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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 3 July 2018

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

UNIVERSITY OF LONDON BILL [LORDS]

Second Reading opposed and deferred until Tuesday 10 July (Standing Order No. 20).

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Leaving the Customs Union: Scotland

1. **John Mc Nally** (Falkirk) (SNP): What recent assessment he has made of the financial implications for Scotland of the UK leaving the EU customs union. [906189]

The Chief Secretary to the Treasury (Elizabeth Truss): Scotland exports almost £30 billion of goods and services, including its iconic whisky, and we want to make sure we have as frictionless trade as possible with the EU as well as the ability to strike independent trade deals with the rest of the world.

John Mc Nally: Alexander Dennis is a strong, world-leading bus-building company employing 1,000 people in my constituency, but its chief executive officer, Colin Robertson, has expressed serious concerns about a hike in costs within the supply chain should the UK leave the customs union. Given that the Chancellor has so far failed to stop the Prime Minister's hard Brexit, what are we to expect from him at Friday's Cabinet showdown on Brexit—action or evasion?

Elizabeth Truss: Of course we want trade with the EU to be as frictionless as possible, but I point out to the hon. Gentleman that the UK market is worth £46 billion to the Scottish economy, and his party wants to leave that market.

Stephen Kerr (Stirling) (Con): Given that Scottish businesses export more to non-EU countries than to EU countries, does my right hon. Friend agree that the opportunity for Scottish businesses from new trade deals is potentially that much greater?

Elizabeth Truss: My hon. Friend is right. Outside the UK, the No. 1 destination for Scottish exports is the US, which accounts for 16% of exports, and of course part of the opportunity of leaving the EU is the ability to negotiate new trade deals, such as with the US.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): It is getting completely ridiculous now. When either the Chancellor or the Chief Secretary to the Treasury is finally allowed to have a look at this mythical third customs plan from No. 10, will they at least have the integrity and honesty if it does not deliver the exact same benefits for Scotland—or, for that matter, England, Wales and Northern Ireland—to come to this House and actually say so?

Elizabeth Truss: As I have said, we want to secure as frictionless trade as possible with the EU as well as those opportunities with the rest of the world. It would be helpful if the Labour party, rather than trying to reverse the result of the referendum, was instead more positive about the opportunities in the future.

Andrew Bridgen (North West Leicestershire) (Con): Does my right hon. Friend welcome with me the news that foreign direct investment project numbers are up 7% in Scotland compared to last year and have broken records every year for the past three years, and all this despite a Scottish National party Government in Scotland who are constantly talking down the prospects of the Scottish economy?

Elizabeth Truss: Those are fantastic figures for Scotland. We have seen good figures across the UK and the lowest unemployment for 40 years. The Labour party wants to overthrow capitalism; we want great businesses that will do well for our economy.

Owen Smith (Pontypridd) (Lab): Could the Chief Secretary to the Treasury reassure the House and the people of Scotland that they will not be paying more in fuel and alcohol duty after Brexit in order to fill the post-Brexit hole in our public finances?

Elizabeth Truss: I am afraid to tell the House that the people of Scotland are having to pay more income tax thanks to the SNP Government. Everyone earning more than £26,000 is paying more tax under the SNP.

Charlie Elphicke (Dover) (Ind): Would the Chief Secretary to the Treasury not agree that the people of Scotland and the United Kingdom will be better off if we leave the customs union and invest in state-of-the-art technology to ensure that we have frictionless trade and pursue the trade opportunities that lie ahead of this nation around the globe?

Elizabeth Truss: I know that my hon. Friend has done a lot of work at the port of Dover making sure it is ready for all eventualities. We want to have the best possible trade with both the EU and the rest of the world. That is the opportunity we have got.

22. [906212] **Alan Brown** (Kilmarnock and Loudoun) (SNP): The *Financial Times* is reporting that both Ministers and Bank of England officials fear a Brexit assault on the £8 trillion asset management industry, so the stakes at this Friday's Brexit Cabinet bunfight could not be higher. Will protection of Scottish financial passporting rights be a red line for the Chancellor?

Elizabeth Truss: The financial services industry is a very important industry for the whole UK and we want it to do as well as possible, which is why we are working

on getting the best possible deal. It is in the interests of EU countries that rely heavily on UK financial services to get a deal that suits both sides.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): According to EY's recently released Brexit Tracker, a third of all financial services companies have confirmed that they will move staff or operations outside the United Kingdom. Most are going to Dublin, Frankfurt and Luxembourg, and they are going because this Government cannot give them the basic assurances for which they, and we, have been asking for 18 months. After eight failed years of Conservative government, we simply cannot afford this. What are the Government going to do to stop it getting any worse?

Elizabeth Truss: I am amazed that the hon. Gentleman did not mention the fact that the City has yet again been rated the top financial centre in the world. We hear nothing but doom and gloom from the Labour party about the future of our economy. If the hon. Gentleman thinks that the solution to our problems is calling business the enemy and overthrowing capitalism, he is seriously mistaken.

Unemployment Levels

2. **Mrs Maria Miller** (Basingstoke) (Con): What fiscal steps his Department is taking to reduce unemployment. [906190]

The Chancellor of the Exchequer (Mr Philip Hammond): As a result of tough decisions made by Conservative-led Governments, the UK's fiscal position has improved enormously since 2010. Contrary to the consistent predictions of doom-mongers on the Opposition Benches, during that process UK employment has also grown consistently. It now stands at record levels, and the unemployment rate is at its lowest in 40 years. However, we are further supporting job growth through the lowest corporation tax rate in the G20, and reduced employment costs through the employment allowance.

My right hon. Friend will know that our track record stands in stark contrast to that of Labour. No Labour Government have ever left office with unemployment lower than when they entered it.

Mrs Miller: The Chancellor is right. Record numbers of women are in work in this country, but I would like to see more of those women in better-paid jobs. Does the Chancellor support the Prime Minister's view that all jