleasure because Michael was the Chair of the Committee. He greeted me and said, "I know why you are here and it is not because you are interested in the running of the House!" He then regaled me with tales of the pipe major and many of the pipers in the Scots Guards, with whom I had served, and their chequered careers; the number of times they had gone up in the ranks and down in the ranks due to too much post-piping whisky. He offered to give me an example of just how they maintained their rank while playing well and he did just that. We missed a number of committee hearings as a result of his piping—I do not know who chaired them, by the way, even to this day—but he seemed less than interested in that and more interested in the piping side of things. I got along with him famously and the Whips never knew what a pleasure it was to be banished to that Committee.

The second occasion was when I had the misfortune to be elected leader of the Conservative party. I was the first Catholic to be elected as leader. I know just how difficult being the Leader of the Opposition is, particularly if one's party wants to have an argument in an empty room most of the time, which I have some sense of, if not a little pleasure in. Michael took me to his room and chatted away to me about the difficulties. During our conversations, we settled on the fact that both of us were the first Catholics to serve in our positions. He was very proud of that, as was I.

Our roles did not quite end in the way we might have wished and that is one thing that I am very sad about. This House was going through a very difficult time and it was inevitable that the Speaker would, to some degree, become a focus of that. I want to put on record my view that this decent man was taken to task in a way that I did not think were his just deserts. [Hon. Members: "Hear, hear."] He took on his shoulders a lot of what had happened. I think his early departure is something the House may someday want to look at and ask whether it was fair to him in the way that he had been to it.

I am sad at Michael's passing. He was a decent man and a good man. We did not necessarily treat him with the respect and decency he deserved, and I am sorry for that.

**Mr Speaker:** I thank the right hon. Gentleman very warmly for what he has said. I think the reaction of the House shows that colleagues feel the same.

**Sir Vince Cable** (Twickenham) (LD) *rose—*

**Mr Speaker:** If the right hon. Gentleman understands, I would like to call the successor but one to Michael's constituency. I will come to the leader of the Liberal Democrats in a moment.

12.56 pm

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): I was deeply saddened to learn about the death of Lord Michael Martin of Springburn and Port Dundas, the former Speaker of the House of Commons and my predecessor as the Labour Member of Parliament for the Glasgow North East constituency.

Michael was a lovely, decent and compassionate man who rose from Springburn sheet metal worker to become the first Roman Catholic Speaker since the Reformation. Throughout his career as a councillor on the Glasgow Corporation from 1973 and then as the local MP for Springburn spanning seven general elections from 1979 to 2009, his steadfast dedication to representing his constituents remained a constant hallmark of his commitment to public service. His efforts were reflected in the immense respect and regard in which he was held by the community he represented for over three decades. Michael helped to pioneer the modern housing association movement in Glasgow. He was a founding member of North Glasgow Housing Association, which is now the largest community-run housing association in the city. It has improved the quality of life for many Glaswegians over the years.

Michael epitomised all that was good about the Labour movement and the opportunity that it has afforded for the advancement of working-class people over the last century. He inspired many local young people into a vocation in politics. I have been particularly moved by the number of constituents who have contacted me in the past couple of days to express their gratitude for the help that Michael provided to their family or to their neighbours. To this day, on every single street in my constituency, Michael is fondly remembered, even though he never sought any great recognition for his efforts. He often referred to the lesson in the Gospel of St Luke about Jesus healing 10 lepers, but only one coming back to thank him. Michael sought to help people humbly, quietly and without any need for praise.

At the time of Michael's retirement from the House of Commons, his Glasgow colleague Mohammad Sarwar shared with the House a letter he had received from a 16-year-old constituent who had previously visited the House as part of a school trip. Her name is Kayleigh Quinn, and she wrote:

"I am deeply upset that Mr Martin has been compelled to resign from his post. As someone from the same working-class Glasgow background as Michael Martin, I am extremely proud of what he has achieved in his political career."

Today, Kayleigh is an organiser for the Labour party in Glasgow and one of the leading figures in the Scottish Labour party. That is Michael Martin's real legacy: how he inspired young people.

I was particularly gratified to meet Lord Martin last July, in the week before I made my maiden speech in this House after regaining Glasgow North East for the Labour party following a brief interlude. He told me of his delight that his seat was now back in "safe hands", and I hope to live up to that expectation.

Another project that Michael was instrumental in setting up in our constituency was the Alive and Kicking elderly people's social club in Balornock, which I visited earlier this year. I was quickly reminded of Michael's ubiquitous presence and legacy in the constituency when I spotted the brass plate commemorating him opening the club on 15 December 1988—exactly one month before I was born. I also remember visiting the Speaker's House soon after I was elected and being confronted by a 14-foot oil painting of my predecessor. I thought that that was a very effective device to make his successors feel simultaneously inspired and inadequate. I will always remember finding that and thinking of the great impact that he had made on this House and in his constituency.

Michael's example of kindness and dedication to fighting for the interests of his constituents is something that will always inspire and guide me as his successor as the representative of the people of Springburn and Glasgow North East in the House of Commons today. My thoughts are with Michael's family—especially his wife Mary, his children Paul and Mary, and his three grandchildren—at this difficult time. I encourage all Members to consider signing my early-day motion 1214 in memory of Michael.

1 pm

**Sir Peter Bottomley** (Worthing West) (Con): Michael Martin would have been an MP for nine years when his successor but two was born. It is worth noting that if had he remained in the Chair until now and then gone on for a few more years, he might have been Father of the House as well as Speaker. How he would have heard the nomination and dragged himself to the Chair I am not quite sure, but he probably would have found a way.

It is worth noting that some of the criticism of him was absurd. A quarter of a million pounds was thought to have been spent on Speaker's Green, which was supposed to have been his garden. The fact that it is a bike rack and a goods yard for the rebuilding of the Palace shows how sometimes our journalists think that a story is too good to check. He put up with that with good nature, and it is worth noting that his reason for retiring from the speakership was the unity of the House.

He and I once had a conversation when he was Speaker about how it might be possible to have a debate in the House about the conduct and role of the Chair without that being an implied criticism of the Speaker. Perhaps you as his successor, Mr Speaker, might find a way for that to happen every two or three years, because there are many things that happen when a Speaker might like to get the sort of direction that Speaker Lowther claimed that he had when he had Charles I to deal with.

**Chris Bryant** (Rhondda) (Lab): Speaker Lenthall.

**Sir Peter Bottomley:** Speaker Lenthall—forgive me.

The Speaker whom I think had the problem with how the House dealt with expenses was Michael Martin's predecessor. I have said this in the House before, so it will be no surprise. If his predecessor had backed up Elizabeth Filkin over the expenses rows involving a number of MPs, perhaps the standard of behaviour among some Members would not have fallen so low or become so widespread. I think that he, in effect, was carrying some of the consequences of what happened before him.

I am parliamentary warden of St Margaret's Church in Parliament Square. I am glad to say that we have had inclusiveness in the Chair—I do not think you need to be socially mobile to get into the Speaker's Chair, and being able to be there as someone who is Jewish, someone who is Christian (Methodist) such as George Thomas, or someone who is Christian (Roman Catholic) such as Michael Martin, is a sign of the inclusiveness of this place and something that I am proud of.

I am also proud that Michael Martin, when he was a Back Bencher—he continued doing this for a bit when he was Speaker—would come to the monthly communion services that are held at St Margaret's, which are followed by a breakfast in Speaker's House for which we are grateful, Mr Speaker. Having a Roman Catholic joining in with Christians of other denominations in a monthly service was an example of the inclusiveness that he showed by example, even if some of the prelates in his Church did not approve.

1.3 pm

**Sir Vince Cable** (Twickenham) (LD): I would like to add to the warm tributes that have been made and send condolences to Speaker Martin's family. I can perhaps close the historical loop that was initiated by the hon. Member for Glasgow North East (Mr Sweeney), because I knew Michael Martin at the beginning of his political career rather than at the end. As it happens, we were both elected to Glasgow City Council for neighbouring wards in the same year. Despite our somewhat different backgrounds, we became good friends and colleagues.

I remember him well as somebody who was totally devoted to his ward, his local community, the Labour movement—his origins were in the Amalgamated Union of Engineering Workers, now Unite, though he became a white-collar organiser—and his Church. I mention that because at that time in Glasgow's political history, there had been a long period of Labour rule, and that was interrupted briefly for three years when it was ruled by a combination of Conservatives, nationalists and something called the Progressive party, which was anything but—it was a legacy of the sectarian tradition in Glasgow. I think one needed to understand that to understand what Michael fought for.

At the time we were on the council, nobody would have claimed that he was a policy wonk. He was not high profile, but he was a very effective behind-the-scenes operator who made things happen. I remember being involved with him on two campaigns in particular. The first was when Mrs Thatcher, I think in 1971, abolished free school milk. That was a particularly potent issue in Glasgow, and it was something about which he cared passionately because of the poverty of his upbringing. There was still rickets in schools in Glasgow, and there was enormously strong feeling about this. In the ruling group in Glasgow Council, we decided not to implement the Government legislation. As a result, he, I and various other colleagues were very nearly disqualified from public life. I mention that in the context of his own convictions.

The other major campaign that he organised, which stemmed from his AUEW background, came a year later, when the Upper Clyde Shipbuilders' crisis came to the fore. There was an enormous mobilisation in the city and within the west of Scotland in support of the shipyard workers. As a member of the union and with his organisational skills, he played a very important part in helping to deliver that.

I did not see him again for another 25 years. I came into the House through a somewhat different political journey, but our friendship resumed. I remember him as he was: an amiable, likeable man with flashes of great kindness. I remember in particular the kindness that he showed to one of my former colleagues, the late Patsy Calton. When she was dying of cancer, he went out of his way to put a protective arm around her, and many of us on the Liberal Democrat Benches remember that episode.

He was extremely effective in his networking and his work behind the scenes on the Chairmen's Panel, but we should also remember that he was a politician. He took a very firm stand in Glasgow when there was a severe and ugly outbreak of feeling against asylum seekers in his constituency and the Sighthill developments. He was a strong campaigner for apprenticeships, building on his own history. To me, and I think many other people, he is somebody we should have great respect for. Particularly as he left under a cloud, I think that we should remember now that he was a fundamentally decent, good man whom this House should honour.

**Several hon. Members** *rose—*

**Mr Speaker:** Order. I am keen to accommodate remaining colleagues who feel that they need to speak, and there are no doubt several who do, but I just gently point out to the House that the subsequent business is likely to be of intense interest, and therefore there is a premium on brevity.

1.8 pm

**Sir Henry Bellingham** (North West Norfolk) (Con): I would like to join in the sympathies that have been expressed so far. I was fortunate to join this House four years after Lord Martin did, and we became friends. He had friends across the House, and as soon as he discovered that my grandmother came from Glasgow, we became even closer friends. He was an outstandingly collegiate person. He was an excellent member of the Chairmen's Panel, as it was called then, and a very, very good Deputy Speaker.

As you know, Mr Speaker, I then had a brief time out of the House—I am grateful that the electorate decided to give me a break. When I came back in 2001, Michael Martin had made the journey from Deputy Speaker to Speaker, and he was incredibly kind to the new intake. He went out of his way to welcome them and showed a really strong interest in all of us. You mentioned, Mr Speaker, that he may not always have been a favourite of Front Benchers. Many of us spent much of the first decade of this century on the Opposition Front Bench. He was a friend of the Opposition Front-Bench team,

because he supported us in ways he did not have to. He was understanding and patient. He built up our confidence and cut us a lot of slack, and I will never forget his kindness to me when I first joined the Front Bench in 2001. Like you, Mr Speaker, he set the bar very high when it came to making Speaker's House available to colleagues and outside organisations, charities and friends. He used that extraordinary resource to help people and build happiness.

I was deeply upset when a tiny number of colleagues criticised Michael's handling of expenses. His instinct was always to honour parliamentary sovereignty and to put Parliament in the driving seat when it came to sorting out the problems with the expenses regime. In many ways, he was right in that approach, and one only has to look at the performance of the Independent Parliamentary Standards Authority subsequently and the way in which parliamentary sovereignty has been taken away to see that he has been vindicated. I think that history will judge him very differently from how a small number of colleagues and the press judged him at the time.

I would like to remember someone who was a fundamentally decent person. He commanded respect wherever he want in this Palace among not just MPs, but members of staff. He built up vast pools of loyalty among the people who worked for him, and he was someone who was always decent and fair. I will remember him with great fondness, and my sympathies and heartfelt thoughts and prayers go out to his family at this difficult time. He has been taken from us at too young an age.

1.11 pm

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): I want to make three brief comments, first because some of the recent obituaries have not been very complimentary about someone who, as we have heard, was essentially a very decent man and human being. Secondly, it was reported that he was unhappy about being called "Gorbals Mick" by the Lobby, because he was in fact an Anderston boy and a Springburn MP, as you described, Mr Speaker. As a Gorbals boy myself, I never understood why the Lobby thought that was some kind of insult.

Thirdly, and most importantly, very few people outside this place know how accommodating Speakers, in occupying that distinguished office, are in affording access to the state apartments, hosting charitable events and supporting Members. You have not only continued that, Mr Speaker, but extended it. I had occasion to host a visit from a doctor friend of my wife's whose teenage son was seriously damaged due to his suffering from a condition called Fragile X syndrome—a combination of a learning disability, sight and hearing problems, autism and, I think, a bit of Tourette's. He was fixated on this wonderful building and the office of Speaker, which was then occupied by Michael Martin.

Michael invited us to the state apartments, and when he saw the Speaker, he shouted, "Martin, Martin!" His mother suggested, "Actually, it's Mr Speaker or Mr Martin," but Vincent was not having any of it, and neither was Michael—"Martin" was the name and "Martin" was good enough for Michael. When he invited us in, he sent Vincent's mum, me and my wife to have a glass of champagne—he was in between receptions, with one ongoing—and took Vincent on a personal visit to the inner sanctum. That young man's life was much enhanced by meeting Michael and being welcomed by him. Michael did not need to be as kind as he was, but he was. Many of us remember him fondly and send our condolences to his family.

1.13 pm

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): Michael Martin was Speaker when I was first elected in 2001. As others have observed, he was capable of tremendous kindness—to his family, his friends, his constituents and Members from all parts of the House—throughout his time. I suspect that the last of these kindnesses might have been the most difficult to sustain, but throughout his time in the Chair, he never failed to do so.

We will all have our own memories of Michael's warmth and kindness. I will always remember him going from the Speaker's Chair to shake the hand of my late colleague Patsy Calton after she had taken the Oath following her re-election in 2005. At that time, Patsy was in the latter stages of her fight against cancer—she died a few weeks later—and Michael went from the Chair to her because she had taken the Oath in a wheelchair. That act of simple kindness and humanity summed him up as a man and as a Speaker. Yes, he maintained many traditions of the office, but those traditions were never allowed to get in the way of what mattered. If it was a choice between the traditions of the House and simple humanity, the traditions could quickly be dispensed with.

If someone did not already know it, they had only to spend a few seconds—or possibly a few syllables—in Michael Martin's company to know that here was a Scotsman, and a Glaswegian at that. He was not the first person to occupy the Chair who spoke with a broad accent—the late George Thomas, the Viscount Tonypandy, springs readily to mind—but I am certain that no other occupant of the Speaker's Chair ever had to endure the sniping and snobbery that Michael Martin had to, although if it bothered him, he never showed it. As a Glaswegian and a Scot, he was comfortable in his own skin. He was proud of his Scottish identity and his working-class Glaswegian roots, and if anybody did not like that, frankly it was their problem, not his.

Much of what has been said today has focused on the personality and character of the man—and understandably so. He served as a Member of this House for 30 years, occupying the Speaker's Chair for nine. He has a legacy. We have spoken much in recent weeks about the modern convention of the Government requiring Parliament's approval before launching military action. When doing so, we should remember Michael Martin's role in establishing that convention. I will never forget the debates leading up to the invasion of Iraq—they were momentous parliamentary occasions. Tony Blair brought a motion to the House on which we could vote. The Opposition of the day were also in favour of the military action and duly tabled an amendment outlining their position. It was not, however, materially different from the Government's motion, and in an act of constitutional probity, and also of political bravery—it was against the party from which he had come—Michael Martin selected instead a cross-party amendment putting the view that the case for war had not been proven. Yes, Tony Blair, to his credit, allowed Parliament a vote, but it was thanks to Michael Martin that we were given a meaningful choice.

*[Mr Alistair Carmichael]*

Like you, Mr Speaker, I extend my sympathies to Mary, their children and their grandchildren, but we should do more than that. We should remind the Martin family that in this Palace of Westminster, because of the efforts of Michael Martin, their family will always be welcome among our parliamentary family.

1.17 pm

**Mr Gregory Campbell** (East Londonderry) (DUP): When I first came into the House in 2001, Speaker Martin was in the Chair and immediately made me and my colleagues welcome. He was impeccable in his kindness. I remember several occasions when I had cause to speak with him, and he never failed to be polite and to assist. I distinctly remember the parliamentary party of the Democratic Unionist party once having concerns about parliamentary proceedings—I do not remember why—and we arranged a meeting with the Speaker to see if he could be of assistance. Of course, we met him and had a cup of tea, and he was impeccably polite as normal, and as I would expect a Speaker to be, but what struck me was not the kindness, the politeness or the cup of tea but the fact that within a day or two the issues we raised were dealt with. Not only was he impeccably polite; he was efficient.

We pass on our regards and our thoughts and prayers to the Martin family. As a Speaker and a family man, he was not arrogant—he did not slap Members down—but he ruled resolutely and was always a Speaker to whom Back-Bench Members could turn to get issues resolved. We will always remember Speaker Michael Martin.

1.19 pm

**Stephen Pound** (Ealing North) (Lab): Mr Speaker, I thought that your words combined warmth and dignity in a way that was a fitting tribute to a man of warmth and of dignity. I thank you for that.

As I listened to your words about Michael Martin, and about how he loved his family and how his family loved him, I thought immediately of how much he loved this place—how much he loved this Parliament—and it is with some melancholy that I say that this place did not reciprocate as it should have. He was not loved by Parliament as much as he loved Parliament. He was cruelly treated—very often, I have to say, on the basis of snobbery: of cruel, cruel snobbery. But if I have an abiding memory, it is of when he—and you, Mr Speaker, followed in this tradition—opened up Speaker's House. On some occasions, the experience was slightly extraordinary. I once found myself sitting between Cardinal Keith O'Brien and the Reverend Dr Ian Paisley at dinner; I was something of a cordon sanitaire.

I shall never forget the time when Michael Martin invited Scouts and Guides from Maryhill and Springburn to Speaker's House. He was the epitome of the avuncular. He delighted in the company of his ain fowk—his own people. He wanted to show them that it did not matter where they came from or what their background was, they too could be in Speaker's House. I am sure those Scouts and Guides will always remember that.

May I say gently, Mr Speaker, that his great kindness to new Members, which has often been referred to, was not entirely altruistic? Twenty-one years ago my good friend Tony McNulty and I were both elected to this House, and we found ourselves in the Tea Room. Michael Martin, then a Deputy Speaker, came up and remarked to me that he and I shared the same birthday, and proceeded to talk about the similarities between us on that basis. He then mentioned that Tony McNulty had attended the Salvatorian College, and referred to some of the Salvatorian fathers he had known. He then advised both of us that if we wanted to know anything about modern politics, there was only one book that we should read. Tony, who was something of a nerd in these matters, asked "Would that be "Erskine May?" Michael Martin said, "No, no—"'The Godfather'". *[Laughter.]* He gave each of us a copy, and when he left Tony and I looked at each other and said, "If the rest of our parliamentary career is going to be as friendly as that, we shall be absolutely fine; we've found our feet."

To our amazement, we discovered that Michael was at that time casting out the possibility of being elected as Speaker. This came as a considerable shock to us, but we both voted for him with enthusiasm. On 3 July each year, he would always make a point of calling me, as we were the birthday boys on that particular day.

Michael Martin was a man of extraordinary kindness and decency. He was not well treated by the House, but I think the words that his wife Mary, and his children Paul and Mary, will hear coming from the House today will be of some consolation. Michael Martin: may light eternal shine upon him, and may he rest in peace.

**Mr Speaker:** I thank the hon. Gentleman for that magnificent tribute.

1.22 pm

**Sir Desmond Swayne** (New Forest West) (Con): Mr Speaker, I mean this genuinely as a compliment. Michael Martin was a fine man and a fine-looking man, not unlike yourself, and, as I have told you before, I have no doubt that both of you would have looked better in tights and wigs; but let that be.

I had several run-ins with Michael Martin. Indeed, he once told me in front of the whole House that I should go and sit in a dark room "until the feeling goes away". But it was a bit like offending you, Mr Speaker: if a Member took his rebuke like a man, it was all over, and it was back to his ordinary, easy-going charm and his deep commitment and friendship within the House.

I particularly recall his summoning me when I was called up to serve in the Army in Iraq in May 2003. He was a former soldier himself, a former Territorial, and it was absolutely clear to me that he was genuinely concerned for my welfare and that of my family. He gave me some very good advice indeed. He was a thoroughly good man.

**Mr Speaker:** I thank the right hon. Gentleman. I am so glad that he said what he did.

1.24 pm

**Joanna Cherry** (Edinburgh South West) (SNP): I want to pay a brief tribute to Michael Martin as a symbol of the social mobility of a generation of the working class in the post-war years. My dad was born in a tenement in Maryhill, just next door to Springburn, and I know that their generation did not always have an easy time of it, facing prejudice and snobbery, particularly if they were of the Roman Catholic faith.

Mr Speaker, you said that Michael Martin was the first Roman Catholic to hold your great office of state since the Reformation. Catholics now regularly hold high office in Scotland and across the UK, but that was not always the case, and a significant degree of sectarian abuse from certain quarters is still directed towards those of us in public life who are from the Catholic tradition. Let me add my very personal and sincere thank you to Michael Martin for breaking through that particular glass ceiling. May he rest in peace.

1.25 pm

**David Linden** (Glasgow East) (SNP): One of the great honours that the hon. Member for Glasgow North East (Mr Sweeney) and I have is sharing the community of Carntyne, where many of my family come from and where many of them still live today. I had the pleasure of spending some time at the weekend with the Labour Councillor Frank McAveety, discussing some memories of Michael Martin and his days in Springburn Labour party—some of which cannot be repeated in this House, I am afraid.

I think there is something hugely inspiring about the fact that this is a guy who was a sheet metal worker in Glasgow and was raised to his position in the House of Commons. He did not come here and pull the ladder up behind him, and he made sure that apprenticeships were available. That is something that chimes with me, as a former modern apprentice.

Let me return to the subject of Carntyne and the members of my family who live there. Not all of them will have been Labour voters, or Scottish National party voters, and I still do not know how some of them voted. What is left with me, however, is the memory of my gran, who lived in Michael Martin's constituency, saying—this was probably the greatest tribute that could be paid to someone by a wee old lady in Glasgow—"He was an awfully kind man." I think that that is how we in the House should remember him.

**Mr Speaker:** I am exceedingly grateful to the Leader of the House, to the shadow Leader of the House, and to all Members who have spoken with warmth and sincerity of our sadly departed colleague. We remember Michael today, and we remember him, as Members have said, with affection and respect.

## Road Traffic Offenders (Surrender of Driving Licences Etc.)

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

1.26 pm

**Mr Alister Jack** (Dumfries and Galloway) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the surrender, production or other delivery up of driving licences, or test certificates, in relation to certain offences; to make provision in relation to identifying persons in connection with fixed penalty notices, conditional offers and the payment of fixed penalties under the Road Traffic Offenders Act 1988; and for connected purposes.

The primary purpose of the Bill is to streamline the processes for the electronic endorsement of driving licences, but it would also strengthen the rules for the surrender of a driving licence when a driver faces disqualification. It would primarily amend the Road Traffic Offenders Act 1988 and the Road Traffic (New Drivers) Act 1995. It would eliminate the unnecessary burden on drivers by removing the need for a physical licence to be produced.

It may be helpful if I give some background information about why the requirement to produce the driving licence, as part of the enforcement of road traffic law, is such an issue for all concerned. Before the requirement for a paper counterpart to the driving licence was abolished, the counterpart would have been physically endorsed with details of offences and penalty points. Since the removal of the paper counterpart, no physical documents are endorsed when a person receives penalty points, either from a court or as part of the fixed penalty process. Instead, penalty points are recorded on the electronic driver record held by the Driver and Vehicle Licensing Agency. The provisions in the Road Safety Act 2006 which removed the counterpart did not remove the requirement to surrender licences as part of the court and fixed penalty processes, because at that point the automation of the computer systems of the police and court services was unable to accommodate that change.

The surrender of a licence, which was vital when physical documents had to be endorsed, no longer serves any practical purpose. It also creates unnecessary administrative burdens for courts, fixed penalty offices, police and, importantly, motorists. In recognition of that, the Bill removes the requirement to surrender a driving licence as part of the fixed penalty notice, and the conditional offer processes, for all road traffic offences. That will mean that licences will no longer have to be handed over, or posted, before a person can accept a fixed penalty notice or a conditional offer.

As some Members will know, fixed penalties and conditional offers are widely used to enforce "moving traffic offences" such as speeding. Currently, if a person does not have their licence with them when they are stopped for a road traffic offence, the police officer cannot issue a fixed penalty notice. Instead the police officer can give the driver an interim notice which requires them to attend a police station, and at the police station the driver must surrender their licence and exchange the interim notice for a fixed penalty notice. My Bill amends this procedure. It allows police

*[Mr Alister Jack]*

officers to issue a fixed penalty notice without checking and retaining the physical licence, as long as they are reasonably satisfied of the driver's identity. This also means that the driver will no longer have to attend the police station to surrender their licence under these circumstances.

Another aspect of my Bill focuses on the process under the Road Traffic Offenders Act 1988. This Act provides that when a driver is prosecuted for a motoring offence that could result in a disqualification, they must deliver or post their licence to the court in advance of the hearing, or take it to the hearing if they attend. The Bill proposes to remove any need for these drivers to deliver or post their licence before the hearing, leaving only the duty to take their licence to court if there is a hearing and if they attend. This will not only remove the unnecessary burden on drivers having to get their licences to court prior to a hearing, but will also remove the burden on the court of having to handle the driving licence administratively if the driver does not end up being disqualified.

The Bill will also provide courts with the power to require the driver to surrender their licence to the court if they are disqualified. However, where a driver is disqualified but does not attend the hearing, or does not produce the licence, the Bill empowers the DVLA to serve notice on the disqualified driver to send their licence to it. If a driver fails without reasonable excuse to comply with the notice within 28 days, they will have committed an offence and could be liable to a fine of up to £1,000.

Similar adjustments are made to the Road Traffic (New Drivers) Act 1995 procedures and offences, which contain various references to the court, fixed penalty or conditional offer processes involving production and surrender of driving licences. Again, the DVLA will be empowered to serve a notice on a disqualified driver requiring them to send their licence to it.

Under the powers provided in this Bill, where a driver has already been required to surrender their licence to the DVLA and has failed to do so, police officers and vehicle examiners are given the power to require production of the licence from the driver. Failure to surrender the licence to a police officer or vehicle examiner in these circumstances will be an offence and will also incur a maximum fine of £1,000.

There are numerous benefits to be had from removing this administrative requirement. Motorists and employers will welcome these changes, as the inconvenience for such a vast number of drivers serves no practical purpose, when all that happens is that the licence is receipted and then returned to the driver concerned without anything being done to it.

This Bill is greatly supported by both the police and the court services across Great Britain as it will enable them to continue to make savings in their processes and optimise their use of digital services. While there will be initial set-up costs associated with removing the requirement to surrender the licence, they will be absorbed by the departments involved in the process.

Members will also be pleased to learn that the measure is expected to provide savings of approximately £2 million a year to the Government, by removing the need for these physical documents to be surrendered. There will also be cost and efficiency savings for the police and courts, because fewer staff will be required as driving licences will not be handled or returned to drivers. In addition, there will be a reduction in stationery and postage costs for these departments. Motorists will also see a reduction in costs from the time saved in not having to forward the licence to either the fixed penalty office or the court.

It is expected that in the longer term this measure will allow for further Government savings, and removing the requirements for physical documents to be surrendered will enable the courts to digitise greater parts of the court service and fixed penalty processes for road traffic offences, in line with their current digitalisation goals.

I hope that my Bill will provide an opportunity to streamline these processes and maximise digital services across Government by removing what is now considered to be a redundant process, and I commend the Bill to the House.

*Question put and agreed to.*

*Ordered,*

That Mr Alister Jack, Alex Burghart, Eddie Hughes, Mrs Kemi Badenoch, Leo Docherty, Mr Simon Clarke, Julia Lopez, Andrew Bridgen, Mr Jacob Rees-Mogg, Mr William Wragg, Richard Drax and Colin Clark present a Bill.

Mr Alister Jack accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 11 May, and to be printed (Bill 201).*

## SANCTIONS AND ANTI-MONEY LAUNDERING BILL [*LORDS*]: PROGRAMME (NO. 2)

*Ordered,*

That the Order of 20 February 2018 (Sanctions and Anti-Money Laundering Bill (Lords) (Programme)) be varied as follows:

(1) Paragraphs (4) and (5) of the Order shall be omitted.

(2) Proceedings on Consideration shall be taken in the order shown in the first column of the following Table.

(3) The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

| Proceedings | Time for conclusion of proceedings |
|---|---|
| New Clauses, new Schedules and amendments relating to gross violations of human rights, to public registers in Crown Dependencies and British overseas territories of beneficial ownership of companies, or to Scottish limited partnerships | Two hours after the commencement of proceedings on the motion for this Order, or 4.30 pm on the day on which proceedings on Consideration are commenced, whichever is the later. |
| Remaining proceedings on Consideration | 6.00 pm on the day on which proceedings on Consideration are commenced. |

(4) Any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion at 6.00 pm on the day on which proceedings on Consideration are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 7.00 pm on the day on which proceedings on Consideration are commenced. —*(Sir Alan Duncan.)*

# Sanctions and Anti-Money Laundering Bill [*Lords*]

*Consideration of Bill, as amended in the Public Bill Committee.*

**Mr Speaker:** Before we begin with Government new clause 3, I want to refer to the procedure for this debate. As the House will know, I have decided not to use my discretion to select the late starred new clauses and amendments from the Government, which were tabled yesterday afternoon and which appeared in print for the first time only this morning.

## New Clause 3

PERIODIC REPORTS ON EXERCISE OF POWER TO MAKE REGULATIONS UNDER SECTION 1

"(1) The Secretary of State must as soon as reasonably practicable after the end of each reporting period lay before Parliament a report which—

(a) specifies the regulations under section 1, if any, that were made in that reporting period,

(b) identifies which, if any, of those regulations—

(i) stated a relevant human rights purpose, or

(ii) amended or revoked regulations stating such a purpose,

(c) specifies any recommendations which in that reporting period were made by a Parliamentary Committee in connection with a relevant independent review, and

(d) includes a copy of any response to those recommendations which was made by the government to that Committee in that reporting period.

(2) Nothing in subsection (1)(d) requires a report under this section to contain anything the disclosure of which may, in the opinion of the Secretary of State, damage national security or international relations.

(3) For the purposes of this section the following are reporting periods—

(a) the period of 12 months beginning with the day on which this Act is passed ("the first reporting period"), and

(b) each period of 12 months that ends with an anniversary of the date when the first reporting period ends.

(4) For the purposes of this section—

(a) regulations "state" a purpose if the purpose is stated under section 1(3) in the regulations;

(b) a purpose is a "relevant human rights purpose" if, in the opinion of the Secretary of State, carrying out that purpose would provide accountability for or be a deterrent to gross violations of human rights.

(5) In this section—

"the government" means the government of the United Kingdom;

"gross violation of human rights" has the meaning given by section 1(6A);

a "Parliamentary Committee" means a committee of the House of Commons or a committee of the House of Lords or a joint committee of both Houses;

a "relevant independent review", in relation to a Parliamentary Committee, means a consideration by that Committee of whether the power to make regulations under section 1 should be exercised in connection with a gross violation of human rights."—*(Sir Alan Duncan.)*

*This new clause requires periodic reports to be made about the use of the power to make sanctions regulations. A report must identify regulations relating to gross human rights violations. It must also specify any recommendations made by a Parliamentary Committee for use of that power in relation to such violations, and include the government's response.*

*Brought up, and read the First time.*

1.36 pm

**The Minister for Europe and the Americas (Sir Alan Duncan):** I beg to move, That the clause be read a Second time.

**Mr Speaker:** With this it will be convenient to discuss the following:

New clause 1—*Scottish Limited Partnerships: partner requirement—*

"(1) For the purposes of preventing money laundering, where a limited partnership registered in Scotland has general partners at least one of those must be a British citizen.

(2) Where a limited partnership registered in Scotland has limited partners at least one of those must be a British citizen.

(3) In this section—

a "limited partnership registered in Scotland" means a partnership registered under the Limited Partnerships Act 1907;

"British citizen" has the meaning given in part 1 of the British Nationality Act 1981.

"general partner" has the meaning given in section 4(2) of the Limited Partnership Act 1907;

"limited partner" has the meaning given in section 4(2A) of the Limited Partnership Act 1907".

New clause 6—*Public registers of beneficial ownership of companies registered in British Overseas Territories—*

"(1) For the purposes of the detection, investigation or prevention of money laundering, the Secretary of State must provide all reasonable assistance to the governments of the British Overseas Territories to enable each of those governments to establish a publicly accessible register of the beneficial ownership of companies registered in each government's jurisdiction.

(2) The Secretary of State must, no later than 31 December 2020, prepare a draft Order in Council requiring the government of any British Overseas Territory that has not introduced a publicly accessible register of the beneficial ownership of companies within its jurisdiction to do so.

(3) The draft Order in Council under subsection (2) must set out the form that the register must take.

(4) If an Order in Council contains requirements of a kind mentioned in subsection (2)—

(a) it must be laid before Parliament after being made, and

(b) if not approved by a resolution of each House of Parliament before the end of 28 days beginning with the day on which it is made, it ceases to have effect at the end of that period (but without that affecting the power to make a new Order under this section).

(5) In calculating a period of 28 days for the purposes of subsection (4), no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

(6) For the purposes of this section, "British Overseas Territories" means a territory listed in Schedule 6 of the British Nationality Act 1981.

(7) For the purposes of this section, "a publicly accessible register of the beneficial ownership of companies" means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006."

*This new clause would require the Secretary of State to take steps to provide that British Overseas Territories establish publicly accessible registers of the beneficial ownership of companies.*

*[Mr Speaker]*

New clause 14—*Public registers of beneficial ownership of companies in the Crown Dependencies—*

"(1) For the purpose of preventing money laundering, the Secretary of State must provide all reasonable assistance to the governments of the Crown Dependencies to enable each of those governments to establish a publicly accessible register of the beneficial ownership of companies registered in that government's jurisdiction.

(2) The Secretary of State must, by the deadline set for the implementation of the European Union's 5th Anti-Money Laundering Directive, prepare a draft Order in Council requiring the government of any Crown Dependency that has not introduced a publicly accessible register of beneficial ownership of companies within their jurisdiction to do so.

(3) The draft Order in Council under subsection (2)—

(a) must be laid before Parliament after being made, and

(b) if not approved by a resolution of each House of Parliament before the end of the 28 days beginning with the day on which it is made, ceases to have effect at the end of that period (but without that affecting the power to make a new Order).

(4) In calculating a period of 28 days for the purposes of subsection (4), no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.

(5) For the purposes of this section, a "publicly accessible register of beneficial ownership of companies" means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006 (information about people with significant control).

(6) For the purposes of this section, "Crown Dependency" means—

(a) any of the Channel Islands;

(b) the Isle of Man."

New clause 19—*Scottish Limited Partnerships: UK bank account requirement—*

"(1) For the purposes of preventing money laundering, where a limited partnership registered in Scotland has general partners at least one of those must have an active UK bank account.

(2) Where a limited partnership registered in Scotland has limited partners at least one of those must have an active UK bank account.

(3) In this section—

a "limited partnership registered in Scotland" means a partnership registered under the Limited Partnerships Act 1907;

"general partner" has the meaning given in section 4(2) of the Limited Partnership Act 1907;

"limited partner" has the meaning given in section 4(2A) of the Limited Partnership Act 1907."

Government amendments 10 to 12.

Amendment 32, in clause 1, page 2, line 17, at end insert—

"(i) further accountability for, or act as a deterrent to, the commission of a gross human rights abuse or violation."

*This amendment would enable sanctions to be made for the purpose of preventing, or in response to, a gross human rights abuse or violation.*

Amendment 33, page 2, line 35, at end insert—

"(5A) In this section, conduct constitutes "the commission of a gross human rights abuse or violation" if each of the following three conditions is met.

(5B) The first condition is that—

(a) the conduct constitutes the torture of a person who has sought—

(i) to expose illegal activity carried out by a public official or a person acting in an official capacity, or

(ii) to obtain, exercise, defend or promote human rights and fundamental freedoms, or

(b) the conduct otherwise involves the cruel, inhuman or degrading treatment or punishment of such a person.

(5C) The second condition is that the conduct is carried out in consequence of that person having sought to do anything falling within subsection (2)(a)(i) or (ii).

(5D) The third condition is that the conduct is carried out—

(a) by a public official, or a person acting in an official capacity, in the performance or purported performance of his or her official duties, or

(b) by a person not falling within paragraph (a) at the instigation or with the consent or acquiescence—

(i) of a public official, or

(ii) of a person acting in an official capacity, who in instigating the conduct, or in consenting to or acquiescing in it, is acting in the performance or purported performance of his or her official duties.

(5E) Conduct that involves the intentional infliction of severe pain or suffering on another person is conduct that constitutes torture for the purposes of subsection (2)(a).

(5F) It is immaterial whether the pain or suffering is physical or mental and whether it is caused by an act or omission".

*This amendment, which is consequential on Amendment 32, would define what constitutes the commission of a gross human rights abuse or violation. The commission of a gross human rights abuse or violation would include the torture of a person who had sought to expose the illegal activity of a public official, or the torture of a person who had sought to defend human rights or fundamental freedoms, by a public official or a person acting in an official capacity.*

Government amendments 13 to 17.

Amendment 20, in clause 56, page 43, line 7, after first "1", insert

", section (Public registers of beneficial ownership of companies registered in British Overseas Territories)".

*This amendment is consequential on NC6.*

Government amendment 18.

Amendment 31, in title, line 5 after "objectives", insert

"or to further accountability for, or act as a deterrent to, the commission of a gross human rights abuse or violation".

*This amendment to the long title would be consequential on Amendment 32.*

**Sir Alan Duncan:** This group contains new clauses and amendments regarding three related issues that I will discuss in turn: imposing sanctions for gross human rights violations, or what is now popularly known as the Magnitsky amendment; Scottish limited partnerships, which are of deep concern, particularly for the Scottish National party; and public registers of beneficial ownership in the overseas territories. In two of those areas, the Government are taking action to tackle abuses and tighten up standards: through Government amendments on Magnitsky and through a consultation document on Scottish limited partnerships.

**Alison Thewliss** (Glasgow Central) (SNP): Will the Minister give way on that point?

**Sir Alan Duncan:** It is a bit early, but I will do so if the hon. Lady insists; I am ever obliging to the hon. Lady.

**Alison Thewliss:** The Minister mentions the consultation on SLPs. Does he not accept that there has already been a consultation on SLPs and that it closed over a year ago, so to have another consultation is just wasting time?

**Sir Alan Duncan:** If I might say so ever so politely to the hon. Lady, she is jumping the gun slightly given that I am only at the end of my first paragraph, and as she knows there have been some detailed discussions through the usual channels. I will address the matter she has asked about in more detail later on; if I may, I will tackle the three issues to which I have referred in the order that I raised them, in order to satisfy the House that we are looking at all concerns in detail and genuinely.

First, sanctions for gross human rights violations have clearly been an issue of significant concern to Members on both sides of the House, as was made clear by many who spoke on Second Reading and in Committee. I fully recognise why Members and many people outside this House want to include gross human rights abuses in the Bill explicitly as a reason why sanctions can be applied, particularly in reference to the abhorrent case of Sergei Magnitsky in Russia.

In her speech to the House on 14 March, the Prime Minister made clear the Government's intention to bring forward a Magnitsky amendment to the Bill, and as the House can see we have fulfilled that obligation by doing so for discussion in the House today. As a result of that commitment, we have worked closely, constructively and genuinely with Members on both sides of the House, including some who have campaigned for this amendment at great length, particularly my right hon. Friends the Members for Newbury (Richard Benyon) and for Sutton Coldfield (Mr Mitchell). I also genuinely thank the hon. Member for Bishop Auckland (Helen Goodman), my opposite number, and the hon. Member for Oxford East (Anneliese Dodds). Together we have worked to put together a form of words that now enjoys cross-party support. We have tabled amendments that we hope will capture the maximum possible consensus in this area.

**Chris Bryant** (Rhondda) (Lab): I am truly grateful for everything that the Minister and all those he has referred to have done in relation to the Sergei Magnitsky amendment. It is obviously important that he has captured the consensus of the House, but it is even more important that we capture all those, in particular those from Russia, who have come to this country and used it for money laundering purposes and for hiding their assets. Is he confident that we will be able to do that as a result of this legislation?

**Sir Alan Duncan:** I am confident of that, as I will explain further in a moment.

As is traditional on Report, it is important that I explain what the amendments do, if ever so briefly. Amendment 10 relates specifically to putting gross human rights abuses on the face of the Bill as a basis on which sanctions may be imposed. Amendments 11, 12, 14, 15, 16 and 17 are consequential to that, introducing technical changes that will follow. Amendment 13 links the definition of a gross violation of human rights to the existing definition in the Proceeds of Crime Act 2002, so that it includes the torture of a person by a public official or a person in an official capacity, where the tortured person has sought to expose the illegal activity of a public official or to defend human rights or fundamental freedoms. That will ensure that all gross human rights abuses or violations are explicitly captured.

**Toby Perkins** (Chesterfield) (Lab): The Minister will not be surprised to know that I fully support the Government in bringing this change forward, as I am sure all Labour Members do, given that we have been asking for it for some time. On the subject of sanctions, will the Government publish the names of those who have been sanctioned under the Bill, notwithstanding what subsection (2) of new clause 3 says about not risking damage to

"national security or international relations"?

**Sir Alan Duncan:** There is an obligation to report, which I will come to in a minute. I would be happy to explain the exact details to the hon. Gentleman, although of course they are still being devised on the back of the obligations laid down in the Bill.

New clause 3 requires reports to be made—this relates to the question that the hon. Gentleman has just asked—about the use of the power to make sanctions regulations, including the specifying of any recommendations made by a parliamentary Committee on the use of that power and the Government's response. It is right and proper that an independent review of the powers should be carried out by Parliament. This is a strong set of measures to address the Government's approach to imposing sanctions for human rights abuses, and I would like to put it on record again that the Government are committed to promoting and strengthening universal human rights and holding to account states and individuals who are responsible for the most serious violations.

**Jo Swinson** (East Dunbartonshire) (LD): Will the Minister outline how he envisages such a parliamentary review operating? Will it be done through specific Committees, or on the Floor of the House? Will we be able to have confidence that that procedure is robust enough to ensure that the review is appropriate?

**Sir Alan Duncan:** The hon. Lady hits on a point that illustrates the important distinction between the Executive and the legislature, even though the Executive are drawn from the legislature. We, as Ministers, are the Executive. The hon. Lady is a Member of the legislature. I will not say, "Long may that continue", but it might. It is therefore inappropriate for us to determine in primary legislation exactly how the House should go about its business. That is for the House itself to decide. We believe that we have included in the Bill the proper impetus for the House to be able to structure itself as it wishes—through the Joint Committee on Human Rights or the Foreign Affairs Committee, for example—while saying in advance that we as the Executive will have an obligation to report back and respond to any such independent activity.

**Stephen Kinnock** (Aberavon) (Lab): Along with other colleagues, I absolutely share the objectives of the Magnitsky provisions. I have been in touch with Bill Browder, for

*[Stephen Kinnock]*

whom Sergei Magnitsky worked at the time of his brutal murder by the Russian authorities, and Mr Browder has made it absolutely clear to me that if this does not lead to the full publication of the names of the people who are being sanctioned and to absolute clarity on the nature of the independent review that has just been mentioned, the Bill will have failed in its objectives. It is important that the Minister understands what Mr Bill Browder is saying on this matter.

**Sir Alan Duncan:** I can say that any person sanctioned under this Bill will have their name published on an administrative list, which will be publicly available. I hope that that will reassure the hon. Gentleman, the House and all those interested in this issue.

1.45 pm

**John Penrose** (Weston-super-Mare) (Con): I was about to ask the same question, and the answer that the Minister has just given will be enormously reassuring to many of us, particularly because the thing that many of these kleptocrats and organised criminals really fear is the glare of public disclosure.

**Sir Alan Duncan:** I hope that I will be able to continue to address the House with similar such effect this afternoon.

**Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): I doubt that there is anyone in this House who does not want the overseas territories and Crown dependencies to have open, public registers of company interests. If new clause 6, tabled by my right hon. Friend the Member for Sutton Coldfield (Andrew Mitchell) does not pass, how will the House be able to have confidence that the Executive will make sufficient progress as though we had compelled them to issue Orders in Council?

**Sir Alan Duncan:** I will be saying more about the overseas territories in a moment. I fully recognise the interest that my hon. Friend has shown, over many years, in the importance of protecting the interests of the overseas territories, particularly in the Caribbean. I will be able to give him deeper reassurance on this in a moment, but if I may, I will continue with my points in the order that I was planning to make them, by addressing the Magnitsky issue first, then Scottish limited partnerships, before turning to that rather more vexed issue.

Looking at the Scottish National party Benches, I turn to the separate amendments on Magnitsky tabled by the hon. Member for Glasgow Central (Alison Thewliss). While we agree with the driving principles behind the amendments, we are satisfied that the package of amendments that we have tabled—which have been signed by Members on both Front Benches—sufficiently cover the same objectives. I hope that the hon. Lady will feel that they do. As she knows from our discussions in Committee, we have approached this entire issue in a spirit of cross-party co-operation. Indeed, she has played an important part in that in her campaigning.

**Alison Thewliss:** I should like to take this opportunity to say that, having heard what the Minister has said on this matter and others, I am content not to press my amendments relating to Magnitsky.

**Sir Alan Duncan:** I am grateful to the hon. Lady. I am hoping for a similar response on other parts of the Bill as I proceed gingerly through the new clauses and amendments that we are discussing today. I hope that, when I proceed gingerly, no one can see that I am here at all.

Opposition amendments 31 and 32 would insert a purpose into the Bill to allow sanctions regulations to be made for the purpose of preventing, or ensuring accountability for, a gross human rights abuse or violation. As the hon. Lady has already suggested, however, our amendment 10 would add a similar purpose, so I sense that we have found common ground here. Also, just to make the record clear, Opposition amendment 33 would define what constitutes a gross human rights abuse or violation on the face of the Bill. Government amendment 13 provides a similar function through reference to a definition already existing in other legislation, as I have just explained, which is preferable for maintaining a tidy statute book. I therefore hope that our amendments meet the goals of the hon. Lady's amendments. I sense that they do.

Setting aside a technical assessment of the Bill, I think that, on Magnitsky, we have got there. This is a very important moment for the House, and for the defence of human rights that the United Kingdom is always proud to show. All parties have come together to find consensus on ensuring that the proper legislative powers are in place to address gross violations of human rights. That is a matter of deep concern to Members on both sides of the House, to many people outside and internationally. If the amendments are agreed to today, as I am sure they will be, we can truly say that we have spoken together, united in favour of human rights, and that the voice of the United Kingdom sits alongside other countries that have adopted such legislation, and we can score it as a great achievement of which we can all be proud. Once again, I pay tribute to those who have so relentlessly and persistently campaigned for it. It is not just a triumph for the House; it is a personal triumph for them. In saying that, I look once again to my right hon. Friend the Member for Newbury in particular.

Turning to Scottish limited partnerships, we recognise the concerns that have been raised, and I assure the House that the Government are committed to making further progress. SLPs and other forms of limited partnership play a vital role in the asset management sector for the funding of asset-based contribution pension schemes and for oil and gas exploration, which matters enormously to Scotland. That makes it all the more important not just that their legitimate use is supported, but that legitimate action is taken to prevent their misuse. As hon. Members will be aware, the past decade has seen a vast increase in the number of SLPs, with the growth rate far outstripping that of the number of limited partnerships established in the rest of the UK, and we recognise the concern that SLPs are being used inappropriately. Following clear evidence of certain SLPs being misused, the Government brought them within the scope of our register of beneficial ownership. Since then, the rate of new SLP registration has declined by approximately 80%, but we recognise that more needs to be done.

Yesterday, the Department for Business, Energy and Industrial Strategy published a consultation document on limited partnership reform following its call for evidence

last year. The document sets out clear options for reform. The Government propose that all those registering a limited partnership would need to be registered with an anti-money laundering supervisor. They would need to carry out due diligence before establishment, with the possibility of supervisory action. That due diligence will necessarily include identifying the beneficial owners of the SLP, including its general and limited partners when they exercise control over the SLP. That addresses the substantial purpose behind new clause 19, which would require at least one of both the general and limited partners in an SLP to have an active UK bank account, and so require that they will have been subject to due diligence for anti-money laundering purposes.

Such measures would address the substantial purpose behind the new clauses on the subject. We are further consulting on how best to require limited partnerships to retain a physical presence in the UK to ensure that there is a UK link against which any necessary enforcement proceedings can be taken. Additionally, the Department for Business, Energy and Industrial Strategy is seeking views on whether all limited partnerships should be required to file an annual confirmation statement with Companies House. Taken together, the proposals would tighten the checks on SLPs, ensure that they retain a UK presence and expose more details about their workings to public scrutiny. They would not disproportionately burden limited partnerships that operate entirely lawfully, but they would go further in reducing their potential for illicit misuse.

New clause 1 would require that, where a Scottish limited partnership has general and limited partners, at least one of each must be a British citizen. That would have the unintended side effect of disrupting the legitimate uses of corporate partners within sectors, including the venture capital sector. The Government consider that the measures on which the Department for Business, Energy and Industrial Strategy is consulting will do more to bring transparency to limited partnerships and to prevent them from being misused, without damaging their legitimate usage. The Department's consultation will be open until 23 July, and I encourage all interested Members to continue engaging with the process of reforming limited partnership structures. Given the work that the Department is leading, and the Government's clear plan to continue reforming limited partnerships, I respectfully ask that hon. Members do not move their respective amendments in this area and that they work hard with us to ensure that we can produce an outcome with which they are fully satisfied.

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): The Minister mentioned increasing the regulation of SLPs, but a regulation from last year meant that SLPs had to register their beneficial ownership within 28 days or face a £500 daily fine. Only 43% of them have provided that information, meaning that £2.2 billion in backdated fines has accrued. When does the Minister intend to collect that money and enforce the regulations that already exist for SLPs?

**Sir Alan Duncan:** It sounds as though the hon. Gentleman is going to make a robust submission to the consultation, and I urge him to do so, because I fully take the point that if something can be required but it does not work operationally, then obviously it will not be delivered. I urge him to record what he believes are the facts and submit them to the consultation.

I express my gratitude to Members who have tirelessly continued to raise their concerns on the issue of SLPs—I can spot one from where I am standing—and I hope that what I have said today, and the content of the consultation published yesterday, provides reassurance that the Government are genuinely committed to reform in this area.

Turning to beneficial ownership in the overseas territories, as the House will now appreciate, the Government's plan for tackling the issue had been to table a new clause, which we did, that sought unity in the House, which I believe we had a good chance of securing. The new clause sought to enhance the measures on beneficial ownership in the overseas territories but stopped short of legislating for them, thus avoiding constitutional conflict. As Members will be aware, however, some amendments were not selected today, and we of course fully respect the procedural basis on which Mr Speaker chose not to select them.

New clause 6, tabled by my right hon. Friend the Member for Sutton Coldfield and the right hon. Member for Barking (Dame Margaret Hodge), would put a duty on the Government to work with the overseas territories to set up public registers of company beneficial ownership by 31 December 2020. If they do not do so, the new clause would require the Secretary of State to prepare a draft Order in Council, aiming to legislate directly. Opposition new clause 14 would require the Secretary of State to provide all reasonable assistance to the Governments of the Crown dependencies to enable them to establish a public register of company beneficial ownership, and if, by the implementation of the European Union's fifth anti-money laundering directive, they have not, the new clause would require the Secretary of State to take all reasonable steps to ensure that the Privy Council legislates to require each Crown dependency to do so.

The UK has strongly supported co-ordinated international action to promote beneficial ownership transparency. The UK was the first G20 country to establish a public register of company beneficial ownership and has committed to creating a new beneficial ownership register for overseas companies. At EU level, the UK went beyond the requirements of the fourth anti-money laundering directive in establishing a public register and supported the inclusion in the fifth anti-money laundering directive of a provision that will require all EU member states to have legislation in place to support publicly accessible registers by the end of 2019.

We are also committed to seeing the overseas territories and Crown dependencies take further action, and they have already made significant progress through consensual joint action. We are grateful, and we respect all the work they have done in this area. All Crown dependencies have central registers in place. Of the seven overseas territories with significant financial centres, four already have central registers or similarly effective arrangements. They are able to provide UK law enforcement authorities, on request, with access to such information, even at very short notice—it can be within 24 hours, or even within one hour in urgent cases.

2 pm

**Ms Angela Eagle** (Wallasey) (Lab): Will the Minister give way?

**Sir Alan Duncan:** I will give way only briefly.

**Ms Eagle:** I thank the right hon. Gentleman for his generosity in giving way. Does he agree that, although this is progress, it will be effective only if we have the light of transparency and these registers are available publicly, and not just to law enforcement authorities?

**Sir Alan Duncan:** I can answer with an unequivocal yes. That is a shared objective on both sides of the House. The only thing on which we have different opinions is the manner in which we get there. The objective is clear. The arguments are very finely balanced, and the hon. Lady may want to listen carefully to what I am about to say. We recognise the need to tackle illicit finances across the globe, including in the Crown dependencies and overseas territories. We are concerned, however, that the economic impact of imposing public registers on the overseas territories will be significant.

Furthermore, the overseas territories are separate jurisdictions, with their own democratically elected Governments. They are responsible for their own fiscal matters, and they are not represented in this Parliament. Legislating for them without their consent effectively disenfranchises their elected representatives. We would have preferred to work consensually with the overseas territories to make those registers publicly available, as we have done in agreeing the exchange of notes process.

**Sandy Martin** (Ipswich) (Lab): Will the Minister give way?

**Sir Alan Duncan:** No, not for the moment.

We do not want to legislate directly for the overseas territories, nor do we want to risk damaging our long-standing constitutional arrangements, which respect their autonomy. However, we have listened to the strength of feeling in the House on this issue and accept that it is, without a doubt, the majority view of this House that the overseas territories should have public registers ahead of their becoming the international standard, as set by the Financial Action Task Force.

We will accordingly respect the will of the House and not vote against new clause 6. Unless my right hon. Friend the Member for Sutton Coldfield chooses not to press the new clause, we accept that it will become part of the Bill. In the same spirit, I would appreciate it if the hon. Member for Bishop Auckland chose not to press new clause 14, which would add the Crown dependencies to that stipulation.

Her Majesty's Government are acutely conscious of the sensitivities in the overseas territories and of the response that new clause 6 may provoke. I therefore give the overseas territories the fullest possible assurance that we will work very closely with them in shaping and implementing the Order in Council that the Bill may require. To that end, we will offer the fullest possible legal and logistical support that they might ask of us. Alongside that, we retain our fullest respect for the overseas territories and their constitutional rights, and we will work with them to protect their interests.

**Helen Goodman** (Bishop Auckland) (Lab): I am pleased to have the opportunity to take part in the debates on Report of this important Bill. I will follow the same order as the Minister in discussing the amendments.

I took the rather unusual step of signing the Government's Magnitsky amendments, new clause 3 and amendments 10 to 13, so this House can present a united voice to the whole world in expressing our abhorrence for gross human rights abuses and our determination to tackle them together.

I thank the right hon. Member for Newbury (Richard Benyon) and my hon. Friends the Members for Rhondda (Chris Bryant) and for Dudley North (Ian Austin)—the latter is not in the Chamber at the moment—all of whom have campaigned on this issue for a long time. Her Majesty's Opposition believe that human rights should be at the centre of foreign policy. The only way gross human rights abuses will stop is if those who perpetrate them, order them and facilitate them are brought personally to account. They must pay the price.

Sanctions against individuals for gross human rights abuses were originally conceived as a response to the terrible treatment of Sergei Magnitsky, but we believe there is a wider problem. We note, for example, that the United States has sanctioned Maung Maung Soe, one of the generals responsible for the ethnic cleansing of the Rohingya in Myanmar.

Last year, the Criminal Finances Act 2017 enabled the Government to freeze the assets of people responsible for such crimes, and this Bill will enable us to ban visas and prevent such people traveling here. The only question is why it took so long for the Government to come round to seeing the importance of this measure.

We introduced so-called Magnitsky amendments in Committee that would have given us the same ability as Canada and the United States to implement targeted sanctions. Unfortunately, the Government initially did all they could to reject our amendments. They rejected them in principle on Second Reading; they reordered the consideration of the Bill; they suspended the Committee; and then they downright voted against the amendments. After the Salisbury incident on 4 March, the Prime Minister announced a complete U-turn. We are pleased the Government have seen the light, but it is unfortunate that it took such a tragic event for them to change their mind.

I am pleased to offer the support of Her Majesty's Opposition to new clause 6, tabled by my right hon. Friend the Member for Barking (Dame Margaret Hodge). I congratulate her on her long campaign, which began when she was Chairman of the Public Accounts Committee. She has stuck with it over many years, and we see in the Minister's announcement today that the campaign was well worth while. I also congratulate the right hon. Member for Sutton Coldfield (Mr Mitchell) on putting together a fantastic coalition of support for this change.

We believe the time to act has come. In 2014, David Cameron wrote to the British overseas territories recommending that they introduce public registers—the UK introduced a public register in 2016—and new clause 6 sets out a timetable for them to do so by 2020. Money laundering through London is estimated by the National Crime Agency to total £90 billion, and it is facilitated by the secret ownership of companies allowed in tax havens. Unfortunately, the British overseas territories and Crown dependencies are major actors. They enable the corrupt to live in comfort on their ill-gotten gains and facilitate tax avoidance and evasion on a spectacular scale. The UK is estimated to lose £18.5 billion each year. I am only surprised that the Chancellor of the Exchequer did not also sign new clause 6.

The poorest countries in the world are estimated by the United Nations to lose £100 billion a year through these tax havens, which dwarfs any aid flows we supply. That is another reason why new clause 6 is very much to be welcomed.

The scope for hiding large funds facilitates serious international crimes: drug dealing, people trafficking, sanctions busting, illegal arms sales and terrorism. Over and again, the names of the British overseas territories and Crown dependencies come up when these crimes are finally uncovered.

**James Duddridge** (Rochford and Southend East) (Con): Clearly, it is important to remember that this is not just an overseas territories issue but a global one. Is the hon. Lady worried that this legislation will just displace all the activity to states such as Delaware, which do not have this transparency, and we will not gain any of the real benefits?

**Helen Goodman:** Of course the hon. Gentleman raises a worry, which has been expressed. My right hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) and I were in the United States a fortnight ago, when we met several members of the US Congress who are keen to crack down on Delaware, Nebraska and the other states there. Leading by example, which is what the last Administration did, is a way to make progress on this issue. I will come back to the international links later in my speech.

**Mr Geoffrey Cox** (Torridge and West Devon) (Con): What does the hon. Lady say to the 50,000 or 60,000 inhabitants of the Cayman Islands, who were given a constitution in which the responsibility for the governance of their financial and economic affairs was solemnly conveyed to them by this Parliament? The measure she is supporting will require that constitution to be amended so that the section that conveys on them the power to make their own orders in these affairs will have to be removed. What does she say to them?

**Helen Goodman:** My understanding is that the position on the British overseas territories, as set out by a White Paper when the hon. Member for North West Norfolk (Sir Henry Bellingham) was a Foreign Office Minister, is that it is appropriate for this House to legislate for the Cayman Islands and the overseas territories if it is considered necessary. Given the long list of crimes, which I have just read out to the House, that are facilitated, it can be argued completely that when we are making changes in this respect, this is an international, foreign policy issue, as that is what we are talking about; we are talking about the financing of international crime and of terrorism. This is not like trying to intervene in street lighting or purely local matters. It simply has a completely different import for the world.

**Robert Neill** (Bromley and Chislehurst) (Con): I understand the point the hon. Lady is making and, as a lawyer, I very much appreciate the importance of the international fight against crime and money laundering, but will she concede that at least some overseas territories take their obligations very seriously? For example, Gibraltar, which is part of the EU as well, has already publicly accepted that it will transpose the fifth anti-money laundering directive, which includes a public register of beneficial ownership, into place by December 2019? In a sense, such places do not need to be legislated for, because they are willing to do this. It is important to be proportionate in our approach, is it not?

**Helen Goodman:** Of course what the hon. Gentleman says about the fifth anti-money laundering directive is right, in so far as it does put obligations on Gibraltar. That was why I have linked new clause 14 to the fifth anti-money laundering directive, because clearly it is easier, in terms of international competitiveness, for many jurisdictions to move together.

2.15 pm

**Sir Henry Bellingham** (North West Norfolk) (Con): The hon. Lady mentioned the 2012 White Paper on the overseas territories, in which we said that in extreme cases we would legislate on such matters but that we would always try to build consensus first, because of our great respect for the constitutions of those territories. I plan to make a few remarks about that, but given the Government's announcement today, will she confirm that she will not press new clause 14, which would extend new clause 6 to the Crown dependencies?

**Helen Goodman:** I will come on to that at the end of my speech.

I was explaining that these crimes are significant and that we see money being laundered in the UK, and I wanted to give the example of Mr Temerko, who was once a senior figure in Russia's defence industry and who rose to become a key player in the Russian oil giant Yukos. His engineering company, Offshore Group Newcastle Ltd, had a large site up in Hadrian's yard in Newcastle, where it was doing some energy work. The company won a grant from the Government's regional growth fund in 2013, but it later went into administration and the work in the north-east was left unfinished. OGN Ltd is owned by a parent company based in the secrecy jurisdiction of the British Virgin Islands. Clearly, the effects of the lack of transparency are not felt solely in London; they are felt across the United Kingdom.

As I have said, I acknowledge that progress has been made, in so far as registers of beneficial ownership or "similarly effective systems" have been set up, but these are not transparent.

**Mr Jim Cunningham** (Coventry South) (Lab): After the incident in Salisbury, I was led to understand that the Government were cracking down on money laundering in this country, particularly in respect of these Russian oligarchs. Does my hon. Friend not agree that the Government should pursue this a lot further than they have been doing?

**Helen Goodman:** I certainly agree with that. Obviously, the law enforcement agencies—the National Crime Agency, the police and the Serious Fraud Office—need more resources. They would then be in a better position to crack down on this money laundering.

The purpose of transparency is not for the entertainment and titillation of the curious; it is to facilitate the authorities' ability to track down illicit flows, because they can see the connections and links. This effectiveness of transparency was demonstrated by the fact that the Panama and Paradise leaks enabled Her Majesty's Revenue

*[Helen Goodman]*

and Customs to open civil and criminal investigations into 66 people, to pursue arrests for a £125 million fraud, to tackle insider trading and to place dozens of high net worth individuals under review.

I am extremely pleased that the Minister said what he did about not opposing new clause 6, which stands in the name of my right hon. Friend the Member for Barking. I welcome his change of heart on that. He has, in the written ministerial statement he produced this morning, bigged up the role of the Financial Action Task Force, and I was a bit surprised by that, as the FATF is a rather unsatisfactory forum. It is an inter-governmental body with no legal personality or explicit formal authority under international law and no enforcement powers. It has 37 members, which include Russia, China and the Gulf Co-operation Council. Foreign Office Ministers have been eloquent in recent months in saying that the United Nations Security Council is ineffective in upholding international law because of the Russian veto, yet here, when we want to tackle the financing of major crimes and terrorism, they seem content to hand over their moral compass to the Russians. The FATF is also highly secretive; in answer to my questions, Ministers have refused to publish future agendas or papers for discussion. Even the UK does not always ensure its FATF representative has a thorough-going commitment to reform—for years it was a person who had his family money in a secret Bahamas trust. So I will be very pleased if the House can unite behind new clause 6 this afternoon.

I turn now to new clause 14, which would require public registers in the Crown dependencies. The case in principle for acting to improve transparency in the Crown dependencies—the Channel Islands and the Isle of Man—is substantively the same: their secret ownership arrangements facilitate both money laundering and tax evasion.

**Gavin Robinson** (Belfast East) (DUP): The hon. Lady will have heard what the Minister said in his speech about the response that the Isle of Man and other Crown dependencies are able to give within hours, whenever a request is made for information that falls within a terrorist category. Does she accept that the Crown dependencies forthrightly, earnestly and efficiently provide information to our law enforcement agencies within hours, when it is requested?

**Helen Goodman:** The hon. Gentleman makes the same point about the Crown dependencies as other Members have made about the British overseas territories. The current situation is as he describes it—if the law enforcement agencies want information and ask for it, the authorities in the relevant jurisdictions give it to them—but the problem is that, to crack down on serious and organised crime, it is really useful to see the whole picture, and we can see the whole picture only if we have all the information. That is the point of transparency and that is the lesson from the Panama and Paradise papers.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): My hon. Friend is making a brilliant speech. Have we not learned that dark money will move to wherever the law is darkest? If we bring transparency to the overseas territories, most of the money is simply going to be relocated to the Crown dependencies, unless we change the law to cover them, too.

**Helen Goodman:** That point was made to me by the Minister and his officials when we discussed the Bill, and my right hon. Friend is absolutely right that, because we are making changes in respect of the overseas territories, we need to make changes in respect of the Crown dependencies.

**Ms Angela Eagle:** My hon. Friend is making an extremely good speech. Does she agree that the time for secrecy in all these jurisdictions is now over? We need transparency so that we can minimise the abuse—whether tax evasion, tax avoidance, or the laundering of criminal money—that is becoming more and more of a feature in these jurisdictions. Does my hon. Friend agree that once we have our own house in order, we can then campaign internationally to close down all tax havens?

**Helen Goodman:** My hon. Friend has succinctly made my whole case for me. She is absolutely right. Those people who think that the situation in the Crown dependencies is not as serious as that in the British overseas territories need only to remember the 957 helicopters that were registered on the Isle of Man to avoid VAT.

**Several hon. Members** *rose—*

**Helen Goodman:** I shall make a little more progress, because many Members want to speak.

I have linked new clause 14 to the fifth anti-money laundering directive, so that we would see a number of jurisdictions moving together. I am pleased that the Government have accepted the secrecy jurisdictions and that we have a role with respect to the overseas territories, but we need an effective path to bring change according to a timetable, within the current Parliament, and new clause 6 tabled by my right hon. Friend the Member for Barking would provide that. I will not press new clause 14 to a vote—I was not going to press it in any case—because I think we can reach an agreement on how to proceed on these matters.

**Dame Margaret Hodge** (Barking) (Lab): Let me start by saying how grateful I am to all right hon. and hon. Members from all parties who support new clause 6. I am particularly grateful to the right hon. Member for Sutton Coldfield (Mr Mitchell), who has worked with me on this important issue and shown his particular skills and experience as a former Government Chief Whip.

The fact that the new clause commands such wide support throughout the House speaks volumes for what it says. Our proposal is right in principle and will be effective in practice. When it is passed—I am grateful to the Minister for conceding that the Government will not oppose it—this simple measure to require British overseas territories, our tax havens, to publish public registers of beneficial ownership will transform the landscape that allows tax avoiders, tax evaders, kleptocrats, criminals, gangs involved in organised crime, money launderers or those wanting to fund terrorism to operate. It will stop them exploiting our secret regime, hiding their toxic wealth and laundering money into the legitimate system, often for nefarious purposes.

Transparency is a powerful tool. With open registers, we will know who owns what and where and will be able to see where the money flows. We will thereby be better equipped to root out dirty money and deal with the related issues, and we will be better able to prevent others from using secretive jurisdictions to hide their ill-gotten gains.

**Sammy Wilson** (East Antrim) (DUP): Does the right hon. Lady accept that open registers are not the panacea that she is describing? Indeed, the UK currently has open registers, but the name and address of an 85-year-old was used fraudulently to register 25,800 companies, without anyone discovering that fraud.

**Dame Margaret Hodge:** Open registers are an essential tool. They are necessary, but they are not sufficient. We also need a strong regulatory framework for the establishment of companies and strong policing arrangements to ensure that the regulations are implemented.

**Toby Perkins:** My right hon. Friend is absolutely right to pay tribute to Members from all parties, including the Conservative Members who bravely supported her even when the Government attempted to buy them off. On behalf of many Members from different parties, may I say how grateful we are for the tenacity that she has shown and the excellence with which she has pursued this campaign? It shows Parliament in a good light, and the measures that the House is set to approve will do a great deal of good.

**Dame Margaret Hodge:** I thank my hon. Friend for his kind words, but it really has been a team effort, with people from throughout the House and across all the political tribes.

New clause 6 would simply put into legislation proposals that David Cameron first articulated in 2013, when he spoke about ripping aside the "cloak of secrecy" and repeated the well-known mantra, "sunlight is the best disinfectant". It would do no more and no less than fulfil the commitment made by the then Prime Minister five years ago.

Britain sits at the hub of the world's largest network of secretive jurisdictions, and British tax havens are central to the movement of illicit moneys around the world. The secrecy under which they currently operate facilitates wrongdoing on an industrial scale. We have a weak regulatory regime, some of which was enacted by the previous Labour Government and needs reform, and sadly we have lax policing of our system. Couple that with the secrecy that prevails, and Britain and our overseas territories have increasingly become the most attractive destination for crooks, kleptocrats and corrupt individuals who engage in financial skulduggery. If we do not accept new clause 6, we will be in danger of sacrificing our traditional reputation as a reliable jurisdiction by our failure to challenge the secrecy.

**Liam Byrne:** I very much echo the sentiments of my hon. Friend the Member for Chesterfield (Toby Perkins). Does my right hon. Friend agree that it is impossible for us to get unexplained wealth orders to work unless we put in place registers not only for our countries and the overseas dependencies, but for the Crown dependencies, too?

**Dame Margaret Hodge:** I entirely concur with my right hon. Friend's important point.

Let me take Members through the argument, because it is important that we understand what we are dealing with. First, on the scale of the problem we are tackling, the National Crime Agency reckons that around £90 billion a year is laundered through the UK. We know that developing countries lose three times as much in tax avoidance as they get in all the international aid that is available to them. Half the entities cited in the Panama papers were corporations registered in just one of our overseas territories: the British Virgin Islands. We know that, in the past 10 years, £68 billion has flowed out of Russia into our overseas territories. That is seven times more going to the overseas territories than has come to Britain. We know that there are 85,000 properties here in the UK that are owned by companies registered in our tax havens, half of which are in just two constituencies in London, and a sample survey done by Transparency International suggests that two out of five of those properties have Russian owners.

2.30 pm

Tax avoidance and financial crime are not trivial irritants. The problem is widespread and it is corrosive. If we fail to act, we are complicit in facilitating the very corruption that this Government and this Prime Minister have told us that they are determined to tackle. Let me say that

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

Those are not my words; they are the words of the former Prime Minister, David Cameron, in September 2015.

I shall deal briefly with the arguments that have been put forward by some in opposition to our proposal. Some say that we should not legislate on these issues for our overseas territories. I agree that it would be far, far better for all of us if those overseas territories willingly enacted public registers, but we have now had five years, and it is clear that they will not act without real pressure from us. Our new clause gives them a further three years—until the end of 2020—to adjust to a transparent regime. Of course, we should provide all the support and assistance they require to modify their economies to the new environment.

The present practice is unsustainable. The fifth money laundering directive from the EU will bring in public registers across the EU by the end of 2019. As the hon. Member for Bromley and Chislehurst (Robert Neill) said earlier, that will mean that Gibraltar will act before the implications of this Bill are felt in 2020. Countries across the world—from Nigeria to Afghanistan—are now beginning to commit to public registers, so this is flowing with the tide of practice across the world. We should be showing leadership on this, not trying to be the last man, or the last woman, standing against what is morally right.

**Chris Bryant:** So far, we have been talking about public registers of beneficial ownership of companies. Does my right hon. Friend accept that this should also apply to beneficial ownership of trusts? It seems incomprehensible to me that we in this country should keep the trusts quite separate and quite hidden.

**Dame Margaret Hodge:** I completely concur with the point made so forcefully by my hon. Friend. No doubt that will be subject to further campaigns for a change in legislation over the coming period.

**John Penrose:** May I just follow up on that last point? It is not just trusts that are an essential and major omission here. It is also other kinds of assets, including real estate, mineral rights, debt and bonds. Unless we have complete and comprehensive registers in due course, my worry, and the worry of others, is that we may be over-claiming the benefits of transparency. It may be a necessary step, but it certainly does not cover all those other areas, which, arguably, are more important.

**Dame Margaret Hodge:** I welcome the contribution from our anti-corruption champion—the hon. Gentleman was appointed by the Government to fulfil that role. Indeed, he is right, but I hope that he will work with me and others in ensuring that we get better coverage for the public registers. However, that should in no way limit what we are attempting to achieve today, which will be a remarkable, important and really world-changing measure in the fight against corruption.

Our overseas territories are an integral part of Britain and they should be guided by the same values as us. Clamping down on corruption and toxic wealth is morally right. We will never be a truly global Britain on the back of stolen principles. Other Members have mentioned the White Paper that was published by the Government in 2012 on our relationship with our overseas territories. I simply refer Members to one phrase in that document:

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

The Government put that phrase pretty high up in that White Paper, so they are jealously guarding their powers in relation to the overseas territories. These are powers that we should always be reluctant to use, but they are also powers that Governments of both parties have employed in the past.

**Mr Cox:** In 2009, we gave the people of the Cayman Islands a solemn pledge in this House. We said, "We will not legislate for you in these areas of public responsibility without your consent." By this measure today, we are breaking that promise to them, and it is beneath the dignity of this Parliament to do away with that promise and that pledge of good faith.

**Dame Margaret Hodge:** I simply draw the attention of the hon. and learned Gentleman to what his Government stated in 2012 in the White Paper. In that White Paper, they set out the fact that they were jealously guarding their right to legislate as and when that became appropriate. That is what his Government said in 2012.

**Mr Bob Seely** (Isle of Wight) (Con): On a point of record, I believe that that was in our previous two manifestos, so I am not quite sure why we, on the Government Benches, are arguing on this point.

**Dame Margaret Hodge:** I thank the hon. Gentleman for his intervention.

For the sake of clarity, let me just say that, in the past, Conservatives have used this power when they legislated to ensure that capital punishment was abolished in all our overseas territories. A Labour Government used the power to ensure that we brought to an end discrimination on the grounds of sexuality in our overseas territories. One of us—I never remember which—used the power to intervene in the Turks and Caicos when there were problems with the administration of governance.

**Mr Kenneth Clarke** (Rushcliffe) (Con): The right hon. Lady has conceded that we use with reluctance our undoubted power to exercise our jurisdiction in these territories and she has given the very important areas in which this House has already done that. Does she accept that, when such vast sums of dishonest money are being channelled through the territories, and when such obviously little progress is being made in many of them to deal with the matter, that is a situation that justifies our jurisdiction? As the Cayman Islands have a rather better record than some of the other British overseas territories—they do co-operate very closely with our law authorities, as the dependent territories do—it is open to their Government to consider the matter and act on their own accord given the steer that this House is giving to them.

**Dame Margaret Hodge:** I completely concur with the right hon. and learned Gentleman's succinct remarks. People have said to me that the areas in which we have intervened—we do intervene with huge reluctance—are moral issues. I cannot think of another issue that is more moral than trying to intervene to prevent the traffic in corrupt money and illicit finance across the world.

**Adam Holloway** (Gravesham) (Con): Does the right hon. Lady agree that corruption also costs lives and violates people's human rights?

**Dame Margaret Hodge:** Absolutely. That is why the Magnitsky amendment, which we have just passed, is absolutely central to our proceedings and legislation on anti-money laundering.

**Hannah Bardell** (Livingston) (SNP): I thank the right hon. Lady for giving way and I congratulate her on this excellent cross-party consensus. Is she not concerned that the hon. and learned Member for Torridge and West Devon (Mr Cox) seems more concerned about a promise made to the Cayman Islands than about the people of his own constituency and of the UK who are suffering as a result of corruption and money laundering? Does that not seem odd?

**Dame Margaret Hodge:** The truth is that the traffic in illicit money has an impact not just on people here in the UK—for example, through the acquisition of properties here—but worldwide. We see that in the losses in tax revenues, particularly to the poorest developing countries.

**Mr Cox:** Will the right hon. Lady give way?

**Dame Margaret Hodge:** I do not think that the hon. and learned Gentleman and I are going to agree. I am going to make some progress because I know that other Members wish to say certain things.

Openness and transparency do not stop the overseas territories from choosing to try to compete on tax. Although I would not approve, they can all set a corporation tax rate of zero. If they believe that that is a way of attracting financial services into their countries, they are free do so. We are asking for openness and not much more. I do agree with their argument that our registers need to be improved, but that is not an either/or; it is a both/and. We need both to improve our registers and ensure transparency in our overseas territories. To those who argue that the money will transfer to other tax havens, I say this: there may well be some leakage, but our tax havens play a disproportionately large role in

the secret world that makes tax havens. If we lance that boil, it will be far easier for us to secure transparency elsewhere and much harder for other tax havens to sustain their business models.

Our campaign on transparency is not and has never been partisan. My party believes passionately that transparency is vital in the battle against financial crime and money laundering, but all Members of this House—from all the political tribes—share our determination to eliminate the wrongdoing that inevitably springs from the secrecy that pervades our tax havens. We cannot sit here and ignore the practices that allow Britain and our British overseas territories to provide safe havens for dirty money. If we can act to root out the corruption, we must do so. Our proposal is simple but powerful. It is easy to implement but lethal in its effectiveness. It is not just legally possible; it is morally vital. Britain and our overseas territories will not get rich on dirty money. We must act now and new clause 6 is an important move in doing so. I ask the House to support it.

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

Before I speak about new clause 6, I would like to thank my right hon. Friend the Minister for Europe and the Americas on two other issues, the first of which is the Magnitsky amendment, for which many of us made the case on Second Reading, especially with regard to a degree of independent input from the House into the visa banning and sanctions regime. No doubt aided by the dreadful events in Salisbury, we have all now got to the same place, and I am grateful to him and his colleagues for ensuring that that is the case today.

The second issue—I know from our time together at the Department for International Development that my right hon. Friend understands this well—is about trying to ensure that no unnecessary restrictions will stop money flows for humanitarian charities and non-governmental organisations that often operate with great bravery in extremely difficult and contested areas. I understand that very good progress has been made on that, and I hope that he will keep an open mind if there are future difficulties in that regard.

I turn to new clause 6. It has been a tremendous pleasure to work with so many colleagues from both sides of the House, and I am grateful to many of my own colleagues for standing firm in the face of considerable pressure. It has been a very pleasurable experience to work closely with the right hon. Member for Barking (Dame Margaret Hodge) over the past six months, and the House has clearly benefited hugely from her distinguished period as Chair of the Public Accounts Committee. I think that this is the fourth time that we have been around this track, so it is now time for the House to assert its authority and nudge the Government into the right place. I am therefore delighted that the Government have indicated that they will accept new clause 6. I cannot forbear to point out that this is evidence that, in a hung Parliament, power passes from the Cabinet room to the Floor of the House of Commons. I was going to urge the House to support new clause 6 and, with the deepest respect, reject the Government's starred amendments, which were tabled at the last moment yesterday, but in fact you did not select them, Mr Speaker.

2.45 pm

New clause 6 builds further on the coalition Government's important work, including at the UK-led G8 summit, in bearing down on money laundering, corruption, tax evasion, terrorist financing and fraud. Much of the money, as the Paradise papers and the Panama papers make clear, passes through British overseas territories. Public registers help us to understand who owns what and how these ill-gotten gains are flowing. The House should be in no doubt that a huge amount of this money is filthy lucre. The National Crime Agency has calculated that £90 billion is laundered through the UK each year—that is truly startling. This laundering can only be done, by and large, through British overseas territories, which are central to this nefarious activity.

The House should focus on the figures mentioned by the right hon. Member for Barking: 85,000 properties in the UK are owned by companies incorporated in our tax havens, and half of those properties are in just two London boroughs. Some 40% are acquired with Russian money and bought through shell companies incorporated in our tax havens. Sunlight is the best disinfectant. Openness and transparency are the key to stamping this out. We are talking about the laundering of illicit money from modern day slavery and the sex trade; money from the proceeds of crime, terrorism and corruption; and money that is stolen from Africa and Africans by bent politicians, dictators and war lords.

Convincing research suggests that nearly £70 billion flowed out of Russia through our overseas territories between 2007 and 2016, as the right hon. Lady mentioned. This money belonged to kleptocrats, crooks, gangsters and terrorist gangs.

**Dr Matthew Offord** (Hendon) (Con): It is not just crooked money though, is it? The World Bank's International Finance Corporation invested £400 million through Cayman-based investment vehicles in 2015 alone, and that money supported projects in 24 developing countries. There is good as well, is there not?

**Mr Mitchell:** Of course, and that is exactly the sort of fact that would be displayed by an open register. My hon. Friend makes my point for me. That is the sort of openness that we seek. We seek to expose the sort of money that I have outlined and that the right hon. Member for Barking so eloquently described.

David Cameron's Government understood this clearly. He showed real leadership by insisting that what he called the "shroud of secrecy" must be ripped away in this fight against money laundering and tax evasion. If the House had drawn back from agreeing to new clause 6 today, it would have sent a terrible signal against what has previously been a really strong strand of global Britain. It would have been a huge relief to thieves and money launderers around the world that our tax havens would have remained open for business.

I turn to the four matters of concern to the overseas territories in the hope of reassuring them that the House is putting in place a practical measure that is not as serious as some of them seem to believe. The first concern is the belief that the measure will damage the overseas territories' economies and destroy their income. No doubt the same arguments were used against the abolition of the slave trade. It is true that there may be some immediate but modest effect, but consider the

*[Mr Mitchell]*

nature of much of the funding that the overseas territories are handling and that I and others have described. In fact, the economy of the British Virgin Islands, for example, may actually improve, because much of its business is professional, transparent and completely proper. In the past, I have myself invested in an international property fund in the BVI that was properly governed. In such cases, people from different jurisdictions can put funds in without a tax charge, but when they take funds out, they pay tax in the jurisdiction where they live. So it is perfectly possible, and in my view quite likely, that if open registers are fully implemented in a jurisdiction such as the BVI, some of the serious international financial organisations and banks will choose to go there, although they do not do so today.

**Sir Henry Bellingham:** I declare an interest as chairman of the all-party group for the British Virgin Islands. I sympathise, in many ways, with much of what my right hon. Friend is saying, but if there is a temporary hit to the BVI economy because of real difficulties in transitioning to the new arrangements that he has outlined, what help should the Foreign Office try to give to the BVI?

**Mr Mitchell:** I will come to that point in a moment, but I hope that my hon. Friend will extol to his friends in the BVI the fact that this is not something that they should regret and seek to avoid, but something that offers them real commercial and economic opportunities.

The second argument, as we have heard, is that the territories already have closed registers that are available to law enforcement authorities and HMRC which, in the case of terrorism, will react promptly—almost within an hour. That is of course true, but it completely misses the point. That point is made eloquently but passively by the Panama and Paradise papers: it is only by openness and scrutiny—by allowing charities, NGOs and the media to join up the dots—that we can expose this dirty money and the people standing behind it, and closed registers do not begin to allow us to do that.

**Robert Neill:** I understand my right hon. Friend's desire to achieve this measure and recognise the work that he has done on it, but I want to follow on from the point made by my hon. Friend the Member for North West Norfolk (Sir Henry Bellingham). The Government of Spain, for example, often use broad-brush terms such as "tax haven" against the law-abiding British territory of Gibraltar. Will my right hon. Friend extol the fact that Gibraltar has complied and continues to comply absolutely with all EU requirements? We do not help the overall cause by allowing British territories that comply with the rules to be tarred with the same brush as those that do not, as some people will use that against law-abiding British Gibraltarian citizens' interests.

**Mr Mitchell:** My hon. Friend makes an extremely good point about Gibraltar. I have heard him speak about that subject in the House previously, and what he says is absolutely right. Last night, I received a three-page letter from the Chief Minister of Gibraltar. I was at a loss to understand why he felt that new clause 6 negatively affected him, since he has already committed, through the EU directive, to implement the whole of the new clause one year earlier than is specified. I therefore feel that the Chief Minister and my hon. Friend should be content with new clause 6.

**Mr Kenneth Clarke**: I entirely agree that the Government of Gibraltar achieve the standards described by my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), and I agree with my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) that as they are about to go further, the new clause does not affect them. I recall, however, that that was not always the case. Twenty or 30 years ago, persuading the then Government of Gibraltar that access to EU financial markets required an altogether higher standard of regulation and compliance was not an easy task, and we had to imply that we might take steps to exercise our powers unless something was done about it. That might be a useful precedent for the overseas territories in the Caribbean with regard to the step that the House is taking today.

**Mr Mitchell:** My right hon. and learned Friend the Father of the House, given his longevity and distinguished ministerial experience over many years, will be familiar with the points that are being made about Gibraltar and, indeed, about the importance of clamping down on money laundering.

Thirdly, the overseas territories pray in aid the prayer of St Augustine—"Oh Lord, make me chaste, but not yet"—and argue that all the hot money will go to the Dutch Antilles. But it is a little bit like the battle against malaria. We seek to narrow the footprint of that disease—in this case, of illicit money—to diminish the areas affected, and then eradicate it. Through this measure, we will significantly narrow the footprint of tainted money. We should bring the same vigour and determination to the fight against poisoned money as we do to the fight against deadly insects.

**Huw Merriman** (Bexhill and Battle) (Con): I worked as a repackaging lawyer who used to set up these companies around the globe—*[Interruption.]* For European investors, I hasten to add. I gently point out that it is very easy to set up a Delaware business trust, and as more moneys flow into Delaware business trusts, it may be difficult to persuade the American authorities to take the same steps as these, laudable as they are, because otherwise the trusts will be worth even more money to Delaware and the United States. Will my right hon. Friend consider that?

**Mr Mitchell:** My hon. Friend makes a good point about Delaware, but perhaps we should come to that on another occasion.

**Chris Bryant:** We should bear it in mind that the sanctions regime imposed by the United States of America ends up being far more aggressive, meaning it is far more difficult for Russian oligarchs to hide their money there. In fact, that has now had a significant impact on Oleg Deripaska's holdings in this country.

**Mr Mitchell:** The hon. Gentleman speaks good sense. He, like me, will have been very pleased to hear from the Minister how the Magnitsky provisions will apply.

I come to the fourth and final argument that the overseas territories submit: the use of an Order in Council is over the top in this day and age; and using

the royal prerogative to legislate for the OTs by Order in Council is wrong. It is right that the House considers that argument, but our new clause does so by making an Order in Council a last resort to be used only if the overseas territories have not done what we have already done in the UK and introduced open registers by the end of 2020. Others have mentioned the precedents for using an Order in Council. This House and the Government are entirely entitled to use such a mechanism if necessary—they have done so, as the right hon. Member for Barking explained—but those signing and speaking to this new clause hope that it will not be necessary. In summary, the overseas territories share our Queen and travel under our flag, and they should also share our values.

In this new clause, the right hon. Lady and I have agreed to significant concessions that I hope the overseas territories and Crown dependencies will appreciate. First, there is the total exclusion of the Crown dependencies. The Lord Chancellor was most persuasive over the past week, and they do have a different governance structure. However, I believe that Parliament will expect Her Majesty's Government to make the point persuasively that we hope that the Crown dependencies will embrace the same ethical position and equal transparency, and accept that what is sauce for the goose is also sauce for the gander.

Secondly, while both the right hon. Lady and I believe that the overseas territories should take these steps now, the Foreign Secretary was eloquent in pleading the immense difficulties that have been caused to some of these economies by the hurricanes. That is why the right hon. Lady and I agreed that we would put the timescale back by some two and half years, to the end of 2020. I very much hope that the overseas territories will take note of that. We are trying to be helpful, within the confines of the principles that we have set out in the new clause.

**Sandy Martin:** Does the right hon. Gentleman agree that whatever the actual constitutional position, the British people regard the Isle of Man and the Channel Islands as part of this country and cannot understand why laws and regulations should be different in those places? Does he support my contention that the Government should work towards having the same levels of transparency and financial regulation in those Crown dependencies as are in place in England, Scotland, Wales and Northern Ireland?

**Mr Mitchell:** The hon. Gentleman has elaborated the point I have just made about how the House will expect the Crown dependencies to move towards the provisions set out in new clause 6 for overseas territories.

I urge all Members to support new clause 6. We must remember that the highly respected Africa Progress Panel has shown that in the Democratic Republic of the Congo, for example, at least £1.5 billion has disappeared in stolen funds and illicit money flows. As the World Bank has made clear, much of that money stolen from the people of Africa ends up in British overseas territories. The money stolen in that way dwarfs all the international development aid, development finance and foreign direct investment that flows into Africa every year. We owe it to the poor of Africa every bit as much as we owe it to our own taxpayers to support new clause 6 today and bring an end to this scandal.

3 pm

**Alison Thewliss:** I rise to speak to the amendments in my name, on behalf of the Scottish National party. As I said earlier, I will formally withdraw amendments 31 to 33, which the cross-party amendments have dealt with adequately.

First, I would like to thank the Government and their advisers and civil servants for their time and expertise in the run-up to the Bill, as well as all those who sent me information and briefings, which have been incredibly helpful. I also want to particularly thank the experts at the Law Society, UK Finance, Roger Mullin, Richard Smith and David Leask for their thoughts on Scottish limited partnerships.

A lot has changed since the Bill began its process. Salisbury has focused minds and, I hope, will now result in some action. The UK Government went from trying to find a way to wriggle out of the Magnitsky amendment to the Prime Minister giving it her full support. Regardless of how the Government have come to that decision, I am grateful that they have finally come on board, and we can all be grateful that that move has been made.

I spent the weekend finishing Bill Browder's disturbing book "Red Notice", which details the lengths to which the rich and powerful in Russia are willing to go to preserve their ill-gotten gains. I recommend that all Members read it as an object lesson in Russian oligarchs' power, which we need to be mindful of. It is a complex trail which finally led to the brave lawyer Sergei Magnitsky being wrongfully imprisoned, maltreated, tortured and eventually beaten to death in prison because he refused to perjure himself. He stood for the truth. He documented the human rights abuses against him, and, after his death, Bill Browder and his team campaigned steadfastly to bring some justice to the situation. That led to the Magnitsky Act in the US, which introduced Government sanctions prohibiting entry to the US and access to the US banking system for those involved in Sergei Magnitsky's death. It has since been expanded in scope to become the Global Magnitsky Act, tackling more dirty money and dubious people.

The UK Government made moves on that with section 13 of the Criminal Finances Act 2017. The amendments today expand on that in a very welcome way, and I am glad to give my party's support to them. It is crucial that the names go on the record, and I am glad that the Government have committed to an administrative list being publicly available. I could read out right now all the names that are currently on the American Magnitsky list, because they are in the public domain and everybody can see them. There is transparency and accountability, with nowhere to hide once someone is on that list. It is crucial that the list is used in the same way in the UK and that the webpage, or wherever the names are held, is available and updated regularly.

I appreciate that this is not an issue for the House, but I hope that Members will give further thought to how the process of parliamentary scrutiny will work. Will it be through a Committee? If so, which Committee? Will that Committee have powers to add names and conduct reviews? We must hold ourselves to the same standard as the existing Magnitsky list for this to be fully effective.

I want to speak about the issue of Scottish limited partnerships, which is dealt with in new clauses 1 and 19. We believe that linking an SLP with a human individual

*[Alison Thewliss]*

would go a considerable way to cracking down on the abuse of SLPs, so we suggest that a limited partner and a general partner must both be British citizens and that a general and a limited partner must have a UK bank account. That would, at a stroke, remove a great deal of illegitimate SLPs, while protecting those in agriculture and other areas who would be easily able to fulfil those simple requirements. The anti-money laundering requirements of our banks would act as a degree of deterrent to those seeking to abuse the system.

On new clause 1, until 2009 registrants of limited partnerships were required under the Limited Partnerships Act 1907 to provide the full name of the partners. However, the Legislative Reform (Limited Partnerships) Order 2009 confirmed that the legally required level of registration disclosure needed to be less expansive. The new clause would restore the basic information requested at the time of registration and introduce a requirement for one of the general partners to be a British citizen.

New clause 19, on the UK bank account requirement, would tie this a bit more tightly. Although SLPs' name and country of incorporation may give them the veneer of a UK-regulated entity, at the moment their bank account and all their financial transactions can be run through overseas bank accounts that have few, if any, anti-money laundering checks on their account holders. We want to tighten that up significantly, because allowing that kind of abuse could severely damage the credibility of UK legal entities abroad.

**Helen Goodman:** I am most grateful to the hon. Lady for giving way. I took so many interventions on overseas territories that I forgot to comment on new clauses 1 and 19. We think that both are very sensible, given the explosion in SLPs in recent years and the complete failure to act on what has happened in the past year. New clause 19 is particularly powerful because it would mean that these people were within the ambit of the anti-money laundering legislation for the banking system.

**Alison Thewliss:** I thank the hon. Lady for her support. I hope to at least press new clause 19 to a vote, because there needs to be some action on SLPs, and tying it to a bank account is a good way of doing that.

The SNP is extremely proud of Scotland's reputation as a successful place to conduct business, but with SLPs continuing to generate new scandals, there is an ever-growing reputational risk to Scotland, and indeed the UK, if action is not taken. I would like to take this opportunity to dig the Government up for their shenanigans on SLPs.

Owing to the diligent campaigning by the former Member for Kirkcaldy and Cowdenbeath, Roger Mullin, the UK Government launched a consultation on SLPs on 16 January last year and closed it on 17 March last year. We then had an election, in which my dear friend did not get re-elected. We waited. Questions were tabled, and we were told again and again by Government that a response on the consultation was imminent. There was nothing. A month ago, we were told that it would be a matter of weeks, but probably not until after the Bill came back. Last week, we were told by officials that the report on SLPs was awaiting sign-off in Government, and on Sunday there was an announcement in the press that action was going to be taken, with a "Crackdown on abuse of UK businesses for foreign money laundering". When we get to the detail, what in fact is it? It is another consultation—it is a consultation about a consultation.

That simply will not do. The UK Government are well aware of the problems with SLPs, which are well documented. The Secretary of State mentioned earlier the evidence that led to the bringing into scope of the person of significant control. We know that that was required, and there was evidence on it. We are waiting for fines to be levied on people who have not registered their persons of significant control.

**Hannah Bardell:** Does my hon. Friend agree that the fundamental point in all this is that closing a consultation and then having a debate on Report shows a Government in complete chaos? How can they commit public money to a consultation process that has no influence on the legislation before us?

**Alison Thewliss:** Absolutely. The Government have been told all the way through this process that this is the opportunity to act on the evidence that has been gathered and is out there in the newspapers—it is in *The Herald* on a weekly basis, for goodness' sake—about abuses of SLPs. The Government could have done something about this. They could easily support the amendments we are proposing to the Bill. The press release that came out said that there was

> "growing evidence SLPs have been exploited in complex money laundering schemes, including one which involved using over 100 SLPs to move up to $80 billion out of Russia. They have also been linked to international criminal networks in Eastern Europe and around the world, and have allegedly been used in arms deals."

So why will the Government not act?

Proposals are far too vague. We are promised that the Government will legislate as soon as parliamentary time allows. The Secretary of State said that the consultation will close on 23 July, so we are looking at after the summer recess before anything comes back to the House. This is the stuff of never-never land. Minsters could accept our new clauses and amendments today and start to legislate now. If they are really serious about this, they should stop fannying around, support the new clauses and amendments and stop the flow of dirty money through SLPs once and for all.

The Government's move not to oppose new clause 6 is astonishing, but I am very glad they have made it. There has been some speculation by Conservative Members about the Scottish National party's position on this issue, and I will deal with that, but I first want to pay tribute to the right hon. Members for Barking (Dame Margaret Hodge) and for Sutton Coldfield (Mr Mitchell) for their Herculean efforts in bringing this before the House today. For a long time, we did not know when or if the Bill was coming back, but they have steadfastly worked hard to garner cross-party support, and I absolutely pay tribute to them for doing so.

Earlier in the Bill's progress, I made clear the reservations I had at first, and it should not be the case that the UK Government impose things on other territories. Again, I reiterate that I would not like this if it were about Scotland, but I should say to all Members who doubt the sincerity of the SNP's position—*[Interruption]* I hear some of them chuckling—that we cannot envisage a situation in which a Scottish Government would

deliberately act to damage the financial interests of the UK economy by allowing tax evasion and avoidance to take place on an industrial scale within our jurisdiction and to shield the flow of dodgy money. That is what we are talking about today, and that is the fundamental difference. In Scotland, the fundamental issue of landownership is also hidden behind the shield of overseas entities.

**Luke Graham** (Ochil and South Perthshire) (Con): Will the hon. Lady give way?

**Alison Thewliss:** I am just about to finish. *[Interruption.]* Let me finish this point, and I will then give way.

Landownership is hidden behind such entities. Just a few weeks ago, *The Sunday Post* highlighted the very important point that Scottish property is held in 22 different tax havens by 776 companies. Just last year, overseas firms bought £200 million of Scottish land and buildings, ranging in size from council estates to country estates, and the total value of such property is estimated to be £2.9 billion. This costs taxpayers in Scotland and here in the form of the capital gains tax revenue that is missed because the property has gone somewhere else. It has left the country, and there is no transparency. If the hon. Gentleman really wants to justify it, I will happily take an intervention from him.

**Luke Graham:** I actually wanted to praise SNP Members for standing up with others to support new clause 6 and back increased financial transparency. I also congratulate them on and thank them for recognising the sovereignty of Westminster in legislating for all parts of the United Kingdom and its overseas territories. I thank them for backing the constitution as it exists, and I appreciate such support at a time when we are looking for more investment in our constituencies, especially in relation to devolved matters.

**Alison Thewliss:** I must say that the hon. Gentleman makes a very simplistic argument. Unsurprisingly, he entirely misses the point. However, I welcome his support, which is very good. I hope that we will be able to claim back more money for our constituencies when there has been a crackdown on tax evasion and tax avoidance.

Why do we need to act now? Because the Prime Minister has committed to ensuring that the torrent of Russian dirty money stops, and Global Witness has found that over the past 10 years, more than seven times more money—an estimated £68 billion—has gushed from Russia to the overseas territories than into the UK. This has primarily been discovered through leaks, such as the Panama papers and the Paradise papers, and by the painstaking work of researchers and campaigners, including organisations such as Transparency International. They have tried to put that together, because we cannot see this hidden picture for ourselves.

Some of the money hidden in the British Virgin Islands has been revealed to be connected to the Magnitsky case too, so we must bear in mind the severe human rights implications of money laundering—with money hiding behind closed doors, where we cannot see it. There is an incentive for people to do that because they know that, at the moment, they cannot be found out. As hon. Members have illustrated, there are many cases of public funds being stolen from some of the poorest countries in the world and hidden in the overseas territories, and we cannot in all conscience allow this to continue.

Progress has been made by the overseas territories over the years, but the pace has been slow and the work has been patchy. The EU is moving towards having a public register of beneficial owners as part of the anti-money laundering directive, and we must play our part—regardless of Brexit—to keep up the pace towards international transparency.

**Huw Merriman:** Will the hon. Lady give way?

**Alison Thewliss:** I am about to finish, and I want to allow other speakers in.

This should be about everybody moving forward together on a global basis and gathering momentum towards transparency. I acknowledge the concerns of the overseas territories, but the case for action on corruption and money laundering is absolutely and completely compelling. I very much hope that we will not need to get to the position of using Orders in Council, because with such support public registers are entirely achievable.

I will talk more about Companies House later, if I am able to, but I want to close now by saying that I am not satisfied by the Government's actions on SLPs. This is a missed opportunity, and I urge them to take real concerted action to do something today and make a change where they can.

3.15 pm

**Sir Henry Bellingham:** I declare an interest as the chairman of the all-party group on the British Virgin Islands and as a former Minister for the overseas territories. I had the pleasure of visiting all but two of them during my time in office.

It is a pleasure to follow the hon. Member for Glasgow Central (Alison Thewliss). She said that not enough progress has been made, but I disagree. I think a lot of progress has been made, and I will come on to that in a moment. We are all of the same view, however, about the problem that exists, which was so eloquently outlined by the right hon. Member for Barking (Dame Margaret Hodge) and my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell). No one can disagree with what they said or about the scale of the problem; it is just a question of how we attack and deal with this problem.

When I was a Minister, I came across a number of examples of straightforward pilfering by different parties in African countries. One that my right hon. Friend and I dealt with, when he was the Secretary of State for International Development and I was the Minister for Africa, involved the Democratic Republic of the Congo, where a company called Tullow had its licence expropriated, completely unreasonably, by the DRC Government. It transpired that, after it was expropriated, it was handed over to a nephew, I think, of President Kabila and to a relative of President Zuma, while the company receiving the assets was registered in the BVI.

We know exactly what the problem is, but the question is how we should go about dealing with it. In many ways, I am disappointed with the Government. I feel that they should have tabled their new clause a bit

*[Sir Henry Bellingham]*

earlier and made the arguments for it and that they should very much have stuck to their ground, but we must now move forward.

As far as the economies of those territories are concerned, unless people have had the chance to go there, it is difficult fully to understand the extent to which some of them have become dependent on international financial services—in the Caymans, it is obviously banking; in the BVI, it is international corporate registrations. They are extremely successful economies, with a very large number of professional service jobs clustering around their business model. I agree entirely with my right hon. Friend when he said that they can compete in other areas, such as tax and efficiency, as well as looking after the clients, and I hope that many parts of those professional and service businesses can expand, but there will be a disruption to their business model in the short term.

I am concerned that the Foreign and Commonwealth Office will be required to work incredibly closely with the Governments of those territories—particularly those of the BVI and the Cayman Islands, and to some extent those of the Turks and Caicos Islands and Bermuda—to make sure that, over the next few years, it puts in a huge amount of effort, knowledge sharing and capacity building.

My right hon. Friend will be more aware than anyone that, under the International Development Act 2002, the Department for International Development is the first port of call for financial assistance when something goes wrong in the territories. He and I obviously remember what happened in Montserrat, when DFID quite rightly came to the rescue, and when the Government of the Turks and Caicos Islands in effect went bust, DFID came up with a very large loan. That is why it is incredibly important that successful economies, such as that of the BVI, can transition to the new world in which they are going to have to live.

I would not have supported my right hon. Friend's new clause 6. He asked me to support it, and I thought long and hard about it. In many ways, I would like to have done so, but I was very concerned about it for a few reasons, the first of which involves the constitution. As the hon. Member for Bishop Auckland (Helen Goodman) pointed out, I was the Minister responsible for the overseas territories White Paper in 2012, into which DFID had a significant input, as indeed did the Department for Environment, Food and Rural Affairs.

My right hon. Friend the Member for Newbury (Richard Benyon) assisted in that part of the White Paper that looked at international obligations on biodiversity and so on. The White Paper said that the UK Government could and would legislate in extreme circumstances, and that was a given because the territories are our responsibility. The citizens of those territories are as British as we are, and we have the ultimate responsibility for them. In some circumstances, we would of course legislate, and we reserved the right to do so. But the White Paper, and all the discussions and promotion on it, made it clear that that would always be a last resort, and in every circumstance we would try to build consensus and work in partnership with the territories.

France has a different model, with some of its territories incorporated into La France and with representatives in the Assemblée Nationale. We have moved to a model of home rule that is different in every case. Every territory has a different constitution and a different type of home rule, and we must work now to try to build consensus. I sincerely hope that the nuclear option contained in new clause 6 of Orders in Council will not be needed. We will have to work hard to make sure that we make progress in terms of what is outlined in the new clause. If we do not, I foresee a serious stand-off with at least three of the territories. I also fear for the economies of the territories if change happens very quickly and they have a significant loss of income. How will they transition and build up tourism, for example, or agriculture, where the BVI is very far behind?

I am concerned also that those territories have nascent independence movements and they will look at what has been said in the House today and say, "Well, if Britain is not prepared to work with us on a consensual basis, why should we remain in the British family?" I will do all I can to dissuade them from that course of action. Over the next two or three years, I hope that Ministers will have many discussions and make a generous offer of assistance, so that we can make progress in the right way.

**Jo Swinson:** The hon. Gentleman says that we need consensus and to try to work with the overseas territories. I would gently point out that the UK has been showing leadership on this issue since the international summit in 2013. Why does he think the overseas territories have engaged so little on this agenda, and why is he optimistic about success without the type of measure that the House will agree today, given that the Government have been making the case for five years?

**Sir Henry Bellingham:** I understand the hon. Lady's point, but I would point out that some of us worked extremely hard to build up to the exchange of notes in 2016, so that our law enforcement agencies can access key information from, for example, the BVI within a matter of hours and use it in various measures they take against serious organised crime, money laundering, international slavery and the expropriation of assets—*[Interruption.]* I hope that it is someone important. On 70 occasions, the law enforcement agencies have been able to move against unsavoury people and get results.

If we move too quickly and without a decent transition, many of the corporate registrations will not stay in the BVI, the Cayman Islands, the Turks and Caicos Islands, Anguilla and so on: they will move to places such as Delaware, Panama, Venezuela, Nebraska and Equatorial Guinea—which my right hon. Friend the Member for Sutton Coldfield and I know well, as we have both visited it. Unless we are incredibly careful, that displacement will take place and, as the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) pointed out, it will take place to the Crown dependencies.

**Mr Mitchell:** My hon. Friend does not appear to accept the point that has been made repeatedly today that the territories may well allow access to law and order agencies, within an hour in the case of terrorism, through closed registers, but that does not allow civil society—charities, NGOs and the media—to expose them to the sort of scrutiny that the Paradise and Panama papers did. They allowed us to join up the dots. That is why I emphatically disagree with him on this

point about closed registers. They work for law and order agencies, but they do not work to stop the dreadful money laundering.

**Sir Henry Bellingham:** I will not get into an argument with my right hon. Friend because I think we agree on so much of this. My concern is that it required a leak from Panama to expose those people, and there will be many other jurisdictions that may not have leaks in future and where much of the business will go, unless the whole world moves to the end goal of open registers—

**Mr Kenneth Clarke:** I accept the point that my hon. Friend is making, but it is not the best point. Until we move, we have little chance of speeding up any response by Delaware, Panama and the other places he named. It is not an overwhelming argument to say, "Well, we should carry on having billions of pounds of criminal money flowing through our overseas territories while we wait for Panama to make a move." That is not the strongest argument.

**Sir Henry Bellingham:** My right hon. and learned Friend the Father of the House is, as ever, very wise. I want to proceed on a pragmatic, staged basis, and I think we could have come together on the Government's compromise, had it been tabled in good time.

**Mr Seely:** Would not just waiting until everyone else moves show a lack of leadership on our part?

**Sir Henry Bellingham:** That is a fair point, and those of us who have been supporting the Government loyally on this and working with them accept that it is a weakness in the argument. If we set an example, we hope that other people will follow. I hope that when the Minister winds up he will say how we will try to influence other countries and jurisdictions to follow this example.

**Mr Cox:** My hon. Friend has enormous experience of these territories and he will know, as I know, that the operation of surveillance and monitoring of flows of capital through the overseas territories is one of the best intelligence sources that we have on the movement of criminal moneys. To demand that the overseas territories all suddenly go public will give one hit—just like the WikiLeaks thing was a one-hit wonder—because no one will then trust those jurisdictions where the light of publicity has been shone. All it will mean is that the money goes to where it is darkest, as the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) said. The surveillance and intelligence operations that have been so effective will no longer be applicable. I know the jurisdictions well, and that is what will happen.

**Sir Henry Bellingham:** I very much hope that what my hon. and learned Friend says will not happen. Unfortunately, there will be a period of time when many corporate registrations will go elsewhere and we will then need the rest of the world to catch up.

Will the Minister, when he winds up, spell out very clearly how the Foreign and Commonwealth Office and Department for International Development will work with the territories to help them with the transition over the next few years? What specific efforts will be made to help them to diversify their economies away from financial services? What expert advice will be given to build up parts of businesses that we hope will attract international interest? Will he outline to the House what measures he thinks his Department can take in terms of representations we make to other jurisdictions? Having set an example, we need to make a virtue of it. We need to go out and ensure that we play our part even more fully in OECD and G20 initiatives across every single organisation involved, particularly the IMF and the World Bank. Will he spell out what we will do to work with them to ensure that we raise standards elsewhere in the world?

Finally, I would have supported the Government's proposed amendment as I thought it was sensible and pragmatic. It would have helped to build a consensus with the overseas territories, rather than move in a direction that could lead to very serious constitutional problems and difficulties unless we are very careful indeed. The Minister needs to use all his diplomacy and experience to ensure that the transition is done properly and correctly.

3.30 pm

**Catherine West** (Hornsey and Wood Green) (Lab): I promise to be brief, as there are so many colleagues who wish to speak. As a mere callow youth in this House compared to so many who have campaigned on this issue for a number of years, I just want to put my views on record.

My right hon. Friend the Member for Barking (Dame Margaret Hodge), my predecessor as leader of Islington Council, has led the way on this matter. I commend her and others for the excellent cross-party nature of their work. The right hon. Member for Sutton Coldfield (Mr Mitchell) argued that this measure will enhance not just our standing in international development, so that we can feel good about ourselves, but the work in developing nations to enrich everybody, not just a few who may benefit, often nefariously, from the tax havens that operate and provide cover for bad behaviour. I commend my hon. Friend the Member for Bishop Auckland (Helen Goodman) for all her work in Committee and all the tiny tit-bits she has let us have, as Members with an interest, as it has progressed. It has been like following a series on television. I am so pleased that we can welcome the Magnitsky clause and new clause 6.

As a London Member, I want to put on record how pleased I am that there are measures that may assist in relation to property. It may not be perfect, but those of us who are London Members have very affluent parts of our constituencies where properties are purchased, often at a very high price, but then sit empty as assets, while in other parts of our constituencies families live in overcrowded homes. We need to use such international approaches to try to achieve some sense of equality.

**Hannah Bardell:** Given that across London almost 40,000 properties are owned by companies based in tax havens and given the scandal after Grenfell of trying to find people homes, does the hon. Lady agree that there is huge concern about these companies and organisations, and whether we are able to tackle the housing issue?

**Catherine West:** Indeed. And I hope that the challenge will be met to reduce inequality in housing in Scotland, because I know that a very small number of people own rather a lot of properties.

*[Catherine West]*

On the role of other facilitators of tax evasion and avoidance and the big four accountancy firms, many Members feel it is time that they were brought to book. My right hon. Friend the Member for Barking has done a lot of work on that. The next stage is to try to clean up the City of London more effectively and to see the closure of certain poor practices, such as Mossack Fonseca and others. Yes, it was a one hit wonder, but we did see the closure of a number of underperforming legal practices. The next step of this campaign is how to allow the pin-striped enforcers of tax evasion and avoidance to have a more honest and equal way of practising their profession.

That is all I want to say. It is so good to see consensus in the House today.

**Mr Seely:** It is a privilege to follow the hon. Member for Hornsey and Wood Green (Catherine West).

I believe that the fight to improve the integrity of our financial system and to do what we can to reduce money laundering is critical in the fight against not only corruption but the malign influence of authoritarian states. I very much welcome the work done by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) and the right hon. Member for Barking (Dame Margaret Hodge). I felt very proud to agree to rebel against the Government—I am quite glad I did not have to—but nevertheless, I thank them for that amendment.

On the point about corruption and the malign influence of others, the right hon. Member for Birmingham, Hodge Hill (Liam Byrne), the hon. Member for Rhondda (Chris Bryant), the right hon. Member for Exeter (Mr Bradshaw), my hon. Friend the Member for Gravesham (Adam Holloway) and I have been shown documents that we believe relate to our national security and money laundering. They originate from Monaco's Sûreté Publique, the police department that manages security and foreign residents in that area. They are based on the Sûreté Publique's own information and on information provided by the French Direction de la Surveillance du Territoire—the DST—which at the time, was the French equivalent of MI5.

These documents are brief, terse, factual files, listing activities, associations and judicial actions. They have been authenticated by senior French intelligence sources and by British and American counterparts familiar with their contents. The documents link a noted individual in this country with Russian intelligence. These files are dated from 2005 and cover the period from the mid-1990s. The documents concern Christopher Chandler and his brother—Christopher Chandler is a public figure, owing to the Legatum Institute. In citing this evidence, I note the words of the right hon. Member for Exeter, who in November 2017 called for the House's Intelligence and Security Committee to examine Mr Chandler.

According to the French security services, as recorded by their colleagues in Monaco—and clearly, I am confident that these documents are genuine—Mr Chandler is described as having been

"an object of interest to the DST since 2002 on suspicion of…working for the Russian intelligence services."

I repeat:

"an object of interest to the DST since 2002 on suspicion of…working for the Russian intelligence services."

**Mr Ben Bradshaw** (Exeter) (Lab): As the hon. Gentleman rightly said, I first raised concerns about Legatum and Mr Chandler back in November. Does he agree that the information that he has just put in the public domain, combined with the growing concern about corruption, money laundering and the sale of passports in Malta, where Chandler has just acquired citizenship, demands urgent investigation by the UK authorities now?

**Mr Seely:** I am most grateful for that intervention. I am aware that the right hon. Gentleman has seen these documents and that he shares my concerns. I believe that the right hon. Member for Birmingham, Hodge Hill, should he have the privilege of being called to speak, will talk further on that point and make reference to these files.

Christopher Chandler's personal file is marked "File code S", a DST marker indicating, if I understand correctly, a high or higher level of threat to France. In France, the letter "S" is now used to designate radical Islam. In Monaco then, it was used to designate counter-espionage. As I have said, Mr Speaker, I believe that other Members, if you wish to call them, may cite further details—the right hon. Member for Birmingham, Hodge Hill, the hon. Member for Rhondda, the right hon. Member for Exeter or my hon. Friend the Member for Gravesham.

I wish to state explicitly that I make no criticism of the staff at Legatum, nor those people who have engaged with its charitable work, nor members of the public, nor, clearly, Members of this House who have dealt with this institution. I have thought long and hard before making this statement, but I have done so because I believe, and the five of us believe, that it is in the national interest to do so. If people like Mr Chandler are vulnerable to malign influence—maybe he is an innocent party in this, who knows?—especially if the information on them is covert, that matters to our democracy.

In November 2017, the Prime Minister highlighted the danger from Russia of subversion. I take my lead from her when she said that the Russian regime was trying to "undermine free societies". I also read the excellent piece in *The Sunday Times* this weekend looking at how Russian bots may have manipulated elections. One of the problems in elections is that if they are manipulated successfully, the winning side does not want to know and the losers plead sour grapes, so the answer is to do what we can to strengthen our electoral system before it is too late.

**Chris Bryant:** I commend the hon. Gentleman for what he has said and fully concur with what he has argued—I have seen the papers as well and I have come to the same conclusion as him. Does he think that the Magnitsky clause will make a significant difference in our being able to tackle this kind of hidden pervasive influence in British society and British politics?

**Mr Seely:** Anything that helps us is important because we need to keep our society free of covert and malign influence. I was in the States last week, as the hon. Gentleman knows, and I am working with Congressmen there and in Canada, Australia and New Zealand, so that we can combine best practice. That is important because a counter-propaganda Bill is going through the United States Congress—do we need that here, etc.?

If I see information of this kind, I have a choice: I can disregard it and become complicit or, if it is genuine, I can put it in the public domain. It might be that Committees will wish to have access to this information, and I suspect that those who have it will provide it to any of the six Committees investigating Russia, if they wish to do so. It might be that Mr Chandler can provide a satisfactory explanation or argue that these relationships, if they existed, are now historical or have been misrepresented in the documents. I do not use privilege lightly, Mr Speaker. He might wish to offer evidence, written or oral, to any of those six Committees, whose work I am supporting, in a modest way, as secretary to the Russia steering group. I look forward to his response—I am quite sure there will be one.

I will be writing to the Prime Minister in the coming weeks to suggest further measures to strengthen our democracy and electoral system. The struggle of our generation is how we deal with authoritarian states and their actors, official or proxy, who use free and open societies to damage those free and open societies. We need to do something about it. Increasingly, Members now see that covert malign influence from authoritarian states, most commonly our friends in the Kremlin but also elsewhere, is a real and present danger to our nation, to our financial system—hence this debate—and to the transparency of our democracy and electoral system, not to mention the Kremlin's ability to conduct acts of violence and murder on our soil. We have a duty to speak up and to use this House for the public good. That is what I am doing now.

**Several hon. Members** *rose—*

**Mr Speaker:** Order. I want to call several more colleagues and therefore there is a premium upon brevity.

**Jo Swinson:** Having listened to various hon. Members refer to the excellent briefing by Transparency International UK, I should declare an interest, as I am married to its director of policy—the briefings really are excellent.

Turning first to the Magnitsky amendments, I welcome Government amendments 10 and 13, which reflect the Prime Minister's commitment of 14 March. After Second Reading, many of us felt rather less confident than previously that they would be forthcoming, so I am glad that the Government have brought them forward, given that the issue has been raised repeatedly. I am particularly reassured by the Minister's confirmation that the lists of people sanctioned will be put in the public domain for anybody to see. I agree with others that that is a very important deterrent.

The importance of human rights and the part that our country plays in upholding them internationally cannot be overstated—they are vital. The hon. Member for Glasgow Central (Alison Thewliss) set out the horrendous case of Sergei Magnitsky and the horrendous lengths to which oligarchs will go to protect their ill-gotten gains. I was reminded, on the wider issue of corruption, that we are talking about not just numbers on spreadsheets, but people's lives—this is literally a life and death matter. I recall planning a visit to Russia to investigate human rights abuses in Chechnya. We had to postpone the visit because the individual we had been organising it with, Natalya Estemirova, who was from a human rights organisation, was assassinated.

That followed the murder of the journalist Anna Politkovskaya, and last October we were shocked by the murder in Malta of the investigative reporter Daphne Caruana Galizia. These people were murdered for investigating and exposing corruption and human rights abuses. I was particularly pleased to see the launch of the Daphne project in tribute to Daphne, with 45 reporters from 15 countries carrying on her work so that her stories will live on. One of the most powerful ways to send a message to anyone who would seek to silence those trying to uncover corruption is to make sure that what they were uncovering is finally exposed.

The Minister mentioned the consultation that was launched yesterday on Scottish limited partnerships. The very real problems that have arisen under those partnerships have been in the public domain for more than 18 months, and given that we as a country have been trying to lead on this in recent years, we need to be moving with much more alacrity. The hon. Member for Glasgow North East (Mr Sweeney) made an incredibly important point about enforcement. We need to ramp up Companies House's ability to investigate, and that requires resources. Very good people there are trying to do a very good job, but given that 17,000 Scottish limited partnerships were registered to just 10 addresses, there are questions to be asked about how risk-based investigation and digital tools could be improved.

3.45 pm

We know that when someone registers a company name that contains one of 135 sensitive words, it is automatically flagged up and examined in more detail. Those words range from "royal" and "Windsor" to "institute" and "midwife". Perhaps it would be possible to expand the same facilities to create a risk profile of other suspicious activity that needs to be examined in much greater detail, while not making it difficult for people who want to set up companies entirely legitimately to do so. More could definitely be done in that regard.

We have discussed the key issues of beneficial ownership, public registers and the overseas territories, but again the Government have delayed, and that has been the hallmark of their approach. Although the issues were well aired in the House of Lords, and in this place on Second Reading and in Committee, the Government made a rather late attempt this morning in tabling their amendments. I must confess that that screamed out at me as a tell-tale sign of a Government who were afraid that they might lose a vote. None the less, I welcome their acceptance of new clause 6. I pay tribute to the work of Members on both sides of the House, including the right hon. Members for Barking (Dame Margaret Hodge) and for Sutton Coldfield (Mr Mitchell).

**Hannah Bardell:** Does the hon. Lady agree that it is disappointing to hear Conservatives saying that the money will move elsewhere? If we do not make a start, how will we move forward? The gender pay gap reporting has done exactly that.

**Jo Swinson:** I concur absolutely. The fact that we cannot solve this problem in every single jurisdiction in the world does not mean we should not do what we can in those areas where we can have influence. We should certainly be using our diplomatic influence to try to expand the use of public registers in other countries,

*[Jo Swinson]*

but we should also be setting our own house in order, because if we do so, we will have more legitimacy and credibility when we urge other countries to follow suit.

The United Kingdom is trying to take a leadership role on this issue, and that is important. That dates back to 2013, when the then Prime Minister, David Cameron, set out the Government's plans at the G8 summit and was aiming to secure international agreement through the anti-corruption plan. I was delighted to play a role as a Minister in the introduction of measures on beneficial ownership and the public register in this country through the Small Business, Enterprise and Employment Act 2015. There was also an anti-corruption summit in 2016. However, there has been delay since then. At that time, the Government committed themselves to legislate to increase transparency in the housing market and to require overseas companies that owned property to declare their beneficial ownership publicly. That was supposed to be in place by April, but now it, too, has been delayed. We will not see even a draft Bill until the summer, and we will not get the actual legislation until next year.

The issue of the overseas territories really matters. More than three quarters of corruption cases involving property that were investigated by the Met's proceeds of corruption unit involved anonymous companies based in secrecy jurisdictions, and nearly four fifths of those were registered in either the overseas territories or the Crown dependencies. As I have said, it is important that we get our house in order. Conservative Members have said we should try to do that through consensus but, as I pointed out in an intervention, the Government have been attempting to do that with various levels of enthusiasm over the last five years yet the registers have remained firmly private.

What we are talking about is an international crime. It is not victimless. We are talking about corruption that has a very serious impact on vulnerable people in countries throughout the world. Money is siphoned off through corrupt means and denied to the populations of those countries when it should be funding public services and enabling individuals to be looked after. That has an impact on the UK's own reputation as well.

It is worth recognising the significant role of the overseas territories. In the Panama papers, the British Virgin Islands was the most popular tax haven mentioned, and Bermuda is No. 1 on Oxfam's list of worst corporate tax havens. That is why it is important that we act. The right hon. Member for Sutton Coldfield rightly explained the challenges involved in including the Crown dependencies under new clause 6 and the specific relationship levers that we have as a country. Nevertheless, I hope that, having accepted the new clause, the Government will be enthusiastic about pursuing the same issues with the Crown dependencies to ensure that they follow suit. They should definitely be required to publish such a register so that the UK can show global leadership on this issue.

**Richard Benyon** (Newbury) (Con): My experience of the House leads me to conclude that when somebody pays a Member a compliment, they should bank it and move on. However, although I am grateful to the Minister and the hon. Member for Bishop Auckland (Helen Goodman), it is important to say that a lot of people have worked on the Magnitsky amendment or law, as it has come to be known, many of whom sit on the opposite side of the House. Many of them have also been involved in this matter for a lot longer than I have, but I do stand to speak in support of new clause 3.

**Robert Neill:** I welcome everything my right hon. Friend has done around the Magnitsky law and the fact that the Government have accepted it. Is he aware that the Government and Parliament of Gibraltar have already introduced a Magnitsky law, which indicates their willingness to be ahead of the game, rather than having to be dragged forward?

**Richard Benyon:** Then they should feel extremely virtuous. It is important that we recognise that we are today putting in place something that already exists in a number of other legal jurisdictions—the Baltic states, the United States and Canada. A number of other countries are looking to do this, too.

David Cameron has been mentioned a lot today, and his commitment on this matter has been vital. In a recent speech to Transparency International he said:

> "One of my regrets of my time in office was that we didn't introduce the Magnitsky Act. The Foreign Office argument was that Britain's existing approach was better, because we could sanction all the people on that list—and more besides. And I went along with it.
>
> But I soon realised this ignored the advantages of working together—with other countries—under a common heading. It's not PR, it's a fact. You get extra clout from coming together across the world and saying with one voice to those who are responsible for unacceptable acts: 'We are united in our action against you.'"

He then paid tribute to his successor as Prime Minister and to Parliament for passing the provisions in the recent Criminal Finances Act 2017, and also referred to a person who deserves mention in this House today. Bill Browder, along with others, has put himself at huge risk to make sure that those who murdered his lawyer and friend Sergei Magnitsky are not able to travel around the world, bank, buy property and operate in a manner that we rightly take for granted in this country but should be denied to people who have behaved in that way. If we remember anyone today, we should think of the piteous image of Sergei Magnitsky after months of imprisonment. He was extremely unwell and then beaten to death by thugs at the behest of people who have still not been held to account. Today we are saying to them, "Not in our country are you going to be able to do business," and we should feel proud of that.

In an act of extreme serendipity, I found myself on the Bill's Committee. I am extremely grateful to members of that Committee, to the Minister and his officials, and subsequently, in recent weeks after the Salisbury incident, to the Prime Minister for absolutely accepting that we need to have what will be known as the full Magnitsky. We went a considerable way towards that a year ago with the Criminal Finances Act, but are now in a position to say that we are in accordance with the Magnitsky provisions of other countries. It is important that we get the definitions right—I do not think that we got there in Committee—but to now have a definition of gross human rights abuse that is in accordance with the Proceeds of Crime Act 2002 is important.

My brief comments today will be about what Parliament does now, because the Bill is gratifyingly loose in its description of what kind of review mechanism Parliament will impose. This is crucial. In recent days, I have had useful discussions with Committee Clerks, the Chairmen of the Liaison and Procedure Committees and a number of others about what kind of structure we could create in accordance with the Bill to allow individuals—Members of this House, members of organisations such as Amnesty International or Bill Browder's, or any individual—to say to the Government, "We have evidence that these people have done this and should be sanctioned." The Government will produce a report to Parliament every 12 months setting out who has made representations to them. In an important response to the hon. Member for Aberavon (Stephen Kinnock), the Minister made a clear assertion that the names on the sanctions list will be made public. That is important.

**Mr Jonathan Djanogly** (Huntingdon) (Con): I have to say that the Minister did not go into very much detail in his excellent opening remarks about what would be in the report proposed under new clause 3. If my right hon. Friend has had discussions with him on that, it would be interesting to hear about them. If not, it would be interesting to hear more from the Minister later on.

**Richard Benyon:** We have it in our power to create something in Parliament that will hold future Governments as well as this Government to account. I am full of respect for what our security Ministers have been doing recently to freeze the bank accounts of certain individuals, and I absolutely believe that the Government have the will to ensure that we get our economy sorted out so that we cannot be a safe haven for these people. However, what we are talking about will be happening way into the future. It will affect future Governments as well, and we must hold them to account.

We could put this in the hands of an existing Committee —perhaps a Select Committee—but I suggest that that might not be the right framework. A Select Committee has the specific role of holding a Department of State to account and looking into certain details. I personally like the idea of a bespoke Committee that would draw together members of different Committees. The example that I would throw out there for others more important than me to grab is the Committees on Arms Export Controls—the CAEC. It has a specific remit, with members from various Select Committees, and I think it would be an effective model.

**Helen Goodman:** May I urge the right hon. Gentleman to read new clause 10, which sets out a proposal for a scrutiny Committee?

**Richard Benyon:** Well, I have. I just think new clause 3 leaves it much more open for Parliament to make a decision, and I am quite content with that, although I am open to other suggestions. Some people say that the Joint Committee on Human Rights might be best placed to carry out this scrutiny, but I see, from delving into the Standing Orders, that Standing Order No. 152B(2)(a) states that the Joint Committee has a remit to look at

"matters relating to human rights in the United Kingdom".

What we are talking about here is matters relating to human rights anywhere. We could be talking about someone who is evicting the Rohingya, for example, or actions taken in conflicts or situations as yet unknown and unforeseen. We need to ensure that we can look at human rights everywhere.

**Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): As a member of the CAEC, I urge the right hon. Gentleman to think again about using it as a model for a scrutiny Committee. I sit on it, and it struggles to function—it did not meet for two years—but one thing that it did recommend was a measure to allow the Government to shut down brass-plate companies, on which I have tabled an amendment in the next group.

**Richard Benyon:** I understand the point that the hon. Gentleman is making. I am not completely wedded to that idea. I simply say that this is in our grasp—this is now Parliament's duty. Following the very good discussions that I have had with my hon. Friend the Member for Totnes (Dr Wollaston), the Chairman of the Liaison Committee, and my hon. Friend the Member for Broxbourne (Mr Walker), the Chairman of the Procedure Committee, as well as with other wise heads and people with much more experience than I have, I know that we need to design something that really works. The crucial thing that works in Congress and in other Parliaments is what is known in the United States as the "congressional trigger", under which it is possible to really ask questions of the Executive. Through the measure that we are discussing today, the Executive are giving Parliament the power to get this right, and we must take that duty very seriously.

**Liam Byrne:** I want to make two points in support of new clause 6 and to encourage the Government to take on board the arguments made by my hon. Friend the Member for Bishop Auckland (Helen Goodman). I also want to put on the record my tributes to my right hon. Friend the Member for Barking (Dame Margaret Hodge), the right hon. Member for Sutton Coldfield (Mr Mitchell) —my constituency neighbour—and the others associated with this step forward.

4 pm

I want to draw out the argument made by the right hon. Member for Sutton Coldfield, because I thought he would say a little more about the importance of new clause 6 to the development agenda that he and others have championed over many years. It is sometimes possible for Governments to will the ends, not the means, and I fear that this could be one of those cases. For all the economic gains of the past 30 years, the truth is that they have not been shared fairly. The top 1% now hold something like half of world wealth, and if that lucky, privileged few continue to amass wealth at the pace we have seen since the financial crisis, they will control two thirds of global wealth by 2030, so we are at a tipping point. If we do not make a change now, it will be difficult to restore a measure of equality over the course of this century.

Now, I do not think that Her Majesty's Government want that outcome, which is why they signed up to the sustainable development goals in 2015 and why they agreed to the G20 communiqué at Hangzhou in 2016 that said the world should work together to develop

measures for more inclusive growth. However, at the spring meetings in Washington a couple of weeks ago, the president of the World Bank made clear what it will take to deliver that, saying, "Look, once upon a time the World Bank would say, 'We need to develop and invest in infrastructure and infrastructure alone, but that is no longer good enough. We have to invest in infrastructure and health and education.'" To do that, however, requires developing countries to mobilise something like 15% of GDP. Those countries have tax bases of just 5% of GDP, so if we are to finance the bridge—the missing 10%—we have to strip away the layers of protection around tax havens that allow corrupt companies and individuals to salt away, like an old pirate treasure, the money that is vital to closing the development gap and delivering the sustainable development goals by 2030.

My second point is about national security. We have heard several arguments this afternoon about why it is terribly important that we step super-cautiously around the constitutional privileges that we have granted to overseas territories and Crown dependencies. I respect that argument, but the reality is that money squirrelled away in those places is now being used to enable the undermining of our constitution. Therefore, if we want to drive forward the rules-based order that Her Majesty's Government are keen to champion, we must act against the enablers of attacks on this country's sovereignty and integrity.

**Mr Cox:** It is perfectly within our power—the Government have committed to do this—to institute a public register that requires the beneficial owners of any overseas entity wishing to own property in this country to be declared in public. We can do that as it is part of our jurisdiction. However, does the right hon. Gentleman not see that the step that is now being taken goes much further than that and requires the overseas territories to make things public even in relation to property that is not owned in the UK?

**Liam Byrne:** That is absolutely what I am proposing, and my reason is this country's national security. Let me give the hon. and learned Gentleman a simple example. Back in November 2017, my right hon. Friend the Member for Exeter (Mr Bradshaw) raised the issue of some significant agents of influence in this country: the Chandler brothers, who happen to run an important think-tank that has enjoyed unrivalled access to Ministers during one of this country's most important national debates. The risk—I put it no stronger than that—that we are running is that that support is financed from sources that derive from the Russian Federation, and it may therefore be part of the panoply of active measures that have been drawn together since the re-election of President Putin in 2012. He has made no secret of that. He set it out in a state of the union address to the Russian people in 2013. Some call it the Gerasimov doctrine, but, whatever it is called, we saw the sharp edge of that sword on the streets of Salisbury just a few weeks ago.

I want to give the House an example of how this influence can unfold in an innocent country like ours that has perhaps been a little inattentive to some of the risks that have been growing over the past few years. As the hon. Member for Isle of Man has mentioned—*[Interruption.]* As the hon. Member for Isle of Wight (Mr Seely) has mentioned—he would have a different kind of specialism if he were the hon. Member for Isle of Man—the individuals to whom he referred are men of influence who help to finance an important think-tank.

I note with interest that the think-tank is financed by the Legatum Institute, which is registered in the Cayman Islands—registration number FC028686, for those who take an interest in these things—but why should these brothers be of such interest to us? Well, we know that Christopher Chandler and his chief executive, Mark Stoleson, have both taken Maltese passports through the passport-selling operation Henley & Partners. They both publicly accept that they hold accounts at the Iranian-Maltese bank Pilatus, the assets of which were frozen and its chairman arrested at the behest of the FBI in March. Both Pilatus and Henley & Partners were the subject of investigations by the Maltese journalist Daphne Caruana Galizia, who was assassinated late last year.

The hon. Member for Isle of Wight has referred to more. Richard Chandler's file contains the additional statement:

> "Richard Chandler and his brother Christopher play an important role in the capital of the companies Lukoil and Gazprom (linked to longstanding…Russian figures who could be linked to organised crime)."

Furthermore, they maintain relations with an individual, a Chechen mafia figure, who was "expelled from Monaco". They are connected with money laundering. These allegations are made in the file.

**Mr Bradshaw:** Is my right hon. Friend also aware of the relationship between Henley & Partners and the social media data companies that have been allegedly involved in helping with political campaigns, including that of the recently elected Government in Malta?

**Liam Byrne:** These are very real and very serious allegations, yet when I tabled questions to the Treasury about whether it was exploring the Maltese golden visa route, and the access to the European banking system and the Schengen area that it provides, it said no such conversations were under way.

The point is that I would like to know more about these brothers and whether they are beneficiaries of the money knocking around the overseas territories that derives from bad sources. I want to know whether that money is derived from Russian sources, and I want to know who the business partners were.

Global Witness has done this House an incredible service by highlighting how £68 billion of Russian money is now sloshing around the overseas territories. Given the national security situation that now confronts us, and given the update to the national security strategy that has just gone through, how can we be relaxed about our ignorance of where that £68 billion of Russian money, now buried safely and securely in the overseas territories and Crown dependencies, came from?

If there is innocence, it should be proved. It should be clear. That is why the disinfectant of sunlight is so important. What we cannot have is agents of influence peddling policies and proposals backed by dirty money from one of our country's enemies. We cannot have that, and we in this House have a responsibility to ensure that we do not run that risk.

For far too long, good and bad money has been allowed to mix together in our overseas territories and Crown dependencies. There is good money there, but we need to be honest with ourselves that some of that money comes into too close contact with cash generated by economies of evil. It is our responsibility to take steps to shut down that regime, which is why new clause 6 and the arguments of my hon. Friend the shadow Minister are so important. I hope the Minister will listen.

**Mr Djanogly:** First, let me join many hon. Members in congratulating the Government and, in particular, the Minister on building a consensus within the parties and among hon. Members on the Magnitsky provisions, which I wish to speak to today.

Time is short, so I will make only a few brief points. On whether these powers are actually going to be used and on the methods of use, I do not yet see any significant change of Government policy. However, if this debate is going to be the herald of a new-found dynamism to clear the UK of the £90 billion of black money flowing through our banks, real estate market, private schools, Bond Street and the rest, I would certainly very much welcome that. My question is: will action now follow the law? I will be interested to hear whether the Foreign Office has had words with the Attorney General, the Home Office or other Departments in that regard—is there a strategy?

On the Government amendments, I see that new clause 3 provides for a reporting system for human rights violation-related sanctions. That is welcome, but my reading of this provision is that it is a retrospective check on what the Government have done and not so much on what they intend to do—if I am wrong on that, I would be grateful if the Minister would clarify the position. The measure in itself is commendable, and I agree that if the report is a sparse one, it would imply and provide evidence to support claims that the Government should be doing more. However, I was very pleased to hear the Minister suggesting today that we are also to have a list system that will be updated on an ongoing basis for those subject to sanctions, as this approach has clearly been so effective elsewhere. Having said that, will the Minister confirm whether people to whom the relevant sanctions have been applied would also need to be listed in the Government new clause 3 report? I believe the answer is yes, but I would be grateful if he would clarify that. Even if there is to be a running administrative list, it would be helpful to have the names set out in the report, with reasons given and an assessment.

There is another related issue here. Could the Minister confirm whether the visa bans attributed to section 1 -type sanctions would also be listed in the new proposed report? Again, maintaining the current system of secret visa bans is simply not as effective as people knowing that their lack of welcome here will be made public in a Magnitsky-list fashion. What these people fear, every bit as much as receiving a visa ban, is other people knowing about it.

My final point is that although this Bill creates a new post-Brexit framework for sanctions, it does not actually set out our policy for how sanctions will be considered or implemented on a multinational basis, which everyone agrees is the most effective approach, as has been said by my right hon. Friend the Member for Newbury (Richard Benyon). So will the Minister explain how these sanctions provisions would be considered within the European Union after we have left it? For instance, is consideration being given to setting up a new co-ordinating committee within the EU? In various speeches I have read, it seems clear that the EU will continue to wish to work closely with the UK on external security matters, so there seems to be goodwill to that end. I would be interested to hear more on how we propose that decision making on sanctions will be put into an institutional context.

We have mainly discussed Russia today. It is worth mentioning that the US aluminium sanctions on Russia were put in place only a few weeks ago, and I have since heard of a degree of kickback from other countries such as Germany and other negatively affected parties. Clearly, if we are going to get tough on sanctions, it will be important to continue to present a united front. So we are seeing progress, but ultimately this will need to be proved by a better UK record of sanctions, visa bans, asset seizures and active prosecutions. Will the law be backed by action? The days of the UK being a dumping ground for illegal black money need to come to an end, and I hope that this Bill will act as a spark to get the process moving.

**Chris Bryant:** I shall be brief, Mr Speaker. Several hon. Members have spoken about the dangers of our legislation meaning that dodgy money will leave the overseas territories and go to some other kind of territory. First, that will probably be a good thing for each of those territories. Secondly, and far more importantly, all too often the way we have run our affairs in this country, and how our overseas territories have run theirs, has meant we have been a magnet for that money. For a series of different reasons, rich people who have stolen money from their own people like having it squirreled away here or in our overseas territories or, as is normally the case, in a mixture of the two. That is because they like to send their children to our expensive schools; because they like to go shopping in the UK; because, ironically enough, they like to enforce their contracts in law in British courts; and because they know that the whole system of financial and land registration in this country is relatively weak. That is why I warmly welcome the changes we are going to bring about.

4.15 pm

In the end, money and assets are only ever hidden from public sight either because they have come from some illegal source in the first place, or because somebody is trying to prevent the legitimate authorities in other countries from taxing or taking them. Public registers are the only way to make sure that what is on a register is verifiably true and correct. The public are often a much better investigator than the investigating authorities, which simply do not have the time or the resources to do the job fully, as we have seen from the Paradise papers and in other ways recently.

Over the years, I have asked a Prime Minister—one or other of them—32 times for a Magnitsky provision. Perhaps, in the end, one has to get Conservatives on board. Perhaps it is good to have Conservative friends. Many Conservative Members, including some who are not present because they are Ministers, such as the

hon. Member for Esher and Walton (Dominic Raab), and particularly the hon. Member for Huntingdon (Mr Djanogly), who just spoke, have been adamant in their pursuit of this matter. They have been very clear and sometimes courageous in trying to tell their Government that we need to act. Ironically, on 7 March 2013 the House agreed unanimously that we would bring in a Magnitsky measure; I am glad that we are now finally going to do it.

The hon. Member for Isle of Wight (Mr Seely) referred to Richard and Christopher Chandler. I have seen the documents as well, and it is important to bear in mind that at the heart of them is an allegation of money laundering. It is about taking money that has come from decidedly dodgy sources—often stolen from the Russian people—and cleansing it, as it were, through the system so that it can be used for other illegitimate means. The fact that that has infected our country's political system should be a matter of concern for us all.

In the end, I see this all in the context of our relationship with the Russian Federation. I have been concerned for some time that we tend to take two steps forward and one step back, or sometimes one step forward and two steps back. After the Salisbury incident, it was great that the Prime Minister managed to secure such a strong backing from so many countries around the world for the expulsion of so-called diplomats, but if we do not match that action with action on financial liberality and people's ability to slosh their dirty money around other parts of the world, the Russians simply will not take it seriously. It is interesting that the American sanctions on Oleg Deripaska have for the first time made him start to retreat from various different markets, including with En+, a business that frankly should never have been registered in this country in the first place.

**Liam Byrne:** Does my hon. Friend agree that the next big international opportunity to make progress on this issue is the G20 in November? If we are to help to lead the argument, we must have the moral credibility of having taken action ourselves.

**Chris Bryant:** I completely agree, and that is also why I agree with the kind of approach that the hon. Member for Isle of Wight tried to enjoin on the whole House—not only on those from different political backgrounds, but also on all the different silos, including defence, foreign policy, work and pensions and the Treasury—to try to make sure that we have a united, coherent, consistent and, to use a valleys word, "tidy" approach towards the Russians. That was not "a valet's word", but a valleys word—*[Laughter.]*

**Richard Benyon:** Language is really important, and I know that the hon. Gentleman will agree that when we talk about Russia's malign influence, we are talking about the Russian regime and the coterie of criminals that surrounds it, of which the Russian people are the victims. The Magnitsky amendment we will pass today is the most pro-Russian piece of legislation that we can pass.

**Chris Bryant:** I agree; I do not think that there is a single Member of this House who does not have profound respect for the people of Russia and for the country of Russia, and for what it has given to us culturally and in so many other ways over the centuries. But what a pain it is to us to see a country that was reaching out for liberty suddenly find itself crushed under the heel again. It is a country that should be one of the great advancing economies of today, but it is in stagnation, with barely 1% growth. That is why all of us, from all parts of this House, have campaigned to take a robust attitude to Russia.

Finally, the Russian ambassador tweeted the other day that he wants to meet the all-party group for Russia, which I chair. He is not answering his phone—I am not sure whether he is busy on something else—but we will have him next Wednesday afternoon at 2.30 pm if anyone wants to hear his view of things.

**Nick Herbert** (Arundel and South Downs) (Con): I was pleased to add my name to new clause 6, and I congratulate the right hon. Member for Barking (Dame Margaret Hodge) and my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on bringing it forward. I will not repeat the powerful arguments that have been made for transparency today—they were also well made on Second Reading—other than to say that progress has been made in the overseas territories. Central registers have been introduced, but that is not sufficient for the reasons that have been given. We need that transparency to shine a light on what is happening. I suspect that there has been relatively little interrogation of the central registers by law enforcement authorities. There also needs to be a step up in law enforcement action as well as in these measures.

Two principal concerns were adduced to explain why we should at least hesitate before we compel the overseas territories to act. The first is the potential economic damage to the overseas territories. I argued strongly on Second Reading that that should not be an impediment to act. It can never be an argument that, where something wrong is being done, we fail to act simply because there might be some economic consequences. We do, however, have a duty to ensure that those economic consequences are addressed and that we help to mitigate them.

In accepting the new clause, there is a strong responsibility on this House, and now on the Government, to ensure that there is no damage to the economies of the overseas territories for taking action, especially as they may now be taking it more rapidly than they wished to, particularly when we consider, for instance, the impact of the hurricane damage on the British Virgin Islands. That concern should not prevent action, but it should be taken seriously.

The second concern is the constitutional objection: is it right for us to intervene? That is a serious argument. Again, on Second Reading, I argued that if the harm that is being done is so great that it can no longer be ignored, there is a justification to act, and there clearly is a power to do so. These are not just domestic matters for the overseas territories in which we have decided to intervene; they have a global impact. It is therefore very important for the Governments of the overseas territories to understand the reasons why this House has felt it so important to move. If they can act voluntarily, ahead of any action being taken legislatively, that would be very welcome.

**Robert Neill:** I thank my right hon. Friend for giving way on that important point. Does he accept that it is for that reason, and that reason only, that the Chief Minister

of Gibraltar wrote the letter in the way that he did—because it is the constitutional convention that we do not normally legislate without the territories' consent? And it is for that reason, and that reason only, that the Crown dependencies, which have a good record of compliance, had concerns about this form of legislation undermining the long-established doctrine that we do not legislate for them without their consent. It is not the objective that anyone objects to in any of those jurisdictions, but this should be done through the normal constitutional process.

**Nick Herbert:** The Crown dependencies do not fall within the ambit of new clause 6, as my right hon. Friend the Member for Sutton Coldfield pointed out. They are in a different constitutional position.

The wider point is this: I would have been minded to accept the Government's compromise amendments and new clauses had the House had the opportunity to consider them. We should have avoided, if at all possible, dictating to the overseas territories what to do, but that option was not available. None the less, I welcome the fact that action is being taken.

In agreeing to new clause 6, the key concession that the Government made was that it was no longer acceptable that the overseas territories should move only at the pace of the rest of the world. As my right hon. Friend the Minister for Europe and the Americas said, the key concession was that he accepted that the will of the House was that the overseas territories should move ahead of the pace of the rest of the world for reasons that have been very well made by Members on both sides of the House. That said, we should not lose sight of the objective here. The objective is not to force the overseas territories to take action, but to ensure that we tackle corruption where we find it, and that has to be done on a global basis.

The arguments that there will be displacement should not be an impediment to action, because we can never argue that we will not tackle a crime on one street corner in case it moves to the next. That can never be a moral argument or a reason not to take action. Nevertheless, it is a serious argument. What are we going to do to avoid displacement? The imperative is therefore on the Government and on this place, which has now forced this action, to support every effort possible to mobilise the global community behind transparency for everyone.

This House and the UK will be taking a lead, and we will be requiring our overseas territories to take a lead, but we now have to step up. That may mean taking initiatives such as having another global summit to encourage action, as the anti-corruption champion, my hon. Friend the Member for Weston-super-Mare (John Penrose), suggested. Whether it is through means such as the G20 or the G7, we must now drive action on a broader basis than simply the overseas territories or the Crown dependencies.

**John Penrose:** I completely back up what my right hon. Friend is saying. The time for global action must be now. We need to use the lead that we will create by imposing this measure to drive and exert a global leadership. It must be about not just the transparency of company disclosures but the transparency of trust disclosures and other kinds of asset classes as well as company shares.

**Nick Herbert:** I agree. In taking this action and ultimately, if necessary, requiring the overseas territories to act, we will be taking a grave step—one that has only been used twice before, in relation to the decriminalisation of homosexuality and to capital punishment. It is a serious move. The justification must therefore be that we use this step to encourage action globally, and that is what I urge the Government to do.

**Sammy Wilson:** On behalf of the Democratic Unionist party, may I welcome the changes that the Government have made regarding the Magnitsky amendment? It is likely to have an impact on those who think that they can get away with human rights abuses and hide behind and use their wealth in the United Kingdom. However, I am disappointed that we have not discussed on the Floor of the House the Government amendment and new clauses that were tabled as alternatives to new clause 6.

I have two main concerns. Coming from Northern Ireland, I know the impact on devolved Administrations of interference in devolved matters by the Government at Westminster, and I also know the impact that this can have on those with nationalist tendencies. New clause 6 presents a real danger in this regard. People have had to do constitutional somersaults in the House today. The Scottish National party, which has vigorously defended the rights and independence of the devolved Administration in Scotland, now suddenly has no difficulty supporting interference in the overseas territories.

**Hannah Bardell** *rose—*

**Stewart Malcolm McDonald** (Glasgow South) (SNP): Will the right hon. Gentleman give way?

**Sammy Wilson:** Let me finish my argument. The point has been made that the SNP has done a constitutional somersault because this issue is of such importance. Well, during debates on the European Union (Withdrawal) Bill, the Scottish National party was quite happy to have things devolved to the Scottish Parliament that could have broken up the internal market of the United Kingdom and affected the economy of the whole country, yet they insisted that it was their right for those things to be devolved. This constitutional somersault indicates that a different attitude has been adopted towards the overseas territories on this issue, and it is an attitude that we will live to regret.

The Minister has said that he will hold the hand of the overseas territories, give them support, encourage them along and give them the opportunity to have a say in what goes into the Order in Council. Nevertheless, those who have already done a lot of what has been asked of them will feel that we have brought down a heavy hand on them.

**Hannah Bardell:** Can the hon. Gentleman name one Scottish policy—just one—that impinges on the human rights or the economy of the rest of the UK?

**Sammy Wilson:** This is the first time we have ever had a qualification put on the Scottish National party's view that devolution is sacrosanct. All through the debates we have had in this House about the sacrosanct nature of devolved Administrations, there has never, ever been a qualification, but today we have the qualification added—

4.30 pm

*Debate interrupted (Programme Order, this day).*

*The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E),* That the clause be read a Second time.

*Question agreed to.*

*New clause 3 accordingly read a Second time, and added to the Bill.*

*The Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).*

## New Clause 6

### Public registers of beneficial ownership of companies registered in British Overseas Territories

'(1) For the purposes of the detection, investigation or prevention of money laundering, the Secretary of State must provide all reasonable assistance to the governments of the British Overseas Territories to enable each of those governments to establish a publicly accessible register of the beneficial ownership of companies registered in each government's jurisdiction.

(2) The Secretary of State must, no later than 31 December 2020, prepare a draft Order in Council requiring the government of any British Overseas Territory that has not introduced a publicly accessible register of the beneficial ownership of companies within its jurisdiction to do so.

(3) The draft Order in Council under subsection (2) must set out the form that the register must take.

(4) If an Order in Council contains requirements of a kind mentioned in subsection (2)—

(a) it must be laid before Parliament after being made, and

(b) if not approved by a resolution of each House of Parliament before the end of 28 days beginning with the day on which it is made, it ceases to have effect at the end of that period (but without that affecting the power to make a new Order under this section).

(5) In calculating a period of 28 days for the purposes of subsection (4), no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

(6) For the purposes of this section, "British Overseas Territories" means a territory listed in Schedule 6 of the British Nationality Act 1981.

(7) For the purposes of this section, "a publicly accessible register of the beneficial ownership of companies" means a register which, in the opinion of the Secretary of State, provides information broadly equivalent to that available in accordance with the provisions of Part 21A of the Companies Act 2006."

*This new clause would require the Secretary of State to take steps to provide that British Overseas Territories establish publicly accessible registers of the beneficial ownership of companies.—(Dame Margaret Hodge.)*

*Brought up, and added to the Bill.*

## New Clause 19

### Scottish Limited Partnerships: UK bank account requirement

'(1) For the purposes of preventing money laundering, where a limited partnership registered in Scotland has general partners at least one of those must have an active UK bank account.

(2) Where a limited partnership registered in Scotland has limited partners at least one of those must have an active UK bank account.

(3) In this section—

"limited partnership registered in Scotland" means a partnership registered under the Limited Partnerships Act 1907;

"general partner" has the meaning given in section 4(2) of the Limited Partnership Act 1907;

"limited partner" has the meaning given in section 4(2A) of the Limited Partnership Act 1907."—*(Alison Thewliss.)*

*Brought up.*

*Question put,* That the clause be added to the Bill.

*The House divided:* Ayes 301, Noes 314.

**Division No. 143] [4.31 pm**

**AYES**

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Crausby, Sir David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Field, rh Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh David
Hardy, Emma

Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Jeff
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

**Tellers for the Ayes:**
**Angela Crawley and David Linden**

**NOES**

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
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
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
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
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David

Ghani, Ms Nusrat
Gibb, rh Nick
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, rh Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Sir Patrick
McVey, rh Ms Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, rh Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, Royston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Zahawi, Nadhim

**Tellers for the Noes:**
**Mims Davies and Kelly Tolhurst**

*Question accordingly negatived.*

**Mr Cox:** On a point of order, Mr Speaker. As you know, at the conclusion of the debate on the amendments, I informed you that I wished to raise a point of order. I intervened on several occasions in the debate and I should have made it clear—as I would had you called me to speak—that I have on occasions practised in some of the Caribbean countries that formed the basis of our discussion in my capacity as a member of the Bar. I have done that for more than 20 years and I have a familiarity with those jurisdictions as a result.

The other matter I wish to raise is that before the commencement of the debate you informed us that you were not able to select the Government amendments. Can you clarify whether it was open to you to select those amendments, because you mentioned also that they had been submitted late? So that there should be no misunderstanding, especially outside the House, will you confirm that it would have been open to you, even though they were submitted late?

**Mr Speaker:** Yes. I do not wish to be unkind to the hon. and learned Gentleman, but—uncharacteristically for someone who is normally as fastidious and precise in his use of language and exegesis of what others say—he errs in quoting me. He said that I had indicated that I was not able to select the amendments. I accept that the error is inadvertent and not deliberate, but I never said that I was not able to select the amendments. I said at the outset that I had decided not to use my discretion to select the late starred new clauses and

amendments from the Government, which were tabled yesterday afternoon and appeared in print for the first time only this morning. I absolutely accept that I have discretion in the matter, and I used that discretion as I thought right.

As for the other part of the hon. and learned Gentleman's point of order, he was being most courteous in advising the House of that matter, but—and I do not mean this in any sense discourteously—I think it would be true to say that he was more interested in what he had to say to me and to the House than anything that I might have to say to him on the subject. He has made his point with force and clarity and I thank him for doing so.

**Hannah Bardell:** On a point of order, Mr Speaker. I seek your guidance. New clause 6 has just passed in a spirit of cross-party co-operation. I find it interesting that the right hon. Member for East Antrim (Sammy Wilson) spoke so vigorously against the new clause. What can we do to ensure that Members who speak so vigorously against an amendment put their money—as we know, the DUP have rather a lot of it—where their mouth is, proverbially speaking?

**Mr Speaker:** That is a somewhat tendentious attempt at a point of order, which is rather revealed by the hon. Lady's grinning visage. The convention in this place is that votes should follow voice. Votes should not be in opposition to voice, but as to how the hon. Gentleman voted I do not know. If the hon. Lady is suggesting that he spoke on the matter in one direction and then did not vote, that is entirely up to the hon. Member. The hon. Member has not behaved improperly. The hon. Member may have irked the hon. Lady, but that is another matter. If it was in relation to an amendment on which there was no vote, there is nothing to be said—that is no matter for the Chair.

**Toby Perkins:** On a point of order, Mr Speaker. I made the hon. and learned Member for Torridge and West Devon (Mr Cox) aware, as is the convention, that I intended to raise a point of order about the fact that he spoke very passionately in favour of the Cayman Islands when he has clearly, according to his own entry in the Register of Members' Financial Interests, done a lot of work on their behalf. That seems to have given him the opportunity to respond in advance to my point of order. Can you advise me, Mr Speaker, whether, on drawing the attention of the House to a particular entry, it makes any difference if a contribution is an intervention or at the start of a grandiose speech?

**Mr Speaker:** I would not refer to a speech as grandiose—that is the hon. Gentleman's choice of language—but the short answer is no. If a Member is intervening in a debate, whether by intervention or in the form of a full-blooded speech, the responsibility to declare an interest is unchanged. I feel that the hon. and learned Member for Torridge and West Devon (Mr Cox) has clarified the position, which I think is appreciated, and I would like to leave it there. I thank him for what he has said.

**Luke Graham:** On a point of order, Mr Speaker. Today is the 311th anniversary of the signing of the Act of Union between England, Wales and Scotland. May I seek the Chair's advice on how we might mark this momentous occasion?

**Mr Speaker:** I think the hon. Gentleman has achieved his objective. I gently point out that I still have propositions to put to the House and there is not a huge amount of time for the second group. I hope that that is the end to points of order. I thank the hon. Gentleman for what he has said.

*Amendments made:* Amendment 10, page 2, line 11, clause 1, at end insert—

"(ea) provide accountability for or be a deterrent to gross violations of human rights, or otherwise promote—

(i) compliance with international human rights law, or

(ii) respect for human rights,".

*This amendment makes clear that sanctions regulations can be made for the purpose of preventing, or in response to, a gross human rights abuse or violation.*

Amendment 11, page 2, line 12, leave out "and human rights".

*This amendment is consequential on Amendment 10.*

Amendment 12, page 2, line 16, leave out "human rights,".

*This amendment is consequential on Amendment 10.*

Amendment 13, page 2, line 38, at end insert—

"(6A) In this Act any reference to a gross violation of human rights is to conduct which—

(a) constitutes, or

(b) is connected with,

the commission of a gross human rights abuse or violation; and whether conduct constitutes or is connected with the commission of such an abuse or violation is to be determined in accordance with section 241A of the Proceeds of Crime Act 2002."

*This amendment establishes that "gross violation of human rights" includes the torture of a person, by a public official or a person in an official capacity, where the tortured person has sought to expose the illegal activity of a public official or to defend human rights or fundamental freedoms.*

Amendment 14, page 3, line 3, after first "to" insert "(e), (ea) and (f) to". —*(Sir Alan Duncan.)*

*This amendment is consequential on Amendment 10.*

**Clause 2**

TYPES OF SANCTION

*Amendment made:* 15, page 3, line 26, clause 2, after "to" insert "(e), (ea) and (f) to". —*(Sir Alan Duncan.)*

*This amendment is consequential on Amendment 10.*

**Clause 28**

REVIEW OF REGULATIONS

*Amendment made:* 16, page 22, line 25, clause 28, after "to" insert "(e), (ea) and (f) to". —*(Sir Alan Duncan.)*

*This amendment is consequential on Amendment 10.*

**Clause 40**

REVOCATION AND AMENDMENT OF REGULATIONS UNDER SECTION 1

*Amendment made:* 17, page 31, line 39, clause 40, after "to" insert "(e), (ea) and (f) to".—*(Sir Alan Duncan.)*

*This amendment is consequential on Amendment 10.*

**Clause 56**

EXTENT

*Amendment made:* 20, page 43, line 7, clause 56, after first "1", insert ", section (Public registers of beneficial ownership of companies registered in British Overseas Territories)".—*(Dame Margaret Hodge.)*

*This amendment is consequential on NC6.*

**Clause 57**

COMMENCEMENT

*Amendment made:* 18, page 43, line 31, clause 57, at end insert—

"( ) section (Periodic reports on exercise of power to make regulations under section 1);"—*(Sir Alan Duncan.)*

*This amendment has the effect that the commencement date of clause (Periodic reports on exercise of power to make regulations under section 1) is the day on which the Act is passed.*

**New Clause 4**

INDEPENDENT REVIEW OF REGULATIONS WITH COUNTER-TERRORISM PURPOSE

'(1) The Secretary of State must appoint a person to review the operation of such asset-freeze provisions of relevant regulations made by the Secretary of State as the Secretary of State may from time to time refer to that person.

(2) The Treasury must appoint a person to review the operation of such asset-freeze provisions of relevant regulations made by the Treasury as the Treasury may from time to time refer to that person.

(3) The persons appointed under subsection (1) and (2) may be the same person.

(4) In each calendar year, by 31 January—

(a) the person appointed under subsection (1) must notify the Secretary of State of what (if any) reviews under that subsection that person intends to carry out in that year, and

(b) the person appointed under subsection (2) must notify the Treasury of what (if any) reviews under that subsection that person intends to carry out in that year.

(5) Reviews of which notice is given under subsection (4) in a particular year—

(a) may not relate to any provisions that have not been referred before the giving of the notice, and

(b) must be completed during that year or as soon as reasonably practicable after the end of it.

(6) The person who conducts a review under this section must as soon as reasonably practicable after completing the review send a report on its outcome to—

(a) the Secretary of State, if the review is under subsection (1), or

(b) the Treasury, if the review is under subsection (2).

(7) On receiving a report under this section the Secretary of State or (as the case may be) the Treasury must lay a copy of it before Parliament.

(8) The Secretary of State may pay the expenses of a person who conducts a review under subsection (1) and also such allowances as the Secretary of State may determine.

(9) The Treasury may pay the expenses of a person who conducts a review under subsection (2) and also such allowances as the Treasury may determine.

(10) For the purposes of this section, regulations are "relevant regulations" if—

(a) they are regulations under section 1, and

(b) they state under section 1(3) at least one purpose which—

(i) is not compliance with a UN obligation or other international obligation, and

(ii) relates to counter-terrorism.

(11) A purpose "relates to counter-terrorism" if the report under section 2 in respect of the regulations indicated that, in the opinion of the appropriate Minister making them, the carrying out of that purpose would further the prevention of terrorism in the United Kingdom or elsewhere.

(12) For the purposes of this section a provision of relevant regulations is an "asset-freeze provision" if and to the extent that it—

(a) imposes a prohibition or requirement for a purpose mentioned in section 3(1)(a), (b) or (d), or

(b) makes provision in connection with such a prohibition or requirement.

(13) If a provision is referred under this section which contains a designation power, any review under this section of the operation of that provision may not include a review of any decisions to designate under that power."

*This new clause requires the appointment of an independent reviewer to conduct reviews of sanctions regulations which impose asset-freezes or similar financial sanctions where the regulations are made for purposes relating to the prevention of terrorism and have been referred to the independent reviewer for review.—(John Glen.)*

*Brought up, and read the First time.*

**The Economic Secretary to the Treasury (John Glen):** I beg to move, That the clause be read a Second time.

**Mr Speaker:** With this it will be convenient to discuss the following:

Government new clause 5.

Government new clauses 15 to 17.

New clause 2—*Companies House: due diligence and resources*—

"(1) For the purposes of preventing money laundering, the Companies Act 2006 is amended as follows.

(2) In section 1061 (the registrar's functions) after subsection (1) insert—

'(1A) Functions directed by the Secretary of State under subsection (1)(b) must include due diligence on a person wishing to register a company.

(1B) In this section 'due diligence' has the same meaning as 'customer due diligence measures' in regulation 3 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 692/2017)."

(3) In section 1063 (Fees payable to the registrar), in subsection (2)(a) after 'Secretary of State' insert 'including the duty of due diligence under section 1061(1A).'"

*This new clause would amend the duties of Companies House to ensure that any person wishing to register a company must be checked for due diligence by Companies House, in line with the measures included in the Money Laundering Regulations 2017. It also ensures that the Secretary of State can charge fees for due diligence checks to cover costs incurred by Companies House.*

New clause 7—*Money laundering exemptions*—

"The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) are exempted from amendment or revocation under the Legislative and Regulatory Reform Act 2006 and under the European Union (Withdrawal) Act 2018."

*This new clause would prevent any amendment or repeal of the 2017 Money Laundering Regulations via powers contained in the Legislative and Regulatory Reform Act 2006 and the European Union (Withdrawal) Act 2018.*

New clause 8—*Public register of beneficial owners of overseas entities*—

"(1) The Secretary of State must, in addition to the provisions made under paragraph 6 of Schedule 2, create a public register of beneficial ownership information for companies and other legal entities registered outside of the UK that own or buy UK property, or bid for UK government contracts.

(2) The register must be implemented within 12 months of the day on which this Act is passed.

(3) For the purposes of this section 'a register of beneficial ownership for companies and other legal entities registered outside of the UK' means a public register—

(a) which contains information about overseas entities and persons with significant control over them, and

(b) which in the opinion of the Secretary of State will assist in the prevention of money laundering."

*This new clause would create a public register of beneficial ownership information for companies and other legal entities outside of the UK that own or buy UK property, or bid for UK government contracts, within 12 months.*

New clause 10—*Parliamentary committee to scrutinise regulations*—

"(1) A Minister may not lay before Parliament a statutory instrument under section 49(5) unless a Committee of the House of Commons charged with scrutinising statutory instruments made under this Act has recommended that the instrument be laid.

(2) The committee of the House of Commons so charged under subsection (1) may scrutinise any reviews carried out under section 28 of this Act."

*This new clause would require a specialised House of Commons Committee to approve all statutory instruments laid under the affirmative procedure under this Act. The Committee would also scrutinise the Government's reviews of sanctions regulations.*

New clause 11—*Failure to prevent money laundering*—

"(1) A relevant body (B) is guilty of an offence if a person commits a money laundering facilitation offence when acting in the capacity of a person associated with B.

(2) For the purposes of this section "money laundering facilitation offence" means—

(a) concealing, disguising, converting, transferring or removing criminal property under section 327 of the Proceeds of Crime Act 2002 (concealing etc);

(b) entering into an arrangement which the person knows, or suspects, facilitates (by whatever means) the acquisition, retention, use, or control of criminal property under section 328 of the Proceeds of Crime Act 2002 (arrangements); or

(c) the acquisition, use or possession of criminal property, under section 329 of the Proceeds of Crime Act 2002 (acquisition, use and possession).

(3) It is a defence for B to prove that, when the money laundering facilitation offence was committed, B had in place adequate procedures designed to prevent persons acting in the capacity of a person associated with B from committing such an offence.

(4) A relevant body guilty of an offence under this section is liable—

(a) on conviction on indictment, to a fine;

(b) on summary conviction in England and Wales, to a fine; or

(c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.

(5) It is immaterial for the purposes of this section whether—

(a) any relevant conduct of a relevant body, or

(b) any conduct which constitutes part of a relevant criminal offence,

takes place in the United Kingdom or elsewhere.

(6) In this section, 'relevant body' and 'acting in the capacity of a person associated with B' have the same meaning as in section 44 of the Criminal Finances Act 2017 (meaning of relevant body and acting in the capacity of an associated person)."

*This new clause would make it an offence if a relevant body failed to put in place adequate procedures to prevent a person associated with it from carrying out a money laundering facilitation offence. A money laundering facilitation offence would include concealing, disguising, converting, transferring or removing criminal property under section 327 of the Proceeds of Crime Act 2002.*

New clause 12—*Public register of beneficial ownership of trusts and similar legal arrangements*—

"(none) The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 are amended by leaving out paragraph (12) of regulation 45 (Register of beneficial ownership) and inserting—

'(12) The Commissioners must ensure that the register is published.'."

*This new clause would require the Government to publish the register of beneficial ownership of trusts and similar legal arrangements on the day this Act is passed.*

New clause 13—*Due diligence*—

"(1) For the purposes of preventing money laundering, when a company is formed, any company formation agent providing formation services must ensure that the identity and business risk profile of all beneficial owners of the company are established in accordance with—

(a) the customer due diligence measures under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692),

(b) regulations made under section 44 of this Act, or

(c) the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on anti-money laundering measures.

(2) For the purposes of subsection (1), Companies House is to be treated as a 'company formation agent'."

*This new clause would ensure that when a company is formed in the UK, the relevant formation services must identify the beneficial owners of the company. It will also treat Companies House as a "company formation agent", ensuring that the data on the public register of beneficial ownership for companies is accurate.*

New clause 18—*Winding up companies of designated persons*—

"(1) The Secretary of State may, in respect of a designated person subject to sanctions regulations under this Act—

(a) present a petition under section 124A of the Insolvency Act 1986 to wind up a company owned or controlled by a designated person; and

(b) make a disqualification order under section 8 of the Company Directors Disqualification Act 1986 against a designated person who is or has been a director or shadow director of a company or an overseas company.

(2) In this section, 'company' means a company registered under the Companies Act 2006 in the United Kingdom or a company that may be wound up under Part 5 of the Insolvency Act 1986 (unregistered companies).

(3) In this section, 'overseas company' means a company incorporated or formed outside the United Kingdom".

*This new clause would ensure the Secretary of State could close down companies owned or controlled by a person subject to sanctions under this Act using the pre-existing powers in the Insolvency Act 1986 and Company Directors Disqualification Act 1986.*

New clause 20—*Periodic review of exercise of powers and operation of Act*—

"(1) As soon as reasonably practicable after the end of—

(a) the period of six months beginning with the day this Act is passed, and

(b) every 12 month period which ends with the first or subsequent anniversary of the end of the period mentioned in the preceding paragraph,

(2) Subject to issues of confidentiality the said report shall include a summary of any representations made in relation to the exercise or proposed exercise of the powers and the response of the appropriate Minister to the same.

(4) The Independent Reviewer appointed pursuant to section 20 of the Terrorism Prevention and Investigation Measures Act 2011 ('the 2011 Act') shall include a review of the operation of this Act in the reports by the Independent Reviewer produced pursuant to the 2011 Act."

*This new clause would require a periodic review of the exercise of the powers and operation of this Act six months after Royal Assent and every 12 months thereafter.*

Amendment 1, page 1, line 8, clause 1, leave out "appropriate" and insert "necessary".

Amendment 2, page 2, line 17, at end insert—

"(i) further the prevention of organised crime, or

(j) further the prevention of human trafficking."

Government amendment 23.

Amendment 29, page 15, line 4, clause 15, at end insert—

"(i) provide for the procedure to be followed for an application for an exception or licence".

*This amendment would ensure that the regulations will include a procedure for applying for an exception or for a licence.*

Government amendment 24.

Amendment 3, page 20, line 12, clause 22, leave out "3 years" and insert "12 months".

Amendment 4, page 20, line 14, leave out "3 years" and insert "12 months".

Amendment 5, page 21, line 36, clause 26, leave out "3 years" and insert "12 months".

Amendment 6, page 21, line 38, leave out "3 years" and insert "12 months".

Amendment 7, page 31, line 12, clause 38, leave out "may include guidance about—" and insert "must include, but is not limited to, guidance about—".

Amendment 8, page 31, line 15, at end insert—

'(3) The appropriate Minister must review the guidance issued under this section and lay a report before Parliament every 12 months."

Government amendment 25.

Amendment 21, page 36, line 8, clause 48, leave out paragraph (a).

*This amendment would remove paragraph 2(a) from Clause 48, which enables the appropriate Minister to amend, repeal or revoke enactments for regulations under section 1 or 44 using Henry VIII powers.*

Amendment 9, page 37, line 27, clause 49, at end insert—

"(5A) A statutory instrument containing regulations under section 1 that repeals, revokes or amends—

(a) an Act of the Scottish Parliament,

(b) a Measure or Act of the National Assembly for Wales, or

(c) Northern Ireland legislation,

must receive the consent of the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly, respectively."

*This amendment would require the UK Government to obtain the consent of the devolved administrations before repealing, revoking or amending devolved legislation using a statutory instrument containing regulations under section 1.*

Amendment 22, page 39, line 4, clause 51, leave out subsection (3).

*This amendment would remove subsection (3) of Clause 51, which states that if a reporting provision is not complied with, the appropriate Minister must publish a written statement explaining why that Minister failed to comply with it.*

Government amendments 26 and 19.

Amendment 30, page 59, line 5, schedule 3, at end insert—

*"Solicitors (Scotland) Act 1980*

'(4) The Solicitors (Scotland) Act 1980 is amended as follows.

(5) Section 34(1)(d) is repealed.

(6) In section 35(1), after paragraph (c) insert—

(cc) as to the way in which solicitors and incorporated practices are to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017".".

*This amendment would amend the Solicitors (Scotland) Act 1980, ensuring it is consistent with this Act.*

Amendment 27, page 59, line 14, at end insert—

*"Insolvency Act 1986 (c. 45)*

'(1) In section 124A of the Insolvency Act 1986 (petition for winding up on grounds of public interest), after paragraph (1)(d) insert—

(e) any information notified to the Secretary of State pursuant to regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018.'"

*This amendment, which is consequential on NC18, would amend the Insolvency Act 1986 to ensure it is consistent with this Act.*

Amendment 28, page 59, line 14, at end insert—

*"Company Directors Disqualification Act 1986 (c. 46)*

'(1) In section 8 of the Company Directors Disqualification Act 1986 (Disqualification of director on finding of unfitness), after paragraph (1) insert—

(1A) The Secretary of State may apply to the court for a disqualification order to disqualify a person who is, or has been, a director or shadow director of a company, if that person is subject to regulations made under section 1 of the Sanctions and Anti-Money Laundering Act 2018.'"

*This amendment, which is consequential on NC18, would amend the Company Directors Disqualification Act 1986 to ensure it is consistent with this Act.*

**John Glen:** It is my privilege to address the second group of amendments, but before I do I would just like to acknowledge, as the hon. Member for Salisbury, the good will from across the House in light of the events of 4 March. With respect to the previous debate, I would like to acknowledge the work of my right hon. Friend the Member for Newbury (Richard Benyon), the hon. Member for Rhondda (Chris Bryant) and, in particular, my right hon. Friend the Minister for Europe and the Americas, who has done so much to come up with an outcome, which we have just expressed, that will mean a great deal to my constituents in Salisbury.

New clauses 2 and 13 aim to improve the quality of information on our company register. The Government believe that they would do so at a significant cost to UK business and would require considerable consequential change to the UK company law system for the measure to function. Companies House is taking active steps to improve the quality of data on the register. It has already increased its resourcing to support these investigations and more is being sought. Since the start of March, the first tranche of cases of non-compliance with beneficial ownership registration requirements were

passed from Companies House to the Insolvency Service. The cases will form the basis of the first prosecutions for non-compliance with such requirements and should be prosecuted shortly.

New clause 18 and amendments 27 and 28, which were tabled by the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle), allow for action to be taken against so-called brass-plate companies that breach sanctions. The reason that brass-plate companies have not been prosecuted or wound up relates to the challenges of collecting evidence of their activities, not a lack of legal powers. I look forward to hearing what he has to say, but the amendments do not provide any enhanced ability to take action against such companies. We continue to explore with partners across Government whether we could do more to address this issue, so I hope that in due course, hon. Members will agree to withdraw this set of amendments.

I now turn to amendment 19, to which new clause 5 has a similar purpose. These proposals seek to clarify the interaction of powers in the Bill with the provisions of the European Union (Withdrawal) Bill. New clause 7 seeks to constrain the powers of future Governments to amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. However, the powers in the European Union (Withdrawal) Bill are necessary to ensure a functioning statute book immediately after the UK ceases to be a member of the EU.

Amendment 30 seeks to amend the Solicitors (Scotland) Act 1980 to give the Law Society of Scotland greater powers to conduct its role as an anti-money laundering supervisor. The Government strongly support all supervisors having adequate powers to effectively monitor and take measures to ensure compliance from their members and to use proportionate and dissuasive sanctions when their members do not comply with the rules. The Law Society of Scotland has raised with Treasury officials the issues that it would like to amend in legislation. They are looking closely at this issue and will continue to work with the Law Society of Scotland to address it. I therefore respectfully ask the hon. Member for Glasgow Central (Alison Thewliss) not to press that amendment, but no doubt we will have a discussion in due course.

New clause 8, on beneficial ownership, seeks to set down in legislation an obligation to implement, within 12 months of the Bill getting Royal Assent, our commitment to establishing a public register of company beneficial ownership of overseas companies that own or buy property in the UK. The UK was the first country in the G20 to establish a public register of company beneficial ownership, and Transparency International concluded that we are one of just three G20 countries with a "very strong" legal framework around beneficial ownership.

Let me be clear to the House that the Government are committed to establishing this register and to bringing increased transparency to UK property ownership. The Government committed in January to publishing a draft Bill before the summer recess, and we recently published our response to the call for evidence. We will legislate early in the next parliamentary Session to establish the register by 2021. We will be the first country to establish the register and it is important to get it right.

New clause 12 would require HMRC's register of trusts that generate UK tax consequences to be published. Information held on the register is accessible to law enforcement agencies and allows them to readily draw together information on trusts, including offshore trusts, when they generate a UK tax consequence. However, trusts, unlike companies, do not have any independent legal personality in their own right. They are frequently established for legitimate and highly personal reasons, such as protecting assets for children or vulnerable adults. Placing this information into the public domain would infringe the privacy rights of trust beneficial owners and needlessly publicise the financial affairs of vulnerable people for whom trusts are established. I therefore ask Members not to press those amendments.

New clause 11 seeks to create a corporate criminal offence of failure to prevent money laundering, which is not necessary because of reforms to the anti-money laundering regime already in place. The proposed offence is substantively available in respect of firms regulated for anti-money laundering purposes by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, which require regulated firms to have policies, controls and procedures to mitigate and manage risks of money laundering and terrorist financing. Failure to comply with these requirements is already a criminal offence.

5 pm

Furthermore, through the introduction of the senior managers regime, banks are now required to ensure that a named senior manager has unequivocal responsibility for overseeing the firm's efforts to counter financial crime. If a relevant firm breaches its anti-money laundering obligations, the FCA can take action against the responsible senior manager, if they can prove that they did not take such steps as a person in their position could reasonably have been expected to take to avoid the breach occurring. The new clause would not, therefore, go beyond the existing regulatory framework in this area.

Amendment 7, which stands in the names of the hon. Members for Bishop Auckland (Helen Goodman) and for Oxford East (Anneliese Dodds), would change "may include guidance about" to "must include" in respect of three stated areas of guidance. The amendment could be interpreted as limiting the areas on which the Government have committed to providing guidance to just the areas listed in the clause. With amendment 8, the hon. Members also wish the Government to review guidance issued under clause 38 on a yearly basis and submit a report to Parliament containing the results of that review. I see no grounds for instituting an additional review and reporting requirement in the Bill as there is already one in the Bill.

**Helen Goodman:** Those two amendments were tabled by the SNP.

**John Glen:** I am happy to be corrected, and I apologise to the hon. Lady.

Amendment 29 relates to the procedure by which individuals or entities apply for licences and exceptions to be included in the regulations. Retaining the application procedures in guidance will give the Government the flexibility to update them as needed and to respond to stakeholder feedback.

The Government have tabled new clause 4 because we recognise the concern raised by the Independent Reviewer of Terrorism Legislation and the Joint Committee on Human Rights that the repeal of part 1 of the

*[John Glen]*

Terrorist Asset-Freezing etc. Act 2010 would remove the independent reviewer's oversight of domestic counter-terrorism asset freezes. Government new clauses 15 to 17 and amendments 23 to 26 will provide the UK Government with the powers necessary to enforce UK sanctions regulations against ships in international and foreign waters. These powers will ensure adherence to the standards set out in relevant UN Security Council resolutions and provide protection against the transportation of dangerous and harmful goods in international waters. These provisions contain important safeguards on the use of these powers, including a requirement to have reasonable grounds to suspect that sanctions are being flouted before enforcement action can be taken as well as flag state and foreign state consent where relevant.

New clause 20, tabled by the hon. Member for Glasgow Central—I hope I have got that one right—would oblige the Secretary of State to lay a report before Parliament each year on the exercise of the powers in the Bill. We have a range of reporting requirements in the Bill already, including an annual report on the sanctions regulations in force, and further reports when sanctions are imposed or amended. In addition, new clause 3 sets out reporting requirements for regulations made under the human rights purpose. We consider it unnecessary, therefore, to add an additional report on top of these, given that the issues that would be addressed in the report would be mirrored by those already required in the Bill.

Amendments 3 to 6, also tabled by the hon. Lady, would require that every sanctions designation be comprehensively re-examined annually. We agree that sanctions should only be in place for as long as there are good reasons for them to be so, and the Bill contains a range of procedures to ensure that all our sanctions are subject to regular scrutiny and review. We believe that three-year comprehensive reviews, combined with a robust package of procedural safeguards in the Bill, will ensure that these standards are at least maintained, so we would ask that she consider not pressing her amendments.

New clause 10, tabled by the hon. Members for Bishop Auckland and for Oxford East, would require statutory instruments that are to be considered under the draft affirmative procedure to receive a positive recommendation from a House of Commons Committee before being laid. All secondary legislation to which it would apply requires affirmative votes before coming into force, and we believe that that negates the need for additional parliamentary scrutiny. Sanctions are a manifestation of the UK's foreign policy. They are not stand-alone or independent initiatives. Indeed, a number of existing parliamentary Committees have considered, or are planning to consider, sanctions issues, including the House of Lords EU Committee and the House of Commons Treasury Committee. It is not clear why further layers of scrutiny are necessary or desirable.

Amendment 22 would remove the requirement for Ministers to publish a written statement of explanation if they did not comply with a reporting provision. I should make it clear that this provision does not in any way displace the statutory duty to report; Ministers who fail to comply with that duty must face the consequences, regardless of whether an explanation is given.

Amendment 1, tabled by the hon. Member for Glasgow Central, would mean that sanctions regulations could be created only when that was deemed "necessary" for the purposes of the Bill, rather than when it was deemed "appropriate". For many years the use of sanctions has been an essential part of international diplomacy, to respond to threats such as terrorism or to change unacceptable or threatening behaviour. It is important for the Government of the day to have the flexibility to impose sanctions or not to do so, after a thorough review of the prevailing political situation. Changing "appropriate" to "necessary" would mean that the Government could consider sanctions only as the last resort.

Amendment 9 would require the legislative consent of the devolved Administrations for any sanctions regulation made under section 1, if that regulation included a consequential repeal of, revocation of, or amendment to any law created by those Administrations. The power to create sanctions regulations falls under matters that are reserved to Westminster, and that includes modifications consequential on those regulations. Under the UK's constitutional settlement, foreign policy is a reserved matter. The Bill gives the Government the power to impose sanctions as a foreign policy and national security tool.

**Alison Thewliss:** I have already made this point to the Minister. I agree that the Scottish Parliament does not have the power to impose sanctions, but why do the UK Government want to say that we cannot do so when it is already clear that we cannot? Why should the Government revoke something that we cannot actually do?

**John Glen:** We contend that the amendment would change this part of the devolution settlement, and we have received no representations from the Scottish Government on it.

Amendment 21 would remove Ministers' power to make consequential amendments, related to sanctions and anti-money laundering regulations, to existing primary and secondary legislation. That would remove the ability to ensure that the statute book works after sanctions have been imposed. The power is not unusual, and is confined to modifications that arise solely as a result of sanctions or anti-money laundering provision. In any case, regulations making such modifications of the statute book would be dealt with by the draft affirmative procedure, so both Houses would need to approve them before they could come into force. I ask the House to preserve that important power.

Let me make it clear that the Government support the principle of amendment 2, tabled by the hon. Member for Glasgow Central, which is to help prevent organised crime and human trafficking. Those are serious issues that we are strongly committed to tackling. However, as we have explained before, we do not think it necessary to state that sanctions regulations could be created for these purposes in the Bill, because it already provides the powers to impose sanctions in these cases.

Government new clause 5 is technical. It simply seeks to clarify the interaction of the powers in this Bill with the provisions of the European Union (Withdrawal) Bill. This Bill contains powers that enable the Government to amend retained EU law to impose or lift sanctions. The new clause simply makes it clear that restrictions in the European Union (Withdrawal) Bill do not prevent those powers from being exercised in the way that was intended.

**Anneliese Dodds** (Oxford East) (Lab/Co-op): I shall speak to amendment 21 and new clauses 8 and 13. I will try to be disciplined, as the Minister was, by keeping my remarks as brief as possible, but I would state that while many of us feel that we have seen some progress in terms of transparency for overseas territories, we need a much broader programme of reform so that we stamp out dirty money from the British financial system.

While the Minister referred to amendment 21, he failed to grasp its significance and intention. As with other Brexit-related Bills, the Opposition have many concerns about the wide-ranging powers that this Bill gives to Ministers, and in particular the way in which it gives Ministers the ability to amend, repeal or revoke legislation through regulations without appropriate scrutiny. We frequently cited Lord Judge in Committee, but it is appropriate that I do so one last time in this Chamber. He was very clear about the dangers of this power. As he said, it gives Ministers

"'regulation-making powers for this, that and the other'".

He is a very learned person and, as he put it,

"the secondary will override the primary."—[*Official Report, House of Lords,* 17 January 2018; Vol. 788, c. 718-19.]

I do not think that many Government Members could disagree with that. Clearly this is an excessive power. It is not justified by the need for speed, for reasons that were well rehearsed in Committee.

The Government have yet again today maintained that these powers are for the sole purpose of combating money laundering and maintaining a sanctions regime, but we heard just a few moments ago that these issues can be highly contentious. There can be different points of view within our parliamentary system on these matters, and that must be reflected in an appropriately inclusive parliamentary procedure.

The Committee advocated by Her Majesty's Opposition is necessary precisely because the European Scrutiny Committee will not be operating in its same form after we leave the EU, and our sanctions policy will not be derived from the EU once we have left. That is surely the whole point, so we will need another body that can conduct that scrutiny. We will not want Members turning up on an ad hoc basis to a secondary legislation Committee ill briefed, ill prepared and not expert about the topics at hand. That is why we are making our call, and the arguments for such a body are self-explanatory.

**Kelvin Hopkins** (Luton North) (Ind): I am a member of the European Scrutiny Committee, and we do take the view that after Brexit there should be a Committee that can continue to keep an eye on what is happening in the EU, because that will still be important and very relevant to what happens in Britain.

**Anneliese Dodds:** And that Committee has been able to develop its expertise around some very complex issues. We will not have such expertise in the future without the kind of Committee that we are advocating. It will be spread across a range of Departments, as is the case with our sanctions, so there is a need for a group in which expertise can be built up among Members. Surely that is enormously important.

As the Minister said, new clause 8 would bring forward the timetable for introducing a public register for foreign-owned property in the UK, but it would do so only in relation to the Government's current proposals. It would actually be behind the initial timetable that we were given by the Government for introducing such a register, according to which we should have seen developments last month, given that today is 1 May. I will not rehearse all the arguments made by my hon. Friend the Member for Hornsey and Wood Green (Catherine West).

**Alex Sobel** (Leeds North West) (Lab/Co-op): Global Witness has found that there are 86,000 anonymously-owned properties in the UK, many of which are empty. Does my hon. Friend agree that we should legislate so that we will know who owns these properties, and therefore be able to bring them into use by people in this country?

5.15 pm

**Anneliese Dodds:** My hon. Friend is absolutely right. I understand that those 80,000-plus properties, which are often owned through secrecy jurisdictions, are the ones that crop up most often in corruption investigations. It is often exactly that kind of property that appears to be used illicitly, and it is enormously important that we get a grasp of this problem. We have seen—through the various laundromat investigations, for example—how British property has been used not only to hide illicitly gotten gains, but to guarantee additional profit, because those properties can be let out, guaranteeing a future income stream.

In that regard, I will give the Government one more opportunity. I have asked them many times to indicate whose side they are on. Are they on the side of the investigative journalists who have shown us so much about the movement of dirty money through our financial system, either through the laundromat investigations or through the Paradise, Panama and Luxembourg leaks papers, or are they on the side of those who want to shut down debate on this matter? It would also be helpful to know whether they think it is appropriate that the BBC and *The Guardian* are being singled out by the firm Appleby and having legal action taken against them purely because they published information from the Panama papers leaks. They are the only two British companies to be singled out in that way.

Moving back to the substance of new clause 8, the Government initially intimated that they would introduce the register back in April. Instead, it now will not be available until 2021, but we heard nothing from the Minister about why that delay is necessary. Investigative reporters have already created a register of sorts that we can all access on the internet. It was created by journalists at *Private Eye* and other organisations who matched up Land Registry data with company data. I am not aware of any significant worries about the reliability of that information, so why are there so many concerns in this regard? The Financial Action Task Force is due to report soon on our systems to combat money laundering, and this is not the time to delay any action.

If Ministers feel the need to slow down the process in order to consult the Opposition and produce draft legislation, I can tell them that Labour Members support such a measure. The Government do not need to jump through hoops with this legislation—they can move ahead immediately with our full support—so there is no need for delay. In fact, there is every need for haste. I look forward to hearing whether Conservative Members

*[Anneliese Dodds]*

think that there are genuine reasons for this hold-up, because I do not believe that there are any. There is cross-party support for the original timetable. Indeed, faster progress was urged by Conservative peers when the matter came up in the other place, so I hope that the Government will listen to them and to the Opposition, and deliver this register to an appropriate, faster timetable.

On the question of registers, the topic of trusts has been raised in previous debates as well as this one. In fact, it is covered by an Opposition amendment, and the Minister also mentioned it. Not having transparency for trusts will place us behind developments in the European Union, because there is now consensus at the EU level about the need to ensure that there will be transparency for business-like trusts, so we will be behind the curve on that one. Of course, the coalition Government lobbied against transparency for trusts, and we now know that David Cameron personally intervened to try to prevent it. However, this Government could take a different approach and introduce greater transparency, so I hope that they will shift that position.

On the offence of failure to prevent money laundering, I hope the House will not mind if I briefly ask the Minister when exactly we will see the Government response to the consultation and call for evidence, which ended last year, on the failure to prevent economic crime. Although that process ended many months ago, we still do not know what action the Government will take—we are still waiting. There is no lack of evidence for the need to take action; there is only a lack of will, sadly, and that needs to change.

Our new clause 13 is similar to the SNP's new clause 2, but it is rather broader, as it deals with trust and company service providers, as well as Companies House. In the previous debate, the Minister for Europe and the Americas rightly drew attention to the fact that the UK was a frontrunner in adopting a public register of beneficial ownership. The Opposition are of course pleased that the Government have accepted the need for such a register for the overseas territories but, as Members on both sides of the House have said, we need to ensure that the information in any such register is accurate, and that is the point about which many concerns have been raised.

I have been in correspondence with the Minister and with the FCA about one particular case, namely that of the so-called Business Bank Italy, in which a number of rather strange figures seem to be involved. One of them gave his title as the Italian translation of "the chicken thief" and maintained that he lived on the "Street of 40 Thieves" in the town of "Ali Babba". I have tried to find out whether he and those associated with him are being prosecuted, but he has certainly been under investigation in Italy, and some of his associates have been prosecuted for their involvement in the mafia over there.

In contrast, the only person to have been prosecuted—I would also say persecuted—in the UK for submitting false information is Kevin Brewer, who is actually a whistleblower. He created a fictitious company and told the world about it in the pages of a national newspaper, but his prosecution has since been held up as showing the Government's determination to

"come down hard on people who knowingly break the law".

He broke the law in order to show that the law was an ass under the current system, and it is a disgrace that he has been prosecuted when others seem to be able to operate with impunity. The right hon. Member for East Antrim (Sammy Wilson), who is no longer in the Chamber, referred to an 85-year-old who was exercising significant control in 25,800 companies, so it is essential that such individuals are investigated.

New clause 13 would require any company formation agent to carry out appropriate due diligence on the beneficial owners of the companies that they are forming. It would cover both trust and company formation service providers, and Companies House, where companies can be directly registered without anyone else being involved in the process. I will not re-run our debates during the Bill's previous stages, but suffice it to say that rather than providing additional clarity—I say the same of the additional exchanges that I have had with Ministers since—the waters have only been muddied. There is a huge ambiguity about the precise role of Companies House. Some Ministers seem to resist the view that it should be responsible for checking data on the business database, while others say that it should exercise that kind of due diligence and is doing so perfectly well. What I see as a parliamentarian, as do many businesspeople and others who are concerned about the fraudulent companies that appear to be able to operate with impunity, is Companies House sadly being severely behind the curve that has been set by crooks and criminals.

The Minister said that change would be difficult, but it would not. For example, when one registers a company with Companies House, one can enter whatever information one wants in the boxes on the website. That website does not even have the highly technologically sophisticated tool of a drop-down menu, which means that people can enter non-existent addresses, as I just mentioned, suggest that two-year-olds are people of significant control in a company and so on. The situation is ridiculous and dealing with it would not require a huge amount of investment.

We also need stronger action when it comes to the responsibilities of trust and company service providers. There is extensive evidence, most recently revealed by "Panorama", that existing anti-money laundering legislation is insufficient to deter the money-laundering activity facilitated by some TCSPs.

I have had an extensive exchange of letters with the Treasury, and I am grateful to the Minister for corresponding with me on this subject, particularly regarding the problem of foreign TCSPs registering companies with Companies House. I have been informed by the Government that foreign TCSPs are of lower risk than UK-based ones, despite the fact they are not covered by UK anti-money laundering legislation. I received the latest letter this very morning, for which I am grateful, and it concludes by stating that foreign TCSPs are regulated by their home jurisdictions. That is okay then—they are regulated by their home jurisdictions, so there is no problem. Sadly the evidence suggests quite the opposite.

We have seen some positive moves from the Government today, under enormous pressure from Members on both sides of the House, on Magnitsky clauses and on beneficial ownership registers for overseas territories, but we need appropriate scrutiny of sanctions and anti-money laundering legislation, a return to something nearer the original timetable for foreign-owned property

registration, and the exercise of proper due diligence on the information submitted to our companies register if we are really to clean dirty money out of our financial system.

We have to stop crooks, criminals and the corrupt benefiting from our country's good name. Our Government need to stop obfuscating and start acting.

**Alison Thewliss:** I rise to speak to the amendments in my name. I will rattle through them and say why they have been tabled. The primary concern is about Companies House. Very much as the hon. Member for Oxford East (Anneliese Dodds) has just said, we have laid out our serious concerns at all stages of the Bill. It is disappointing to get to this stage and find that the Government are still not listening to those concerns.

Companies House does not have the adequate resources or powers sufficiently to monitor and ensure the integrity of the company incorporation data submitted to it.

**Hannah Bardell:** Does my hon. Friend agree that it seems to be harder to open a gym membership than to register a company with Companies House?

**Alison Thewliss:** My hon. Friend is absolutely correct. Registering with Companies House seems to be the easiest thing possible. It is baffling that anything else, such as a tax return, a passport application or a driving licence application, needs to go through the gov.uk verify scheme, but Companies House does not have that requirement. Just tightening up those rules would help hugely both to ensure the accuracy of the information and to clamp down on those who wish to abuse the system. It is in all our interests to make sure the system is accurate, but it is not accurate.

Worse, there are only about 20 people at Companies House policing some 4 million firms' compliance with company law. There are no proactive checks on the accuracy of the information submitted, which, as the hon. Member for Oxford East has just said, allows a significant amount of false and misleading data to be submitted to the companies register.

**Bob Stewart** (Beckenham) (Con): The hon. Lady says there are no proactive checks at Companies House, but if an outside person challenges an entry, surely the people at Companies House have to check it out. It is a criminal offence if an entry is wrong, is it not?

**Alison Thewliss:** The difficulty in all this is with enforcement. As the hon. Member for Oxford East pointed out, it has been very difficult to get anything to happen in the case of "the chicken thief". The only person to be prosecuted so far is a whistleblower, which does not lead me to believe much will be done to those who abuse the system. The volume of data at Companies House makes such abuse very difficult to tackle. Indeed, investigative journalist Richard Smith has flagged up such things and has found it difficult to get any action. If a person submits the wrong name and address on their form, either deliberately or accidentally, how is the agency supposed to track down that person to get them to correct the information?

Not making the system accurate allows hon. Members to stand up in this place and say that transparency of registers does not work, but we know it does work if it is done properly and if we invest in it properly. We need to be careful to make sure that our own integrity is right, because if we are leading on transparency and beneficial registers across the world, we need to make sure that what we are doing here—the intention around Companies House—is what is carried out in practice. Companies House needs more resource to allow that to happen.

5.30 pm

The Government need to make sure that Companies House can identify suspicious activity and act, and will carry out due diligence, and it needs resources. I was shocked to find out that Companies House is not obliged to act under the same anti-money laundering legislation as everybody else. Company formation agents, lawyers and people owning a firm are obliged to act under that. They have to do certain things, such as setting up a bank account and going through all this anti-money laundering legislation, whereas Companies House is not under that legislation. It should be, because it was the primary resource for 40% of company incorporations last year: 40% of incorporations were done through Companies House, yet it does not fall under the anti-money laundering legislation.

Our new clause 2 therefore seeks to ensure that any person wishing to register a company must be checked for due diligence, in line with the money laundering regulations. It would also ensure that the Secretary of State could charge fees for due diligence checks. After all, it costs only £12 to register a company, which is a pretty low bar. When we consider the cost of everything else we might want to do in life, such as getting a passport or driving licence, applying for a gym membership and so on, we see that £12 to register a company seems low. We might expect someone registering a company to have more than £12 in the bank account in order to do that and have it done properly, so due diligence fees could be built into this as well. The Government need to act on this; otherwise, we leave the door wide open to money laundering, which reduces the whole integrity of the system.

On amendment 9, as I said to the Minister, it does not make sense for the Government to seek to overrule the devolved institutions on something they cannot do. That does not seem logical, and I cannot understand exactly why this approach is being taken. The Government have not given me an explanation for it, and I would still like this cleared up.

Our amendment 1 proposes removing the word "appropriate" and inserting "necessary" We, like Labour Members, have been concerned that the powers given to Ministers in this Bill are very wide, so inserting "necessary" would give a bit of a check on the system. It is not an entire check, but it is a bit of one. This issue was discussed in the Lords and it remains a concern. We would not expect this Government to make sanctions willy-nilly, but this is not legislation just for this Government; it is for all future Governments, and we want to make sure there is a sufficient check on the system.

In previous debates, I have discussed our proposal, contained in amendments 3, 4, 5 and 6, to leave out "3 years" and insert "12 months". I hear what the Minister says about the way in which the sanctions regime will operate—people will be checked and there will be a means of dealing with this—but this issue was also raised in the House of Lords. Lord Pannick considered the three-year period not quite justified:

"It is right and proper that sanctions of such significance should be reviewed more often than every three years."—[*Official Report, House of Lords,* 29 November 2017; Vol. 787, c. 699.]

It will quite often fall to the people who have been sanctioned or find themselves sanctioned to challenge that, but again they would need to know that they were on the list and to go through a process to do that. It would be better if this were reviewed on a more regular basis.

Amendments 7 and 8 relate to what is in guidance. They might be seen as semantic or technical, but UK Finance and its members are concerned that

"without a more precise requirement, the guidance issued"

by Government

"will remain too high level and lacking sufficient detail."

Nobody who is trying to do a good thing, such as moving aid funds around the world, wishes suddenly to find themselves falling foul of sanctions because the guidance has not been clear enough. UK Finance has also highlighted that the guidance currently available on the Government's website is not sufficient to allow it to do what it wants to do in terms of moving funds around in support of humanitarian operations. The very last thing we would want to do is hinder the foreign policy objective of providing humanitarian aid by the laws under which we make sanctions regulations. We therefore want to make sure that guidance is more precise and much clearer, to allow financial institutions the confidence to deal with that.

Finally, amendment 30, on the Solicitors (Scotland) Act 1980, is another pretty technical amendment. The Law Society of Scotland flagged this issue to me, as it is concerned that an earlier Government amendment was made in the wrong place, with the effect that the Law Society of Scotland cannot suspend people under the suspension power in section 40 of the 1980 Act. Section 40 should mean that the society can suspend a solicitor's practising certificate if that solicitor has failed or is failing to comply with the rules made under section 35 of the 1980 Act. The society says that there is no analogous suspension power under section 34.

The Government have made an amendment, but in the wrong place. I appreciate that the Minister has said that they are looking into this matter, but it seems not to make an awful lot of sense to intend to do something that would help the Law Society of Scotland, only to not do it by making the amendment in the wrong place, leaving the society without the ability to strike off solicitors who are getting up to no good. It would make an awful lot of sense if the Government could make some progress on this matter.

We tabled amendment 30 to ensure that the issue is kept on the agenda, and that the Government do not forget about it but bring something forward as soon as they possibly can, because we need to see more action. As with the other matters that I have addressed, including Companies House and SLPs, it is absolutely key that we get timescales from the Government, because while we are not acting—while the Government are not doing things—money launderers are continuing to profit and to move money around without any kind of sanctions being applied against them. They have absolute impunity, so we must take action as soon and as swiftly as we can to tighten up all the loopholes that still exist.

**Jo Swinson:** I rise to speak briefly in support of various amendments, including amendment 21, which would remove the Henry VIII powers. It has become an unfortunate hallmark of this Government that they have sought to put far too much power in Ministers' hands. If anything, the whole "take back control" thing should be in the direction of Parliament and the representatives of the people, not to Ministers, with decisions therefore undergoing less scrutiny. I very much support amendment 21 on that basis.

I am sure that shortly the House will hear from the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle), who tabled new clause 18, which I very much support. I understand that my support was communicated to the Public Bill Office, but unfortunately my name was not added to the amendment paper. I wanted to put on record the fact that that communication had been sent. My right hon. Friend the Member for Twickenham (Sir Vince Cable) advocated the change in the new clause during our time in coalition, but it was one of those things that was blocked by our coalition partners, who claimed that it would somehow add to regulatory burdens and so would not be possible. I am delighted to support that new clause today.

On new clause 12, which was tabled by the hon. Members for Oxford East (Anneliese Dodds) and for Bishop Auckland (Helen Goodman), it is absolutely sensible that, just as we have a public register of beneficial ownership for companies, the same requirements should apply to trusts, given that we know how often trusts are used in a way that is conducive to money laundering. I understand that there are concerns about some individuals who may be vulnerable, but a better way to deal with that would be to carve out specific exemptions for such individuals, rather than go in the other direction, with the assumption being secrecy. It is about what the default is, and transparency very much ought to be the default, particularly given the widespread evidence of the use of trusts for the sheltering of wealth and therefore as cover for shady activities.

Finally, I wish to talk about the Companies House issues raised by new clause 13, because I was formerly the Minister in charge of Companies House, which tries to do a good job, albeit not with significant resources. Some of the changes that have come in—such as the move to do much more online, thereby getting rid of the paper trail caused by requiring every single company registration to be sent in on paper—are positive and often work well. I speak as somebody who used the Companies House service to set up a company when I was out of Parliament.

I wish to see the process remain simple, straightforward and low cost so that it is easy for people to set up new companies. However, it strikes me that, in that move to online, we have opportunities to undertake many more checks in a more cost-effective way than would have been possible under the paper-based system that existed before. As the hon. Member for Oxford East pointed out, we can have innovations such as drop-down menus which we are familiar with on so many different websites that we interact with in other spheres of life. We can therefore design into the system many of the checks that need to be done.

For addresses to be entered, we could have a simple checking process against the postcode address file. Anyone in this Chamber who does online shopping—I confess

that I have, on occasion, done it myself—knows that it is just not possible to enter an address that is not a straightforwardly understood UK address, which is part of the postcode address file. There are therefore lots of good opportunities for Companies House to update its system so that it is much more adept—still in a cost-effective way—at identifying the small proportion of registrations, out of the large number of companies that register with Companies House, that require enforcement activity. Being able to do that in a risk-averse manner, as well as, no doubt, dealing with other patterns of registrations that might end up needing to be investigated would certainly be helpful. Over time, no doubt, tools could be developed to improve the risk assessment process.

**Maria Caulfield** (Lewes) (Con): The hon. Lady is making some good points. Currently, companies have to pay a nominal fee to register. On the types of registration that she is talking about and the in-depth detail that will need to be considered, has she done any work on the sort of fee that companies will be looking to pay?

**Jo Swinson:** I welcome the hon. Lady's intervention. Basically, I am talking about making changes to the system in a cost-effective way. We are talking about system changes to multiple transactions, which, as I have said, are hardly groundbreaking in terms of online systems that exist in other spheres. I am talking about having access to these databases that already exist. Over time, intelligence-led risk profiling would also make sense. It is not about saying that for every company registration there needs to be an incredibly cumbersome process; it is about saying that measures could be taken in a fairly cost-effective way to use the technology and the ability that we now have—while things are being registered online—to identify where the problems are, in much the same way that when we enter a company name with one of those 135 sensitive words, a flag goes up, and it will be looked at by some human eyes. We could certainly have that system in place with a wider set of parameters without impinging on the general efficiency of the system, which no Member would want.

**Will Quince** (Colchester) (Con) *rose—*

**Jo Swinson:** I am finishing my remarks shortly, but I will certainly give way.

**Will Quince:** The hon. Lady is very kind in giving way. I have a very quick question for her. She rightly answers the question from my hon. Friend the Member for Lewes (Maria Caulfield) about the process and, potentially, adding additional cost. The hon. Lady probably did it herself but many people use intermediaries—be it solicitors, accountants or other individuals and businesses that do it for them. Does she foresee additional cost being created because of the additional administration involved?

**Jo Swinson:** What we are discussing here is having additional checks at the Companies House end. For other organisations, some additional checks already happen. The hon. Gentleman is right that I did do a bit of a test run to check what I had said about it being straightforward. Happily, it generally was fairly straightforward and an easy system to use. None the less, I think that there would be a way we could use new technology to improve enforcement work through the Companies House website. Additional resources will be needed if we are to take this seriously, and I hope that the Government will recognise that in their response.

**Lloyd Russell-Moyle:** For £12, disreputable individuals can register UK companies and begin trading arms internationally through a network of subsidiaries. For £12, they receive the legitimacy of a trading company and a respectable business. We know that this is the case because it has been happening for 10 years, and it could well be happening right now.

We know that this has been happening thanks to the investigative work of Amnesty International and other non-governmental organisations. In 2014, Ukranian-based S-Profit Ltd, which was registered here in the UK, was named by the South Sudanese Government as brokering a £44 million small arms deal. The South Sudanese Government are subject to sanctions; yet, astonishingly, S-Profit Ltd is still a registered British company.

In 2009, the Committees on Arms Export Controls found that a company called Hazel UK had been brokering arms to Libya, Syria and Sri Lanka, which violated sanctions against those countries at the time. This company is still registered. I could go on. For example, System Use Contract Ltd brokered arms to Rwanda. I have a long list.

5.45 pm

Despite this wealth of evidence, these companies are engaged in sanctions busting but are still registered as British companies. Why? Well, it is partly in the name. They are brass-plate companies: they have no staff, no real office buildings and no real assets based here. Today, I received a letter from the Minister himself, recognising that it is

"difficult for investigators to collect the necessary evidence to reach the threshold for prosecution."

Those are the Minister's words, not mine. If we wanted to conduct criminal investigations into these companies, we could not bring in suspects for questioning, raid offices and buildings, or seize assets. Equally, the current sanctions are mainly freezing assets and travel bans, which have no impact on these companies.

In the Minister's letter to me, he also said that current sanctions are as temporary measures, not as long-term measures. Well, the Customs and Excise Management Act 1979, from which this Bill derives many of its enforcement powers, allows for the destruction and resale of goods. These are permanent acts; we cannot un-destroy a good. New clause 18 would allow for a seven-year appeal for any company that were shut down, compensation if a company were shut down incorrectly and the reversal of a temporary measure if the wrong decision were made.

**Bob Stewart:** I am intrigued by this. Fundamentally, the hon. Gentleman is saying that there is a brass plate and a registration with Companies House, but there is actually nothing between that and a company working abroad. Is he saying that there is no connection and absolutely no way that these people can be traced, or have I got it wrong?

**Lloyd Russell-Moyle:** This is not about tracing. These companies use British registration but undertake activities through a set of subsidiary companies or other companies

*[Lloyd Russell-Moyle]*

that they are linked to abroad to take part in the nefarious activity. The individuals might be directors of both companies, for example.

The current threshold of requirement to disbar individuals or strike off a company is at the criminal level of responsibility, but that level is just far too high. If it were brought down to the civil level of responsibility, the Minister would be able to take action. Now, the Minister may feel that he would not want to take action and I am not compelling him to do so. I am simply giving him the powers, if need be, that already exist in the Insolvency Act 1986. This is not about extending powers that have never been used before.

The Government say that there is no information about these companies at all. Well, let us look at S-Profit Ltd, a UK-registered company that brokered arms to the South Sudanese Government. This Government have received copies of the contracts involved. The Ukrainian directors of the company have even admitted that the contracts were genuine, as did the Ukrainian state company responsible for brokering the weapons. It is not enough for a criminal action, but it is clearly enough for a Minister to invoke the public test—that is, to ask whether the company is acting against the public interest and breaching sanctions. Such companies should be struck off, so that they cannot use the brand Britain as a front for their activities.

When Sir John Stanley was in this place, he recommended the same powers in the Committees on Arms Export Controls. I am not trying to bring in something that is hugely controversial. The Government have already said today, in general, that they would like to take action on these things. I was really disappointed that we were not able to get the Government to support this. I tried to meet the Government a number of times, even coming up in recess time to do so, with the meeting being cancelled 20 minutes before it was due. It is a real shame, and I would like the Government to give way. However, I will not press the amendment to a vote on this occasion if they make a commitment to look at this further and to take it on, as I think they have done today. I hope we can work together on this.

**Hannah Bardell:** Thank you for letting me speak, Madam Deputy Speaker. I was not expecting to get in, so it is a real privilege to have the opportunity to bring up the rear of the debate.

I thank my hon. Friend the Member for Glasgow Central (Alison Thewliss) for her steadfast work on this Bill. I also thank other Members across the House. In particular, we heard an excellent speech by the hon. Member for Oxford East (Anneliese Dodds), who spoke about SLPs and the negative impact—the devastating impact—they have had across the UK. I recently met a Moldovan human rights lawyer at the Council of Europe. Many Members will be familiar with the nefarious activities of the Moldovan Government and certain oligarchs. She—I will not name her—has experienced huge tragedy in her life, being separated from her young son in trying to fight the Government, who are using an SLP to launder money and are engaged in criminal activities.

The point about reputation is really important, not just for Scotland but for the rest of the UK. The Scottish name is being used, and misused, through a piece of legislation. By and large, those who use SLPs are doing so for legitimate reasons, but a few are spoiling it for the many. SLPs are increasingly being abused by money launderers because of their unique characteristics. The hon. Member for Oxford East mentioned the Russian laundromat case, which extracted £16 billion out of Russia between 2010 and 2014. There were 114 SLPs in the laundromat, two of which were core laundering vehicles. Progate Solutions no longer exists—the Sarajevo-based Organised Crime and Corruption Reporting Project uncovered that company and highlighted its activities—but it is still being used to launder money. The hon. Member for Bishop Auckland (Helen Goodman), who has done a lot of work on this, described there being an "explosion" of SLPs. In terms of the statistics, 82% of all SLPs registered at the end of 2016 and 70% of SLPs incorporated during this period are registered at just 10 addresses.

Getting to the core of the issue of transparency, this is about how business is being done now. We look at gender pay reporting and the impact that that has had on business in this country. That is a move forward. It was interesting to hear some Conservative Members talking about resources for us to have the power to investigate these companies. Our very limited and stretched public resources are being used so that our trained taskforces can investigate them. If we bring about a more transparent system and more transparent laws, our vital resources can be directed towards other crimes to protect our citizens. This is fundamentally about protecting our citizens across the UK.

With regard to Companies House, it is important to put it on record that I do not think anybody would want to criticise the staff or the job that they do, but what has happened to some consumers cannot be right. I have had constituency cases where people have bought services or goods, the company has gone bust, and they are left with nothing—neither their money back nor the items. A constituent of mine followed the individuals concerned through their registration in Companies House, and discovered that they had set up a new company and started trading again within a few weeks. She was told by the police that there was nothing that she could do because this was an entirely legitimate practice. It cannot be right that people are allowed to do that. That is why we feel that new clause 2 is so important.

**Kelvin Hopkins:** We have heard from earlier speakers that Companies House is desperately under-resourced, with a small number of staff. Is under-staffing a body not a simple way to make it ineffectual? It should have many more staff.

**Hannah Bardell:** I thank the hon. Gentleman for that point. It is also important to note the point made earlier about how difficult it was to make Companies House bigger or give it more resources or a greater remit. That seems bizarre. I sat on the Public Bill Committee on the Enterprise Bill, in which the Government, in a welcome move, introduced the Small Business Commissioner, which involved setting up a whole new organisation with new resources. The failings of Companies House, to my mind, will work against the Small Business Commissioner and give it more work.

It would be interesting to hear from the Minister on that point. Companies House needs more resource and better oversight. Companies that are not doing business

properly and going about their business in the right way are surely a threat to good businesspeople across the UK. If the Government will not support new clause 2, it would be interesting to hear why.

The Panama and Paradise papers have been mentioned a number of times. We know from them that the Odessa oil mafia controls a number of British Virgin Islands companies collectively known as the Rubicon Group. One of those individuals controlled a number of BVI companies without officially declaring them, and that group owns at least eight high-end London properties worth tens of millions of pounds. The secrecy afforded to those individuals, who have questionable sources of income, has allowed them to hide their identities and their wealth.

In the point I made earlier to the hon. Member for Hornsey and Wood Green (Catherine West), I was not criticising the Labour party in any way. I was trying to get across that after the tragedy of Grenfell and given the housing crisis, the rise in homelessness and the fact that these kinds of people own 40,000 properties across London—that is four fifths of my Livingston constituency—and more than 86,000 across England and Wales, we surely face a huge issue and a massive challenge. If we want to tackle the housing crisis, this is how to do it. The Government should be doing something about it, rather than standing by and saying that we already have the powers, when we clearly do not.

I commend the Government for new clause 6, which is an excellent and positive move. However, if the Prime Minister was really serious when she took office about governing for all the people of the UK, there is a great gulf still to cross. There are some serious and important amendments tabled by Members across the Chamber that the Government could put their support behind and in doing so make a real difference to our citizens.

*Question put and agreed to.*

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

## New Clause 5

### Retained EU rights

'(1) If and to the extent that anything in the European Union (Withdrawal) Act 2018 would, in the absence of this section, prevent any power within subsection (2) from being exercised so as to modify anything which is retained EU law by virtue of section 4 of that Act (saving for certain rights etc), it does not prevent that power from being so exercised.

(2) The following powers fall within this subsection—

(a) any power conferred by this Act, or by regulations under this Act, on a Minister of the Crown within the meaning of the Ministers of the Crown Act 1975 (however that power is expressed);

(b) any power conferred by regulations under Schedule 2 on a supervisory authority.

(3) In this section "modify" has the same meaning as in the European Union (Withdrawal) Act 2018."—*(Sir Alan Duncan.)*

*This new clause is consequential on government amendments to the European Union (Withdrawal) Bill, and makes clear that any restrictions in that Bill on the modification of retained EU law do not prevent powers under this Bill (for example, powers to impose an asset-freeze or immigration sanction) from being exercised in cases where their exercise will interfere with a retained right that a person would otherwise have under clause 4 of the European Union (Withdrawal) Bill.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 15

### Enforcement: goods etc on ships

'(1) The provision that may be made by virtue of section 17(2) (enforcement of prohibitions or requirements) includes provision as to the powers and duties of prescribed persons in relation to—

(a) British ships in foreign waters or international waters,

(b) ships without nationality in international waters, and

(c) foreign ships in international waters.

(2) Regulations may make provision by virtue of this section only for the purpose of enforcing relevant prohibitions or requirements.

(3) A prohibition or requirement is a "relevant prohibition or requirement" for the purposes of this section if it is—

(a) a prohibition or requirement specified by the regulations which is imposed by regulations for a purpose mentioned in any of paragraphs 2 to 7, 15(a), (b) or (c) or 16(a) of Schedule 1, or

(b) a prohibition or requirement imposed by a condition of a licence or direction issued by virtue of section 15 in relation to a prohibition or requirement mentioned in paragraph (a).

(4) The powers that may be conferred by virtue of this section include powers to—

(a) stop a ship;

(b) board a ship;

(c) require any person found on a ship boarded by virtue of this section to provide information or produce documents;

(d) inspect and copy such documents or information;

(e) stop any person found on such a ship and search that person for—

(i) prohibited goods, or

(ii) any thing that might be used to cause physical injury or damage to property or to endanger the safety of any ship;

(f) search a ship boarded by virtue of this section, or any thing found on such a ship (including cargo), for prohibited goods;

(g) seize goods found on a ship, in any thing found on a ship, or on any person found on a ship (but see subsection (8));

(h) for the purpose of exercising a power mentioned in paragraph (e), (f) or (g), require a ship to be taken to, and remain in, a port or anchorage in the United Kingdom or any other country willing to receive it.

(5) Regulations that confer a power mentioned in subsection (4)(a) to (f) or (h) must provide that a person may not exercise the power in relation to a ship unless the person has reasonable grounds to suspect that the ship is carrying prohibited goods (and the regulations need not require the person to have reasonable grounds to suspect that an offence is being or has been committed).

(6) Regulations that confer a power mentioned in subsection (4)(e)(i) or (f) must provide that the power may be exercised only to the extent reasonably required for the purpose of discovering prohibited goods.

(7) Regulations that confer a power mentioned in subsection (4)(e)(ii) on a person ("the officer") may permit the search of a person only where the officer has reasonable grounds to believe that that person might use a thing in a way mentioned in subsection (4)(e)(ii).

(8) Regulations that confer a power mentioned in subsection (4)(g) on a person—

(a) must provide for the power to be exercisable on a ship only where that person is lawfully on the ship (whether in exercise of powers conferred by virtue of this section or otherwise), and

(b) may permit the seizure only of—

(i) goods which that person has reasonable grounds to suspect are prohibited goods, or

(ii) things within subsection (4)(e)(ii).

(9) Regulations that confer a power on a person by virtue of this section may authorise that person to use reasonable force, if necessary, in the exercise of the power.

(10) Regulations that confer a power by virtue of this section must provide that—

(a) the power may be exercised in relation to a British ship in foreign waters only with the authority of the Secretary of State, and

(b) in relation to foreign waters other than the sea and other waters within the seaward limits of the territorial sea adjacent to any relevant British possession, the Secretary of State may give authority only if the State in whose waters the power would be exercised consents to the exercise of the power.

(11) Regulations that confer a power by virtue of this section must provide that—

(a) the power may be exercised in relation to a foreign ship only with the authority of the Secretary of State, and

(b) the Secretary of State may give authority only if—

(i) the home state has requested the assistance of the United Kingdom for the purpose of enforcing relevant prohibitions or requirements,

(ii) the home state has authorised the United Kingdom to act for that purpose, or

(iii) the United Nations Convention on the Law of the Sea 1982 (Cmnd 8941) or a UN Security Council Resolution otherwise permits the exercise of the powers in relation to the ship.

(12) The reference in subsection (11) to the United Nations Convention on the Law of the Sea includes a reference to any modifications of that Convention agreed after the passing of this Act that have entered into force in relation to the United Kingdom.

(13) In this section—

"arrangements" includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable);

"British ship" means a ship falling within paragraph (a), (c), (d) or (e) of section 7(12);

"foreign ship" means a ship which—

(a) is registered in a State other than the United Kingdom, or

(b) is not so registered but is entitled to fly the flag of a State other than the United Kingdom;

"foreign waters" means the sea and other waters within the seaward limits of the territorial sea adjacent to any relevant British possession or State other than the United Kingdom;

"goods" includes technology within the meaning of Schedule 1 (see paragraph 36 of that Schedule);

"home state", in relation to a foreign ship, means—

(a) the State in which the ship is registered, or

(b) the State whose flag the ship is otherwise entitled to fly;

"international waters" means waters beyond the territorial sea of the United Kingdom or of any other State or relevant British possession;

"prohibited goods" means goods which have been, or are being, dealt with in contravention of a relevant prohibition or requirement (see subsection (3));

"regulations" means regulations under section 1;

"relevant British possession" has the same meaning as in section 7 (see subsection (14) of that section);

"ship" has the same meaning as in section 7 (see subsection (14) of that section);

"ship without nationality" means a ship which—

(a) is not registered in, or otherwise entitled to fly the flag of, any State or relevant British possession, or

(b) sails under the flags of two or more States or relevant British possessions, or under the flags of a State and relevant British possession, using them according to convenience.

(14) In the definition of "prohibited goods" in subsection (13), the reference to goods dealt with in contravention of a relevant prohibition or requirement includes a reference to a case where—

(a) arrangements relating to goods have been entered into that have not been fully implemented, and

(b) if those arrangements were to be fully implemented, the goods would be dealt with in contravention of that prohibition or requirement."—*(Sir Alan Duncan.)*

*This new clause allows regulations under section 1 to provide for powers to stop and search a ship outside the United Kingdom, and to seize goods or technology found on the ship. The powers are exercisable for the purpose of enforcing prohibitions in sanctions regulations relating to the goods or technology.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 16

GOODS ETC ON SHIPS: NON-UK CONDUCT

'(1) Regulations may make provision conferring on prescribed persons powers exercisable—

(a) in relation to—

(i) British ships in foreign waters or international waters,

(ii) ships without nationality in international waters, and

(iii) foreign ships in international waters,

(b) for the purpose of—

(i) investigating the suspected carriage of relevant goods on such ships, or

(ii) preventing the continued carriage on such ships of goods suspected to be relevant goods.

(2) The powers that may be conferred by virtue of this section include powers to—

(a) stop a ship;

(b) board a ship;

(c) require any person found on a ship boarded by virtue of this section to provide information or produce documents;

(d) inspect and copy such documents or information;

(e) stop any person found on such a ship and search that person for—

(i) relevant goods, or

(ii) any thing that might be used to cause physical injury or damage to property or to endanger the safety of any ship;

(f) search a ship boarded by virtue of this section, or any thing found on such a ship (including cargo), for relevant goods;

(g) seize goods found on a ship, in any thing found on a ship, or on any person found on a ship (but see subsection (6));

(h) for the purpose of exercising a power mentioned in paragraph (e), (f) or (g), require a ship to be taken to, and remain in, a port or anchorage in the United Kingdom or any other country willing to receive it.

(3) Regulations that confer a power mentioned in subsection (2)(a) to (f) or (h) must provide that a person may not exercise the power in relation to a ship unless the person has reasonable grounds to suspect that the ship is carrying relevant goods.

(4) Regulations that confer a power mentioned in subsection (2)(e)(i) or (f) must provide that the power may be exercised only to the extent reasonably required for the purpose of discovering relevant goods.

(5) Regulations that confer a power mentioned in subsection (2)(e)(ii) on a person ("the officer") may permit the

search of a person only where the officer has reasonable grounds to believe that that person might use a thing in a way mentioned in subsection (2)(e)(ii).

(6) Regulations that confer a power mentioned in subsection (2)(g) on a person—

(a) must provide for the power to be exercisable on a ship only where that person is lawfully on the ship (whether in exercise of powers conferred by virtue of this section or otherwise), and

(b) may permit the seizure only of—

(i) goods which that person has reasonable grounds to suspect are relevant goods, or

(ii) things within subsection (2)(e)(ii).

(7) Regulations that confer a power on a person by virtue of this section may authorise that person to use reasonable force, if necessary, in the exercise of the power.

(8) Regulations that confer a power by virtue of this section must provide that—

(a) the power may be exercised in relation to a British ship in foreign waters only with the authority of the Secretary of State, and

(b) in relation to foreign waters other than the sea and other waters within the seaward limits of the territorial sea adjacent to any relevant British possession, the Secretary of State may give authority only if the State in whose waters the power would be exercised consents to the exercise of the power.

(9) Regulations that confer a power by virtue of this section must provide that—

(a) the power may be exercised in relation to a foreign ship only with the authority of the Secretary of State, and

(b) the Secretary of State may give authority only if—

(i) the home state has requested the assistance of the United Kingdom for a purpose mentioned in subsection (1)(b),

(ii) the home state has authorised the United Kingdom to act for such a purpose, or

(iii) the United Nations Convention on the Law of the Sea 1982 (Cmnd 8941) or a UN Security Council Resolution otherwise permits the exercise of the powers in relation to the ship.

(10) The reference in subsection (9) to the United Nations Convention on the Law of the Sea includes a reference to any modifications of that Convention agreed after the passing of this Act that have entered into force in relation to the United Kingdom.

(11) In this section—

"regulations" means regulations under section 1;

"relevant goods" means goods in relation to which relevant non-UK conduct is occurring or has occurred;

"relevant non-UK conduct" means conduct outside the United Kingdom by a person other than a United Kingdom person that would constitute a contravention of a relevant prohibition or requirement if the conduct had been—

(a) in the United Kingdom, or

(b) by a United Kingdom person;

"relevant prohibition or requirement" has the same meaning as in section (Enforcement: goods etc on ships) (see subsection (3) of that section);

"United Kingdom person" has the same meaning as in section 19 (see subsection (2) of that section).

(12) In the definition of "relevant non-UK conduct" in subsection (11), the reference to conduct that would constitute a contravention of a relevant prohibition or requirement if the conduct had been in the United Kingdom or by a United Kingdom person includes a reference to a case where—

(a) arrangements relating to goods have been entered into that have not been fully implemented, and

(b) if those arrangements were to be fully implemented (and if the conduct had been in the United Kingdom or by a United Kingdom person) the goods would be dealt with in contravention of that prohibition or requirement.

(13) In this section, the following expressions have the same meaning as in section (Enforcement: goods etc on ships)—

"arrangements",
"British ship",
"foreign ship",
"foreign waters",
"goods",
"home state",
"international waters",
"relevant British possession",
"ship", and
"ship without nationality"."—*(Sir Alan Duncan.)*

*This new clause allows regulations under section 1 to provide for powers to stop and search a ship outside the United Kingdom, and to seize goods or technology found on the ship. The powers are exercisable for the purpose of seizing goods or technology where there has been conduct (or suspected conduct) which would be a contravention of a prohibition in sanctions regulations relating to the goods or technology, but for the fact that the conduct falls outside the territorial scope mentioned in Clause 19 of the Bill.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 17

PROCEDURE FOR DEALING WITH GOODS ETC SEIZED FROM SHIPS

'(1) The Secretary of State may by regulations make provision about the procedure to be followed in connection with goods seized under a power conferred by regulations under section 1 by virtue of section (Enforcement: goods etc on ships) or (Goods etc on ships: non-UK conduct).

(2) Regulations under this section relating to goods seized on suspicion of being prohibited goods or relevant goods may include provision—

(a) requiring prescribed persons to be notified of the seizure of the goods;

(b) requiring the Secretary of State to determine whether the seized goods were, at the time of their seizure, prohibited goods (where the goods were seized under a power conferred by virtue of section (Enforcement: goods etc on ships)) or relevant goods (where the goods were seized under a power conferred by virtue of section (Goods etc on ships: non-UK conduct));

(c) enabling the making of a claim by prescribed persons in relation to the seized goods;

(d) about the determination by a prescribed court of any such claim;

(e) about the publicity to be given to any such determination by a court;

(f) for and about the return of seized goods to prescribed persons before or after any such determination of a claim by a court;

(g) about the treatment of seized goods not so returned (including, in prescribed circumstances, their destruction or sale);

(h) for and about the payment of compensation by the Secretary of State following a determination by a court that the goods were not, at the time of their seizure, prohibited goods (where the goods were seized under a power conferred by virtue of section (Enforcement: goods etc on ships)) or relevant goods (where the goods were seized under a power conferred by virtue of section (Goods etc on ships: non-UK conduct)).

(3) In this section—

"goods" has the same meaning as in sections (Enforcement: goods etc on ships) and (Goods etc on ships: non-UK conduct) (see subsections (13) of those sections);

"prohibited goods" has the same meaning as in section (Enforcement: goods etc on ships) (see subsection (13) of that section);

"relevant goods" has the same meaning as in section (Goods etc on ships: non-UK conduct) (see subsection (11) of that section)."—*(Sir Alan Duncan.)*

*This new clause provides a power for the Secretary of State to make regulations setting out how goods or technology seized from ships under the new clauses which would be inserted by NC15 and NC16 must be dealt with.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 8

### Public Register of Beneficial Owners of Overseas Entities

"(1) The Secretary of State must, in addition to the provisions made under paragraph 6 of Schedule 2, create a public register of beneficial ownership information for companies and other legal entities registered outside of the UK that own or buy UK property, or bid for UK government contracts.

(2) The register must be implemented within 12 months of the day on which this Act is passed.

(3) For the purposes of this section "a register of beneficial ownership for companies and other legal entities registered outside of the UK" means a public register—

(a) which contains information about overseas entities and persons with significant control over them, and

(b) which in the opinion of the Secretary of State will assist in the prevention of money laundering."—*(Anneliese Dodds.)*

*This new clause would create a public register of beneficial ownership information for companies and other legal entities outside of the UK that own or buy UK property, or bid for UK government contracts, within 12 months.*

*Brought up, and read the First time.*

*Question put,* That the clause be read a Second time.

*The House divided:* Ayes 296, Noes 314.

**Division No. 144] [5.59 pm**

**AYES**

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Field, rh Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Fovargue, Yvonne
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh David
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lammy, rh Mr David
Lavery, Ian
Law, Chris
Lee, Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy

McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

**Tellers for the Ayes:**
**Vicky Foxcroft and Jeff Smith**

**NOES**

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
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
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Field, rh Mark
Ford, Vicky
Foster, Kevin
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg

Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, rh Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Sir Patrick
McVey, rh Ms Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, rh Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, Royston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Zahawi, Nadhim

**Tellers for the Noes:**
**Kelly Tolhurst and Mims Davies**

*Question accordingly negatived.*

6.14 pm

*Proceedings interrupted (Programme Order, this day).*

*The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).*

## New Clause 13

### Due Diligence

'(1) For the purposes of preventing money laundering, when a company is formed, any company formation agent providing formation services must ensure that the identity and business risk profile of all beneficial owners of the company are established in accordance with—

(a) the customer due diligence measures under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692),

(b) regulations made under section 44 of this Act, or

(c) the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on anti-money laundering measures.

(2) For the purposes of subsection (1), Companies House is to be treated as a "company formation agent".'—*(Anneliese Dodds.)*

*This new clause would ensure that when a company is formed in the UK, the relevant formation services must identify the beneficial owners of the company. It will also treat Companies House as a "company formation agent", ensuring that the data on the public register of beneficial ownership for companies is accurate.*

*Brought up.*

*Question put,* That the clause be added to the Bill.

*The House divided:* Ayes 298, Noes 313.

**Division No. 145] [6.14 pm**

**AYES**

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Crausby, Sir David
Crawley, Angela

Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Field, rh Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Fovargue, Yvonne
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh David
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lavery, Ian
Law, Chris
Lee, Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan
Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, rh Keith
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

**Tellers for the Ayes:**
**Vicky Foxcroft and Jeff Smith**

**NOES**

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
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
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James

Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Field, rh Mark
Ford, Vicky
Foster, Kevin
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, rh Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Sir Patrick
McVey, rh Ms Esther
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, rh Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, Royston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Zahawi, Nadhim

**Tellers for the Noes:**
**Kelly Tolhurst and Mims Davies**

*Question accordingly negatived.*

**Clause 1**

POWER TO MAKE SANCTIONS REGULATIONS

*Amendment made:* 23, page 2, line 38 after "to" insert "17, (Enforcement: goods etc on ships), (Goods etc on ships: non-UK conduct) and".*—(John Glen.)*

*This amendment ensures that the reference in Clause 1(6) to clauses by virtue of which supplemental provision can be made by sanctions regulations includes NC15 and NC16.*

**Clause 19**

EXTRA-TERRITORIAL APPLICATION

*Amendment made:* 24, page 18, line 34, at end insert—

'( ) Nothing in this section limits the provision that may be made in regulations under section 1 by virtue of section (Enforcement: goods etc on ships) or (Goods etc on ships: non-UK conduct).'*—(John Glen.)*

*This amendment makes it clear that Clause 19, which deals with the extra-territorial application of the Bill, does not limit the application of the new clauses which would be inserted by NC15 and NC16 (which provide for powers to be exercisable in relation to ships outside the United Kingdom).*

**Clause 47**

SAVING FOR PREROGATIVE POWERS

*Amendment made:* 25, page 35, line 39, at end insert—

'( ) Nothing in this Act affects any power exercisable in relation to ships by virtue of the prerogative of the Crown.'*—(John Glen.)*

*This amendment ensures that powers under the Bill which may be exercised in relation to ships, including those inserted by NC15 and NC16, would not limit powers which may be exercised in relation to ships by virtue of the royal prerogative.*

**Clause 48**

REGULATIONS: GENERAL

*Amendment proposed*: 21, page 36, line 8, leave out paragraph (a).*—(Anneliese Dodds.)*

*This amendment would remove paragraph 2(a) from Clause 48, which enables the appropriate Minister to amend, repeal or revoke enactments for regulations under section 1 or 44 using Henry VIII powers.*

*Question put,* That the amendment be made.

*The House proceeded to a Division.*

**Madam Deputy Speaker (Mrs Eleanor Laing):** I ask the Serjeant at Arms to investigate the delay in the No Lobby.

*The House having divided:* Ayes 295, Noes 313.

**Division No. 146] [6.28 pm**

**AYES**

Abbott, rh Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Blomfield, Paul
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Coyle, Neil
Crausby, Sir David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria
Debbonaire, Thangam
Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fellows, Marion
Field, rh Frank
Fitzpatrick, Jim
Fletcher, Colleen
Flint, rh Caroline
Fovargue, Yvonne
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh David
Hardy, Emma
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodge, rh Dame Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Jarvis, Dan
Johnson, Diana
Jones, Darren
Jones, Gerald
Jones, Graham P.
Jones, Helen
Jones, Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
Lavery, Ian
Law, Chris
Lee, Karen
Leslie, Mr Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Lewis, Mr Ivan
Linden, David
Lloyd, Stephen
Lloyd, Tony
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Angus Brendan

Madders, Justin
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Gordon
Martin, Sandy
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCarthy, Kerry
McDonagh, Siobhain
McDonald, Andy
McDonald, Stewart Malcolm
McDonald, Stuart C.
McDonnell, rh John
McFadden, rh Mr Pat
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McMahon, Jim
McMorrin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Moon, Mrs Madeleine
Moran, Layla
Morden, Jessica
Morgan, Stephen
Morris, Grahame
Murray, Ian
Nandy, Lisa
Newlands, Gavin
Norris, Alex
O'Hara, Brendan
Onasanya, Fiona
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Peacock, Stephanie
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Pidcock, Laura
Platt, Jo
Pollard, Luke
Pound, Stephen
Powell, Lucy
Qureshi, Yasmin
Rashid, Faisal
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reeves, Ellie
Reynolds, Emma
Reynolds, Jonathan
Rimmer, Ms Marie
Robinson, Mr Geoffrey
Rodda, Matt
Rowley, Danielle
Ruane, Chris
Russell-Moyle, Lloyd
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Eleanor
Smith, Laura
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Sobel, Alex
Spellar, rh John
Starmer, rh Keir
Stephens, Chris
Stevens, Jo
Stone, Jamie
Streeting, Wes
Sweeney, Mr Paul
Swinson, Jo
Tami, Mark
Thewliss, Alison
Thomas, Gareth
Thomas-Symonds, Nick
Thornberry, rh Emily
Timms, rh Stephen
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Twist, Liz
Umunna, Chuka
Vaz, Valerie
Walker, Thelma
Watson, Tom
West, Catherine
Western, Matt
Whitehead, Dr Alan
Whitfield, Martin
Whitford, Dr Philippa
Williams, Hywel
Williams, Dr Paul
Williamson, Chris
Wilson, Phil
Wishart, Pete
Woodcock, John
Yasin, Mohammad
Zeichner, Daniel

**Tellers for the Ayes:**
**Vicky Foxcroft and Jeff Smith**

**NOES**

Adams, Nigel
Afolami, Bim
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
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
Brereton, Jack
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Sir Christopher
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Collins, Damian
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Docherty, Leo
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Mr Nigel
Evennett, rh David
Fabricant, Michael
Fallon, rh Sir Michael
Field, rh Mark
Ford, Vicky
Foster, Kevin
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Garnier, Mark
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Luke
Graham, Richard
Grant, Bill
Grant, Mrs Helen
Gray, James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Harrison, Trudy
Hart, Simon
Hayes, rh Mr John
Heald, rh Sir Oliver
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
Jack, Mr Alister
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea

Jenrick, Robert
Johnson, rh Boris
Johnson, Dr Caroline
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, rh Mark
Latham, Mrs Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Sir Oliver
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
May, rh Mrs Theresa
Maynard, Paul
McLoughlin, rh Sir Patrick
McVey, rh Ms Esther
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Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
O'Brien, Neil
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Patel, rh Priti
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
Percy, Andrew
Perry, rh Claire
Philp, Chris
Pincher, Christopher
Poulter, Dr Dan
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Ross, Douglas
Rowley, Lee
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Seely, Mr Bob
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, rh Julian
Smith, Royston
Soames, rh Sir Nicholas
Soubry, rh Anna
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, rh Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vaizey, rh Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David
Warman, Matt
Watling, Giles
Whately, Helen
Wheeler, Mrs Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Zahawi, Nadhim

**Tellers for the Noes:**
**Kelly Tolhurst and Mims Davies**

*Question accordingly negatived.*

## Schedule 1

TRADE SANCTIONS

*Amendment made:* 26, page 51, line 14, at end insert—

"27A (1) For the purpose of the enforcement of any relevant prohibition or requirement, regulations under this paragraph may modify any provision of CEMA which—

(a) determines whether any thing is liable to forfeiture under CEMA by virtue of a contravention of the prohibition or requirement,

(b) provides for the treatment of any thing which is so liable by virtue of such a contravention, or

(c) confers any power exercisable in relation to a ship, aircraft or vehicle.

(2) In sub-paragraph (1) a "relevant prohibition or requirement" means a prohibition or requirement—

(a) imposed for a purpose mentioned in Part 1, and

(b) specified in the regulations under this paragraph."—*(Sir Alan Duncan.)*

*This amendment provides a power for regulations to modify provisions of the Customs and Excise Management Act 1979 that apply in relation to prohibitions contained in sanctions regulations.*

## Schedule 2

MONEY LAUNDERING AND TERRORIST FINANCING ETC

*Amendment made:* 19, page 57, line 29, leave out paragraphs (a) and (b) and insert—

"(a) subject to any modifications the appropriate Minister making those regulations considers appropriate, make provision corresponding or similar to any provision of retained money laundering Regulations as those Regulations have effect immediately after being saved by section 2 or 3 of the European Union (Withdrawal) Act 2018;

(b) amend or revoke any retained money laundering Regulations.

'(3A) In sub-paragraph (1) "retained money laundering Regulations" means—

(a) the Money Laundering Regulations 2017;

(b) Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds;

(c) any provision made under Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing by virtue of Article 290 or 291(2) of the Treaty on the Functioning of the European Union."—*(Sir Alan Duncan.)*

*This amendment enables money-laundering regulations under the Bill to make provision corresponding to, or amend or revoke, specified retained direct EU legislation relating to money laundering. It is consequential on government amendments to the European Union (Withdrawal) Bill which might otherwise prevent the regulations from modifying that retained legislation.*

*Third Reading*

6.46 pm

**Sir Alan Duncan:** I beg to move, That the Bill be now read the Third time.

It is a great pleasure to support the concluding stage of this Bill, which has been a long time in the making. Many might say it goes back many, many decades, because in this House we can all be proud that the United Kingdom is a country that fulfils its international obligations.

Ever since countries went to war with each other, we have been part of the institutions that try to create peace and try to introduce international order under a proper rules-based system. Inevitably, as the decades pass, the world changes and new measures are needed to tackle the problems the world faces.

We are founder members of the United Nations, and we sit on the Security Council, on which we fulfil our obligations dutifully. We have been a member of the European Union for 40 years, and our membership is now drawing peacefully to a close. That means we need to restructure the manner in which we fulfil our international duties, and to that end we need to pass legislation in this House that empowers us to do the many things we want to do.

**Mr Nigel Evans** (Ribble Valley) (Con): Some people who want to diminish the vote of the British people to leave the European Union tend to say that standards will drop simply by our leaving the European Union. Does not the passage of this Bill prove how wrong people can be?

**Sir Alan Duncan:** I am grateful to my hon. Friend for raising that serious underlying benefit of the Bill.

At the moment, we implement various sanctions. Some we implement because, as members of the United Nations, we have to do so, and others we implement because, as members of the European Union, we do so collectively with the other 27 members. The power that currently allows us to implement sanctions derives from our membership of the European Union; it is not an autonomous legal power that we have sovereign to ourselves. This Bill is therefore needed to give to us, when we leave the European Union, the autonomous powers to have a proper, effective sanctions regime.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): This will allow us to work on sanctions, in accordance with our allies and with the wishes of the United Nations. The Minister will recall that one argument put in the debate on the referendum was that if we left the European Union, we would be without allies, friends and influence. Does the response to the appalling crime that took place in Salisbury, when 26 countries expelled more than 130 Russian diplomats between them, not show that when it came to it, Britain had friends, allies and influence, and that those allies stood with us when it really mattered?

**Sir Alan Duncan:** I am grateful to my right hon. Friend because he is absolutely right to say that in this dangerous and unstable world it is very important that there are moments when we act collectively. We do so through many forums: we are a member of the P5—a permanent member of the UN Security Council; we are a member of the G7, G20 and NATO; and, crucially, we are the only major western power to spend 0.7% of our national income on international development. We are therefore in a good position to retain our influence in the world, and we will do so partly by the powers we are taking under this Bill. It will allow us to continue to implement UN sanctions and to implement our own sanctions, no doubt often in concert with the remaining 27 members of the EU.

**John Howell** (Henley) (Con): Does the Minister acknowledge, as I do, how important this Bill is in the context of dealing with terrorist money? Only last week, in the Council of Europe, we had a debate about trying to prevent the flow of funds that kept terrorist organisations, and Daesh in particular, afloat. This Bill will play a major role in helping towards that.

**Sir Alan Duncan:** As I have said, this Bill will not only ensure that we have the power to comply with our obligations under the UN charter but allow us to support our wider foreign policy and national security goals after we leave the EU. The powers and purposes in the Bill give us wide scope for applying sanctions wherever we think those powers need to be used in order to assist our foreign policy goals, and indeed for the wider decency and morality of the world of which we are a part. The Bill will enable us to keep up to date with anti-money laundering and counter-terrorist financing measures. It is an important piece of legislation, ensuring maximum continuity and certainty for individuals, businesses and international partners.

This Bill was one of the first pieces of legislation relating to the UK leaving the EU to come before Parliament. There were many uncertainties over how it would be received, but I feel it left the other place in good shape, mostly due to the brilliant stewardship of my ministerial colleague Lord Ahmad of Wimbledon. I am sure that, like me, this House would like to thank him for the way he steered this through the House of Lords, the Chamber in which it started.

I am grateful that Members of this House have similarly recognised the importance of this piece of legislation, and of the requirement to have the legal powers in place to impose, update and lift sanctions regulations, and change our anti-money laundering framework, once we leave the EU.

**Luke Graham:** Earlier this afternoon, this House accepted new clause 6, which puts new obligations on our overseas territories. Will my right hon. Friend assure the House and the overseas territories that we are not going to legislate and forget? Will he confirm that Members and the Government need to support our overseas territories to help them comply with the legislation we have passed this afternoon?

**Sir Alan Duncan:** I am very happy to say that very fulsomely, because during our debate on the decision to adopt new clause 6 I was at pains to say that we are not going to desert the overseas territories, or indeed the Crown dependencies. We are fully supportive of them. We are going to work very much with them and, I hope, with the grain of their own efforts. We are not, in any way, going to sell them down the river. May I say very publicly here, and to those in the overseas territories who may be able to see and take note of this, that we are

and we remain full supporters of the overseas territories, that we will fulfil our obligations to them without reservation and that we are not going to dilute our efforts in doing so?

**Victoria Prentis** (Banbury) (Con): The Minister is famed for his considerable charm and experience in overseas negotiations. Will he give the House some detail about how he is going to help the overseas territories to work with the new obligations?

**Sir Alan Duncan:** I will indeed.

We have had spirited discussions on many aspects of the Bill, both on the Floor of the House and in the Public Bill Committee. I thank in particular the Bill team, who have given up pretty much a year of their lives to work on every dot, comma and detail of the legislation. They have been dutiful, punctilious and hard-working. They have been burning the midnight oil and have put up with my occasional tetchiness—

**John Glen:** Really?

**Sir Alan Duncan:** Yes, really.

**Helen Goodman:** Surely not!

**Sir Alan Duncan:** I salute them for all their efforts.

On what my hon. Friend the Member for Banbury (Victoria Prentis) said about the overseas territories, I am grateful that, in response to the point of order made by my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox), Mr Speaker made it absolutely clear that procedurally the Government's proposed amendments were in order. The compromise amendment was tabled rather late in the day, but it was not out of order for being late. We fully recognise that the Speaker has the discretion to select or not to select an amendment for debate. We were obviously disappointed that the compromise amendment was not selected, but we respect Mr Speaker's decision.

**Jo Swinson:** Will the Minister give way?

**Sir Alan Duncan:** I am very short of time. Does the shadow Minister wish to speak?

**Helen Goodman** *indicated assent.*

**Sir Alan Duncan:** She does; I shall therefore not take an intervention so that I can leave a couple of minutes for her.

I thank my right hon. and hon. Friends on the Government Benches who would have supported the compromise amendment. I apologise if I marched them up to the top of the hill only for them to find that the hill had disappeared. I put on record my thanks to all who have helped with the Bill and, indeed, my thanks to the Opposition Front-Bench team for their co-operation on Magnitsky. Out of courtesy and shortness of time, with apologies for leaving her so little of it, I leave the last couple of minutes to the shadow Minister.

6.58 pm

**Helen Goodman:** When the Minister began with his historical overview, I thought he was going to go back to Thucydides, who was of course the first person to write about sanctions; but no, his history was not quite so extensive.

The Opposition accept the need for this Bill in the post-Brexit environment. When it was first introduced in the other place, it had several major flaws. It presented a bundle of Henry VIII powers that gave the Government and the Executive too much power. An effective coalition of Labour and Cross-Bench peers improved the Bill substantially.

Another weakness of the Bill was that, although it was titled the Sanctions and Anti-Money Laundering Bill, only one of its 53 clauses was devoted to anti-money laundering. Through a series of measures, both those that the Government did not support and those that they were forced to support, we have inserted stronger anti-money laundering provisions.

When the Bill came to this House, it was clear that more needed to be done on the human rights front. We tabled Magnitsky amendments, and we are pleased that the House is now united on the need for a Magnitsky law in this country. The Paradise and Panama papers have shown how British overseas territories and Crown dependencies play a major role in aiding tax evasion and money laundering. Without the great investigative journalism, many of the cases to which we have referred might never have been uncovered. Under David Cameron's Administration, the Government promised to extend the United Kingdom's—

7 pm

*Debate interrupted (Programme Order, this day).*

*The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E),* That the Bill be now read the Third time.

*Question agreed to.*

*Bill read the Third time and passed, with amendments.*

## DEFERRED DIVISIONS

*Motion made, and Question put forthwith (Standing Order No. 41A(3)),*

That, at this day's sitting, Standing Order No. 41 A (Deferred divisions) shall not apply to the Motion in the name of Mel Stride relating to Prisons (Interference with Wireless Telegraphy) Bill.—*(Rory Stewart.)*

*Question agreed to.*

## Prisons (Interference with Wireless Telegraphy) Bill (Money)

*Queen's Recommendation signified.*

*Motion made, and Question proposed,*

That, for the purposes of any Act resulting from the Prisons (Interference with Wireless Telegraphy) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under the Prisons (Interference with Wireless Telegraphy) Act 2012 out of money so provided.—*(Rory Stewart.)*

**David Hanson** (Delyn) (Lab) *rose—*

**Mr Deputy Speaker (Sir Lindsay Hoyle):** Order. I was about to put the Question, but Mr Hanson wishes to speak.

7.1 pm

**David Hanson** (Delyn) (Lab): I was simply going to ask the Minister how much.

**The Minister of State, Ministry of Justice (Rory Stewart):** This is about bringing in new technology. What this is really about is powers that will enable the Secretary of State to spend money, once the new technology is developed, to insert the new material. The approximate cost would be in the low millions per site, but we do not have the exact costs at the moment.

**David Hanson:** Well, I am grateful for that. If that is the low millions per site for every prison in the United Kingdom, perhaps the Minister can tell me, as I asked, how much and when.

**Maria Caulfield** (Lewes) (Con) *rose—*

**Rory Stewart:** With your permission, Mr Deputy Speaker—

**Mr Deputy Speaker (Sir Lindsay Hoyle):** Order. Who is intervening—I am now beginning to lose even myself at this stage? I think what we should do is hear Maria Caulfield and then we will come back to the Minister to answer. I think that that is the best way to deal with this.

7.2 pm

**Maria Caulfield** (Lewes) (Con): I am grateful to the Government and the Minister for bringing forward the money resolution. I thank the Minister and his predecessor for their support for the Bill. I also thank Opposition Members. The Bill has cross-party support, and the shadow Minister has been extremely supportive as well.

The purpose of the Bill is to make our prisons safer and more secure, and to tackle the ongoing and increasing threat that mobile phones pose to the stability of our prison system. Having met prison officers in my local prison in Lewes and heard at first hand about the problems that illegal mobile phones cause, I believe that the Bill will significantly improve safety and make their jobs easier.

The purpose of sending offenders to prison is not just to punish them but to protect wider society. The illegal use of mobile phones in prisons allows offenders to continue their criminal activities and fuels the illicit economy. Access to the internet, such as social media, can allow them to contact and intimidate victims and witnesses.

Furthermore, the proposed technology will not interfere with any legitimate wireless telegraphy outside the relevant institution. It is also not the only security measure in place to tackle the illegal use of mobile phones. I welcome the Minister's support and the money resolution, and I look forward to the Bill's Committee stage.

7.3 pm

**Imran Hussain** (Bradford East) (Lab): I shall not be opposing the motion. As the hon. Member for Lewes (Maria Caulfield) and the Minister know, the Opposition did not oppose the Bill on Second Reading. However, we do challenge the careless attitude that the Government have displayed towards it and wider issues of prison reform. Prisons are in a worse condition now than they were under the Victorians. They are home to a dangerous level of violence and abuse, and are in nothing less than a state of emergency.

The Bill received its Second Reading on 1 December last year—it had cross-party support and passed without a vote—and Members on both sides of the House recognised the need to take steps on its explicit purpose of degrading prisoners' ability to use mobile phones in prison. They also recognised the importance of its underlying purpose of restricting the supply of drugs to prisons and tackling the growing violence within them. Yet it is only now, five months later, that a money resolution is being considered.

We might be dealing with a private Member's Bill, but if the Government were serious about tackling the use of mobile phones, and the supply of drugs and the dangers they pose, they would be acting quicker. They should be bringing these measures to the House in a Bill of their own, not relying on Back Benchers or delaying the Bill, thereby putting the safety of prisoners and prison staff at risk. The Government control time in the House, so there is no reason for delay when they have support. What has taken the Minister so long to reach the point at which the Bill can go into Committee? The Labour party is anxious to get on with reform because every delayed day is another day of violence. Will the Minister assure us now that there will be no undue delays, and tell us whether he has plans for a broader reform Bill?

7.6 pm

**The Minister of State, Ministry of Justice (Rory Stewart):** I rise to respond to the excellent speech made by the hon. Member for Bradford East (Imran Hussain) and the question asked by the right hon. Member for Delyn (David Hanson).

**David Hanson:** Again, I am interested to know how much. It is important that there is some context. I support the objectives of the Bill; I just want to get a flavour of the amounts involved.

**Rory Stewart:** This is a sensitive issue. We are clearly trying to prevent organised criminal gangs from using mobile telephones in prisons, for all the reasons mentioned by the hon. Member for Bradford East. We therefore cannot be too specific about exactly where we are going

to put these devices or exactly how we are going to interfere with mobile telephones. The answer that I have given is a broad figure in the ballpark of a few million pounds per site. I do not think that the right hon. Gentleman would wish me to share with the House the exact number of sites at which we are going to do this and which sites we will target first.

I pay tribute to my hon. Friend the Member for Lewes (Maria Caulfield) for all her extraordinary work as a Conservative Back Bencher to introduce the Bill. As the hon. Member for Bradford East pointed out, this is vital. There is a plague of mobile telephones that are being used to deal illicit drugs and to fuel violence. We need to cut down on them with better searching both at the prison gates and in cells, and we can also do much more to block the technology. With many thanks to Members, I commend the money resolution to the House.

*Question put and agreed to.*

## Business without Debate

### DELEGATED LEGISLATION

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

Tribunals and Inquiries

That the draft First-tier Tribunal and Upper Tribunal (Composition of Tribunal) (Amendment) Order 2018, which was laid before this House on 22 February, be approved.—*(Mims Davies.)*

*The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 2 May (Standing Order No. 41A).*

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

Criminal Law

That the draft Crime and Courts Act 2013 (Commencement No. 18) Order 2018, which was laid before this House on 13 March, be approved. —*(Mims Davies.)*

*Question agreed to.*

### REGULATORY REFORM

**Mr Deputy Speaker (Sir Lindsay Hoyle):** With the leave of the House, we shall take motions 7 and 8 together.

*Motion made, and Question put forthwith (Standing Order No. 18(1)(a)),*

Veterinary Surgeons

That the draft Legislative Reform (Constitution of the Council of the Royal College of Veterinary Surgeons) Order 2018, which was laid before this House on 1 March, be approved.

Social Housing

That the draft Legislative Reform (Regulator of Social Housing) (England) Order 2018, which was laid before this House on 28 February, be approved.—*(Mims Davies.)*

*Question agreed to.*

### DELEGATED LEGISLATION

**Mr Deputy Speaker (Sir Lindsay Hoyle):** With the leave of the House, we shall take motions 9 to 11 together.

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

Terms and Conditions of Employment

That the draft Employment Rights Act 1996 (NHS Recruitment – Protected Disclosure) Regulations 2018, which were laid before this House on 19 March, be approved.

Licences and Licensing

That the draft Licensing Act 2003 (Royal Wedding Licensing Hours) Order 2018, which was laid before this House on 21 March, be approved.

Animals

That the draft Mandatory Use of Closed Circuit Television in Slaughterhouses (England) Regulations 2018, which were laid before this House on 23 February, be approved.—*(Mims Davies.)*

*Question agreed to.*

### EUROPEAN UNION DOCUMENTS

*Motion made, and Question put forthwith (Standing Order No. 119(11)),*

EU Defence: Permanent Structured Co-operation

That this House takes note of Council Decision 2017/971 of 8 June 2017 determining the planning and conduct arrangements for EU non-executive military CSDP missions and amending Decisions 2010/96/CFSP on a European Union military mission to contribute to the training of Somali security forces, 2013/34/CFSP on a European Union military mission to contribute to the training of the Malian armed forces, and (CFSP) 2016/610 on a European Union CSDP military training mission in the Central African Republic; further takes note of European Union Documents No. 14866/17 Council Decision establishing Permanent Structured Cooperation (PESCO) and determining the list of participating Member States; further takes note of Council Recommendation of 6 March 2018 concerning a roadmap for the implementation of PESCO and Council Decision (CFSP) 2018/340 of 6 March 2018 establishing the list of projects to be developed under PESCO; and agrees with the Government's conclusion that PESCO must be designed in a way that strengthens the relationship with NATO and promotes an open and competitive European defence industry.—*(Mims Davies.)*

*Question agreed to.*

## PETITIONS

### Royal Bank of Scotland Closure: Kilwinning

7.9 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): This petition from the residents of the North Ayrshire and Arran constituency attracted 559 signatures, which were gathered by me, dedicated Kilwinning Scottish National party activists, and our Kilwinning SNP councillor, Scott Davidson.

The petition states:

The petition of residents of North Ayrshire & Arran,

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.

*[Patricia Gibson]*

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.

[P002136]

### Royal Bank of Scotland Closure: Airdrie

7.10 pm

**Neil Gray** (Airdrie and Shotts) (SNP): I rise to present this petition from the residents in and around Airdrie in my constituency who are opposed to the closure of the Royal Bank of Scotland branch in the town. The petition gathered several hundred signatures, as local private customers and businesses who will be impacted by the closure wished to voice their displeasure. I hope that through this petition and others presented by my right hon. and hon. Friends, the bank may see sense and call a halt to the closures. That is a more distant hope when we see today's news of further RBS closures, following last week's announcement of the bank's £1.2 billion first quarter pre-tax profit. That profit could easily be used to maintain a better branch network than the one that is currently being decimated. It is time that the UK Government used their shareholding on behalf of the taxpayer and acted.

The petition states:

The petition of residents of Airdrie and its surrounding area,

Declares that the closure of the town's Royal Bank of Scotland branch will have a detrimental effect on both the people of Airdrie and the town centre itself.

The petitioners therefore request that the House of Commons asks the Royal Bank of Scotland board to revisit the decision given that the bank is still 70% publicly owned.

And the petitioners remain, etc.

[P002142]

## Shop Direct (Greater Manchester)

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

7.12 pm

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): Thank you for calling me to speak, Mr Deputy Speaker. It is always a pleasure to see you in the Chair.

I am pleased to have been able to secure this very important debate on a matter that affects so many of my constituents and their families. Working at Shop Direct has been, for many families, a generational thing in that fathers, mothers, sons and daughters are employed across its sites. I am delighted to have here my hon. Friends the Members for Oldham West and Royton (Jim McMahon), for Worsley and Eccles South (Barbara Keeley) and for Heywood and Middleton (Liz McInnes), whose constituents have also been affected by the announcement of the closure of Shop Direct in Manchester.

By way of background, Mr Deputy Speaker—because I can see you are waiting with bated breath to find out more about what has happened—on 11 April, Shop Direct announced its decision to pull out of all its Greater Manchester sites, including Shaw in my constituency, with a total loss of almost 2,000 jobs. The Shop Direct distribution centre in Shaw currently employs 750 Shop Direct employees, with 636 agency employees. In total, the move affects 1,177 permanent staff and 815 agency workers. This has been devastating news for the Shop Direct staff and their families. Although the closure will not take place until 2020, the anticipated redundancies will have a dreadful effect on local communities, including, as I say, Shaw in my constituency.

**Liz McInnes** (Heywood and Middleton) (Lab): I wonder if my hon. Friend is aware of the ironic fact that on 23 March, just three weeks before it announced the closures, Shop Direct was crowned best employer at the Retail Week awards 2018 for its

"coordinated programme of pioneering initiatives designed to empower colleagues, support new talent and offer opportunities to young people."

This is a sad indictment of Shop Direct.

**Debbie Abrahams:** Absolutely. The irony is not lost on me, and I will come on to that.

What was so disappointing was the failure of Shop Direct to engage with anyone. As Shop Direct directors revealed on the morning of this announcement, this move has been planned for more than 18 months, and during that time there have been no discussions with staff, USDAW, Oldham Council, my colleagues and me or the Greater Manchester Mayor, Andy Burnham.

**Jim Shannon** (Strangford) (DUP): I congratulate the hon. Lady on bringing this issue to the House for consideration. Does she agree that it is time the Government began to intervene to encourage big businesses to remain in situ, especially considering that profits appear in this case to be 14.6% on the back of 15.9% growth in 2016 and 17.4% growth in 2015? Businesses must understand that they have a duty of care to employees, which does not appear to have been met in this case. It is not all about making profit; it is about looking after the employees.

**Debbie Abrahams:** Absolutely; I could not agree more.

Shop Direct was created from the merger of the mail order and retail companies Littlewoods and Great Universal Stores, and the sites affected in Shaw, Little Hulton and Raven are the last remaining fulfilment sites in the north-west region. The company has been providing employment for families in Greater Manchester for many decades, and these sites have different generations of the same families working there. The impact of closures will be huge on hundreds of families, as well as local businesses and local communities.

This decision should in no way be seen as a reflection on the workforce's capability or dedication. The professionalism and commitment of Shop Direct employees has been second to none. After years of dedication and commitment, many workers have been left reeling by this decision. I have received correspondence, including from one constituent who has worked for the company for more than 20 years, who said:

"I am aghast at how the workforce has been treated."

I also understand that because of shift patterns, some staff received word of the closure by text message—just imagine how they felt.

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): I congratulate my hon. Friend on securing this important debate and on the sterling work she has done to co-ordinate our collective response to this issue. Many people have worked for Shop Direct over many generations, right from the early days of Littlewoods, some with 30 or 40 years of service. What really hurts people and offends me is just how little consideration Shop Direct has given to that loyalty. When the decision was made to relocate to the east midlands, it did not care a jot about the people who had given their lives to build up that company and make it profitable. They were cast aside. Does she agree that that is not the face of good business practice?

**Debbie Abrahams:** Absolutely; my hon. Friend has hit the nail on the head. This is a thriving business, and the callous disregard with which the workers have been treated is absolutely shameful. My hon. Friend the Member for Heywood and Middleton pointed to the fact that this business was named employer of the year. How can it be?

The decision is especially worrying because Shop Direct is not in financial trouble. It reported an increase in underlying profits before tax of 10.2% to £160.4 million last year. It has seen sales growth increasing over five consecutive years. The decisions it has made are purely commercial. The proposed site in the east midlands will employ fewer staff as Shop Direct moves towards increased automation. Given that automation is likely to offer commercial opportunities but also huge challenges for the UK labour market as a whole, the experience of Shop Direct workers has a wider impact on the UK labour market as a whole.

I am grateful to the Business Secretary for meeting me earlier today, but I will be seeking urgent action from the Minister in recognition of the support needed by Shop Direct workers in Oldham and Little Hulton and by workers across the country whose jobs may also be under threat as a result of automation.

Since the announcement, I have met the leader of Oldham Council and the USDAW union representatives for Shop Direct, alongside my hon. Friend the Member for Oldham West and Royton. I have also spoken to and subsequently met Shop Direct directors at a meeting convened by Greater Manchester Mayor Andy Burnham, together with my hon. Friend the Member for Worsley and Eccles South, council leaders, the Salford Mayor, Department for Work and Pensions and Department for Business, Energy and Industrial Strategy representatives and USDAW representatives, where we tried to seek a way forward.

It was essential to bring together around the table all the parties affected by Shop Direct's proposed relocation to the east midlands so that it could hear directly from us our huge concerns about the move. At the meeting, Oldham Council tabled alternative proposals for a site of a similar size, accompanied by a favourable business package, at Broadgreen Park, Chadderton. Very disappointingly, however, this was rejected, and there was no willingness from Shop Direct to engage on alternative proposals in Greater Manchester.

Given that the Shop Direct executives appeared to have made their decision, my colleagues and I then pushed them to describe what specific training and support they would provide for the workforce over the next two years—including their communications strategy, given the poor communication to date—while in particular looking at options for the Raven Mill site as a specialist returns centre.

The Mayor put forward a proposal at the meeting to establish a taskforce, led by Greater Manchester's Growth Company, which was agreed by all parties, including both Shop Direct and the Department for Work and Pensions. I understand that the first officers meeting of the taskforce was held yesterday, and I am awaiting feedback from it.

Working closely with USDAW, we will be holding the company to their legal obligations to engage in a meaningful consultation. The consultation started formally today, and the union has clearly stated that its test of whether it is meaningful is that Shop Direct should fully explore any options for relocating to a nearby site, as staff, through their trade union, are entitled to a say in the future of the business. The company has said in a statement that it will

"be partnering with local and national organisations to provide our colleagues with tailored advice and training, including career skills, access to financial planning and vocational courses to support re-training. It's also our plan to offer apprenticeships in in-demand skills across our existing operational sites."

I am grateful for the response to my letter to the Prime Minister which I received last night not from this Business Minister but from another one—the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Watford (Richard Harrington)—but it only goes so far. What specific discussions has the Minister had with colleagues in the DWP and elsewhere on support, quality training and reskilling for the Shop Direct Greater Manchester workforce over the next two years?

**Barbara Keeley** (Worsley and Eccles South) (Lab): I want to ask my hon. Friend about the Little Hulton employees. Unemployment in Little Hulton is double the national average. As she has already said, no consideration has been shown for the loyalty of the staff there, many of whom have worked for the firm for decades. When we had the meeting with our friend the

*[Barbara Keeley]*

Greater Manchester Mayor, Andy Burnham, there was a clear expectation that staff would remain in place for two years—across two Christmas seasons—and not take their redundancy until the end of that period. In a difficult place for unemployment, employment chances may come up during that period, and I really think that redundancy packages should be offered to staff earlier. Does she agree?

**Debbie Abrahams:** My hon. Friend makes a very valid point, and this needs to be explored. Again, I was struck by the lack of awareness among the directors we met about that situation, which really needs to be given considerably more thought.

I would be grateful to the Minister for an assurance that focused plans will be developed regarding skills and retraining packages, employment advice and financial support. Locally, it is vital for all parties, including the Government, to partner with Get Oldham Working, which provides holistic support to Oldham residents to access employment and training opportunities, as well as to work with local employers to understand the workforce and skills requirements better. Will the Minister commit to his Department working with the council on workforce support and employment opportunities for current Shop Direct employees, and will BEIS representatives be actively involved in the taskforce that has been set up for this purpose? What discussions has he had about supporting Oldham Council and Shop Direct to bring new employment to the Shaw and Chadderton sites, and about ensuring that the future of all Greater Manchester sites are secured?

Turning to the wider implications of automation, the move to increased automation is given as a key driver behind Shop Direct's proposals to move to the east midlands. The Minister will be aware that the Bank of England estimates that 15 million UK jobs will be affected by automation by the 2030s, with PricewaterhouseCoopers saying that a third of all UK jobs will be affected. There is already evidence of this in the retail sector and although automation will affect jobs at all levels, it will hit low-paid jobs first. The potential effect on already widening inequalities is a real risk, and the estimates do not even factor in the impact of Brexit on the economy and jobs.

We therefore need to know what measures the Government have put in place to support workers affected by the ascendance of automation. What are the Government doing to assess the impact on the labour market as a whole, and on socioeconomic inequalities? The Minister's letter mentions the Matthew Taylor report and his positive outlook on innovation, but while we must embrace change we must also manage it, recognising that at each stage both positive and negative effects will be associated with industrial progress—as history has taught us—and we must look to mitigate the negative effects. The "we" in this are businesses, workers and their unions, and the Government. What, specifically, is being proposed to mitigate the negative effects of automation? For example, what engagement have the Government had with businesses regarding the challenges of automation, and in particular the way employers manage the transition to automation that supports their needs to compete, but recognises their responsibilities as employers?

The Government's industrial strategy, published last year, stated that the Government will introduce a national retraining scheme in England by the end of this Parliament, with a high-level advisory group—the National Retraining Partnership—bringing together the Government, businesses and workers, through the Confederation of British Industry and the Trades Union Congress, to set the scheme's strategic direction and oversee implementation. Given that the first meeting was only on 5 March, what progress has been made to date on this and how does the Minister envision this helping my constituents in Shaw and others affected across Greater Manchester? In addition, what support will be offered to agency workers, such as those at Blue Arrow, who will feel the impact in my constituency; and will it be worker led rather than employer led?

The sum of £40 million was announced in the spring statement to test innovative approaches to help adults upskill and reskill. What progress has been made on these pilots, and will the Minister consider a pilot in the Shaw and Greater Manchester areas? Information from Oldham Council indicates that Oldham's labour market expects growth in health and social care, and business and financial services, which could be ideal for a national retraining scheme pilot, supporting career changers. I hope that the Minister will say something about that in his remarks.

I gently say to the Minister that, given that the Government cut £1.15 billion from the adult skills budget between 2010 and 2015, and the adult education budget is 40% less than it was 10 years ago, the money allocated to the national retraining scheme is a drop in the ocean. But whatever funding is available, I want to make sure that Oldham, and Greater Manchester as a whole, gets a fair crack at it.

Our vision for this country must be for a high-skill, high-pay, knowledge-driven economy, and the Government must recognise the investment needed to achieve that. Focusing, as much of the industrial strategy does, on a few elite sectors will not deliver on the ambition to transform Britain's economy. Will the Minister therefore look at setting up sector councils, modelled on the highly successful Automotive Skills, for every strategically important industry, bringing together Government, business, trade associations, research councils and so on, so that they can collaboratively plan and take action for the future security and growth of each sector, including small and medium enterprises?

As people increasingly transition between jobs, training and re-training, we need to have a responsive, supportive and enabling social security system. This does not exist at the moment. The hostile environment in the Home Office is replicated in the Department for Work and Pensions. This has to stop. I would be grateful for the Minister's reassurance that he will do everything in his power to work with the Secretary of State for Work and Pensions to ensure that my constituents are afforded the dignity and respect that they deserve, and that he will report back to the House on the joint work that he will undertake with the Secretary of State to make our social security system fit for purpose for everyone affected by this new world of work.

It is clear that as well as affecting nearly 2,000 workers in Greater Manchester, Shop Direct's proposal to relocate and move towards greater automation in its distribution facilities is indicative of profound changes in the labour

market and the nature of work. Together with colleagues, I will continue to do all I can to support the 1,992 people affected by this decision and to maintain jobs on the sites affected. There are serious questions for Ministers about the impact of automation on the labour market, the increasingly insecure nature of work and our inadequate social security system. All those issues need to be addressed. I look forward to the Minister's response to the many points I have raised.

7.30 pm

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** I congratulate the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) on securing this important debate, which follows the announcement on 11 April by Shop Direct Ltd that it would be closing three of its sites in the north-west of England, in Shaw, Little Hulton and Raven Mill, and consolidating its distribution operations in the east midlands gateway. I would also like to thank her for writing to the Prime Minister on this issue. My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy has responded and met the hon. Lady earlier today to discuss this issue.

I appreciate that this is a worrying time for employees of Shop Direct Ltd and their families. I have listened to the contributions made here today and recognise that colleagues on both sides of the House are understandably concerned about the impact of the closures. Shop Direct Ltd is in formal consultation with the Union of Shop, Distributive and Allied Workers and, subject to this consultation, expects to offer an enhanced redundancy package, along with tailored support to all affected colleagues. As the exit process is not expected to start until mid-2020, there is an opportunity for Shop Direct Ltd to provide that individualised support. This will include training, career skills, access to financial planning and vocational courses to support retraining. I also understand that a local taskforce has been established, led by the Manchester Growth Company, and will include representatives of affected areas.

I am sure the hon. Lady can appreciate that I am unable to comment on commercial decisions made by the company and that it would not be appropriate for me to do so throughout the consultation period.

**Jim McMahon:** I accept that the Minister cannot comment on the commercial decisions taken by Shop Direct, but can he confirm whether it has been given any inducements to move to the east midlands, such as business rate benefits or relocation grants?

**Mr Gyimah:** That is a very important question. I am not aware of any inducements given to Shop Direct to move to the east midlands. I am sure the hon. Gentleman raised this issue in his discussions with the Secretary of State.

For companies to remain viable, and to keep in step with the modern competitive market, difficult decisions sometimes need to be taken. However, I recognise that this does not make the situation that some employees face any less troubling. I can reassure the House that the Government have measures in place for such situations. I will now turn to the protections in place for employees facing redundancy and the support available at such a difficult time.

The law is clear that organisations are required to consult with employee representatives about proposed collective redundancies where at least 20 employees are at risk at one establishment within the same 90-day period. Employers are required to provide specified information to representatives, or directly to affected employees if representatives have not been appointed. The consultation should include ways to avoid redundancy or dismissals, or to reduce the number of dismissals involved to mitigate the effects. Any employees who feel their rights have been denied may complain to an employment tribunal, which may make a protective award to the affected employees of up to 90 days' pay.

Our priority is helping those who are affected to find new employment through the Jobcentre Plus rapid response service or to retrain if necessary. Rapid response service support is delivered in partnership with a range of national and local partners, including Her Majesty's Revenue and Customs and local service providers. DWP and Jobcentre Plus will also work with the company to understand the level of employee support required. Just to reassure the House, typical support includes matching people to known local job vacancies, helping them to construct or improve their CVs and providing general information about benefits and how to make a claim.

**Barbara Keeley:** During the speech by my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams), I said that the company seems to expect that employees will stay for two years and across two Christmases, and not get their redundancy till the end, when they could all land on the unemployment market at the same time. Surely, it makes sense for redundancy packages to be spread across the two-year period, so that if job vacancies arise, my constituents and my hon. Friend's constituents will be able to take advantage of them. Otherwise, in a ward such as Little Hulton, where unemployment is twice the national average, it will be pretty hard in the end.

**Mr Gyimah:** The hon. Lady makes a good point about having some flexibility on when people get their redundancy, especially if they find new opportunities. That has been noted and the relevant Minister will get back to her about how we can raise that with the company. It is a relevant point. The support that I mentioned is available to all those who are affected by potential job losses and goes beyond direct employees of the business to those such as self-employed subcontractors and individuals working for suppliers affected by the outcome of such structural changes.

The hon. Member for Oldham East and Saddleworth asked generally about what is happening in the retail sector. We can all agree that the retail sector has a vital role to play in the local community and the national economy. The Government work with retailers to understand their needs and we have acted to support the sector. In March, we announced the Retail Sector Council as part of our industrial strategy. Its first meeting has taken place and through the council, the Government and industry are working together to contribute to the sector's future direction to boost productivity and economic health. Council members will review the best way that retailers can adapt to changing consumer behaviour and trends. They will also look at new technology opportunities such as those that will improve customer service and the chance to grow skills through a sector push on high-value training.

*[Mr Gyimah]*

The Government recognise the importance of our high street, and since 2010, we have given over £18 million to towns, funding successful initiatives such as the Great British High Street. In the autumn Budget 2017, we announced measures worth more than £2.3 billion over five years to cut business rates. This includes bringing forward the planned switch in the indexation of business rates from the retail prices index to the consumer prices index by two years to 2018. That will benefit retailers, as well as other businesses.

**Jim McMahon:** While we are on the business rates point, is the Minister aware that the two sites in Oldham together have rateable values of £1.3 million? Of course, Oldham is one of the business rates pilot authorities. If we do not find an alternative employer to take those premises, that will have a direct impact on the council's budget. In context, that would be the whole of the council's youth service budget gone.

**Mr Gyimah:** These are all very important points, but as I said, businesses make commercial decisions driven by their own commercial interest. The Government's responsibility is to support the employees, find new work and to support the local community as it transitions through this period.

Let me come to some of the other points made by the hon. Member for Oldham East and Saddleworth. The broader question of automation was raised. Of course, we recognise the workplace challenges as well as the potential opportunities. Matthew Taylor stated in his review of modern working practices that history has shown that technological advancements and the automation of individual tasks can lead to job creation. In our response to his review, we set out our Good Work plan to ensure that the labour market is resilient enough to respond to the changes that automation may bring.

**Debbie Abrahams:** My specific point about Shop Direct is that we need BEIS support—Government support—to ensure that, if it does ultimately leave the sites in Greater Manchester, alternative employment will be brought in. Just saying that it is the responsibility of the employees to reskill and retrain is not good enough.

**Mr Gyimah:** I certainly have not said that it is the responsibility of the employees to reskill and retrain; I have said that the Jobcentre Plus rapid response service will be working directly with them, and BEIS will work with the taskforce at the local level as far as the transition is concerned. A number of important conversations will have to take place on this over the next few years, but I can give the hon. Lady a categorical assurance that Ministers, as well as BEIS employees, will work closely with her and her colleagues to make this transition as smooth as possible for the employees and the local community.

*Question put and agreed to.*

7.40 pm

*House adjourned.*

# Westminster Hall

*Tuesday 1 May 2018*

[Sir Roger Gale *in the Chair*]

## Safeguarding Children and Young People in Sport

9.30 am

**Sir Roger Gale (in the Chair):** Good morning, ladies and gentlemen. Before we commence the debate, may I make the point that some relevant cases are sub judice. It would not be proper for hon. Members to refer to anything that is still before the courts in any form.

9.31 am

**Bambos Charalambous** (Enfield, Southgate) (Lab): I beg to move,

That this House has considered the safeguarding of children and young people in sport.

It is a pleasure to serve under your chairmanship, Sir Roger. A few months after my election I was contacted by one of my constituents, Mr Ian Ackley, who is present here today, who told me that he was one of the people who had been sexually abused as a child by the serial sex offender and predatory paedophile Barry Bennell, who was convicted of 43 counts of historic child sex abuse in February this year. I shall briefly tell Ian's story, to illustrate the failings of the past, and then explain what I think still needs to be done to safeguard children and young people in sport.

Ian told me how, as a talented young footballer aged nine, he had been spotted by Bennell. Bennell used his charm and suggested connections to top-tier football clubs to persuade parents to allow their sons to sign for his club White Knowl, which he ran in north Derbyshire. Ian told me that early on, as the team was doing well, and having won the trust of his parents, Bennell suggested that Ian stay overnight at his place so that he could talk tactics with him and Ian would be fresher for the game the next day. The parents, being very trusting and totally taken in by Bennell, consented to the stay-over; the sexual abuse began immediately. Ian was not the only child to stay over. On some occasions there would be a number of boys there, some sleeping in the same bed as Bennell. Staying overnight at Bennell's place soon became the norm. It is hard to imagine that happening today, but those were different times.

Ian, in talking to me, made it clear that many parents of boys from other Manchester youth teams that his team played against were aware of Bennell's abuse. On some occasions they confronted Bennell at matches, but it would seem they had either chosen not to report the abuse to the police or to take the matter further, or else that they had not been listened to. Ian told me that the sexual abuse stopped when he was 14 years old, when Bennell wound down his youth football club. Ian's football career came to an end a few years later. In 1996 he went on to become the first person to publicly blow the whistle on Bennell's abuse in the "Dispatches" television programme, which led to Bennell being convicted of a number of sexual offences against him.

The trauma and anguish of being sexually abused remained with Ian and are still with him. Since the recent revelations about Bennell came out two years ago, Ian's personal and work life have suffered. Ian has used his experience with other abuse victims Paul Stewart, David White and Derek Bell to set up an organisation called SAVE, which seeks to engage with victims and others, to inform and provide advice about safeguarding in sport, and to raise awareness about potential loopholes and oversights in procedures and day-to-day activity.

I, like many others, assumed that the sexual abuse by Bennell that Ian and others suffered could not happen today because we live in different times from the 1980s, and sport has changed beyond all recognition since that time; but on closer inspection I think that there are areas that need improving. Before preparing for this debate I met with the National Society for the Prevention of Cruelty to Children, the head of safeguarding at the Football Association and a representative of the Lawn Tennis Association, and I spoke to a number of people involved in safeguarding. The FA has an exemplary safeguarding policy endorsed by the NSPCC child protection in sport unit, which it should be proud of. It even has a grassroots football safeguarding policy, which covers everything—recruitment of volunteers and staff, creating a safe environment, criminal record checks, travel and trips, vulnerable people and even cyber-bullying. Ideally, all clubs should fully implement and abide by those policies, but I have a concern about how very small Sunday morning football clubs, which are run predominantly by volunteers, will be able to ensure that all those steps are taken without finding them extremely burdensome.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Gentleman on what is undoubtedly a timely debate. Of course young people and children should be safeguarded, but does he agree, having alluded to volunteers, that we must respect the integrity of the many thousands of them who are above reproach, and ensure that the tiny minority who have been abusive are completely and utterly isolated and alienated from dealing with young children in sport?

**Bambos Charalambous:** The hon. Gentleman makes an excellent point. Trying to close the loopholes, to stop abuse happening, is paramount; but we must also take into account the fact that many smaller clubs are run entirely by volunteers, and we must thank the genuine volunteers who are there for the benefit of the young people in the sport.

More structural support is needed at the regional or county level to ensure that small clubs get help with implementing safeguarding policies. There should be someone at the regional or county level who ensures that the policies are adhered to and that proper monitoring takes place. It is often at the smaller clubs that abuse will first happen, as in Ian Ackley's case. We also need to ensure that children and young people feel able to speak out and feel that they will be listened to when they call out abuse. That is why we need to make sure that they can do so in a safe environment, and that they are encouraged to speak out. Children and young people could be given confidence during player induction at sport settings about speaking up if they come across abuse, and there are other means whereby clubs can encourage young people to speak out whenever they come across abuse or anything happens to them.

*[Bambos Charalambous]*

When I met the Lawn Tennis Association I was staggered to discover that not all tennis clubs are affiliated to it. It has approximately 2,700 members, but more than 1,000 clubs are not registered with it. Some people might say, "So what? What difference does it make?" This year, for the first time, the LTA has made it a requirement that all affiliated clubs use only LTA-accredited coaches, who must meet a minimum safeguarding standard. Unregistered clubs, on the other hand, are free to appoint whomever they choose as a tennis coach. According to the LTA, there are more than 800 "accredited tennis coaches". There are other coaching courses apart from the LTA's, but it is worth noting that some accreditation can be obtained online for as little as £80. That means that a child or young person could be having lessons at an unregistered tennis club with a coach who obtained their accreditation online by answering tick-box questions.

What I am saying is in no way intended to call into question good unaffiliated tennis clubs and coaches, but, as we have seen time and again, people who abuse children and young people find a way to get close to them, just as rain gets through cracks in the pavement. The question arises whether coaching courses should be licensed and have Government-approved kitemarks to give people an idea of the quality of the safeguarding training undergone by the coach. Perhaps that could be a role for the child protection in sport unit, which already gives ratings to governing bodies. It is often hard for parents to navigate all the different accreditations and codes, and anything that makes things simpler, and easier to understand, should be encouraged.

More needs to be done about summer sports courses. As things stand, there would be nothing to stop me or anyone else hiring a field and setting up my own summer football skills course for kids. With some clever marketing, I could be up and running with some cones, bibs and footballs. I think more checks need to be carried out in those casual arrangements, too. It is the sort of thing that local authority trading standards teams could check, provided they had the funding to do so.

**Tonia Antoniazzi** (Gower) (Lab): I congratulate my hon. Friend on securing the debate. Does he agree that all sports clubs, at whatever level, dealing with children should have whistleblowing policies under which they can refer themselves to a Government or sports organisation and procedures that are available for parents and children alike?

**Bambos Charalambous:** My hon. Friend makes a very good point. Whistleblowing is important and must be catered for as far as possible. Clubs should be able to report things higher up and whistleblowers' reports should be properly investigated.

Having mentioned coaches, I want to turn to the definition of "regulated activity". The Protection of Freedoms Act 2012 tightened the definition of regulated activity in relation to children to mean working "regularly" —four or more days in a 30-day period—and "unsupervised" with children. Coaching falls into that category. If someone satisfies those criteria, sports clubs can carry out an enhanced DBS—Disclosure and Barring Service—check, with barred list check to see whether the individual is barred from working with children. However, it is an offence for a club to ask for an enhanced DBS check on an individual if the role does not require one. For example, the coach who coaches the youth team every Thursday night would be classified as falling into that category, but their assistant, who is technically supervised by the coach, would not be caught by that legislation.

Supervision does not always prevent abuse from happening, as it often happens in plain view, with people disbelieving that someone whom they have got to know well and even considered a friend could ever commit such vile acts of abuse.

**Laura Smith** (Crewe and Nantwich) (Lab): I congratulate my hon. Friend on securing the debate. I would like to place on the record my support and complete admiration for those victims who have so bravely spoken out about their terrible experiences at the hands of Barry Bennell. They were let down. My constituents who were victims are fighting tirelessly so that something like that can never happen again. It is so important that no stone is left unturned.

**Sir Roger Gale (in the Chair):** Order. Let me reiterate my plea for hon. Members not to refer to cases that are before the courts.

**Laura Smith:** He was found guilty.

**Bambos Charalambous:** I think that my hon. Friend was referring to someone who has been convicted. We should congratulate the people who came forward and whose cases led to convictions. More cases may follow, and we do not want to go into that area, but my hon. Friend makes a good point about the bravery of the people who came forward.

A predatory individual could simply seek a supervised role with a sports club that would allow them access to children and young people. They could be groomed over a long period and, once the individual had built a trusting relationship with them, they could be exploited and abused. There is evidence to show that adults who have been barred from working with children will continue to try to get access. The NSPCC has discovered that, since the definition of regulated activity was changed in 2012, more than 1,100 people who have been barred from working with children because they pose a threat have been caught applying to work in regulated activity by the DBS. I am not aware of any statistics in relation to unregulated activity.

Sports clubs can find it complex to identify which role should be classified as regulated activity and which should not, and could be at risk of committing an offence of over-checking if they decide to carry out a DBS check with barred list information on an individual in a role that does not require it. It is clear to me that that places sports clubs in a difficult position and that the definition of regulated activity needs to be amended and widened.

Another area that needs re-examining is "Positions of trust", as defined by sections 21 and 22 of the Sexual Offences Act 2003. As the law stands, children are protected from being groomed into sexual relationships by trusted adults with power and influence over them. That applies to teachers, social workers and doctors, but not to sports coaches or youth leaders. That creates

the absurd situation that if a physical education teacher teaching football at school engaged in sexual activity with a 16-year-old child, that would be an offence, but if the same individual in a sports coaching role did the same thing outside school, that would not be. There should be no distinction between the two, and the law needs to be changed accordingly.

**David Simpson** (Upper Bann) (DUP): I congratulate the hon. Gentleman on obtaining the debate. We can put safeguards in place for the future, but what more can be done to help those victims who have been traumatised—those people who are living with the trauma day in, day out?

**Bambos Charalambous:** The hon. Gentleman poses an excellent question. There needs to be much more support for those people in relation to their mental health. Many people are suffering trauma as a result of past events. We need to ensure that there is a proper support network for them, so that they get the counselling, advice and therapy that they need in order to come to terms with the appalling effects of historical sexual abuse.

To return to the point about positions of trust, many national governing bodies for sports want to see the change to which I referred, and have told the NSPCC that more than 50% of all safeguarding cases arise from inappropriate relationships with sports coaches. I understand that last year the Minister announced that a ministerial commitment had been secured to extend the "position of trust" provision to sports coaches. I invite her to update us on the progress of that commitment.

Closer working with the police will be necessary. I have been made aware of instances in which the police have suggested that an individual may pose a risk to children at a sports club, and that has led to the individual's suspension, only for the police to take no further action because the suspension means that there is no longer a risk. That sort of practice exposes clubs to challenges to their decisions to suspend and may have an adverse effect on an innocent individual.

Many victims of abuse will need advice and support when reporting it and also in the aftermath, when they may suffer from depression, have suicidal thoughts, be at risk of self-harm and suffer with their mental health generally. I know that last year the Government published a Green Paper on children and young people's mental health, but will the Minister give serious consideration to out-of-hours provision of support for victims?

At the start of the debate, I touched on how Barry Bennell was able to get away with his sexual abuse of boys, despite it being an open secret in Manchester and other places. It is the responsibility of us all to call out abuse when we see it. I would like to think that, given the recent sex abuse scandals, none of us would tolerate knowing about any such abuse and not reporting it.

Playing sport should be fun, safe, enjoyable and rewarding. The purpose of this debate is to ensure that it remains so for children and young people. For the sake of people such as Ian Ackley and the other brave victims who spoke out about their abuse, and those who have not done so or were not able to do so, who have been robbed of their youth by the actions of evil men, I hope that by speaking up and taking action now, we will be preventing future abuse from happening in sport.

I appreciate that some of the matters that I have mentioned may fall outside the Minister's remit, but I want to ensure that these issues have been properly aired and I hope that she will be able to use this debate to influence her ministerial colleagues to bring about the changes that will make children and young people in sport safer.

9.48 am

**Douglas Ross** (Moray) (Con): It is a pleasure to serve under your chairmanship, Sir Roger. I, too, congratulate the hon. Member for Enfield, Southgate (Bambos Charalambous) on securing this timely and important debate, and on the sympathetic way in which he outlined the case of Ian Ackley. I also welcome Ian to Westminster and congratulate him on his bravery, because it is only through his bravery and that of others that dangerous individuals such as Barry Bennell have been locked up—put away—and a light has been shone on this unacceptable and despicable practice.

Young people being interested in sport is key for their development and fitness, and it is important that we do everything possible to give them a positive environment when they are learning and nurturing their skills and developing the traits that we hope they will take further into a sporting career, or just into life generally as they get older. Of course it is imperative that we protect children in sport. However, it is also important, as the hon. Gentleman said, that we protect adults who genuinely want to help children in sport. We must alienate and root out the small minority who would use their place in sport to try to harm children in despicable ways.

I want to focus my remarks on what we are doing in Scotland to safeguard children in sport. There is currently a partnership between Children 1st and SportScotland, working with local authorities, local sports trusts, leisure trusts and sports clubs to ensure that we do as much as possible to protect young people in sport. Children 1st and SportScotland published a 116-page document entitled "10 steps to safeguard children in sport". It is important that everything is in there to ensure that the maximum guidance is available to everyone involved in sport. It is imperative that we get that document to all people involved in sport in Scotland and across the UK.

In preparation for this debate, I spoke with my local sports development officer in Moray Council, Kim Paterson, who explained that she is the only tutor in Moray—quite a wide geographical area—who is delivering the safeguarding and protecting children course. Since January she has run 10 courses and each of them has had the maximum 20 participants, so 200 people in Moray have taken the course in the past few months.

Kim told me that a number of people are almost forced by their national governing body to do the course, so they approach it like a tick-box exercise—they feel that they have to do it. However, when they leave at the end of the day, they tell Kim and others involved in the class that they never knew there was so much information available about protecting children in sport. They might start the course a bit apprehensive about having to do more training, but they leave with far more information, and that is a positive development. If they want to go on further, there is the In Safe Hands course delivered by Children 1st, which is the next level up, looking at child protection officers within local clubs.

*[Douglas Ross]*

People sometimes see these courses as tick-box exercises; they attend once and then never go back. However, it is best practice to renew them every three years. We should all be encouraging people to ensure that they keep up to date with the standards expected of them. Children 1st and SportScotland are looking at an online version for refresher courses in future, which I would very much support.

The debate is timely and reminds us of the bravery displayed by Ian Ackley and others to ensure that individuals who caused harm in sport were brought to justice and did not get away scot-free. As the hon. Member for Enfield, Southgate said, we live in different times, but that does not mean that we should be complacent. If we became complacent, by assuming that this might have happened in the '70s or '80s but would not happen in 2018, we would all be letting down children and young people in our areas.

There has been progress across the UK—great work has been done to protect and safeguard children and young people in sport—but I truly believe that there is more to do. Today's debate reminds us all of the horrors of the past. We must ensure that we do not allow that to be a distant memory and we keep up our efforts to ensure that our children can continue to enjoy sport, to gain from sport and to live their dreams in sport, but that they do not suffer nightmares, as many did under Barry Bennell and others.

**Several hon. Members** *rose—*

**Sir Roger Gale (in the Chair):** Order. I know that this is difficult, but I would be grateful if hon. Members could keep names that are before the courts out of the debate.

9.53 am

**Jim Shannon** (Strangford) (DUP): I can give you a categorical assurance that I will not mention any names, Sir Roger, but I do want to speak on this subject. I congratulate the hon. Member for Enfield, Southgate (Bambos Charalambous) on securing the debate—we spoke about this issue on the train last Thursday and I understand his reasons for bringing it forward. It is a very important issue for all of us in this House. We are aware of your guidance, Sir Roger. I would like to give a Northern Ireland perspective on this debate. I look to the shadow Minister and the Minister, as always, for suitable and helpful responses.

As the proud father of three strapping young boys, and the even prouder grandfather of two young granddaughters, the issue of child safeguarding is close to my heart. As a father, a grandfather and an elected representative with direct contact with my constituency, and as someone who has been involved in sports over the years, my heart aches when I hear of a child going through any form of abuse, whether mental, physical or sexual. I wish to play my part in ensuring that no child whatsoever goes through that pain.

There are some 430,000 children under the age of 18 in Northern Ireland. Of those, almost 2,100 were identified as needing protection from abuse in 2017. We all know that that is not a true picture of how far abuse goes. We all suspect that it goes much further than that. Throughout the Province there is abuse taking place that will never be talked about, and for which justice will never be served. My hon. Friend the Member for East Londonderry (Mr Campbell) and I were just talking about that. There were probably lots of things that happened when we were younger that were never spoken about. It certainly did not happen in the circles I was in, but that does not mean it did not happen elsewhere, because obviously it did. Over 58,000 children were identified as needing protection from abuse in the UK in 2016. This is a UK-wide issue that must be addressed in a UK-wide manner. This is the place to do that: in this House with the Minister present.

I read the NSPCC's briefing on preventing abuse of positions of trust, which was very helpful. I agree with the points that it made, and which the hon. Member for Enfield, Southgate explained so well in his introduction. It states:

> "Sex crimes committed by adults in positions of trust have increased by more than 80 per cent since 2014...The number of offences where professionals such as teachers, care staff and youth justice workers targeted 16 and 17-year-olds in their care for sex rose to 290 in the year to June—up from 159 three years ago. Nearly 1,000 crimes were recorded over the period, with the figure steadily rising year on year."

Current legislation does not include all sports roles, for example coaches, assistant instructors or helpers. We also need to include sports organisation and settings, such as clubs, leisure facilities and events, within these definitions. We need clarification. The legislation needs to be tightened so that all of that is covered. Is that something the Minister intends to do?

**Julian Sturdy** (York Outer) (Con): I thank the hon. Member for Enfield, Southgate (Bambos Charalambous) for securing this important debate. Does the hon. Member for Strangford (Jim Shannon) agree that we should also consider the role of the Charity Commission? A case in my constituency has shown that although the commission is good at ensuring that clubs and organisations have correct policies in place, it lacks the teeth to carry anything through. When concerns are raised, it is very slow to follow up with action.

**Jim Shannon:** The hon. Gentleman rightly outlines an anomaly that needs to be addressed. Again, I look to the Minister for a response. I would like to see it addressed in legislation, and this debate gives us an opportunity to do just that.

At present, abuse of a position of trust within most sports contexts is not illegal, although there might be circumstances in which the law does apply to sports coaches, for example if they are employed by and operating within a school. The hon. Member for York Outer (Julian Sturdy) touched upon that as well. The NSPCC's view is that, because of the vulnerability of young people and the particular circumstances of sport, the legislation should be extended to roles and settings within sport. We are deeply indebted to the NSPCC for its briefing. It has outlined a number of things that will be very helpful to the Minister. I ask the Minister: when can this be done? When can the initiatives and helpful suggestions set out in the briefing and offered by hon. Members be taken on board? I know that the Government, the Minister and hon. Members are willing, so to me it is a matter of seeing where we should prioritise moving this. It must be high on the list of priorities and we must look for imminent legislative change.

I am sure that we were all moved by the stories of the Olympic gold medal-winning US gymnasts who eventually spoke out about their coach. I was shocked at how widespread the abuse was. My next thought was, "Could this happen in Northern Ireland, in the United Kingdom, or anywhere we have some representative, control or input? How are we protecting our children who want to excel and who put their trust in coaches and staff, but who are taken advantage of?" In Northern Ireland, people who work with children must have clearance, but that protects children only from known offenders. What legislation is in place to ensure that the first inappropriate touch or talk is reported as a crime, and that steps are taken to convict? We must get to that stage.

There is no protection in sporting circles for 16 and 17-year-olds, who are not protected under normal sexual consent laws. That needs to change. As the hon. Member for Enfield, Southgate said, the loophole must be closed and laws on positions of trust must be extended to the work of all those involved with children. People, including us in this House, are blessed to have an input in how to help a child or a young person to grow in sport, education and life, and as a family member. It is so important to have the right laws in place to ensure that happens in the right way.

The bravery of those who have come out after years of dealing with the secret pain of their abuse must be applauded. No one in this House or further afield could fail to be moved by some of the stories that we have heard publicly—very publicly, usually. Moreover, those people must be the catalyst for desperately needed change. We must look to those people, who have come through so much, and who speak out to make a change and to ensure that no other child goes through what they have gone through, and say that we will stand with them.

**Hugh Gaffney** (Coatbridge, Chryston and Bellshill) (Lab): I thank my hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) for securing the debate. The hon. Gentleman's point reminded me of ChildLine, and how important a phone call to ChildLine was. Given the problem that we have, perhaps the Government should look at that again and reintroduce it across the whole of the UK to let children speak. This time, the Government should give ChildLine the money—I think it was running out of money because of its charity status. We need a lifeline for those kids so that they can speak to someone they can trust.

**Jim Shannon:** The hon. Gentleman is absolutely right. We are all aware of the good work that ChildLine does and the initiatives that it has set out. We need to give it support and assistance in any way we can. We should ensure that it is more available, and that young people can take advantage of it. What the NSPCC did at the beginning was a great step. Many people in my constituency, across Northern Ireland and across the whole United Kingdom of Great Britain and Northern Ireland took advantage of that opportunity.

We must not only stand with those people, but speak out alongside them and act as they have acted, for the sake of my granddaughters and other children across the country. We always look to the Minister for support and guidance. Today we ask her to take action and to do what she can to protect all our children.

**Sir Roger Gale (in the Chair):** Before we proceed, I am aware of an element of disquiet, so I will place the ruling on the record, so that everybody understands why I have said what I have said. I imply no personal criticism to any Member. The Standing Orders for public business clearly state:

> "Appellate proceedings, whether criminal or civil, are active from the time when they are commenced by application for leave to appeal or by notice of appeal until ended by judgment or discontinuance".

They are therefore sub judice. I understand the strength of feeling in these cases—were I not in the Chair, I might share it—but the fact is that one of these cases is the subject of leave to appeal and therefore cannot be referred to.

10.4 am

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): It is a pleasure to see you in the Chair, Sir Roger. I am delighted to take part in this timely debate and I pay tribute to my colleague on the Justice Committee, the hon. Member for Enfield, Southgate (Bambos Charalambous) for securing it. He opened proceedings with a moving and powerful speech in which he spoke about the traumatic abuse suffered by his constituent. I commend everyone who has come forward for their bravery.

It is worth remembering the huge benefits that sport can have for the young. I often speak about the power of sport to influence positive change, and that is never truer than when we consider the impact of sport on the young. The power of sport can improve a young person's self-confidence and discipline. Moreover and crucially, as we continue to debate our response to childhood obesity—nearly one third of children aged two to 15 are overweight or obese—sport can help children to lead healthier lives. Governments play a pivotal role in promoting that through policy and financing. If we in Scotland are to secure the legacy of the 2014 Commonwealth games, it will be through Scotland's children and young people.

As a parent of two young girls, I have always encouraged them to get involved in sporting activities. Although my eldest plays football, the vast majority of their physical activity is done through the medium of dance. There is an argument to be had about whether dance is a sport or an art—I would argue that it can be both—but that is for a future Westminster Hall debate, at which I am sure the hon. Member for Strangford (Jim Shannon) will join me.

The coaching and encouragement that my daughters receive from their excellent teachers improve their self-confidence and discipline—sometimes, at least. I am aware of the trust and responsibility that all of us as parents put in coaches who help our children. I cannot speak highly enough of my daughters' dance teachers, and the vast majority of coaches take very seriously their responsibility for the welfare of children in their care.

This debate is not about limiting the sporting opportunities for young people and children. In fact, it is the opposite: it is about how we can ensure that young people can flourish by having robust safeguards in place to ensure that they can participate in sport and physical activity safely and with confidence.

*[Gavin Newlands]*

Over the past year or so, we have read horrifying headlines of child abuse cases in sport. Such cases have forced us to face the potential danger of children being exploited in sport. The courageous victims have made us confront whether appropriate safeguards are in place to ensure the protection of young people.

An NSPCC report highlighted the extent of those dangers and the real and frightening situation facing our young people. According to the NSPCC, the number of recorded sexual offences against children has increased in all four countries in the UK over the past year. Although those cases are not exclusively related to offences committed in a sporting environment, we would be foolish not to consider the issue in a sports setting and assess what can be done to ensure the welfare of young people in sport.

One way to do that is to better understand what abuse is. The NSPCC's child protection in sport unit states that there are four types of abuse that young people in sport can experience. They include neglect, which can occur when a coach repeatedly fails to ensure that children in their care are safe; a form of physical abuse, where the nature and intensity of training or competition exceed the capacity of the child's immature and growing body; and sexual abuse, which is another form of exploitation that young athletes experience all too often, as we have sadly seen. We also need to be mindful that young people and children can suffer from emotional abuse if they are subject to constant criticism or bullying behaviour, as was brought up in the Anti-bullying Week debate that I led late last year.

We must always remember that abuse can take many different forms, and if we are going to be successful in eliminating that type of behaviour, we must be able to better identify abusive behaviour when it happens. We need to do a lot more to support children who have been abused and we also need to take firm action to prevent it from occurring in the first place.

In Scotland, we have a fantastic organisation called Children 1st—the hon. Member for Moray (Douglas Ross) has stolen my thunder somewhat in mentioning it—which works with SportScotland, sporting organisations and clubs to ensure that they have proper safeguards in place to protect children from abuse. It provides advice and training to staff, coaches and volunteers on the development and implementation of child protection policies, and it operates a helpline for those who have concerns for a child's welfare. As we have heard, it recently launched the Safeguarding in Sport initiative in partnership with SportScotland, which aims to improve the safeguards in place for Scottish sport. The aim is simple: to create the safest possible environment for children in sport by working with parents, coaches, teachers and volunteers to improve the child protection policies and practices that clubs should have in place to ensure the welfare of children and young people.

Safeguarding in Sport has just published advice to all junior clubs that work with young people and children. Its recommendations include having a named contact for the co-ordination of child protection. That role should be clearly defined, to ensure that the responsibility for the welfare of children is paramount. It also recommends having a child protection policy that reflects national guidelines and that is adopted by the relevant management structure in the club; a variety of child protection training methods—as we have heard from the hon. Member for Moray—at appropriate levels for those working or volunteering with children and young people in sport; a much more stringent procedure for the recruitment and selection of those who work with children and young people, including access to the protecting vulnerable groups scheme membership checks; and a disciplinary procedure for managing concerns about and allegations of poor practice, misconduct or child abuse, including provision for referrals to the children's list.

I can speak highly of the work that Children 1st does to help to ensure that young people participate in sport safely. Its work puts the responsibility and the onus on the clubs, coaches and parents with regard to the welfare of the child, but Safeguarding in Sport will support those people in meeting that responsibility.

The SportScotland young people's sport panel ensures that the voices of young people themselves are heard on this issue. Those young people played a crucial part in developing the new standards for child wellbeing and protection in Scottish sport. That work led to the introduction of new standards for child protection in sport, which are centred on the needs and rights of the child.

The introduction of those new standards is to be welcomed, as they will hopefully strengthen the existing safeguards. However, we should also applaud the way in which those standards were introduced and developed. Involving young people in the process ensured that their views were at the forefront of what needs to be done to ensure the safety and wellbeing of young people in sport.

There are approximately 1.1 million coaches in the UK. Most of them are volunteers who give up evenings and weekends to provide young people with sporting opportunities. Coaches accept a lot of responsibility and it is important that we support them in the same way that they support children and young people. The last thing we want to do is to design a system that deters well-meaning people, who often are parents themselves, from becoming coaches. Crucially, however, we all want robust policies in place that allow young people to enjoy sport in a safe and secure way, and it is vital that community clubs are supported in that endeavour.

10.12 am

**Dr Rosena Allin-Khan** (Tooting) (Lab): Thank you for calling me to speak, Sir Roger; it is an absolute pleasure to serve under your chairmanship.

First, I thank my hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) for calling this debate. I know that this issue is so important to him, and he has been tireless in working to secure this debate. I was extremely sorry to hear the story of his constituent, Mr Ackley, who spoke so bravely about the sexual abuse that he suffered. That cannot have been easy, but Mr Ackley has provided a voice for those who do not have one.

Sport should be enjoyed and loved by all. It has a unique propensity to build communities and friendships, to inspire and motivate, and to tackle much wider

issues, such as obesity and mental health. Also, as a parent of two young girls, I know how much sport can bring to children's lives.

I am passionate about sport because I truly believe it has the power to impact positively on all of our lives, and at every opportunity we should encourage our children to be healthy and happy. That is why, most importantly, sport must be a safe space for all our children, free from predators and those who wish to cause harm.

Historical child abuse is one of the great issues of our time. For decades, it has loitered on the doorsteps of institutions. That time must end now. The scale of the revelations that we have heard about in just the past 10 years has shocked the UK to its core, and it is our collective responsibility across Government, across party lines and across governing bodies to tackle the issue. We must ensure that victims are supported and perpetrators punished, and we must do everything in our power to prevent it from ever happening again.

This issue is by no means confined to football or sport. We owe a great deal to the victims who have spoken out and I pay particular tribute to Andy Woodward, who waived his right to anonymity and told *The Guardian* that he had been sexually abused as a young player. His truly shocking and harrowing account paved the way for many other victims to come forward. Woodward's actions sparked an inquiry that would change the face of football, and I pay tribute to the bravery of all those victims who have come forward since then to share their stories, not least Mr Ackley himself.

Within a few days of the revelations emerging, I tabled an urgent question for the Government and wrote to all sports governing bodies requesting a full review of their current safeguarding strategies, to make sure that there are suitable procedures in place to properly investigate historical claims, and that there is capacity to root out offenders.

Given that we had discussed the issue, I am pleased that the Government have included sports coaches in the law relating to the position of trust. What progress has been made on implementing that?

I am sure that many Members present will join me in welcoming the Scottish Government's recent decision to consult on introducing mandatory disclosure checks on all sports coaches in Scotland. However, it is important that we are not simply reactionary. We must continue to work with Sport England, the NSPCC, the police, the CPSU and national governing bodies, to ensure that we set universal standards and instil best practice.

My shadow Front-Bench colleagues and I have pushed for the introduction of mandatory reporting, to place a legal duty on people working with children to report suspected abuse, suspicions and known abuse to children's social services. Our view has not changed and nor will it. Mandatory reporting of child abuse and neglect must be introduced, because it is more than just a tick-box exercise. It is a chance to save lives and we owe it to our children and to all those brave people who have stood up and called out their experiences. Without mandatory reporting, we will never break the culture and we will never instigate meaningful change; without it, we will allow the perpetrators to continue unchallenged, as many of them have been for so long.

Everyone here today wants to see an end to this scandal and we are all working to achieve the same goal. Now is the time to act, ensuring that good practice is shared and, where necessary, new practices are put in place, so that abuse does not take place in sport at any level.

10.17 am

**The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Tracey Crouch):** Thank you very much, Sir Roger, for calling me to speak; as always, it is a pleasure to serve under your chairmanship.

I start by thanking the hon. Member for Enfield, Southgate (Bambos Charalambous) for securing today's debate and I welcome the opportunity to raise awareness of this important issue and to highlight what we are doing in this area.

This is a subject very close to my heart. As the daughter of a social worker and the former coach of a football team in my constituency, I have a great appreciation for the important role of safeguarding, not only in society but in grassroots sports clubs. I have been pleased to see the positive impact that improvements in safeguarding over the years have had on young people, including at all levels of sport. However, it is vital that we build on the provisions that are already in place, so that all young people in sport receive the very best protection.

Like the hon. Gentleman and others in this House, I commend the immense bravery of all those who have spoken out about the abuse they have suffered at the hands of individuals in trusted positions in sport. I had the privilege of meeting his constituent, Ian Ackley, just before this debate. At the end of our conversation, he was generous enough to say, "Thank you for all you are doing." My response was to say, "No, thank you"—not you, Sir Roger, obviously, but Mr Ackley—because without his bravery and that of others we might not be having this debate today. I do not want to open the papers in 20 years' time and see another Ian coming forward because we did not pay enough attention to the systems that I am responsible for now.

I also pay tribute to Andy Woodward, whose bravery was mentioned by the hon. Member for Tooting (Dr Allin-Khan). I continue to support Andy on a regular basis and I listen to what he has to say, including where he thinks things should change. I would actually call him a friend now. I hope that is what this Government are seen as; basically, we want to ensure that we change things, so that this type of abuse never happens again.

Child sexual abuse is an abhorrent crime and it is right that we learn from it to make sure that it never happens again. Events over the last 18 months have highlighted unacceptable behaviour that went unchallenged for a long time. Sadly, this abuse has not been confined to football or the UK. Colleagues will be aware of the courageous gymnasts in the United States who have spoken out against their team doctor, and we have learned about widespread abuse within USA Swimming. In the UK, the allegations of child sexual abuse in football related to cases that took place several decades ago. The independent review commissioned by the FA into the allegations will produce some important findings that we will all need to consider when the report is published.

*[Tracey Crouch]*

Safeguarding in sport is much stronger than it was in the 1970s and 1980s, when the majority of these dreadful events occurred. That said, we must remain vigilant and continue to identify gaps in provision. The Child Protection in Sport Unit, which is part of the NSPCC, was founded in 2001 to be the expert organisation on child safeguarding in sport. As part of their funding agreements with Sport England and the requirements of the code for sports governance, all funded organisations must comply with the CPSU's standards for safeguarding and protecting children in sport. All 43 county sports partnerships and 44 regularly funded national governing bodies meet and maintain those standards. We have also taken steps to promote best practice in non-funded sports. In March, I launched a code of safeguarding in martial arts to set consistent standards and provide parents with the knowledge they need to make informed decisions about where to send their children for instruction.

In our sports strategy, we recognise that the care of participants must be a core part of our approach to boosting participation. I asked Baroness Tanni Grey-Thompson to carry out a review of sport's duty of care to its participants. One of the key findings was that it can be difficult for people to come forward with allegations about inappropriate or harmful behaviour, particularly at the higher levels of sport. It is vital that everyone in sport feels able to speak out if they have been subject to harassment, bullying or abuse. That is why we have enhanced whistleblowing practices within the governance code of NGBs. I have been clear that sports must co-operate and ensure that they foster healthy cultures, or they will have to answer to me. I am monitoring the situation carefully and working with UK Sport to ensure that each funded sport has robust grievance and whistleblowing policies in place.

Today's debate has rightly raised the issue of inappropriate coach-athlete relationships. Sexual abuse is a criminal offence, regardless of the age of the victim or the relationship between the perpetrator and the victim. Grooming is also a criminal offence. We encourage anyone who has been subject to grooming or abuse within sport, or is aware that it is happening, to have the confidence to report it to the police.

Concerns have been raised about seemingly consensual relationships between coaches and young athletes in their care. Children under the age of 16 are not legally able to consent to sex: sexual activity with a child under 16 has long been and remains a criminal offence. However, there are clearly concerns that a 16 or 17-year-old, who may be above the age of consent, could be a victim of coercive behaviour due to the nature of the relationship between a coach and an athlete. Colleagues have rightly pointed out that I, as the Minister for Sport, am working closely with colleagues across Government to develop proposals to extend the definition of a position of trust under the Sexual Offences Act 2003 to include sports coaches. We are also investigating what further support we can give to sports organisations to help them handle these cases.

The hon. Member for Enfield, Southgate also makes an important point about regulated activity. We must acknowledge that DBS checks form only one part of the overall picture. Employers should use a range of checks to help them make safer recruitment decisions about whether individuals are suitable to work with children. These are two areas of policy that are primarily owned by other Departments, and I appreciate that the hon. Gentleman acknowledged that, but I can assure him and others that my officials regularly discuss these matters. I am working closely with ministerial colleagues to make progress as quickly as possible.

As someone who has experienced the system as a coach and as a manager, I want to say that grassroots clubs take DBS checks very seriously. If coaches or managers do not have certificates, they can have their charter status removed by the county FA and be suspended from the leagues they are in. I assure Members that grassroots football clubs do not take this issue lightly.

I thank all Members who have contributed today, but I take a moment to thank the NSPCC and the CPSU for their tireless work protecting children. Their campaigns, support and guidance are incredible, and both organisations helped the FA enormously in the immediate aftermath of the exposé of historic child abuse in football. I encourage colleagues to highlight to their constituents the NSPCC guide to the questions that parents should be asking clubs that their children go to about their safeguarding policies. As the hon. Gentleman said, we all have a responsibility on this issue. My door is always open to anyone who wants to discuss safeguarding in sport.

At the very centre of this issue are children, who must be safe to enjoy sport free from harm. We all know of the benefits that young people gain from sport. It helps develop communication, teamwork and physical and mental health, to name just a few. Across the UK, children participate in sport with the help of thousands of supportive and responsible adults, most of whom are volunteers. We must not lose sight of the fantastic work these adults do to create fulfilling opportunities in sport for our young people. None the less, just one case of abuse in sport is too many. We have made good progress, but we must continue to respond to the new and evolving challenges we face. I want to see the UK continue to lead the way in all matters of welfare and safeguarding so that we have a system in which every child is valued, protected and safe.

10.25 am

**Bambos Charalambous:** First, I thank the hon. Member for Moray (Douglas Ross) for speaking about the excellent work that Children 1st does in Scotland. There is much we can learn from it, and I look forward to finding out more about that. The hon. Member for Strangford (Jim Shannon) said that unspoken abuse was a UK-wide issue. He also talked about positions of trust and roles and settings. Those are important issues, and I am grateful to him for making those points. The hon. Member for Paisley and Renfrewshire North (Gavin Newlands) spoke not only about sport but about the issues outside sport in dance and other activities. They encompass the wider child safeguarding issues we need to take into account. He also talked about getting a better understanding of the definition, the excellent work of Children 1st and the need to involve young people in setting policies and standards. Often, we draw up policies and forget to involve young people, and it is important that we bring them on board. My hon. Friend the Member for Tooting (Dr Allin-Khan) spoke

about safe spaces in sport, our collective responsibility and mandatory reporting. Again, we need to take those into account. That could be progressed further.

It is pleasing to hear the Minister's comments and about the positive steps she has taken. I hope we will see more action, particularly in relation to positions of trust and regulated activity. I hope she will keep us informed about that, but she is right that it is not only about those areas; we also need wider support to ensure that DBS checks are taken seriously at the regional and county level. She spoke about non-funded sport, which needs far more support than the governing bodies, about the duty of care to participants and about the need to speak out.

I agree with the Minister on the excellent work the NSPCC has done. Its briefings for this debate were exceptional. We need to involve it as much as we can in these issues. Obviously, we should not forget the support that comes from adults and volunteers. As she rightly said, one case of abuse in sport is too many. I hope that she will come back at some stage with positive news about positions of trust and regulated activity. I am grateful for her response today. It has been a helpful debate, and I hope it will be the first step in ensuring that young people and children enjoy sport and get amazing benefits from it, but are kept safe for as long as possible.

*Question put and agreed to.*

*Resolved,*

That this House has considered the safeguarding of children and young people in sport.

10.29 am

*Sitting suspended.*

## Bowel Cancer Screening

11.6 am

**Sir Roger Gale (in the Chair):** I apologise to Members for my late arrival; the previous debate finished early and I was under the impression that I was in the Chair only until 11 o'clock.

**Nick Thomas-Symonds** (Torfaen) (Lab): I beg to move,

That this House has considered bowel cancer screening.

It is a great pleasure to serve with you in the Chair, Sir Roger, and I am glad that you have taken your seat.

Bowel cancer is the fourth most common cancer in the UK. Sadly, around 16,000 people die from the disease each year. It is estimated that between now and 2035, around 332,000 more lives could be taken by this awful condition. Nearly everyone will survive bowel cancer if it is detected at its earliest stage, but unfortunately only 15% of bowel cancer patients fall into that category.

**Jim Shannon** (Strangford) (DUP): I congratulate the hon. Gentleman for securing the debate. Does he agree that early-stage cancers are not only easier to treat, but less costly for a cash-strapped NHS? That is why we need an effective screening programme that includes lowering the screening age to 50 and implementing the simpler and more accurate faecal immunochemical test. That would help to get the earlier diagnosis, to stop the cancer.

**Nick Thomas-Symonds:** I entirely agree with the hon. Gentleman about the need for an optimal screening programme—I will come to that in a moment.

In Wales around 2,200 people are diagnosed with bowel cancer each year. Nearly half of those are diagnosed at a late stage. Approximately 900 people in Wales will die from bowel cancer every year, but 78% of patients will survive for one year or more, and 58% for five years or more. These figures are not mere statistics; every single extra day with the people we love is a great joy.

I lost my own mother, Pamela Symonds, to bowel cancer on new year's day this year. She lived just under two years after her formal—too late, I am afraid—diagnosis. She was one of the 10,000 people diagnosed annually at the late stage of bowel cancer. I know only too well the impact that bowel cancer has on families.

**Chris Evans** (Islwyn) (Lab/Co-op): I pass on my condolences to my hon. Friend. With all candour, I know what he is going through: I lost my father in 2003 to bowel cancer. He was just 51. Does my hon. Friend agree that we need to start screening people for bowel cancer at the age of 50?

**Nick Thomas-Symonds:** I absolutely agree with my hon. Friend and I pass on my condolences to him, even though the loss of his father was some time ago.

Along with my father Jeff, my wife Rebecca and my mother's many friends, I supported her through three arduous rounds of chemotherapy, helping her to achieve her goal of living long enough to meet her grandson, my son William, who was born some three months after she was diagnosed. Owing to the care and treatment she received, her inspirational bravery and her sheer determination, she lived not only to see him born but to

*[Nick Thomas-Symonds]*

see him reach his first birthday in September 2017, and to see her beloved granddaughters, Matilda and Florence, reach the ages of eight and five—precious moments that are now my precious memories.

For families dealing with cancer, time is everything. Those who are diagnosed with bowel cancer have the best chance of surviving—and of surviving for much longer—if they are diagnosed at the earliest stage. This is why screening is so important.

**Stephen Lloyd** (Eastbourne) (LD): I thank the hon. Gentleman for securing this important debate. I offer him my condolences on his dear mother's death. He will be aware of the enormous public petition—it has received 446,000 signatures—that was started all those years ago by Lauren Backler, who also lost her mother. I have supported that campaign for a long time. Does he agree that the evidence is clear that we should be screening at the age of 50, so it is surely time for an end to shilly-shallying from the Department of Health and Social Care? Will the Minister agree to at least pilot screening for bowel cancer at 50? It is obvious that the evidence from such a pilot would be irrefutable.

**Nick Thomas-Symonds** *rose—*

**Sir Roger Gale (in the Chair):** Order. The situation we are in is entirely of my making, and for that I can only apologise. Given that there are so many Members present who might wish to intervene, I am prepared to stay in the Chair for six minutes of injury time to enable the hon. Gentleman to take interventions. I am sure that is illegal, but I am willing to do it, provided that the Minister and the hon. Gentleman, who are in charge of the debate, are prepared to accept that.

**The Parliamentary Under-Secretary of State for Health and Social Care (Steve Brine)** *indicated assent.*

**Nick Thomas-Symonds:** I am grateful for that kind offer, Sir Roger. I am delighted to hear that we can continue for an extra six minutes.

The hon. Member for Eastbourne (Stephen Lloyd) is absolutely right. This is a cross-party issue. I believe that his predecessor spoke in favour of the system that he proposes, and the hon. Member for Hexham (Guy Opperman) contacted me to draw attention to the debate that he led back in 2011. There is broad cross-party consensus for looking at the screening age and at more accurate screening methods, which I will come on to.

Participation rates remain an issue. We should send a very simple message to people: "Please do not ignore your bowel cancer screening kit, which could save your life." There is no doubt that we must also do more to raise awareness of symptoms. Bowel cancer is often mistaken for other conditions, such as irritable bowel syndrome. That only reinforces the point that a number of hon. Members have made about the importance of highly accurate screening.

Previously, the standard screening test was considered to be the faecal occult blood test—the FOB test, as it is known—and all men and women between 60 and 74 received a home test kit, but that has been changing across the country. The best available test is now the faecal immunochemical test—the FIT—which can detect more cancers and can be set to different sensitivity levels, enabling any traces of human blood that are found to be investigated. The Royal College of Pathologists sent me a useful briefing, in which it indicates that it would expect a 45% increase in demand on pathology if the test were set at one level, but a 480% increase if it were set at a more sensitive level. That sensitivity level is important.

The Welsh Government are introducing the FIT from March 2019. I believe that it was due to be introduced in England in April. I hope that the Minister can update the House on when that will happen. I hope that there will be a decision for Northern Ireland soon. Of course, Scotland already screens people using the FIT at age 50.

**Lady Hermon** (North Down) (Ind): As ever, it is lovely to have you in the Chair, Sir Roger. We forgive you, of course.

My youngest sister had bowel cancer. Mercifully, she had an early diagnosis because she had a wonderful GP. The hon. Gentleman mentioned Northern Ireland. In the continued absence of a functioning Northern Ireland Assembly, will he and his colleagues, and colleagues from other parties, please support the very active campaigners in Northern Ireland who, like me, wish to see the screening age for bowel cancer reduced to 50?

**Nick Thomas-Symonds:** I am pleased to hear the good news that the hon. Lady's sister was able to recover well. Of course Members across the House should look to support those campaigners. I am in favour of consistency across the UK. One of the great things about devolution is learning from best practice in different parts of the United Kingdom, and people in Northern Ireland absolutely should benefit too.

There are other differences in testing. In England and Scotland, people aged over 75 can obtain a screening test by calling a free bowel cancer helpline. In England, a one-off bowel scope screening is promised for those aged 55, but only around half of areas currently offer that. Will the Minister update us on how progress towards all areas being covered can be sped up?

As I indicated in answer to the hon. Member for Eastbourne, there is cross-party support for reviewing the age at which testing starts. I ask the UK Government and all the devolved Governments to look at and keep under review the age at which screening begins—that is crucial—and the sensitivity of the tests that are used. It seems to me that reducing the screening age, which many Members have pointed out, and increasing the sensitivity of tests are the two uniting themes.

**Lilian Greenwood** (Nottingham South) (Lab): My hon. Friend is making a powerful argument. Like him, I lost my mother to bowel cancer when she was only 53—an age I am now approaching. Does he have evidence on whether there should be a lower screening age at least for those of us with a family history of bowel cancer, even if the screening programme cannot be extended to everyone under 60 or 55?

**Nick Thomas-Symonds:** I absolutely agree. Although we all want a blanket reduction in the screening age across the United Kingdom, there are a number of risk factors for bowel cancer, one of which is family history,

and we certainly need to look at having flexibility around the country so that screening can be done earlier where those risk factors are present.

The charities Bowel Cancer UK and Beating Bowel Cancer seek an optimal screening programme for men and women from 50 to 74. They rightly point out the importance of early diagnosis and the real opportunity to reduce the number of people who die from this awful disease.

**Julian Sturdy** (York Outer) (Con): I pay tribute to the hon. Gentleman for bringing forward this debate at what must be a difficult time for him. My sympathies are with him. A member of my close family—my father-in-law—is suffering from bowel cancer. Thanks to the superb support of the NHS, we hope he is on the road to recovery. That has brought home to me the importance of early diagnosis. I just want to put on the record the fact that I would support the hon. Gentleman on a cross-party basis to ensure that we bring down the screening age and improve testing wherever we can.

**Nick Thomas-Symonds:** I am sure that all hon. Members would join me in sending their very best wishes to the hon. Gentleman's father-in-law. I would be grateful if the hon. Gentleman passed those on. I welcome the cross-party support for reducing the screening age. I referred to Bowel Cancer UK, and I should point out that I have been pleased to do a number of runs to raise money for that charity through sponsorship.

I realise that we must deal with two other things to ensure that lowering the screening age and improving the screening process across the UK is effective. First, pathology capacity must be increased, because there will obviously be vastly more samples to deal with. Secondly, we need high-quality colonoscopy capacity to deal with the increased numbers of people referred on for further investigation as more sensitive tests yield further results that need to be checked out.

**Liz McInnes** (Heywood and Middleton) (Lab): I extend my condolences to my hon. Friend on the sad loss of his mother. I worked in pathology before I became an MP, and I am grateful to him for mentioning it and the increase in capacity that will be required if it is found to be indicated clinically that we need to reduce the screening age to 50.

**Nick Thomas-Symonds:** I am grateful to my hon. Friend for her sympathy and for bringing her experience to bear on the debate. Such increased capacity will be so important.

That we need to be ambitious on pathology and colonoscopy capacity should not deter us from the ultimate goal, however; I want to see every eligible person across the United Kingdom have access to the best and most effective screening methods, so that we can finally defeat this cancer. Saving lives—giving more families more precious moments with their loved ones—should be the only incentive we need to make progress.

11.21 am

**The Parliamentary Under-Secretary of State for Health and Social Care (Steve Brine):** I congratulate my friend the hon. Member for Torfaen (Nick Thomas-Symonds) on securing the debate. I pass on my condolences, as others have, for his loss just a few months ago. It takes a great deal of bravery to stand up in the House of Commons and talk about the passing of a mother so soon after it happened—I am not sure that I could have done so when it happened to me. As the Minister with responsibility for public health and cancer, I thank him for his interest in this subject and for the support he has shown. He mentioned the runs he has done—I am sure I could not do that—and his support for our excellent bowel cancer charities, Beating Bowel Cancer and Bowel Cancer UK, which recently joined together to become one charity. We await with interest what the new name will be—answers on a postcard to the Department of Health and Social Care.

Let me start by assuring the hon. Gentleman that bowel cancer is a priority for me, the Government and NHS England. That is simply because it affects so many of our constituents—about one in 20—during their lifetimes. It is the fourth most common cancer in the UK and the second leading cause of cancer deaths, with up to 16,000 people sadly losing their lives to the disease each year. If we want to improve on what are the best ever cancer survival figures, we need to do better with bowel cancer and, indeed, with all other cancers. Thankfully, more than 76% of men and women now survive for one year, which is a crucial landmark, and about 60% survive for five years. It is encouraging that survival in those detected and treated following bowel cancer screening is about 97%.

Let me talk about FIT, the subject of our discussion. Rolling out FIT—faecal immunochemical testing for haemoglobin, to give its full title—is recommended in the independent cancer taskforce's strategy for England. We have much more to do to catch bowel cancer early and achieve better figures, which is why the Government accepted the recommendation of the UK National Screening Committee, which provides the Government with independent, internationally regarded evidence relating to screening, that FIT should replace the current home test. The pilot work showed that FIT will increase by about 7% the proportion of people taking part. Importantly, we expect those communities not returning the current home test kits to show the most interest in using the new ones. That is an important part of England's cancer strategy. I am sure we will all welcome that contribution to the reduction of inequalities in screening and cancer mortality for those communities.

NHS England, Public Health England and NHS Digital are working together to finalise a number of practical arrangements regarding sensitivity, rightly mentioned by the hon. Gentleman, as well as production and distribution of FIT kits and diagnostic and pathology workforce capacity—I will return to that—to ensure that when FIT is implemented, it is, critically, sustainable.

It was important to get this right first time. When I was appointed last June, I was aware of the issue. One of the first questions I asked was about it, and I am as frustrated as anyone that it has taken so long. However, I am pleased to say that we fully expect that FIT will begin to be rolled out in the autumn. The hon. Gentleman mentioned NHS Wales and next spring and it being great that devolved Administrations follow best practice. Perhaps NHS Wales could follow NHS England's best practice and bring forward its timetable.

**Nick Thomas-Symonds:** I am grateful to the Minister for his tone and constructive approach. May I press him for a little more detail? He said that FIT will be introduced in England in the autumn, but when will we get closer to a precise date?

**Steve Brine:** I cannot give the hon. Gentleman the precise date today, but I know of his and other Members' interest in the matter, and as soon as I can give that date I will tweet it and tag him. I assure Members that I will let the House know as soon as I have the date, and I have a funny feeling that Members will be watching closely for that.

On lowering the age for screening, many right hon. and hon. Members and their constituents are concerned that the age at which we invite people for bowel screening should be 50 rather than 60. Such concern is sometimes driven by personal experience of the impact of cancer on families as well as on constituents. The hon. Member for Eastbourne (Stephen Lloyd) feels particularly strongly about the issue and has worked on it for a long time—I worked with him a lot during his first iteration as an MP, and it is good to see him in his second chapter. I thank him and his constituent Lauren Backler, who sadly lost her mum to bowel cancer, for personally delivering to my Department last week a petition on the screening age with, as he said, 400,000-plus signatures. I was in my constituency; otherwise, I would have come down and got it myself. I saw him on "ITV News Meridian", our local news, walking up Victoria Street with the petition. I thank him for that and will take great note of the petition. We will, of course, consider it carefully and respond in due course, but I hope what I will say today will give him some cause for optimism.

When the bowel cancer programme was introduced in 2006, it focused in the first instance on those aged 60 to 69, and then in 2010 it was extended to 70 to 74-year-olds. When we consider that eight in 10 cases are in over-60s, we can understand why that was the starting point, but that does not have to be the end point. It is therefore crucial that the clinician looking at the bowel following a finding of blood in a stool is as skilled an expert as possible, and the NHS has to make sure there is enough clinical capacity to follow up referrals.

The hon. Member for Torfaen rightly mentioned NHS England capacity, which is critical. To boost clinical capacity in the NHS in England, Health Education England has recently pledged to fund the training of 400 clinical endoscopists by 2021, which will significantly increase the endoscopy capacity in England and is a key part of the jigsaw.

This decision to screen from the age of 60 was also based on the fact that, as I have said, the risk of bowel cancer increases with age and people in their 60s are found to be most likely to complete a testing kit. However, that does not have to be the end of the conversation. Therefore, five years ago, in 2013, we started to introduce bowel scope screening for those aged 55. In the research that underpinned that decision, those who took up the offer of a bowel scope test and follow-on treatment reduced their chances of dying from bowel cancer by more than 40%. Those are good stats. Now, with the introduction of FIT, we have an important, evidence-supported opportunity to consider the totality of the bowel cancer screening programme and maximise the benefits of bowel cancer screening.

**Nick Thomas-Symonds:** One of the issues with the scope test is its geographical spread: as I understand it, at the moment only about half of England is covered. First, will the Minister comment on when it will be extended? Secondly, I would welcome his commitment to reviewing screening in its totality.

**Steve Brine:** I will indeed ask the question that the hon. Gentleman raises about geographical spread. It is a key point.

I am pleased to say that the UK National Screening Committee is now considering how to optimise bowel cancer screening using those two evidence-based testing methods, namely bowel scope screening and FIT. It will advise on the optimal strategy—the hon. Gentleman rightly used that term—for England, this summer. To inform that advice, it ran a consultation, which ended on 9 April. That focused on whether the current evidence supports a change to the current tests approved for use in bowel screening programmes. In particular, it considered whether an optimal bowel screening programme should use both BSS and FIT. Both those screening methods require significant numbers of highly trained people and significant amounts of hospital resources in the NHS. With the introduction of FIT, it is therefore timely to carry out further work to decide the best combination of tests for the English programme; that includes the issue of sensitivity. I know that there is a lot of debate in the clinical community about the range and the number of people affected. We must get that right.

I am pleased that as part of its deliberations, UKNSC will also consider the most appropriate age at which FIT screening will start. It would be wrong of me, however, to pre-empt its recommendations or, as the hon. Member for Eastbourne said, to announce an exclusive from Westminster Hall. However, it is being considered and Ministers, including the Secretary of State, take a close interest. That is as clear as I can be. We are clear that recommendations must be achievable, so the availability of high-quality follow-on tests—colonoscopy and pathology—will be central to ensuring that we can turn the benefits of a better test into thousands fewer people getting and dying from bowel cancer. I am asking NHS England to consider that carefully. It knows of my clear interest in the matter.

I am thankful that survival rates are improving year on year, with about 60% of bowel cancer patients now surviving for five years or more, compared with about 25% 40 years ago. That is a significant change. As hon. Members have said, early diagnosis is vital—for all cancers, but certainly for bowel cancer—which is why the independent cancer taskforce included driving a national ambition to achieve earlier diagnosis among its six strategic priorities in the cancer strategy for England, which I am passionate about implementing. We remain on track to deliver that priority and to deliver every one of the 96 recommendations in the strategy by 2021. We are, of course, thinking about post-2021 as part of the long-term vision for the NHS, which the Prime Minister spoke about at the Liaison Committee recently.

We hope that the introduction of FIT as the primary test in the bowel cancer screening programme later this year will further enhance the drive towards early diagnosis and ensure that we catch more cases of bowel cancer early and allow for better treatment outcomes.

**Lady Hermon:** Northern Ireland has not had a Health Minister since January 2017. It would be enormously encouraging if the Minister would confirm that he has spoken to the permanent secretary for the Northern Ireland Department of Health about introducing the FIT technology in Northern Ireland, which is a part of the United Kingdom.

**Steve Brine:** I personally have not, but I will do so, as a takeaway from this debate. The hon. Member for Strangford (Jim Shannon), who is no longer in his place, has made the same point to me in other contexts. I shall speak to my officials and make sure that happens. I will keep the hon. Lady informed.

I have mentioned the bowel cancer charities. I have a regular roundtable with all the cancer charities—it is one of the great privileges of my position. They have worked on the narrative of needing, as they put it, to talk about poo. When mainstream drive time presenters talk, as they did on BBC Radio 5 Live last week, about looking at poo and "taking a look back" as the presenter put it, it shows how far we have come. Breaking down barriers and Members talking about their experience is important, as is the way in which charities approach the subject. We look forward to seeing what the new combined charity can do. It is an important part of changing the narrative and culture, in addition to the Government's work with NHS England to change the testing regime and the other issues I have mentioned. The battle is long, as it always is with cancer, but with the support of "Team Cancer", in which I count all hon. Members present, I think we are winning.

*Question put and agreed to.*

11.35 am

*Sitting suspended.*

## Cancer Targets

[Mr Gary Streeter *in the Chair*]

2.30 pm

**Mr John Baron** (Basildon and Billericay) (Con): I beg to move,

That this House has considered NHS cancer targets.

I thank Mr Speaker for granting this important debate, and I thank you, Mr Streeter, for chairing it and the Minister for taking time out of his busy schedule to address it.

The matters I will raise today, as briefly as possible, are matters I have raised throughout my nine years at the helm of the all-party parliamentary group on cancer. As I near the end of my chairmanship, I thank all those parliamentarians, and the wider cancer community, who have supported and continue to support the group. They have been great stalwarts; the group has achieved much and has much to achieve. I look forward to remaining involved, but at the same time I look forward to handing over the reins.

Despite the fact that, when in government, both main parties have highlighted improving survival rates and supported process targets as a means of driving change, it remains an inconvenient truth that cancer survival rates in England and, indeed, the rest of the United Kingdom continue to lag well behind the international average. What is more, there is only limited evidence that we are catching up. In 2009, the Department of Health estimated that we could save an extra 10,000 lives a year if we matched European average survival rates. In 2013, the OECD confirmed that our survival rates rank near the bottom compared with other major economies, and for some cancer types only Poland and Ireland fare worse.

Of course, Health Ministers are right to point out that cancer survival rates continue to improve. That is welcome news, but it is not the full story. As our survival rates have improved, so have those of other countries, and there is very little evidence of our closing the gap with international averages, despite the considerable increases in health spending in recent decades. The major inquiry by the APPG on cancer in 2009 uncovered the main reason our survival rates are so far behind international averages. It is not that the NHS is worse at treating cancer—once cancer is detected, NHS treatment generally bears up as strongly as that of other healthcare systems—but that it is not as good at catching cancers in the early stages when treatment has the best chances of success. Late diagnosis, therefore, lies behind our comparatively poor survival rates, and addressing that is the key to improving our cancer performance. Early diagnosis is cancer's magic key.

So how can we best achieve it? Since the publication of our 2009 report, we as an all-party group and the wider cancer community have come together and successfully campaigned for a one-year cancer survival rate indicator to be built into the DNA of the NHS, especially at a local level. Clinical commissioning groups are now held accountable for their local survival rates through both the delivery dashboard and the Ofsted-style scores.

**Jim Shannon** (Strangford) (DUP): I congratulate the hon. Gentleman: we all know the hard work he does through the APPG and his personal passion for the

*[Jim Shannon]*

subject. It is important to put that on the record, because we know why he is here. I have apologised to him, and I apologise to you, Mr Streeter, because I cannot stay. I have a meeting with a Minister at 3 o'clock, so unfortunately I cannot make the contribution that I would have liked to have made. I am sure that the Minister is disappointed, but none the less he will hear from me again in the near future.

Is the hon. Member for Basildon and Billericay (Mr Baron) aware that the target for 95% of patients with an urgent referral to wait no longer than 62 days for first treatment has not been met at all in the past year and, further, that the target for 98% of patients to receive first treatment within 31 days of a cancer diagnosis has also not been met in any of the last four quarters? Does he share my concern and, I am sure, that of the Minister?

**Mr Baron:** I thank the hon. Gentleman for his kind words. I am aware of those statistics, and I will come to the 62-day target specifically later in my address. He is right to say that many CCGs and cancer alliances are not close to achieving many of those targets. That is obviously a problem when treating cancer, but it highlights a bigger issue: we should be focusing on outcome indicators rather than process targets as a means of encouraging earlier diagnosis. I will address his point specifically in a moment.

We tried very hard to get the one-year survival rates into the DNA of the NHS. The Government listened, and we now have CCGs being held accountable for their one-year survival rates, which is good news. The logic is simple: earlier diagnosis makes for better survival rates, so by holding CCGs to account for their one-year figures and, in particular, the actual outcomes, we encourage the NHS to promote earlier diagnosis and therefore improve detection.

A key advantage of focusing on outcome measures is that it gives the local NHS the flexibility to design initiatives tailored to their own populations to improve outcomes. CCGs can therefore choose whether to widen screening programmes, promote better awareness of symptoms, establish better diagnostic capabilities in primary care, embrace better technology or perhaps improve GP referral routes—any or all of those, in combination—to try to promote earlier diagnosis, which in turn will improve the one-year cancer survival rate figures.

Rather than the centre imposing a one-size-fits-all policy, the local NHS has been given the freedom to respond to and focus on local priorities, whether that be lung cancer in the case of former mining communities or persuading reticent populations to attend screening appointments. As an all-party group we try to do our bit. Each summer, the group hosts a parliamentary reception to celebrate with the 20 or so CCGs that have most improved their one-year survival rates. Successive cancer Ministers have supported that in the past, including the incumbent.

There is strong evidence, however, that that outcome indicator is being sidelined by hard-pressed CCG managements, who are focused on those process targets that are connected to funding. If the process targets are missed, there is a cost; if the one-year figures are missed, there is not. In recent decades, the NHS has been beset by numerous process targets that, instead of measuring the success of treatment, measure the performance against process benchmarks, such as A&E waiting times.

**Mr Jim Cunningham** (Coventry South) (Lab): I pay tribute to the hon. Gentleman, because I know he has a strong interest in this issue for a number of reasons—as we all have, because cancer in one form or another touches nearly every family in Britain. I agree with him that it is the outcomes that matter, not the input. I wonder whether the targets are in the wrong place; I may be wrong, and the hon. Gentleman knows more about it than I do, but I think he has made an important point. The problem seems to be how to get the NHS to implement that.

**Mr Baron:** I completely agree. The problem as I understand it is that, according to the House of Commons Library, there are something like nine process targets focused on cancer alone. Briefly, it is an inconvenient truth that, if we look back over the past 20 or 30 years, we will see that the NHS has been beset by process targets from both sides and for the best of reasons. The bottom line is that we have not caught up with international averages in any meaningful way over those 20 to 30 years, so we must start to question the efficacy of those process targets when what we are trying to do is to improve survival rates. If we get the NHS focused on one-year survival rates, it should look at the journey as a whole, not just a small part of it, in trying to promote initiatives to encourage earlier diagnosis, which at the end of the day is what we all have to do if we are to improve survival rates.

**Karen Lee** (Lincoln) (Lab): I am the mother of somebody who died of breast cancer and I would argue that this is about the lived experience. It is not just about survival; it is also about the journey—getting there. If care is not adequate or good enough along the way, whether somebody survives or not—well, it is better to survive, of course, but I would argue that this is absolutely about the journey. Targets are meaningless if they are not about people and their lived experience.

**Mr Baron:** I completely agree. My worry about targets is that they focus on a very small, specific part of the journey when we should be talking about the journey as a whole. What I have not mentioned so far is that it was not just the one-year figures but the five-year figures that we were arguing for. We have to take a longer view of the journey in order to ensure that we take into account all aspects of it, including the support, the surround sound—the way of living—and so on. We have to ensure that those who survive receive enough support, but my central point is that if we really are intent on encouraging earlier diagnosis, the process targets have been too blunt a weapon. We all love them. Politicians love them. Both sides love them, and the Opposition can hit the Government with them if they are missed. It is a short-term approach. In reality, they have not improved survival rates to the point where we are catching up with international averages, and that is the key problem.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I echo the hon. Gentleman's concern about process targets being just waiting times, particularly when we know

that the wait for a patient to get up the courage even to go to see their GP will often be much longer than the wait on the pathway. Does he share my concern about not having a focus on the clinical evidence of what treatment should be? My concern about leaving everything to CCGs to decide is that we are not then sharing what we know to be the best way to treat any particular cancer. We need clinical standards that are also measured.

**Mr Baron:** I have a lot of sympathy for what the hon. Lady says, and that is why I think that cancer alliances have a decent role to play. They can take more of an overview and more responsibility for ensuring that best practice spreads and is learned from, but they can also take more of a role when it comes to clinical evidence in relation to treating cancer. My suggestion to the hon. Lady is this: if we get the NHS properly focused on improving its one-year figures and, therefore, its five-year figures, it will come closer to embracing the journey as a whole and coming up with initiatives, particularly at primary care level, that are designed to encourage earlier diagnosis. I fully accept that that is not the only answer—it is about supporting people and so on—but at the end of the day we are using blunt weapons to try to improve cancer survival rates, and the evidence clearly shows that we are not succeeding.

I will make some progress, but I will be happy to take more interventions later. In recent decades, the NHS has been beset by numerous process targets, as we have just discussed. Those have a role to play. It would be too revolutionary for me to stand here and say that we should discard them all and just bring in the one-year figures. I think that that would be too much for the NHS to grasp, but I do believe that process targets are too blunt a weapon. They offer information without context and, in my view, can hinder rather than help access to good treatment, especially when financial flows are linked to process targets, which has been the hallmark of our NHS since 1997. What is more, those targets, being very ambitious, have a tendency not to be met—a point made by the hon. Member for Strangford (Jim Shannon)—except in the very best of circumstances. They can easily become, as I have suggested, a political football between parties eager to score short-term points when in reality a longer-term approach is required. All sides are guilty of that.

Cancer has been no stranger to process targets. As I have mentioned, the House of Commons Library suggests that no fewer than nine process targets currently apply to cancer, most notably the two-week wait to see a specialist after a referral and the 62-day wait from urgent referral to first definitive treatment. Process targets, as I have suggested, can pose a particular problem when the NHS's performance against them is used as a metric to control financial flows, which tends to skew medical priorities. Such targets are only part of the journey when trying to improve one-year survival rates, yet CCGs, although held accountable for outcome measures, in practice follow process targets, because they are the key to unlocking extra funds. That is one of the key issues that we need to explore further in the months and years ahead. I am talking about the fact that process targets account for only part of the journey when we need a longer-term view.

I also suggest that process targets are not the best means of helping when it comes to rarer and less survivable cancers, which for too long have been the poor cousins in the cancer community. Rarer and less survivable cancers often fall between the cracks of process targets. Data on those cancers is not used routinely in much of the NHS. That encourages the NHS to go for the low-hanging fruit of the major cancers. That has to change. Given that rarer cancers account for more than half of cancer cases, serious improvements in cancer survival will not be possible unless rarer and less survivable cancers are included. Outcome measures have the advantage of encouraging their inclusion when seeking to catch up with average international survival rates.

The all-party group's most recent report, launched at the Britain Against Cancer conference in December, highlighted an example of how process targets can act against patients. In 2016, as I think all hon. Members in the Chamber will be aware, NHS England announced £200 million of transformation funding, intended to help the newly formed cancer alliances to achieve the standards set out in the five-year cancer strategy to 2020, and bids were invited. This should be straightforward. An extra £200 million is coming in and is being handed over by the Government to NHS England. The money should be going where it is most needed—to help cancer services at the front-line to deliver on the cancer strategy.

However, after the bidding process closed, a requirement for good performance against the 62-day target was introduced retrospectively. That was after the deadline—by some weeks, if not months. It resulted in multiple alliances whose performance was not deemed good enough not receiving their expected funding allocation. Oral and written evidence was taken by and submitted to the all-party group last autumn. I see members of the group in the Chamber. For those who arrived late, I point out that I have thanked the members for their help and stalwart support over the years. The oral and written evidence given to the group when we were conducting our inquiry suggested that the retrospective application of the 62-day condition was causing real problems at the frontline. We heard in effect a cry for help from those at the frontline of our cancer services. Our December report, as the Minister will be fully aware, called for a breaking of the link between the 62-day target and access to the transformation funds. Let us break that link and get the transformation funding down to the frontline, where it is needed to help to implement the cancer strategy.

It is an iniquitous situation, as the conditionality on process targets prior to funding release means that high-performing alliances receive even more money, while those that are struggling and could therefore most benefit from the extra investment do not receive the extra support. That is against the whole spirit of transformation funding.

**Dr Dan Poulter** (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing the debate and thank him for all that he has done to raise these important issues consistently during his time in the House. I, too, must leave a little before the end of the debate, so please accept my apologies, Mr Streeter. With regard to funding, notwithstanding the fund that my hon. Friend has mentioned, NHS core funding often tends to be diverted to prop up the acute sector

*[Dr Dan Poulter]*

during winter crises; that happens year after year. We are now missing cancer targets, whatever we think of them—they have ceased to be meaningful to many trusts at local level. Does he therefore agree that, if we are to make a difference, we must ensure that more of the money from the core NHS budget goes to community services and cancer services?

**Mr Baron:** I broadly agree. Although a system as big as the NHS must always be able to respond to short-term emergencies, such as the winter crisis, longer-term thinking is needed to address key issues such as cancer survival. At the moment we have an absence of long-term thinking, let alone long-term funding, which is harming patients to the extent that we are not focusing on outcomes. In 2009 the then Department of Health's own figures showed that 10,000 lives were needlessly lost because we were not meeting European averages for survival rates. I agree that we need longer-term thinking, and that is where outcome indicators, such as one-year and five-year cancer survival rates, would encourage not just long-term thinking, but long-term funding.

**Karen Lee:** That is a problem right across the NHS. We need to take the NHS out of the political arena. The absolute bottom line is that we need a proper, long-term strategy.

**Mr Baron:** I thank the hon. Lady for her support. I have been non-partisan on this matter, as I have been as chairman of the all-party group. Both sides have been guilty of trying to score political points on the back of process targets, because no Government have met them all in their entirety; we play this short-term political game when in reality what we need to do is, as best as possible, take the NHS out of politics and encourage long-term thinking. The best approach, at least with regard to cancer, would be to get the NHS to focus on those one-year and five-year survival rates. We could then stand back and say, "You are the medical experts and we are the politicians. We will hold you accountable, but use your expertise now to come up with the best plans to improve your one-year and five-year figures." That would certainly encourage longer-term thinking and funding.

I am conscious that other hon. Members want to contribute, so I will not bore everyone with the ins and outs of the all-party group's efforts to encourage the Government to break the link between the 62 days and the transformation funding, because discussions are still ongoing. However, I will share with the House the fact that I raised the issue at Prime Minister's questions back in December. During a positive subsequent meeting in March, the Prime Minister agreed that all transformation funding should be released immediately, provided that relevant cancer alliances promised to produce a 62-day plan—the promise is the important thing; they did not have to produce them.

I am now in discussions with officials from No. 10 and the DHSC, because the system has been slow in following through what was agreed at that meeting. Following my further question at Prime Minister's questions last Wednesday, the Prime Minister has agreed to meet me again, should we continue to make insufficient progress. Negotiations are now in train and I hope that we can get the funding released as quickly as possible, without waiting for the alliances to actually hit the 62-day target. The Prime Minister clearly said that she wants the transformation funding released on the promise that they will produce a plan to hit the 62-day target.

In the long term, the NHS needs to rebalance its focus away from process targets in favour of outcome indicators, such as the one-year cancer survival rates, that best help patients. If outcome measures are good and being hit, it follows that the processes will also be good; one cannot have good outcomes if there are not good processes. Patients will be seen and diagnosed in a timely fashion appropriate to their illness. These outcome measures will also have the benefit of allowing the NHS to design services and pathways flexibly, and without the straitjacket imposed by blunt process targets. That is the key issue here: focusing on the outcomes encourages the NHS at the frontline to devise ways of encouraging earlier diagnosis, including better awareness campaigns, wider screening uptake, better GP referral routes and better diagnostics. The NHS is encouraged to make those decisions at the frontline in order to drive forward earlier diagnosis.

**Mr Gregory Campbell** (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate and on the excellent work that he has done, not only with the all-party parliamentary group, but on a wide range of events over recent years. On the transformative nature of events, does he agree that we need to see international best practice, which he alluded to earlier, employed in the United Kingdom to ensure that cancer sufferers here, and their friends and families, can see the benefits?

**Mr Baron:** I completely agree. Our inquiry into cancer inequalities in 2009 found that the NHS is as good as any other healthcare system internationally, if not better, at treating cancer once it is detected; the problem is that we do not detect it early enough and we never catch up. The line of international averages compared with UK averages shows that we are always behind, and there is little evidence that we are catching up. We get behind at that early one-year point, because we are not diagnosing as early as other healthcare systems, and no matter how good our treatment, we do not catch up. That is how we are losing those tens of thousands of lives, because we are not matching the European averages for survival rates.

**Paul Girvan** (South Antrim) (DUP): Having been through treatment in the past, I appreciate that early diagnosis can, if dealt with correctly, save an absolute fortune. Everyone has heard the saying, "A stitch in time saves nine." Unfortunately, leaving it too late, rather than intervening early, and having to treat the symptoms as they progress costs the health system a lot more money.

**Mr Baron:** I completely agree. I have not mentioned that aspect, because I have been focusing on patients, but the hon. Gentleman is absolutely right. If we were to diagnose earlier, the NHS could save a lot of money. We all know that, by and large, the more invasive the treatment, the more costly. Given how large the NHS is, too few health economists are trying to quantify this. When I ask my local CCG or cancer alliance, they do not know the cost savings associated with earlier diagnosis. That is a great shame.

**Dr Poulter:** My hon. Friend makes a good point. When we talk about quality-adjusted life years—there are other measures of the cost-benefits and cost-efficiency of treatments—it seems extraordinary that a more holistic view is not taken, particularly looking at quality-of-life indicators in cancer treatment. I am sure that he will want to press the Minister on that.

**Mr Baron:** I am sure that the Minister has taken that on board and I look forward to his comments. It goes without saying that the earlier we diagnose, the more money we save, which could then be ploughed back into frontline cancer services. We need to try to quantify that, and we are nowhere close to doing that at the moment.

That is why, in conclusion, I come back to the point that we need to take a longer-term view on our plans for cancer care—longer-term funding and thinking. Process targets actually act against that, because the focus is on specific issues, which can skew priorities, particularly when they are associated with funding. In the end, that has proven not to be in the best interests of patients, given our failure to catch up with international averages. Outcome measures retain the focus on accountability, which quite rightly governs our health service. They provide the best of both worlds: they encourage long-term thinking and long-term funding, while at the same time we as politicians rightly have to hold the NHS accountable. We are talking about £115 billion to £120 billion of taxpayers' money. We have to ensure that there is the element of accountability in the system, but that is where outcome indicators could be very helpful.

One cannot cover everything in a debate such as this. I am glad that the HPV issue will be given a proper airing in tomorrow's debate. I think that the vaccine should be extended to boys. I also think that the big issue of prevention is important. Healthier lifestyles make for lower cancer risks, but this specific debate is about targets. It has been a helpful debate and I thank everyone for their interventions. I look forward to other contributions and to the Minister's comments at the conclusion.

3 pm

**Karen Lee** (Lincoln) (Lab): I do not want to repeat a lot of what the hon. Member for Basildon and Billericay (Mr Baron) has said because he has already said some of what I was going to say. I am here because when I was elected I was asked by Breast Cancer Now to be an ambassador and I readily agreed. I will highlight a few things on its behalf.

Breast Cancer Now says that although some CCGs meet diagnosis and detection targets, there are national geographical inequalities in the provision of care, and diagnosis and detection are taking priority over treatment for secondary breast cancer, which is an issue. Transformation funding has been mentioned, and Breast Cancer Now feels that such funding must be decoupled from waiting time targets immediately.

My CCG is failing to hit the targets, which means it does not get the funding. If it is failing to meet the targets, how will withholding the money make things any better? I want the Government to tell us how that makes things any better. I understand about targets and measures, but how does not giving CCGs money to treat people properly make things any better?

NHS cancer targets have tended to focus on early detection and diagnosis, which means there is less focus and resource allocated to supporting people after they have finished treatment and are living with secondary cancers. One in four people find that the end of their treatment is the hardest part and they do not always have access to a clinical nurse specialist. My daughter did not. Things moved fast for my daughter. She was diagnosed and died within 13 months. She was just 35 and she left a husband and three children behind. To get her back into hospital was an absolute nightmare. I knew all the right things to say to get her into hospital and I finally managed it, but the support was not there. People try and do their best, but the support was not right and it was not good enough. The treatment for secondary breast cancer is not good enough and that really needs to be looked at.

Every cancer patient coming to the end of their treatment should have a recovery package. A clearer picture of progress on the availability of health and wellbeing events for people living with and beyond breast cancer across England is urgently needed. The Government, as the agency that ultimately decides how our NHS is run, must deliver on that and answer for that.

I was asked to mention the collection of data and access to clinical nurse specialists, because there has been no progress. Breast Cancer Care's 2015 research showed that only a third of NHS trusts were collecting full data on secondary breast cancer, and three quarters of NHS trusts and health boards say there is not enough specialist nursing care available. People with secondary breast cancer feel they are second rate. Lynsey used to say that. She said, "It was all right, Mum, when I was having chemo and radiotherapy and everybody was buzzing round me, but now there is nothing. There is no support at all."

I spoke on Breast Cancer Now's 2050 vision in Parliament a couple of months ago. If we all act now, by 2050 everybody who develops breast cancer will live, and I really hope that that happens.

**Mr Baron:** The first point that the hon. Lady made about the iniquitous position that many CCGs now find themselves in is a strong one. The Government have given transformation funding of £200 million to NHS England, but a lot of it is sitting there when it is desperately needed, particularly by those that need to do a lot of catching up. It was not meant to be withheld in such a fashion. It is iniquitous also that the 62 days was retrospectively applied.

**Mr Gary Streeter (in the Chair):** The hon. Lady spoke most powerfully.

3.4 pm

**Nic Dakin** (Scunthorpe) (Lab): It is a real pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for Basildon and Billericay (Mr Baron) on securing this debate. It is a good opportunity for us in this House to recognise the excellent work and service that he has given in leading the all-party group over nine years. I am pleased that he is still in post. I suspect he will continue to serve the cancer community for ever, so we are grateful for that. I pay tribute to the courageous personal testament of my hon. Friend the Member for

*[Nic Dakin]*

Lincoln (Karen Lee) and her role as a breast cancer champion, particularly in highlighting the need to do better on secondary breast cancer, which everybody wants us to deal with much better.

For all but one month since April 2014, the 62-day target for patients to have received their first treatment since initial referral has been missed, and 81 trusts failed to meet the 85% target last year. When we do not meet targets, we let patients down in one way or another. As has been said, the target is not perfect. It does, however, set our sights on what we are trying to achieve: securing treatments, reducing waiting lists and improving outcomes. The target is important because it helps to measure the patient pathway. It gives us a better understanding of what patients are going through and offers the opportunity to prevent unnecessarily long waits.

Waiting can be a very anxious time. While treatment is on hold, life carries on. Bills still need to be paid, the kids still need picking up from school and jobs still need to be done. Life does not stop, and cancer does not stop, so it is important that we have the 62-day target. It performs a function, but it is not everything. As the hon. Member for Basildon and Billericay has said, we need to move to outcome measures such as the one-year survival rate, or indeed the five-year survival rate. He spoke most eloquently about how that has the potential to change behaviours in a positive way. However, unless we have targets, we do not know how they impact on behaviours; they are always imperfect, but they are useful measures.

As the all-party group's December report said, we need to break the link between the 62-day performance target and access to transformation funds. As the exchange between my hon. Friend the Member for Lincoln and the hon. Member for Basildon and Billericay demonstrates, unfortunately that can have iniquitous consequences and the areas that most need support get least support. Of course, the support needs to go where it can be most effective. I think we all have confidence in the Minister. Like many other people who work to help tackle cancer up and down the land and for whom we can have only the greatest admiration, he is fighting every day to try to make things better for cancer patients, cancer survivors and their families.

As the hon. Member for Basildon and Billericay has said, early diagnosis is the key. It is the magic wand, the holy grail, the silver button, but if it was easy to achieve it would have been achieved by now. Rarer cancers make up more than 50% of cancer cases, so we need to provide transformation funding for cancer alliances so that it can help drive early diagnosis and achieve NHS targets. It is crucial that the less survivable cancers benefit from allocation of transformation funding. The funding must continue to be used to tackle hard-to-treat cancers such as pancreatic cancer. I speak as chair of the all-party group on pancreatic cancer. It has the lowest survival rates of the 20 most common cancers. Its one-year survival rate is sadly still 24%, far behind the 75% one-year survival target set in the cancer strategy. So there is still a long way to go and we know that it is a massive challenge. Things are moving in the right direction, and we are right to be impatient, but we need to use our impatience to help us to work with the Government to bring about the positive changes we all want.

As an example of what is being done to tackle pancreatic cancer, and the need to get the transformation funding in the right place, Mr Keith Roberts and his team in Birmingham have created a faster pathway to surgery for pancreatic cancer patients by redesigning services. With the fast-track pathway, a patient receives surgery for a tumour quickly, avoiding the need for a separate procedure for jaundice. A patient not on the fast-track pathway would have a procedure for jaundice followed by a separate surgery, which could take two months on average. Going straight to resection cuts out the delay. At present, surgery is the only treatment that can save lives, yet fewer than one in 10 people with pancreatic cancer have access to it. The pathway is achieved in part through the use of a dedicated clinical nurse specialist, who is appointed to support and prepare patients to receive surgery within 16 days of referral. The results of the fast-track surgery pathway have been quite compelling. It has increased the number of patients whose surgery was successful by 22%, and patients received surgery within 16 days as opposed to two months from referral. It has saved the NHS an average of £3,200 per patient, and we would expect those savings to have reached £100,000 within a year.

The initial fast-track findings were so successful that the NICE guidelines on pancreatic cancer, which were published in February, now recommend the fast-track pathway, unless the person is taking part in a clinical trial requiring other treatment. However, despite all those benefits, the savings to the NHS and the fact that the pathway is recommended by NICE, Mr. Roberts' team is still struggling to secure funding for a full-time clinical nurse specialist, which means it has one fewer than a year ago. That does not make logical sense, but sometimes in the real world things that make no logical sense happen because of the other pressures on people. The fast-track pathway and its patients are being challenged. That situation is a good example of the need to get transformation funding to the right places, and is probably one of many around the country. It is not because people do not want them that the things in question do not happen; it is because the system does not work as everyone wants it to. One of our jobs is to use our voice here to help to unlock the barriers, so that the things we want can happen, and so that patients are seen faster and have the transformational treatments that are needed.

The all-party parliamentary group on cancer has called on the NHS to ensure that the cancer alliances are given the necessary transformation funding and support, and it is crucial that the NHS delivers that. Cancer alliances everywhere need to be able to use their funding to implement the NICE guidelines, including those on pancreatic cancer. Fast-track surgery is recommended for certain patients with jaundice. Yet it will not be available to most patients because the pathway is not in their area. We need to make sure that it is accessible. Cancer alliances must prioritise innovations for less survivable cancers and ensure that opportunities are provided, because, as the hon. Member for Basildon and Billericay reminded us, 50% of cancers are rarer ones that are more difficult to address.

I have one or two other points to make. The cancer dashboard has been helpful in driving improvements in cancer treatment. It might be worth looking at whether blood cancer could be included, as I think it would be of assistance. I very much support what the hon. Member

for Basildon and Billericay, the chair of the all-party group, said about the HPV vaccine. It seems like an opportunity for prevention, which is always better than cure, particularly if it is reasonably cost-effective, as I believe that vaccine is. There are opportunities to raise awareness, such as the Be Clear on Cancer campaign on difficult abdominal pains, which was piloted in the west midlands. Such things help to increase patient and GP awareness, and the chance that people will go to their GP at the right time and get an assessment. That can drive them into early diagnosis, so that things can be moved forward. Such things, which I know the Minister is keen on, are opportunities that can help, and are to be applauded and encouraged.

It is estimated that by 2020 2.4 million people in England will have had a cancer diagnosis at some point in their lives. We cannot let them down. Our job is to do the best by them. We need to do the best with the 62-day target, but also to continue the debate on whether process targets take us where we need to be or whether we should look more carefully at outcome targets. We must use whatever means we can to improve early diagnosis, and do all we can to support patients from the day they receive the news no one wants to hear to the day they receive the all clear. If we achieve those things, not only will we improve the NHS but we will save hundreds of lives every day of the year.

3.16 pm

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I declare an interest; I was for 30 years a breast cancer surgeon, and I am co-chair of the all-party parliamentary group on breast cancer. Cancer affects one in three people in the United Kingdom at this point, but that is expected to rise to one in two for the population born after 1960. Part of the reason for that is that we live longer, and unfortunately still have not improved our lifestyles to a significant degree. In particular, we all know about smoking and cancer, but we should also be aware that obesity is the second most common driver of cancer, and is increasing.

The hon. Member for Basildon and Billericay (Mr Baron) spoke about process targets—particularly on waiting times. I remember when the cancer-specific waiting times came in, in Scotland, and I welcomed them. Before that, there was only the standard waiting time of 18 weeks. If a manager was told, "We are struggling to keep up with breast cancer," but the 18 weeks had not been exceeded, there was no interest. That is the problem with any target; once a target is set, anything that is not subject to a target starts to be neglected. We welcomed targets at first. As the hon. Gentleman mentioned, the 31-day target is either being met, or is close to being met, because once people are diagnosed, all four NHSs switch into high gear and manage to treat people within the 31 days.

The problem is that that is only a little bit of the journey. The 62 days are meant to cover the time from seeing the GP to the referral to the clinic, from the clinic to the diagnosis, from the diagnosis to discussion and planning and a multidisciplinary team meeting, and from that point to the first treatment. If we look into it, the delay is often between being seen in the clinic and the diagnosis. With breast cancer we luckily tend to meet the 62-day target at around 95%, because our clinics are largely one stop. The patient usually gets all the tests on one day. However, in England the 62-day figure is below 83%, even though the 31-day figure is over 97%, and we can see how big the fall is, in trying to get people diagnosed. There is a huge workforce challenge in radiology, and in breast cancer a cliff edge is coming, because the generation who were appointed when screening started in 1991 are all retiring right now, and that is a real issue.

As I said earlier, in an intervention, it is not just a question of the time on the pathway; the biggest delay is getting people to go to see their GP. We need to get rid of the fear, embarrassment and stigma, particularly when a more embarrassing part of the body is involved.

We all run projects such as, in Scotland, Detect Cancer Early, and in England, Be Clear on Cancer, but it is important that such campaigns bubble along, rather than become intense. People need to see those adverts when it is in the back of their head that, yes, perhaps their bowel habits have changed, there is blood in their urine, or they find a lump. If that happened six months ago, it is no use. When we ran our first Detect Cancer Early campaign in Scotland with the comedian Elaine C. Smith, it was very humorous and well picked up. We got a 50% increase in people referred to breast clinics, but there was no significant difference in the diagnosis of cancer. It meant that the clinics were completely overwhelmed. We were doing clinics at night and at weekends to try to catch up, but the people who had cancer actually ended up waiting longer for their diagnosis. It is important that we generate not fear but education, and that first experience was taken into account in future campaigns.

Early detection has been mentioned, and screening is the best way of doing that if the cancer is screenable. Such screening will result in an increased incidence of cancer. People often do not think about the fact that if screening is introduced or expanded, or the technique is improved, more cancers will be diagnosed. The system must be ready to deal with that, and we need not to see it as a negative.

Since bowel screening was introduced in Scotland, there has been an 18% drop in colon cancer in men. Bowel screening, which was debated in this Chamber this morning, is not just a screening technique; it is actually preventive. When we test for blood in the stool, we can also diagnose polyps, which can then be treated to avoid them developing into cancer. That is a drop of almost one fifth over 10 years in our incidence of colon cancer. Bowel screening in Scotland starts from the age of 50 and runs to 75. Those over the age of 75 can request a kit, but they will not be sent it automatically. We have now moved to the faecal immunochemical test, which requires only one sample. It is also more sensitive, and there seems to be an almost 10% increase in uptake. Again, that will mean more colonoscopies and more diagnoses, and people must be prepared for that.

Process and outcome targets have been mentioned, but an important group of targets in between is those on quality of treatment. It is not good enough just to leave things to clinical commissioning groups or cancer alliances to work out the best way to treat various types of cancer. The data are international and national, and we need a group of experts to pool them together and come up with something that no one will quibble about, and that everyone agrees is what we should be aiming to achieve for various cancers, in people's surgeries, after their diagnoses, and with their radiation or chemo.

*[Dr Philippa Whitford]*

In 2000, what is now called Healthcare Improvement Scotland developed clinical cancer standards for the four common cancers. I had the honour to lead on the development of breast cancer standards, and I led that project until 2011. We are now on the fifth iteration of our standards, and they have been slimmed down. We have moved from looking at four cancers in 2002, to 11 cancers in 2012, and now 18 cancers have detailed clinical targets for which they are audited, and for which peer review takes place. We do not set league tables, but we set standards that every unit can aim to pass. There is no point in being told, "The best unit is 500 miles away"; people want their local unit to be good.

The first two standards in our quality performance indicators state that every patient with breast cancer must be discussed at a multidisciplinary team meeting, and that patients must be diagnosed non-operatively by needle biopsy. When I started in my unit in the mid-1990s, our pre-op diagnosis rate was about 40%; it is now about 98%. If those two standards had been in place in England, the rogue surgeon Ian Paterson might have been picked up earlier. We now know that he tended to make his own treatment decisions, and he operated on women without proof of cancer. Obviously, the standards cover all sorts of things, including surgery, diagnosis, chemo and radiotherapy. Data are collected at the MDT meeting with a member of audit staff present. That means that they can capture evidence of recurrence and patients who develop metastatic disease, and everyone on the team is aware that that has happened.

To respond to the point raised by the hon. Member for Lincoln (Karen Lee), my unit discussed whether we would have separate cancer nurse specialists for those with recurrent or secondary disease, or whether it would be better if the original nurse followed the patient through, and that is what we went for—our nurses work between the surgical clinic and oncology, so that people see a face they already know. Having done it for years, I know that breaking bad news a second time is infinitely worse than breaking it the first time.

In England there are screening data from breast cancer and guidelines from the National Institute for Health and Care Excellence. There are, however, no audit data that are peer-reviewed and compared. We get no financial reward for improvement in our targets. Money is not part of it; it is simple clinical pride, and a wee touch of competitiveness. In Scotland we meet every year in the breast cancer service, and our data are put up. That is open and public; people can look for any of our reports on the internet, and they will see all the details about the numbers of patients treated and what has been achieved. Peer review and peer pressure is a great way to drive up quality.

The hon. Member for Basildon and Billericay mentioned early diagnosis and the need for one-year outcome figures, but spending all the money to gain another couple of per cent in a waiting time is not necessarily the best way to go. A comparison was made between breast cancer treatment in the UK and in Denmark, and because of screening—the UK was one of the earliest nations to pick up breast screening as a population screening—we have a higher percentage of patients diagnosed at stage 1 than Denmark. We do not, however, have a better survival rate because we have very slow access to new drugs. It takes new, expensive cancer drugs three or five years to get into common use. Yes, if someone is diagnosed early they might not need those drugs, but if they are unlucky enough to have a really nasty, aggressive cancer, they may end up fighting to get them.

**Mr Baron:** For a whole host of reasons mentioned by the hon. Lady, one area that perhaps shows promise in improving early diagnosis is breast cancer. In general, however, we fall behind international averages at that one-year point. The whole point of focusing the NHS on one-year survival rates, and encouraging it to improve those rates, is to send a message down the line and encourage early diagnosis across the whole panoply of primary care services, including improving screening rates and participation.

**Dr Whitford:** I totally agree. People who have died before one year—that is, in essence, what is being measured by our one-year survival rate—are largely those who presented with an advanced or incredibly aggressive disease. We are measuring people for whom we did not have a treatment, rather than just early diagnosis, and we will see that much more in the five-year figures. I am not saying that we should not have those measurements, but if a clinician is just being told, "You have to get better one-year figures," should they take a bigger margin? Do they use this chemo or that one? They need guidance on what evidence shows will provide better one-year figures.

On prevention, there has been a drop of more than 17% in men with lung cancer, because of the fall in smoking in men. Unfortunately, there has been a rise in lung cancer in women. There has also been a rise in malignant melanoma in men, because they are catching up with women in the use of sunbeds and overseas holidays. We still have a long way to go simply to try to prevent cancer, because the gold standard is not getting it in the first place. As I have said, obesity is the second most common cause of cancer. We do not need strategies that are just for cancer. We need health in all policies to try to make people healthier, and that way we will reduce the number of people who are suffering from cancer.

3.29 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for Basildon and Billericay (Mr Baron) on securing the debate and on his considered and balanced speech. As chair of the all-party parliamentary group on cancer, he commands a great deal of respect on both sides of the House for his commitment to improving the way we deal with cancer, as has been reflected in the tributes paid to him by hon. Members.

I also pay tribute to my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson), the shadow Public Health Minister. She contributes a huge amount through her work as co-chair of the APPG on breast cancer and as chair of the APPG on ovarian cancer, and through her involvement with countless other organisations. Were it not for a long-standing, important commitment, she would be responding to the debate.

We have heard several contributions. My hon. Friend the Member for Lincoln (Karen Lee) spoke movingly from personal experience about the difficulty of getting the right care for her daughter. She described feeling a lack of support when the condition moved away from traditional treatments. I hope that her time in the House and her experiences will enable an improvement in the treatment experience of patients, particularly those suffering from secondary breast cancer. She made an important point about the geographical inequalities in treatment for secondary breast cancer. She also said that the transformation funding should be decoupled from the targets, as did most other hon. Members. The hon. Member for Basildon and Billericay talked about retrospective conditionality, which neatly highlights the absurdity of the situation.

I pay tribute to my hon. Friend the Member for Scunthorpe (Nic Dakin) for his work on the APPG on pancreatic cancer. He spoke in defence of the 62-day target and set out very well why it is important, not just for measuring some elements of performance, but because the wait between first being suspected of a condition and receiving treatment is probably the most anxious time for a patient. He also said that the link between the 62-day target and access to the transformation fund should be broken, and that funding should be available for conditions that are harder to treat, such as pancreatic cancer. He spoke in some detail about the fast-track surgery pathway. I am pleased to hear that the NICE guidelines have been amended to reflect the success of that initiative, but it was disappointing to hear about the funding difficulties and the fact that it has not yet been rolled out to other areas of the country.

As all hon. Members have said, cancer is a difficult subject to talk about. It touches all our lives in some way. One in two people will be affected by cancer at some point in their lifetime. Every two minutes, someone in this country is diagnosed with cancer. It is right that the tone of the debate has been about trying to do the best we can to improve outcomes for people touched by cancer.

As has been said, there has been a steady and welcome improvement in cancer survival rates in this country, which can partly be attributed to considerable improvements in early diagnosis, but the sad and inconvenient truth is that we still lag far behind our European counterparts, as the hon. Member for Basildon and Billericay said. Five-year survival rates in the UK are far behind European averages in nine out of 10 cancers. Of the five largest EU countries, we have the highest mortality rates and the lowest survival rates. It is estimated that up to 10,000 deaths a year in England could be attributed to lower survival rates compared with those in the best-performing countries. The OECD has said that our survival rates for certain types of cancer are near the bottom of the table. Several hon. Members made the point that although we have improved, other countries have progressed at a similar rate, so our relative performance is still a considerable challenge.

There is an international element, but there is also a local one within England. If all clinical commissioning groups were able to achieve the level of early diagnosis in lung cancer that the best CCGs manage, 52,000 people would be diagnosed earlier, which could save lives. The introduction of the CCG dashboard has helped to raise the visibility of such issues and, as the hon. Member for Basildon and Billericay said, the flexibility afforded to CCGs has enabled them to adjust their approach and take account of local priorities.

The hon. Gentleman was right to express the concern that process targets can have funding consequences, which sometimes have a distorting effect on priorities. My hon. Friend the Member for Scunthorpe raised an important issue about the applicability of blood cancers to the CCG dashboard.

We all agree that the most important element of any cancer treatment is time; as hon. Members have said, it is key to a successful outcome. It is generally agreed to be the single most important reason for lower survival rates in England, so it is vital that we do better not only on early diagnosis, but on prevention and awareness. The hon. Member for Central Ayrshire (Dr Whitford) spoke well about the challenge we face in encouraging people to go and see their GP as soon as symptoms present.

That is why it is vital that early diagnosis continues to be a priority. As the hon. Member for Basildon and Billericay said, we should take a wider view about longer-term survival rates. We know that 35% of lung cancer patients are diagnosed only after presenting as an emergency, and one in 20 are not diagnosed until after they have died. The Roy Castle Lung Cancer Foundation found that if a person is treated early, their chance of surviving for five years or more is up to 73%, but the current five-year survival rate is only 10%. For ovarian cancer, the National Cancer Registration and Analysis Service found that more than 25% of women are diagnosed through an emergency presentation. Of those, just 45% will go on to live for a year or more, compared with more than 80% of women who survive beyond a year if they are diagnosed following a referral from their GP.

We also know that once patients have been diagnosed, they have an agonising wait for treatment, as my hon. Friend the Member for Scunthorpe said. The 62-day target has now been met only once in the last four years since January 2014, and more than 100,000 people have had to wait longer than two months for their treatment to start. Although we are talking about some of the merits of those targets, it is important to ask the Minister if he can update us about the steps that are being taken to meet them in future.

One of the key elements in meeting those targets is having an adequately staffed workforce. From our experiences of visiting hospitals, we all know how reliant we are on the members of staff who go above and beyond the call of duty each day. Without them, the staff shortages that we are experiencing would have a much more significant impact on the services that are offered. Across the workforce, we have immediate challenges and demographic issues that are likely to have a significant impact in the near future, and that is before we consider the implications of Brexit.

Cancer Research UK has observed that the vacancy level across diagnostic radiographers, radiologists, gastroenterologists and histopathologists is at least 10%. In the cancer patient experience survey, 7% of cancer patients said that there were rarely or never enough nurses to care for them properly. The most recent report by the APPG on cancer highlights that 28% of radiographers are forecast to leave the profession by 2021. There are also reports that visa restrictions are hampering trusts' recruitment plans.

**Karen Lee:** This is not meant to be a political point, but if we want people to train as medical staff, we need to look at the funding for that, such as the nursing bursary, which has now gone. It has been noted that the number of people applying for training has fallen since the bursaries were withdrawn.

**Justin Madders:** I thank my hon. Friend for that intervention. We have touched on the impact of the nursing bursary on a number of occasions, and Labour has a commitment to restore it. There are also implications for the ongoing training and continuing professional development for nurses and other health professionals who wish to specialise. The budgets available for those kinds of initiatives are being continually squeezed.

Turning back to the issue of overseas recruitment, it is worrying to hear that there is a block on recruiting trained and "ready to go" staff from other parts of the world, because it is evident from the numbers we have talked about today, and not only in this area but in other areas across the NHS, that there is a funding crisis and a recruitment crisis. Actually, staff in some of the disciplines that we have talked about do the essential behind-the-scenes work that helps us to reach patients that bit quicker and makes the targets easier to meet.

Only yesterday, Macmillan Cancer Support released research showing that hospitals in England have more than 400 specialist vacancies for cancer nurses, chemotherapy nurses, palliative care nurses and cancer support workers. Macmillan said that cancer patients were losing out, with delays in their receiving chemotherapy, and that cancer nurses were being "run ragged", as they were forced to take on heavier workloads because of rota gaps. It also reported that vacancy rates for some specialist nurses are as high as 15% in some areas. Clearly, those kinds of gaps will have an impact on our efforts to achieve the outcomes that we all want to deliver.

There is little doubt that we would enjoy much more success in meeting some of our aims, particularly in the cancer strategy, if the workforce had the resources they need. We welcomed the publication of the cancer workforce plan in December, although we would have liked to have seen it much earlier. I shall be grateful if the Minister will update us on the progress of that plan, if he has time to do so when he responds to the debate.

More generally, the "two years on" progress report on the cancer strategy was published last October, and it set out some of the progress that has been made, but we are now six months on from that. Again, if the Minister has an opportunity, I shall be grateful if he will provide us with an update. If he is unable to do so today, could he indicate when the next formal update will be available?

In conclusion, it is wholly unacceptable that we continue to lag behind many of our neighbours with regard to outcomes, but I believe that, with the right funding, the right strategy and support from the Government, the situation can change. I hope that the Minister, when he responds to the debate, will confirm that there are plans to put in place the world-class services that our patients truly deserve.

**Mr Gary Streeter (in the Chair):** I call the Minister. If he could leave two minutes at the end for Mr Baron to respond, that would be most helpful.

3.42 pm

**The Parliamentary Under-Secretary of State for Health and Social Care (Steve Brine):** Thank you very much, Mr Streeter, and it is a pleasure to see you in the Chair. As always, it was a pleasure to hear the debate.

I, too, congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing yet another debate on cancer in this place. I do not know how he does it; he must have a special line to Mr Speaker.

My hon. Friend and I worked very closely together in my previous iterations on the Back Benches. I am hugely appreciative of all his work as chair of the all-party parliamentary group on cancer. I did not know until today that he is coming towards the end of his tenure, but my goodness—he has certainly done his bit. He will be a hard act to follow, and I do not know who will succeed him. Who knows? Maybe that next person is with us today, Mr Streeter; you never know.

We have had some excellent contributions today. I do not know why the hon. Member for Scunthorpe (Nic Dakin) is looking at me that way; he is welcome to intervene on me.

May I just say that the hon. Member for Central Ayrshire (Dr Whitford) made a speech that was, as always, very sensible, balanced and packed with experience, which most of us can only hope to get near to. It is very welcome and very important in these debates that she speaks about her long time working in the breast unit in Edinburgh—

**Dr Whitford:** In Ayrshire.

**Steve Brine:** In Ayrshire—sorry. The hon. Lady is one of my successors as the chair of the all-party parliamentary group on breast cancer and she was so right in what she said about prevention; she was right in a lot of things she said, but she was so right about prevention. As we meet here in Westminster Hall, a certain well-known TV chef is giving evidence to the Health Committee upstairs; I am sure that can be seen on all good news channels this evening. One of the things the Committee is considering as part of its inquiry is child obesity, and one of the first things that I did in this job was to publish the tobacco control plan. I am passionate about that and I am also passionate about our alcohol challenge.

Plenty of people in this country—the majority—have a very healthy relationship with alcohol, but there are some people for whom that is not the case. As the hon. Lady knows, alcohol is also a big cancer risk factor. She was spot on in saying that this debate is not just about a cancer plan; it is about a health plan. I see the obesity challenge, the smoking challenge and the alcohol challenge as a holy trinity, if you like, in the task of tackling cancer.

**Dr Whitford:** I would just like to mark the fact that Scotland starts its minimum unit pricing on alcohol today. That will not be a panacea, but we hope that it will at least help to make the dirt-cheap white ciders no longer dirt cheap and keep them away from our teenagers.

The obesity strategy introduced by the previous Prime Minister appeared to be quite comprehensive, yet the final version published by the current Government—or the Government before; it is always hard to keep track—was only about a third of the original strategy. Is a much

more ambitious plan likely to be issued and will it include attempts to tackle things such as advertising, which make our living space so obesogenic?

**Steve Brine:** Nice try. We always said that addressing child obesity was chapter 1 and therefore the start of a conversation. There are a lot of things within that plan that we are still to do, or in the middle of doing. For instance, Public Health England will shortly publish the initial results of the sugar tax on soft drinks—the industry levy—and we said that we would watch that tax very closely, to see whether we needed to continue the conversation. The hon. Lady will also know that there have been lots of discussions in this Chamber and in the main Chamber about advertising, "buy one, get one free", labelling and reformulation. As she knows, I am very interested in said agenda and I watch these things like the proverbial hawk. So I thank her for raising that issue.

I always enjoy listening to the hon. Member for Scunthorpe; he speaks so well and I see him at so many different events in this House. He mentioned the cancer dashboard and blood—or non-solid—cancers. He knows that I agree with him; it is something that I am looking at very closely with officials and with NHS England. I also pay tribute to the work that he does on pancreatic cancer. I met one of the pancreatic cancer charities with my right hon. Friend the Secretary of State for Health last week—or was it the week before last? Time flies.

The hon. Gentleman talked about the survival figures for pancreatic cancer, and they are terrible in comparison with those for other cancers. However, sometimes we have to recognise that there is an enormous challenge with pancreatic cancer, in that it is very hard to diagnose because often it is not symptomatic until its latter stages. That is one of the reasons why I was very interested in the 16-day referral to surgery pathway that he talked about and the challenge that he identified within his cancer alliance. My officials will have heard what he said, and I will take it away and consider it, because it is a really important point.

The hon. Member for Ellesmere Port and Neston (Justin Madders), who is the shadow Minister, asked about the cancer strategy and the next update to it. It is not a "three year on" update, but the next update will be in the autumn of this year. I was glad to hear his welcome for the first ever cancer workforce plan, which Health Education England published in December. It sets out how we will expand the workforce numbers. Just last week, I was with Harpal Kumar of Cancer Research UK before he steps down, and we were talking about the critical importance of that plan. I, too, would have liked to have seen it sooner, but we are committed to training 746 more cancer consultants and 1,890 more diagnostic and therapeutic radiographers by 2021.

I was at the Royal College of Radiographers annual dinner last week in London, and its members did not miss an opportunity to make the case to me about the workforce. The cancer workforce plan is a really positive innovation, and I look forward to working with HEE and my colleagues as we take it forward.

I said in this place this morning that cancer is a huge priority for this Government, and I think that everyone in here knows it is a priority for me. Yes, survival rates have never been higher. Our latest figures showed an estimated 7,000 more people surviving cancer after successful NHS treatment than three years earlier, and our aim is to save 30,000 more lives by 2020. However, we know that there is a huge amount still to do, and that is why we accepted the 96 recommendations in the cancer strategy and have backed that up with the £600 million of additional funding up to 2021.

Two years into the implementation of the strategy, we are making progress, as I said in the Backbench Business debate that my hon. Friend the Member for Basildon and Billericay secured in February. I hear what he says about standards and targets, and in some part I agree, but they are only part of the story. The alliances are not targets; they are about pathways and best practice—not just learning best practice but implementing it. The NHS is very good at sharing best practice, but perhaps not always brilliant at implementing it. The example given by the hon. Member for Scunthorpe about the pancreatic pathway—

**Dr Whitford** *rose—*

**Steve Brine:** I will not give way. I remember Mr Streeter's ruling.

There are eight cancer waiting time standards and, since one in two of us born since 1960 will be diagnosed with cancer in our lifetime, they are an important indicator—to patients, clinicians and politicians and the public—of the quality of cancer diagnosis, treatment and care that NHS organisations provide to millions of our constituents every year. They are a component of the success we have had with survival rates, so it is good that we are discussing them here today. I use the word "target" cautiously, because I have always been clear that standards should not necessarily be targets. If someone has a suspected cancer, 28 days is 28 lifetimes too long—I will talk about the urgent diagnostic centres in a moment. Sometimes we are not trying to get to the maximum, so "target" can be a misleading term.

As has been said, we are currently meeting six of the eight standards. One of those we are not meeting is the 62 days from urgent GP referral for suspected cancer to first treatment, which is important because we want to ensure that patients receive the right treatment quickly, without any unnecessary delays. The standards contribute to cancers being diagnosed earlier—only "contribute to"—and that is crucial to improving our survival rates. However, our rates have historically lagged behind those of some of the best-performing countries in Europe and around the world. That is why we have the cancer strategy; we want to do better. The primary reason for those rates is late diagnosis. Early diagnosis is, indeed, the magic key. My hon. Friend the Member for Basildon and Billericay has used that term many times—I have heard him use it at the Britain Against Cancer conference—and he is absolutely spot on.

Going back to the 62-day standard and the recovery thereof, my hon. Friend the Member for Basildon and Billericay will know that due to factors such as an ageing population and the increase in obesity, which we have touched on, the incidence of cancer is increasing. The NHS is treating more patients for cancer than ever before. It is testament to the hard work of NHS staff across all four nations of our United Kingdom that we are treating more people, and do so with the care and compassion for which we know the NHS is world-renowned. However, those numbers are making the achievement of the 62-day standard challenging. To be

*[Steve Brine]*

perfectly honest, the standard has not been met since December 2015 and, although we do not yet have the figures for March 2018, it is unlikely to have been met in 2017-18 either. However, we remain committed to the standard and want to see it recovered. That is why, through this year's mandate from the Secretary of State to NHS England, we have agreed that the standard will be achieved in 2018-19, while we maintain performance against other waiting time standards.

**Mr Baron:** Will the Minister give way?

**Steve Brine:** I will very quickly. I know that my hon. Friend wants me to come on to the funding.

**Mr Baron:** The Minister will be aware that about a quarter of all cancers are first detected as late as at an emergency procedure. What I would like him to do in the few minutes he has left is to focus on the need to break the 62-day target link with the transformation funding because it is unfair, penalising as it does those cancer services that need help most. Will he consider that?

**Steve Brine:** That is exactly what I was coming on to. I know that my hon. Friend has expressed concern, to put it mildly, about the methods used to allocate funding for the alliances in 2017-18, and in last December's report by the all-party parliamentary group on cancer it was clear that the alliances should not be linked to achieving the 62-day target. I am aware that my hon. Friend has met with the Prime Minister to discuss the issue and I will reiterate what I am sure she will have told him. Achievement of the 62-day standard is not a prerequisite for funding. Instead, it provides a basis on which NHS England and NHS Improvement, along with senior clinical advice, can assess an alliance's readiness to transform services.

The alliances are an important mechanism for us in improving performance on the 62-day standard from urgent referral to treatment. They bring together clinicians from primary and secondary care, ensuring collective responsibility for the multidisciplinary teams and the services that they provide, and enabling the leadership that is crucial to the transformation of services. But the bottom line is that it is taxpayers' money that is being allocated, and it is right and proper that alliances can demonstrate their preparedness for the funding. In 2018-19, NHS England has modified how it will fund alliances, and I can confirm that all alliances will receive transformation funding to support earlier diagnosis and better quality of life for patients.

The national support fund is a genuinely new approach to distributing funding that we have introduced in 2018-19, within the £200 million over two years funding envelope announced in 2017-18. That was in no small part in response to advocacy by my hon. Friend the Member for Basildon and Billericay, and I pay great credit to him and to others for their work on the link—but not the pre-requisite—that was introduced in 2017-18 between transformation funding and 62-day performance.

The fund has a number of purposes. NHS England uses it to help iron out significant variations between alliances in the amount of funding for which they originally bid. The money will be used to support alliance activity to improve 62-day performance, as well as to enable all alliances to deliver priorities, such as accelerated pathways for lung, colorectal and prostate cancer, and other innovations, such as those we heard from the hon. Member for Scunthorpe, which are included in the 2018-19 CCG planning guidance. The Secretary of State, NHS England's national cancer director, Cally Palmer, and I all agree that the link to the 62-day standard is the right approach and the right thing for patients. I hope that that clears the matter up, even if it does not go all the way towards satisfying Members.

Although I accept that there is anxiety in some quarters about the link between the performance and the funding, I and the Government are of the view that retaining the link is in the very best interests of patients. Ultimately, they must be our primary focus, and this is public money. We will keep the matter under review. I thank my hon. Friend for his advocacy on the subject.

By the end of the cancer programme, we want to have improved survival and provided equity of access to the highest standards of modern care across all our constituencies in England. As the cancer Minister, I seldom sleep and when I am not sleeping I think very little about anything else, because we are focused on meeting the recommendations in the cancer strategy and doing better for all our constituents—those who are here, those who will live with cancer, those who are living with it now, and those who have passed, who we all know. We are on our way to realising the transformation in services that we all want to see, to make our NHS the world leader in the treatment of cancer that I know it can be.

3.58 pm

**Mr Baron:** I thank everyone who has participated in the debate, and the Minister for his response. No one doubts his genuine care and concern about cancer patients and the need to improve treatment. I will look closely at his words. The national support fund may not be quite as new as he thinks, but putting that to one side, all I urge him to do is to look at the pleas for help from the cancer frontline services. As far as they are concerned, there is a strong link between the 62-day target and the release of the cancer transformation funding. That is iniquitous, because the services that need it most are being denied it. I ask the Minister to go away and have another look at that, because many frontline services say that the link exists and because of it they are not getting the transformation funding they require to deliver on the cancer strategy. I will continue to pursue that matter until the transformation funding is released.

In the 15 seconds that are left to me, all I say is that a quarter of all cancers are first diagnosed during an emergency procedure. That is far too late; we all accept that. We also accept that we are failing to catch up with international averages when it comes to survival rates, despite all the talk about improving them. We have to focus on outcomes.

*Motion lapsed (Standing Order No. 10(6)).*

# Solitary Confinement (Children and Young People)

[Mr Philip Hollobone *in the Chair*]

4 pm

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op): I beg to move,

That this House has considered use of solitary confinement for children and young people in the justice system.

It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank the Speaker's Office for granting this debate. I thank the Minister for coming to respond and all Members who have joined me for this discussion. May I also put on record my appreciation for the British Medical Association, the Howard League for Penal Reform, the Royal College of Psychiatrists and the Royal College of Paediatrics and Child Health for their tireless campaigning on human rights in the context of healthcare?

Two weeks ago I hosted a roundtable in Parliament with the BMA, the Royal College of Psychiatrists and the Royal College of Paediatrics and Child Health. They have issued a joint call for solitary confinement to be banned for children who are locked up in the UK. That call is based on evidence of harm, and they have urged the Government to act. Importantly, they have also produced guidance to help improve care for those segregated by prison officers until any ban is in place. The roundtable was attended by peers and MPs, including my hon. Friends the Members for Brentford and Isleworth (Ruth Cadbury), for Liverpool, Wavertree (Luciana Berger) and for Stretford and Urmston (Kate Green).

In response to a written parliamentary question that I tabled in January, the Government said:

"We do not use solitary confinement. Young people can be removed from association under careful control where they will not be permitted to associate with other young people."

The Minister repeated last Friday that the UK does not use solitary confinement. Solitary confinement is defined under international human rights law as

"the confinement of prisoners for 22 hours or more a day without meaningful human contact."

Many I have talked to have said they are not clear on the distinction between solitary confinement and removal from association. Indeed, YoungMinds says that regardless of the term,

"we consider any individual who is physically isolated and deprived of meaningful contact with others for a prolonged period of time to be in solitary confinement."

**John Howell** (Henley) (Con): Given what the hon. Lady has said about the definitions of solitary confinement, it would be helpful to know how many people she thinks are trapped in the solitary confinement system, so that we can get a feel for how big the problem is.

**Seema Malhotra:** I will come on to that point. One point I will make is about the inadequate collection of data. What information we receive comes partly through the lens of healthcare providers and charities that are taking calls from prisoners in distress.

To continue the point I was making, I should be grateful if the Minister would clarify the substantive difference between the international definition of solitary confinement and the Government's definition of removal from association.

Let me outline the current situation. Under rule 49 of the young offender institution rules, a prison governor can authorise removal from association for up to 42 days. That can be extended further after application to the Secretary of State. I understand that, as we have just discussed, national data on the use of solitary confinement within the youth secure estate are not currently collected. That is concerning, as it means that no accurate data exists as to how many children and young people are being held in isolation and for what period of time. However, anecdotal evidence from the Equality and Human Rights Commission and others suggests that it is on the increase. Will the Minister clarify the situation on data collection? What steps can be taken to change it?

According to the recent BMA guidance, "The medical role in solitary confinement", the use of solitary confinement in the UK youth justice system is much more widespread than we might realise. According to studies that the guidance flags, almost four in 10 boys in detention spend some time in solitary confinement—some for periods of almost three months. Some estimates suggest the duration of confinement can range anywhere from an average of eight days up to 60 or even 80 days. Children and young people are also increasingly being kept in conditions of solitary confinement—in cells or rooms for up to 22 hours a day—amid reports of staff shortages and increased violence. There is also evidence referred to by the Children's Commissioner that certain groups may be more likely to experience isolation.

**Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): Does my hon. Friend agree that all the scientific and medical evidence points to a profound negative impact on the child, such as paranoia, anxiety and depression? Solitary confinement does not create a constructive pathway to rehabilitation and reintegration into society.

**Seema Malhotra:** My hon. Friend makes an incredibly important point that goes to the heart of this debate. The use of solitary confinement in the justice system potentially increases harm and can impact on the young person's life not only during a period of detention in the justice system, but in the longer term.

Black and mixed heritage children are three times more likely to experience isolation. Children with a recorded disability are two thirds more likely to experience isolation. Looked-after children are almost two thirds more likely to experience isolation. Children assessed as a suicide risk are nearly 50% more likely to experience isolation. The problem we have is that the policy is not without harm.

There is an unequivocal body of evidence on the negative health effects of solitary confinement. As has been mentioned, the symptoms observed include anxiety, depression, rage and aggression, cognitive disturbances, paranoia and, in the most extreme cases, hallucinations and psychosis. The experience can also trigger adverse childhood experiences. For children and young people—about whom this debate is most concerned—who are still in the crucial stages of developing socially, psychologically and neurologically, the health effects of isolation and solitary confinement can be particularly damaging.

**Ruth Cadbury** (Brentford and Isleworth) (Lab): Does my hon. Friend agree that there is growing international consensus that solitary confinement should never be

[Ruth Cadbury]

used for children and young people? The Government need to accept that this country is increasingly out of step with the rest of the world.

**Seema Malhotra:** I thank my hon. Friend for making that point. I will come back to it. It is interesting to note that the use of solitary confinement was banned by former President Barack Obama in 2016. There are some lessons we can learn from what is happening in the USA.

**Mr Jonathan Lord** (Woking) (Con): If a young person is a danger to themselves and others, what remedies, whether elsewhere in the world or in our system, is the hon. Lady recommending? Solitary confinement, as she puts it, is presumably being put in place largely for safety reasons for the young person concerned and those in the same institution as him or her.

**Seema Malhotra:** The hon. Gentleman makes an extremely valid point about the possible reasons for removal from association, in terms of safety for prison officers or the young person. However—I will make this point in my concluding remarks—I think it is incumbent on the Government to look for alternative non-solitary confinement options that can be used in the youth secure estate. Other countries do not have the same kind of youth detention estate as us, yet they still have youth crime that they need to deal with.

There is evidence that the policy of solitary confinement can be counter-productive. Rather than improving behaviour, it can fail to address the underlying causes of some of that disruptive behaviour and, as my hon. Friend the Member for Slough (Mr Dhesi) has said, create additional problems with reintegration.

During the recent roundtable in Parliament, the Howard League highlighted the case of AB, which has been covered extensively in the media. AB was a 15-year-old boy in Feltham young offenders institution in my constituency who called an advice line run by the Howard League. The adviser who answered could tell that he was miserable and fed up. He had attention deficit hyperactivity disorder and had been locked, alone, in a cell at Feltham young offenders institution for 23 hours a day, for weeks on end. He was allowed outside only to shower and exercise. Understandably, he wanted to end his solitary confinement and was appealing for help.

Cases are complex, but these are children. The Howard League stated that it

"had no option but to go for judicial review".

AB's case was heard last year at the royal courts of justice in London. The court found that his treatment was unlawful. It stopped short of finding it "inhuman or degrading", but that is also being challenged. I am also very pleased that we have heard this week that the Joint Committee on Human Rights is launching an inquiry on solitary confinement and the restraint of children in the youth justice system. I hope that it will take some of these important issues further.

The Howard League received more than 40 calls last year from or about children in prison who were isolated. For those reasons and others, as my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) has pointed out, there is a growing international consensus, from groups including the United Nations Committee on the Rights of the Child, the European Committee for the Prevention of Torture, and the United Nations special rapporteur on torture, that solitary confinement should never be used on children and young people. As I have said, Barack Obama, when in office, banned the use of solitary confinement for juvenile offenders in the federal prison system. He said:

"It doesn't make us safer. It's an affront to our common humanity."

With Feltham young offenders institution in my constituency, I am greatly concerned that vulnerable children are entering a justice system, elements of which could result in additional long-term harm. Solitary confinement, as defined by international law—however it is referred to and whatever terminology may be used—should be abolished and prohibited. Until it is, the health needs of those subject to it should be met, and there is an essential role for doctors and, indeed, our prison governors in ensuring that that happens.

We should be clear that any mechanism that results in a child or young person being physically or socially isolated for prolonged periods of time should have no place in a humane justice system. I should therefore be grateful if the Minister would address how he defines removal from association; what steps he is taking to get a full and accurate picture of the number of instances of it; what assessment his Department has made of the level of harm caused by it; what steps he is taking to create alternative, non-solitary confinement options in the secure estate for young people, with adequate resources and staff to meet their needs; and how he envisages us moving forward to end this practice in the United Kingdom.

4.14 pm

**The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for Feltham and Heston (Seema Malhotra) on securing this important debate on a difficult issue that is worthy of further discussion after today. I am grateful for the opportunity to respond.

The number of children entering the youth justice system has continued to decrease in recent years. In 2016-17, juvenile convictions and cautions were down by 83% since 2006-2007, with first-time entries down by 85% in the same period. The number of under-18s in custody also fell by 70% during that time, and in February stood at 870. That represents a success story, and everyone involved in youth justice should be pleased by those figures. However, the decline in overall numbers has resulted in a concentrated cohort of young people in the secure estate, many of whom demonstrate complex and challenging behaviour.

**Mr Lord:** I am pleased about the overall reduction but, as the Minister says, there is now a cohort of perhaps more difficult offenders. I admired the eloquence of the hon. Member for Feltham and Heston (Seema Malhotra), but I do not think that she was able to answer my earlier question. If someone in a young offenders institution is a danger to themselves and others, what alternatives are there to removal from association?

**Dr Lee:** I thank my hon. Friend for his question. Staff in young offenders institutions up and down the country are sometimes confronted with extremely difficult circumstances, with particularly troubled and violent young people. We have introduced an enhanced support unit at Feltham, and we are hoping to bring another on-stream elsewhere. We have found that the use of such units, where there is a higher staff-to-offender ratio, has worked in managing behaviour. Ultimately, the removal from association of a troublesome, very difficult young person is often the only course of action that a responsible governor can take.

The safety and welfare of children held in custody is one of my highest priorities. The hon. Member for Feltham and Heston alluded to the fact that there are definitions of solitary confinement internationally, but there is not a sole definition. There are the Mandela rules, the Istanbul convention and a variety of others, but there is not one clear definition, but I would like to be clear from the outset that I have been assured that young people are never subject to solitary confinement in this country. When a child in custody is putting themselves or others at risk, segregation can be used as a last resort for limited periods of time and under regular review, when no other form of intervention is suitable to protect both the child and others. Segregation should never be used as a punishment for young people.

When a young person is removed from association, they will be given as much access as possible to the usual regime, including education and healthcare. That is monitored on a regular basis by the youth offenders institute and the independent monitoring board, in order to protect the young person.

**Ruth Cadbury:** I welcome the Minister's statement that solitary confinement is a last resort, but a very high number of young people and children in the criminal justice system have one or more mental health illnesses, learning disabilities, ADHD, autism spectrum disorders, addiction and probably other conditions. Once those children are being punished in the criminal justice system, surely they need proper specialist medical care therapy, as happens in most other countries.

**Dr Lee:** I acknowledge that the youth justice population has an over-representation of the issues that the hon. Lady has just outlined, although the diagnosis of each of those is broad and, in and of itself, not straightforward. I know that the appropriate care is made available to individuals who particularly need psychiatric input. I look at that on a regular basis, and I personally see it as my responsibility to ensure that that is the case. If the hon. Lady would like to write to me with evidence of where that is not the case, I would be more than happy to receive such a letter.

At an absolute minimum, young people in segregation in young offenders institutions will be given time in the open air, outreach education provision, healthcare, physical education and access to legal advice. Individual regime plans are agreed for each young person by a multi-disciplinary team, taking account of all those issues and any other relevant information. They are reviewed frequently on an individual basis—again, in the interest of the young person. All under-18 young offenders institutions have been given additional training on the use of segregation and the rules governing it.

I note with interest the recent inspection report from the independent monitoring board for Feltham YOI, which is of course located in the constituency of the hon. Member for Feltham and Heston. The report noted that significant improvements have been made in addressing violence and praised the dedication and commitment of staff within the establishment. I take this opportunity to reiterate my thanks to staff at Feltham and across the youth secure estate for their continued hard work in looking after the young people in their care.

The report also noted, however, that too frequently staffing levels within the establishment affected the daily regime and the ability to provide sufficient purposeful activity and time out of room. I share those concerns and am encouraged that, across both sites at Feltham, recruitment is swiftly improving. As of the end of March, there were 105 prison officers booked on to entry-level training. I believe that every child and young person should have access to and be engaged in meaningful activities, including education and physical activities. The regime should be purposeful, meet the needs of the cohort, keep young people occupied and active all day and deliver the highest quality education. That needs to sit alongside effective behaviour management, so that young people can be out of their rooms and able to participate safely in the regimes and activities provided.

That is why we have developed a new approach to behaviour management, which includes the roll-out of the custody support plan, to provide each young person with a personalised officer to work with on a weekly basis in order to build trust and consistency. We are also implementing a conflict resolution strategy, applying restorative justice principles to help resolve conflict. However, while acknowledging the work that is continuing to be progressed to address safety in youth custody, as demonstrated in the latest inspection reports from Her Majesty's inspectorate of prisons for Werrington and Parc young offenders institutions, I am clear that levels of violence within the youth estate are too great, which is why we are reforming youth custody to reduce violence and improve outcomes for young people.

Investing in our workforce is a cornerstone of those reforms. We continue to be impressed by the dedication and pride that our staff show in their work with young people, as evidenced by the fact that more than 200 frontline staff have voluntarily enrolled on a youth justice foundation degree funded by the Ministry of Justice. We want to build on that success and ensure that working in youth justice continues to be seen as the respected and rewarding profession that it is.

We know that many establishments have struggled with staffing, especially in the south-east, which is why we are increasing frontline capacity in public sector young offenders institutions by bringing in more than 100 new recruits and introducing a new youth justice specialist role. We have started recruitment for those additional frontline posts in order to relieve the immediate operational pressures, alongside additional psychology roles in the YOIs. In addition, we are developing a bespoke recruitment campaign and process for the youth custody service, to target those with a passion to work with young people. The first phase of this—a new website and targeted marketing material—was launched last week.

*[Dr Phillip Lee]*

We will develop strong leaders, building the workforce required to create a therapeutic and aspirational culture in our establishments. Our reforms will empower the leaders, giving them the freedom to deliver the right suite of services to meet the needs of the young people in their care. We are working closely with NHS England to implement Secure STAIRS, a framework for integrated care in the youth secure estate, which aims to co-ordinate the services of health and non-health providers into a coherent package, supporting trauma-informed care and a whole-system approach.

I am a strong believer in the benefit that sport and physical activity can provide to children in custody. As well as the obvious health benefits, it can provide young people with a sense of achievement, enhancing self-esteem and transforming lives. For those reasons, I commissioned Professor Rosie Meek of Royal Holloway, University of London to conduct an independent review into the role of sport in the justice system, to identify best practice and make recommendations for improvement. Professor Meek's report will be published shortly and I await its findings with interest.

We are also looking to support organisations that want to work with young people in the youth justice system and seek opportunities to build on existing collaborations between establishments, sports clubs and providers. For example, Saracens rugby club's Get Onside programme, which runs at Feltham for young adults, is a shining example of how sport can engage young people. The young adults who have been through this 10-week programme, which uses the ethos of rugby to teach skills such as leadership and teamwork, have shown notably lower rates of reoffending than their peers. That is just one example of how sport can help young people lead a better, more productive life, away from crime.

Finally, we continue to work on our proposal to develop secure schools. Our model will be informed by best practice from outstanding alternative provision schools, and secure schools will be set up, run and managed in a similar way to free schools.

**Mr Lord:** I am encouraged by a lot of what the Minister has said and I urge him to keep up the good work in his Department and with these institutions. Does he agree that, given that solitary confinement has a clear definition in this space, and no young people are subject to solitary confinement in the UK, that pejorative phrase should not be used in such debates? Where removal from association is used as a last resort, we obviously urge that those young people benefit in the future from the sort of regime that the Minister is outlining.

**Dr Lee:** Yes, it is always important to use language appropriately. As I tried to point out at the start, use of the term is difficult when internationally no clear definition is agreed upon. The hon. Member for Feltham and Heston can be assured that I look at this issue all the time. I cannot talk about individual cases, because one is still running with the courts, but we consider the issue all the time. There have been other cases where difficult decisions have to be made. I am assured that at all times we are thinking about the child at the centre of the case, and the children being held with the child who is showing such troubling behaviour.

Secure schools will be operated on a not-for-profit basis by child-focused providers with strong leaders who will have the freedom to provide integrated services based on individual need, with education and healthcare and, if I get my way, sport at its heart.

I am under no illusions about the challenge we face. We are talking about some of the most challenging, often damaged young people in the country. However, our reforms will support establishments to provide better levels of care and enable more young people to engage in purposeful activities, outside their rooms, and work towards a brighter future.

I congratulate the hon. Member for Feltham and Heston on her speech, and thank my hon. Friends the Members for Henley (John Howell) and for Woking (Mr Lord) and the hon. Members for Slough (Mr Dhesi) and for Brentford and Isleworth (Ruth Cadbury) for their contributions. I will take away the points about the collection of data and the numbers of children who could be affected in this way, and I will be happy to receive any correspondence on the issue from any parliamentary colleague.

*Question put and agreed to.*

# Cosmetics Testing on Animals

4.28 pm

**Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): I beg to move,

That this House has considered a global ban on cosmetic animal testing.

It is a pleasure to serve under your chairmanship, Mr Hollobone. In his first keynote speech back in July 2017, the Secretary of State for Environment, Food and Rural Affairs made global standards on policies for farm animal welfare and air quality a priority. In responding to the row about the Government's non-inclusion of animal sentience in the European Union (Withdrawal) Bill, he vowed to ensure that Brexit works not just for citizens, but for the animals we love and cherish. This initiative to end the cruel, unnecessary and outdated use of animals in cosmetics testing is the perfect opportunity for the Government to set global standards and ensure that our laws work for animals and the UK's animal lovers.

The public overwhelmingly want cosmetics testing on animals to end worldwide. More than 5.5 million people to date have signed a petition, jointly with the Body Shop and Cruelty Free International, for a global end to cosmetics testing on animals, which can be achieved by adopting an international agreement reflecting the combined will of United Nations member states to map a harmonised framework that would end the use of animal tests for cosmetic products and continue the development and international validation of non-animal methods.

What has Parliament done already? The fact that 116 Members across Parliament have already signed early-day motion 437 shows that there is cross-party support for that proposal. The EDM calls on the Government to lead on such an initiative by tabling, actively pursuing and supporting a resolution at the UN General Assembly for an ad hoc committee, as the UK-based Cruelty Free International has called for.

Cosmetics testing on animals has been banned in the UK since 1998. We have led the way on this issue. The UK was in fact the first country to take that step, and we motivated the EU ban on testing and sales. It is time to make that commitment global. If the use of animals in cosmetics testing is wrong in the UK and the EU, it is wrong everywhere around the world.

**Mr Philip Hollobone (in the Chair):** Order. I am sorry to interrupt the hon. Lady, but a Division has just been called in the House. We will suspend for 15 minutes if there is one Division, and an extra 10 minutes for any subsequent Divisions. As soon as Dr Cameron and the Minister are back in their seats, we can resume the debate.

4.31 pm

*Sitting suspended for a Division in the House.*

4.47 pm

*On resuming—*

**Dr Cameron:** A majority of the public surveyed—74%—agree that much more needs to be done to find alternatives to using animals in all forms of research. That is particularly their view when it comes to animal testing.

Where policy starts, industry follows. Following the EU's ban, growth in the non-animal methods industry surged. There are now 33 scientific facilities working on alternatives to animal testing. Internationally, that market is expected to reach $8.74 billion by 2022, up from an estimated $6.34 billion in 2017. Such growth is widely attributed to the increasing adoption of alternative methods in the cosmetics industry. I highlight to the Minister that the UK is well placed to lead that work, and even more so in a globally harmonised market.

**Zac Goldsmith** (Richmond Park) (Con): I congratulate the hon. Lady on securing this important debate. I echo what she said about this country's role and our proud history of taking the lead. However, is it not also the case that the UK is reported to be the biggest user of animals in experiments within the whole EU? Not all of those experiments are for serious medical conditions. For example, skin rashes account for a high proportion of animal experiments, where non-animal alternatives already exist and are considered to be more scientifically sound.

**Dr Cameron:** I thank the hon. Gentleman for that important intervention. Yes, I agree that much more needs to be done to look at non-animal testing methods in all forms of research, particularly for those types of experiment for which other methods are available. Animal testing should always be the last resort. I chair the all-party parliamentary dog advisory welfare group, and just the other month we heard about the 400-odd dogs tested—a figure that was reported to me as in *Hansard*. I was then told that the number had not been reported accurately to me and that it was more likely to be 4,000 across the UK. Will the Minister get back to me on that point? That also highlights that much is done underground, and we need to be much more transparent. We need to have the figures and to know that animal research is the last alternative, as it is meant to be. I absolutely agree with the hon. Gentleman that much more needs to be done about the transparency of the animal research industry.

Although no global ban has yet been enacted, the European Union ban on animal testing for cosmetics and on the sale of cosmetics tested on animals came fully into force in 2013. Other bans, some more comprehensive than others, are now in place in many countries. Guatemala, New Zealand, India, Israel, Norway, South Korea, Switzerland, Taiwan, Turkey and Vietnam now have legislation, and things are moving forward in Brazil, Argentina, Canada, Chile, South Africa and China. In the USA, state-level bans have been enacted, as well as some mandated alternative laws. In a global market, it is essential that all countries ban the practice, to avoid testing simply moving around the world to countries with no effective laws, to ensure a level playing field and to put an end to animal suffering. The challenge is to make cruel cosmetics a thing of the past once and for all, and to achieve one coherent global ban on animal testing for cosmetics.

To market a product, a company must demonstrate its safety. Of course, of that we all agree, but that can be done by using approved non-animal tests and combinations of existing ingredients that have already been established as safe for human use. Increasing awareness of animal sentience and the pain, suffering and death inflicted

*[Dr Cameron]*

upon animals via product testing has led the public to reject the idea in their droves. The number of companies seeking certification under Cruelty Free International's leaping bunny programme is increasing, as their market insights tell them that consumers want cruelty-free personal care products.

The information that historically was gained from animal tests is increasingly being provided through quicker and more reliable non-animal methods. Modern methods are more relevant to humans and have been found to predict human reactions better than traditional animal-model methods. For example, an evaluation of the reconstituted skin model for skin irritation found that it predicted human skin reactions much better than the cruel Draize skin test on rabbits.

Rabbits, guinea pigs, mice, hamsters and rats continue to be injected, gassed, force-fed and killed for cosmetics testing worldwide. It is estimated from OECD figures that more than half a million animals are killed each year for cosmetics testing. Examples of the types of tests that are undertaken include repeated dose toxicity: to assess toxicity, rabbits or rats are forced to eat or inhale a cosmetic ingredient or have it rubbed on to their shaved skin every day for 28 or 90 days, and are then killed. Several reviews of the ability of rodent tests to predict human toxicity have found that they are only 40% to 60% predictive. They also include reproductive toxicity tests: to assess such toxicity, pregnant female rabbits or rats are force-fed a cosmetic ingredient and then killed, along with their unborn babies. Such tests take a long time and use thousands of animals, although studies have shown them to detect only around 60% of known human reproductive toxicants.

In toxicokinetic testing, rabbits or rats are forced to eat a cosmetic ingredient. They are then killed and their organs examined, to see how the ingredient is distributed in their bodies. Animals have significantly different metabolisms and physiology to humans. Thus, before the now available non-animal alternatives were routinely used by the pharmaceutical industry, the failure rate of drugs for poor prediction in this area was 40%.

Although some finished product tests take place, they are increasingly rare; most animal testing takes place on ingredients. It is important that consumers are aware of that; otherwise, they might unwittingly buy products that carry a meaningless claim, stating that the finished product has not been tested on animals, when the ingredients could well have been.

What are the alternatives? Companies can prove that their products are safe by using non-animal methods and utilising established ingredients. There are almost 30,000 ingredients on the EU's database for which some safety data are available. There is an increasing number of non-animal methods available to replace outdated animal tests. To assess skin irritation, for example, we can use alternatives such as reconstituted human epidermis, such as the Episkin model developed by L'Oréal. More than 700 brands across the world are "leaping bunny" certified. Other companies may also follow this example and remove animal testing from their supply chains but, sadly, animal testing continues.

Some questions have been asked about the completeness of the EU ban. Since the introduction of the EU cosmetics directive, the European regulation concerning the registration, evaluation, authorisation and restriction of chemicals—REACH—has come into force. Although Cruelty Free International has fought hard against the animal testing provisions in REACH, it does have implications for many types of chemicals, including some that may be used in cosmetics. That is something to highlight to the public.

Some 80% of the world's countries still allow the practice of testing cosmetic products on animals. In the global cosmetics market, it is essential that all countries end the practice of testing on animals, to avoid it simply moving around the world to countries with no effective laws. That has to ensure a clear playing field for this country and others that have done the right thing and give consumers confidence that they are buying cruelty-free.

Being able to claim that a product is cruelty-free is the most important packaging claim for a beauty product. A 2015 Nielsen study found the "not tested on animals" claim to matter the most to consumers. By ending animal testing for cosmetics, businesses will gain a competitive advantage here, across the EU and in the global cosmetics market. Worldwide consumers are increasingly demanding ethical, sustainable and humane products and services.

Cruelty Free International, which is represented in the Public Gallery this afternoon, has partnered with the global beauty brand The Body Shop. In less than a year, more than 5.5 million people worldwide have signed their joint petition, calling for a UN resolution to end cosmetics animal testing across the globe. They are aiming to bring 8 million signatures to the UN by October 2018, which would make it the largest ever animal protection petition. The overwhelming support from the public in more than 60 diverse countries shows clearly that people want international leaders to work together to adopt this resolution. The resolution would also be compatible with the sustainable development goals.

I ask the Minister and the Government to ensure that, once again, we are at the forefront of championing animal rights right across the globe. With sufficient political support from different regions around the world, including our own, member states could submit a resolution under the sustainable development item of the UN General Assembly second committee agenda, ahead of the 74th session in September 2019. That timetable would create enough space for consultation and learning, but would be flexible enough to adapt to change.

The UK Government must continue to lead on this issue. The public are calling for it. Let us stop the cruelty now and make that happen.

4.58 pm

**Patricia Gibson** (North Ayrshire and Arran) (SNP): I will begin by thanking my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron). I have found from other debates that I probably have the distinction of being the only Member in the Chamber who can pronounce her constituency properly. I am delighted to participate in this debate to call for a global ban on animal testing, for which, as she so eloquently put it, the time has definitely come.

Cosmetic testing on animals has been banned in the UK since 1998, and we have heard that there has been a ban on the sale of all testing of cosmetics on animals in the EU since 2013. Noticeably, that has not prevented

the EU cosmetics industry from thriving; indeed, it provides about 2 million jobs. However, Members of the European Parliament have expressed concern that most cosmetic product ingredients are also used in many other products, such as pharmaceuticals, detergents and food, and may therefore have been tested on animals under a different legal framework. It is therefore important that the EU develops alternative testing methods, and that those methods receive international regulatory acceptance for use in the safety assessment of cosmetic ingredients and products.

Despite the progress that has been made in the EU and the United Kingdom, we still have a long way to go globally, as my hon. Friend has pointed out. Astonishingly, 80% of countries still allow animal testing and the marketing of cosmetics tested on animals. China has a major cosmetics market that not only allows but requires products to be tested on animals in Government labs before being approved for sale. It is generally thought that China's mandatory animal testing requirement for imported cosmetics is likely to be the biggest challenge for a global ban.

As my hon. Friend has pointed out, there is also a lack of reliable animal-testing data for cosmetics imported into the EU. We need to ensure that no product on the EU or UK market was tested on animals in a third country, and that requires us to do a little more work. I am heartened that our partners in the European Parliament have called on EU leaders to use their diplomatic networks to build a coalition and launch an international convention within the EU framework. I hope that a ban will be in force before 2023.

We know that a UN treaty would not guarantee a global ban on the testing of cosmetics on animals, but it would be a bold and progressive step in the right direction, and I think the UN and everyone in the Chamber would agree that it really must take that step. That would certainly help considerably in encouraging China and other countries that mandate testing to modernise and to stop blinding, poisoning and killing animals so that we can have lipstick, mascara and blusher.

As we have heard, what is most distressing about this issue is that cosmetic testing on animals is wholly unnecessary yet it causes our fellow creatures huge suffering. Transferring the results of animal tests to humans has proven problematic and even, at times, misleading. Using approved tests that do not involve animals, and sticking to the many combinations of existing ingredients that have already been established as safe for human use, would be a better way of ensuring safety. We heard from my hon. Friend that consumers are becoming increasingly ethical when it comes to purchasing power and consumer choice, so, aside from the cruelty aspect, a ban on testing on animals would make sense as a response to consumer demand.

Despite the availability of alternatives, countless animals around the world continue to be subjected to cruel tests so that a new eyeliner or perfume can be developed. I acknowledge that progress has been made, but the lack of concerted global action means that the cosmetics industry in large part continues to test as it always has done. We know that if the industry were legally required around the world to stop testing on animals, it would adapt, survive and thrive. Modern science is replacing last century's animal tests with kinder, faster and better tools for consumer safety. Global action is needed; otherwise, as my hon. Friend has said, testing will simply move to countries where there is no ban.

There is huge public support for a global ban. As my hon. Friend has pointed out, there is clearly widespread political support for such a measure—I believe that we have support from every party in the House and right across the European Union. We should harness that support to influence the bad practices that we know go on in other parts of the world. Testing cosmetics on animals is indefensible from an ethical viewpoint—our fellow creatures suffer unnecessarily for our vanity, because of global inaction—and a scientific viewpoint. There is a better way.

It is time for cosmetic testing on animals to stop. The beauty industry needs a makeover, and it is time for global action.

5.5 pm

**Sue Hayman** (Workington) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for securing this important debate.

An end to testing cosmetics on animals was first promised in the 1997 Labour manifesto. I am proud that that was delivered here in the UK, under a Labour Government, 11 years before the EU-wide ban was brought in. Labour led the way then, and we continue to lead the way now.

Although testing practices have advanced greatly in recent years, there is still a lack of transparency about project licence applications and the allowance of "severe" suffering, as it is defined in UK legislation. That is one of the reasons the Labour party stated in our recent animal welfare plan that we will review animal testing. Our 50-point plan includes important proposals to build on our already proud record, and I encourage anyone who is interested to look at those proposals and give us their comments. We started by banning animal testing for cosmetics here in the UK, and it was then banned in the EU; it is incredibly important that it is now taken out globally.

As the hon. Lady said, in the EU animal testing has been banned for finished cosmetic products since 2004 and for cosmetic ingredients since 2009. It has also been illegal since 2009 to market in the EU cosmetic products containing ingredients that have been tested on animals. Those bans have done a lot to boost animal welfare due to the EU's economic influence. As was said, the EU is the world's largest market for cosmetic products. From soap and shampoo to moisturiser, perfume and make-up, it is estimated that consumers use about seven different cosmetic products every day. EU rules ensure that those products are safe for us to use, but not at the expense of animal welfare being ignored.

As we leave the EU, consumers tell me that they are concerned. They need reassurance that any trade deals that we do with countries that do not share our standards, such as the US, will not result in our sales ban being watered down, and that cruel cosmetics will remain a thing of the past in the UK. I would be grateful if the Minister provided an assurance that our ban on testing cosmetics on animals will not be undermined by any trade deals.

*[Sue Hayman]*

I welcome the resolution of the European Parliament's environment, public health and food safety committee, which aims to establish a global ban on testing cosmetics on animals by 2023. As we heard, that resolution proposes the drafting of an international convention against testing cosmetics on animals within the UN framework, and calls for that to be included on the agenda of the next UN General Assembly meeting.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) pointed out that about 80% of countries still allow animal testing and the marketing of cosmetics that are tested on animals. We also heard that China's major cosmetics industry requires products to be tested on animals before they are allowed on the market. That is one of the biggest challenges we will have to overcome if we are to implement a global ban.

We must also be clear that the cosmetics industry has a key role to play. It is simply unacceptable that those cosmetic brands that claim to be cruelty-free and not to engage in animal testing yet undertake such testing are able to sell to Chinese consumers. Many of those large cosmetic companies state online that they do not engage in animal testing but indicate that exceptions are made where required. For instance, Estée Lauder's website says that it

"does not test on animals and we never ask others to do so on our behalf".

However, it has the caveat:

"If a regulatory body demands it for its safety or regulatory assessment, an exception can be made."

That can be confusing for consumers, who may believe that a company does no animal testing at all. Those loopholes and inconsistencies allow companies to brand themselves as cruelty-free while making exceptions if they want to trade in countries such as China.

There can be no excuse for causing distress and suffering to animals for the sake of make-up, soap and toiletries. In the global market in which we live, the only way to avoid animal testing of cosmetics is by having a ban across all countries; otherwise, as has been said, testing will simply shift to those countries that allow it. Work towards a ban must run in parallel with the further development of alternative replacement test methods worldwide. The EU can lead on that, working to speed up the development, validation and introduction of alternative testing methods. We know that the EU ban on animal testing has not jeopardised the cosmetic sector. As we have heard, it is the biggest market in the world, and it is thriving.

The EU resolution that aims to establish a global ban on animal testing for cosmetics by 2023 is a real step forward in improving animal welfare and closing loopholes on cosmetic animal testing worldwide. The EU resolution and events such as this debate do much to help increase visibility of this important issue. If countries outside the EU such as Guatemala, India, New Zealand and Turkey can put in place bans, every other country can, too.

5.12 pm

**The Minister for Agriculture, Fisheries and Food (George Eustice):** It is a real pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron)—I hope I pronounced that right; it always throws me—on securing this debate on an incredibly important issue on which, as she pointed out, the UK has a considerable track record.

Animal welfare is dear to my heart, and dear to all of our hearts. In recent months, both the Secretary of State and I have made a number of important changes to promote and improve animal welfare regulation. Recent announcements have included introducing a ban on ivory and steps to reduce cetacean bycatch. We have published a draft animal welfare Bill that will recognise animal sentience and introduced tougher regulations on pet vendors and puppy breeding. We have also announced our intention to control live animal exports further than we do now, and just yesterday we introduced regulations for mandatory CCTV in slaughterhouses.

The UK has a long track record of being first when it comes to animal welfare. In 1822, this Parliament was the first ever legislature to implement laws to protect animals when it introduced the Cruel Treatment of Cattle Act—"an Act to prevent the cruel and improper Treatment of Cattle". As long ago as the 1950s, the UK was the first country to introduce new regulations outlawing certain types of inhumane traps for wild animals, and more recently we have promoted humane trapping internationally.

We have also always taken a leading role in international wildlife conventions such as the convention on international trade in endangered species, the convention on migratory species and the convention on biological diversity. This year, I hope to go to the International Whaling Commission, where the UK has a longstanding role in arguing for the ending of commercial whaling. Also, through various regional fisheries management organisations, we promote issues such as shark conservation. Finally—this is relevant to animal welfare in particular—we are a member of the OIE, the World Organisation for Animal Health, currently as an EU member. The duty of loyal co-operation means that we have to attend it as part of an EU delegation, but the UK intends to use its freedom when it leaves the EU to argue strongly and powerfully for improved animal welfare standards around the world through the OIE.

**Zac Goldsmith:** The Minister is reeling off an impressive list of achievements, and rightly so. On the opportunities post-Brexit, we cannot ban live exports now, but will be able to do so after we leave the EU. Does he believe that Brexit will enable us to raise the standard of those products we import, so that they meet the animal testing standards that people in this country expect? Is Brexit an opportunity to go further than we can currently?

**George Eustice:** Those opportunities do present themselves once one has an independent trade policy, so yes, it is a potential opportunity to look at these issues and take our own independent seat on wildlife conventions such as CITES. I always remember a former Labour Minister telling me of their frustration when they wanted to restrict the sale of bluefin tuna, which was in a perilous state. The UK argued for that, but the European Commission took a different position and we had to fall in line with that. There will be opportunities for us as an independent country to be vocal on those issues, particularly in forums such as the OIE.

As the hon. Lady is probably aware, the OIE's remit, somewhat surprisingly, does not extend to the welfare of animals and issues such as cosmetic testing. As she rightly pointed out, the UN is the right place for that. I should also point out that many Government Departments have overlapping interests. She may be aware that responsibility on animal testing and licensing of any such testing is the Home Office's responsibility, deliberately not that of the Department for Environment, Food and Rural Affairs. DEFRA has responsibility for animal welfare issues, and obviously the Foreign and Commonwealth Office has responsibility for issues pertaining to the United Nations.

As the hon. Lady pointed out, in 1998 the UK was the first country in the world to implement a ban on the use of animals in cosmetic testing. The European Union's ban on the use of testing in cosmetics was first introduced, I think, in 2013. Ever since we introduced our ban, the UK has shared our knowledge and expertise in this area with other countries. Most recently, for example, we provided support and advice to China on ending unnecessary cosmetics testing on animals and advised on a science-based approach for the use of non-animal alternative testing. In 2015, the Government implemented a similar ban on the testing of finished household products on animals as well as a qualified ban on ingredients. We therefore continue to make progress in this area in terms of both tightening our regulations and sharing our expertise with other countries.

I turn to the regulations in this country. My hon. Friend the Member for Richmond Park (Zac Goldsmith) raised concerns about the number of animals on which cosmetics are still tested. There was a 5% reduction from 2015 to 2016. The Home Office publishes an annual report that gives details on the statistics for animal testing, which it is important to note is down considerably from a high point in 1971, when 5.6 million animals were used in animal tests; that was the peak. These days, some tests are, for instance, for animals that have been genetically altered, rather than what many people would regard as conventional animal testing. Nevertheless, it is a stated commitment of the Government to reduce the number of tests continually.

We recognise that in some instances animals can be an important tool in scientific research and can build on our understanding of how biological systems work. However, animals are not used lightly in that work, and the Government maintain a rigorous regulatory system under the Animals (Scientific Procedures) Act 1986. That regulatory system ensures that animal research and testing is carried out only where there are no practical alternatives and under controls that keep suffering to a minimum.

As I said, the UK has played a leading role globally in supporting the development and adoption of scientific techniques to replace, reduce and refine the use of animals, known as the three Rs. The three Rs principle is robustly applied to every single research proposal that requires the use of animals, to ensure that animals are replaced with non-animal alternatives wherever possible, that the number of animals is reduced and that procedures are refined as far as possible to remove any suffering that animals might incur during those tests.

The hon. Member for East Kilbride, Strathaven and Lesmahagow made some important points about the role the UK will take in highlighting the issue internationally. It is already the case that, as the first country to adopt such a ban, we are keen to share our knowledge and experience in this area with many other countries. We have already done so recently with China. She cited a number of other countries that have introduced a ban.

I have made it clear that our general stance, particularly on the OIE, for which DEFRA is responsible, will be to agitate for higher animal welfare standards around the world. I hope the hon. Lady will appreciate that we need cross-Government discussion on this specific issue with other Departments, notably the Home Office and the Foreign and Commonwealth Office, which have a particular locus in this area. However, I will draw to the attention of the Ministers who lead on this the points that the hon. Lady raised today, and also the point that the shadow Minister made about other work to highlight this matter within the UN, to ensure that the UK plays an active part and does its utmost to spread the good practice that we began all those years ago in 1998.

5.22 pm

**Dr Cameron:** It has been a positive debate. We have come such a long way, but there is so much more to do. I am reassured to some degree by the Minister's response, and I hope that he will highlight this issue to the other Government Departments, because I understand that they will have to work collectively. Perhaps he could write back to me. It is important that we are seen to lead the way on the UN resolution. The public definitely expect us to do that.

The final point I hope the Minister can take forward relates specifically to beagles, which are tested on more than any other breed of dog. An excellent local charity that tries to rehome beagles who have been subject to animal testing told the all-party parliamentary dog advisory welfare group that it was finding it extremely difficult to engage with the scientific community about rehoming dogs that were suitable for rehoming. I hope the Minister can have a discussion with the scientific community; the public want to see animals, particularly dogs—I am chair of the dog welfare group, so I have a particular interest—rehomed wherever possible. Beagles make excellent pets, and we would like to see as many as possible in a secure home. I thank all hon. Members who took part in the debate.

*Question put and agreed to.*

*Resolved,*

That this House has considered a global ban on cosmetic animal testing.

5.24 pm

*Sitting adjourned.*

# Written Statements

*Tuesday 1 May 2018*

## DIGITAL, CULTURE, MEDIA AND SPORT

### Media Matters Update

**The Secretary of State for Digital, Culture, Media and Sport (Matt Hancock):** On 23 April I confirmed that I had written to Trinity Mirror plc and Northern and Shell Media Group Limited to inform them that I was minded to issue a public interest intervention notice (PIIN) on the basis that I had concerns that there may be two public interest considerations—as set out in the Enterprise Act 2002—relevant to consideration of the merger.

The first public interest ground is the need for free expression of opinion, and concerns the potential impact the transfer of newspapers would have on editorial decision making. The second public interest ground is the need for a sufficient plurality of views in newspapers, to the extent that it is reasonable or practicable.

I invited written representations from the parties by 26 April and, having considered these, I have written to the parties today confirming my decision to issue a public interest intervention notice (PIIN) on both grounds.

This PIIN triggers action for Ofcom to report to me on the media public interest considerations and the CMA on jurisdiction and any competition issues, respectively, by 31 May 2018. I will then consider whether or not to refer the merger for a more detailed investigation, or whether to accept undertakings in lieu of such a reference.

The role of the Secretary of State, in this process, is quasi-judicial and procedures are in place to ensure that I act independently and follow a process which is scrupulously fair and impartial.

[HCWS663]

### Fox-Sky Merger Update

**The Secretary of State for Digital, Culture, Media and Sport (Matt Hancock):** On 23 January I provided an update to the House on the Competition and Market Authority's interim report on their investigation into the proposed merger between 21st Century Fox Inc. and Sky Plc.

Today I received the final report from the CMA regarding the findings of its phase 2 investigation. Now that I have received this report, I must come to my decision and publish the report within 30 working days (by 13 June). My decision will be on whether the merger operates or may be expected to operate against the public interest, taking into account the specified public interest considerations of media plurality and genuine commitment to broadcasting standards.

When I have reached a decision I will return to Parliament to make an oral statement. I will come to a view on whether to make a final order or accept any final undertakings in due course, and will consult on these publicly, but not before I have taken a decision on the public interest tests.

Given my ongoing quasi-judicial role, I will not be making any comment about the substance of the report until I publish my decision.

[HCWS662]

## FOREIGN AND COMMONWEALTH OFFICE

### Beneficial Ownership in Overseas Territories and Crown Dependencies

**The Minister for Europe and the Americas (Sir Alan Duncan):** Illicit financial flows are a global threat to prosperity and the rule of law. The IMF has estimated that money laundering globally represents between 2 and 5% of GDP. This criminal activity facilitates other crimes—including corruption, tax evasion and fraud. Successive Governments have led on this issue by promoting transparency, including through the OECD, G20 and Financial Action Task Force (FATF), and UK-led initiatives such as the 2016 anti-corruption summit. Increasing transparency about who owns companies registered or residing in the UK (beneficial ownership) is part of this agenda. We were the first country in the G20 to establish a public register of company beneficial ownership and—in December of last year—published our anti-corruption strategy covering the period from 2017 to 2022. The UK is rightly seen as a global leader on this agenda and, last month, Transparency International listed us as one of just three G20 countries with a "very strong" legal framework around beneficial ownership.

We recognise the concerns about money laundering and corruption in the Crown dependencies and overseas territories and we are committed to increasing transparency about the companies who operate there. We have worked co-operatively with the Crown dependencies and overseas territories over the last four years, including through entering into the exchange of notes in 2016 through which UK law enforcement has near real-time access to beneficial ownership information on companies incorporated in those jurisdictions. This has resulted in tangible benefits to law enforcement; as of February, the exchange of notes arrangements have been used over 70 times to provide enhanced law enforcement access to beneficial ownership data. This information has enhanced intelligence leads and investigations on illicit finance. We continue to work closely with the Crown dependencies and overseas territories to further strengthen their approach in this area.

At EU level, the UK went beyond the requirements of the fourth anti-money laundering directive in establishing a public register, and supported the inclusion in the fifth anti-money laundering directive of a provision that will require all EU member states to have the legislation in place to establish publicly accessible registers by the end of 2019. Non-EU countries including Afghanistan, Ghana, Nigeria and Ukraine have all either committed to establishing public registers or are in the process of doing so.

Domestically, the UK has committed to create a new register for overseas companies and to pass legislation by 2021. Once in place, overseas companies will not be able to buy property in the UK, or secure UK Government contracts, without submitting the necessary beneficial ownership information. We will urge and support other countries to take similar action.

Internationally, the UK has been promoting beneficial ownership transparency at relevant international fora—including the G20, FATF and the OECD. The UK is supporting the open ownership register (the global register holding beneficial ownership information) and is working with countries that are committed to using the beneficial ownership data standard. The UK is also supporting the extractive industries transparency initiative to implement its enhanced standard which requires the collection of beneficial ownership information. The UK has and will continue to offer technical assistance to other nations looking to establish beneficial ownership registers.

In 2016 the overseas territories and Crown dependencies agreed the exchanges of notes with the UK on the exchange of beneficial ownership information. They have made significant progress in implementing the commitments by introducing legislation and establishing, where they did not already exist, central registers or similarly effective systems. We are continually monitoring the implementation of the arrangements and the latest six-month review demonstrates that these are now in force and delivering benefits to UK law enforcement. They enable UK law enforcement authorities to establish the ultimate owner of companies registered in the overseas territories and Crown dependencies, and strengthen their ability to investigate serious and organised crime, including money laundering and tax evasion. The commitments they have made in the exchanges of notes with the UK exceed current Financial Action Task Force standards and put them ahead of most jurisdictions, including many of our G20 partners and some states in the United States. The bilateral arrangements provide for further, annual reviews and the basis for taking further action if required. In addition, there will be a statutory review of the arrangements next year, which will ensure parliamentary scrutiny. It is right that we continue to focus on the effective implementation of these arrangements, rather than imposing new requirements on the territories.

Furthermore, I can today confirm that the Government will use their best endeavours, diplomatically and with international partners, including through multilateral fora (such as the G20, FATF and the OECD), to promote public registers of company beneficial ownership as the global standard by 2023.

When all of this is put together, it is clear that the UK is the international leader on setting high standards for transparency on beneficial ownership. The Government are committed to influencing others in this regard, including the UK's overseas territories and Crown dependencies.

[HCWS660]

### Sanctions and Anti-Money Laundering Bill: Impact Equalities

**The Minister for Europe and the Americas (Sir Alan Duncan):** During the passage of the European Union (Withdrawal) Bill through the House of Commons, the Government committed to providing a statement on the impact of EU-exit primary legislation on either the Equality Act 2006 or the Equality Act 2010. The expectation is that this statement will usually be included in the explanatory notes for the relevant Bill. However, as the Sanctions and Anti-Money Laundering Bill [*Lords*] has already completed its passage through the House of Lords, and has Report and Third Reading in the House of Commons today, the explanatory notes will not be updated again until Royal Assent. I am therefore making this statement now, while the Bill is still before Parliament.

I can confirm that the Sanctions and Anti-Money Laundering Bill [*Lords*] does not amend, repeal or revoke any provision of the Equality Act 2006, the Equality Act 2010 or any subordinate legislation made under either of those Acts ("the equalities legislation").

In relation to the Bill, I have had due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.

[HCWS659]

## HOME DEPARTMENT

### Exchange of Notes on Beneficial Ownership: Six-month Review

**The Minister for Security and Economic Crime (Mr Ben Wallace):** I, along with the Minister for Europe and the Americas, my right hon. Friend the Member for Rutland and Melton (Sir Alan Duncan), wish to make a statement on the six-month review of the implementation of the exchange of notes on beneficial ownership between the United Kingdom, Crown dependencies and relevant overseas territories.

In 2016 a commitment was made between the UK, six of the overseas territories (OTs), and all of the Crown dependencies (CDs), to enhance the effectiveness of long-standing law enforcement co-operation with respect to the sharing of beneficial ownership information for corporate and legal entities incorporated in the respective jurisdictions. The arrangements for this are set out in the "exchange of notes" (EoNs) and technical protocol, which includes a commitment that:

> "The Participants will review together the operation of these arrangements in consultation with law enforcement agencies six months after the coming into force of these arrangements, and thereafter annually".

Officials from the Home Office and Foreign and Commonwealth Office, and representatives from Guernsey and Alderney, Jersey and the Isle of Man; and the British Virgin Islands, Cayman Islands, Bermuda, Gibraltar, Anguilla and Turks and Caicos Islands have carried out this first review of the EoN arrangements.

During the course of this review, the CDs and OTs have reiterated to the UK authorities their commitment to the EoNs, as demonstrated by their positive and proactive approach to implementation and engagement in the review process.

The Government committed to complete this review by the end of March. Sir Alan Duncan (for the overseas territories) and I (for the Crown dependencies) are pleased to provide the following key findings of the review and recommendations for the future of these arrangements.

The findings and recommendations of this review are based on material supplied by, and discussions with, all of the jurisdictions involved in the review process. The position varies across these different jurisdictions, and not all of the findings and recommendations of this review apply to all jurisdictions. Of course, where a jurisdiction already complies with the points covered by a particular finding or recommendation, it should continue to do so.

*Key findings*

The EoN arrangements have, since their coming into effect in July 2017, provided law enforcement officers with enhanced access to company beneficial ownership information, as originally envisaged in 2016, and are supporting ongoing criminal investigations.

Under the terms of the arrangements, this information is available to UK law enforcement within 24 hours, one hour if the request for information is notified as "urgent", or such other time period as may be agreed. Information is available on a 24/7 basis.

As of 9 February 2018, the EoN arrangements have been used over 70 times to provide enhanced law enforcement access to beneficial ownership data. This information has been used to enhance intelligence leads and investigations on illicit finance.

The CDs, Bermuda, Gibraltar and the Turks and Caicos Islands (TCI) all have central registers to hold the required information. Jersey's is already fully populated (it has had a private register since 1989), as are the Guernsey and Alderney registers. The Isle of Man's register is nearing completion (81%), in accordance with the agreed timeframe for full population by 30 June 2018.

Bermuda has had a central register for over 70 years, and its new database is nearly 100% populated. Gibraltar expects its register to be fully populated by 30 June 2018, following a transition period. TCI, which was severely affected by hurricanes Maria and Irma, brought its enabling legislation into force on 1 February 2018. It anticipates that its register will be fully populated by December 2018, following a transition period.

"Similarly effective arrangements" (as permitted by the EoNs) are in place in British Virgin Islands (BVI) and the Cayman Islands. BVI, which was also severely affected by the hurricanes, has now attained around 80% population of its system. The Cayman Islands expect their beneficial ownership system to be fully populated by 30 June 2018, following a transition period provided for by their legislation. The UK is finalising with Anguilla a memorandum of understanding on the terms for provision of UK support for the establishment of Anguilla's beneficial ownership system. This was delayed due to the impact of Hurricane Irma. The UK has already provided drafting assistance for underpinning legislation, which will be introduced at the Anguilla House of Assembly in due course.

The majority of requests thus far have been made by the National Crime Agency (NCA) and Serious Fraud Office (SFO). Other UK law enforcement authorities have also used the EoNs.

As could be expected of new arrangements and systems, teething issues arose initially. This review makes a number of recommendations, building upon efforts already made to address these issues, which will be taken forward where appropriate and reported on at the next review.

*Recommendations*

This review has made a number of recommendations that have been agreed by all parties concerned, including that:

All participants should continue to participate in these reviews, maintaining a focus on enhancing law enforcement co-operation.

Jurisdictions should continue to monitor their systems with a view to enhancing the accuracy of the data they hold.

All participants to the EoNs should update their contact details as soon as practically possible, including out of hours contact details when these change, so that these can be disseminated appropriately.

All jurisdictions should consider whether they may be able to adopt best practice on intelligence sharing e.g. request form templates.

The standardised request form should be amended to include a tick box to indicate 1 hour or 24 hour timeframes.

Participants should ensure that their registers are fully populated by the agreed timeframes, where this is not already the case.

*Next Steps*

Participants to the EoNs will take forward the recommendations of this six-month review, and will take responsibility for tracking progress. The Home Office and Foreign and Commonwealth Office will produce a report on their implementation for the next review.

It should be noted that this review is in addition to ongoing monitoring of the practical application of the commitment by all participants, and a UK statutory review required by the Criminal Finances Act to take place before 1 July 2019 covering the period to the end of 2018.

This summary is also available on gov.uk.

[HCWS661]

## WORK AND PENSIONS

### Office of Nuclear Regulation Corporate Plan 2018-19

**The Minister for Disabled People, Health and Work (Sarah Newton):** Later today I will lay before this House the Office for Nuclear Regulation Corporate Plan 2018-19. This document will also be published on the ONR website.

I can confirm, in accordance with schedule 7, paragraph 25(3) of the Energy Act 2013, that there have been no exclusions to the published documents on the grounds of national security.

[HCWS658]

# Ministerial Corrections

*Tuesday 1 May 2018*

## JUSTICE

### Prison Officer Recruitment

*The following is an extract from Questions to the Lord Chancellor and Secretary of State for Justice on 24 April.*

**Craig Tracey:** What progress his Department is making on recruiting 2,500 new prison officers.

**Alan Mak:** What progress his Department is making on recruiting 2,500 new prison officers.

**Mr Gauke:** Retaining and recruiting engaged and motivated staff is critical to delivering the solutions to drive improvement across the service. Between the end of October 2016 and the end of March 2018, we have increased prison officer numbers by 3,111 **full-time equivalent staff**. This is already significantly over our target of 2,500 additional staff by the end of December 2018. Investing in the frontline is vital for safety, rehabilitation and security, which is why we are spending £100 million a year in additional prison officers.

*[Official Report, 24 April 2018, Vol. 639, c. 715.]*

*Letter of correction from Mr Gauke:*

An error has been identified in the response I gave to my hon. Friends the Members for North Warwickshire (Craig Tracey) and for Havant (Alan Mak).

The correct response should have been:

**Mr Gauke:** Retaining and recruiting engaged and motivated staff is critical to delivering the solutions to drive improvement across the service. Between the end of October 2016 and the end of March 2018, we have increased prison officer numbers by 3,111. This is already significantly over our target of 2,500 additional staff by the end of December 2018. Investing in the frontline is vital for safety, rehabilitation and security, which is why we are spending £100 million a year in additional prison officers.

*The following is an extract from Questions to the Lord Chancellor and Secretary of State for Justice on 24 April.*

**Rebecca Pow:** If he will make a statement on his departmental responsibilities.

**Mr 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 3,111 **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.

*[Official Report, 24 April 2018, Vol. 639, c. 729.]*

*Letter of correction from Mr Gauke:*

An error has been identified in the response I gave to my hon. Friend the Member for Taunton Deane (Rebecca Pow).

The correct response should have been:

**Mr 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 3,111 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.

# ORAL ANSWERS

**Tuesday 1 May 2018**



# WRITTEN STATEMENTS

**Tuesday 1 May 2018**



# MINISTERIAL CORRECTIONS

**Tuesday 1 May 2018**

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than**
**Tuesday 8 May 2018**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE PROMPT PUBLICATION OF BOUND VOLUMES

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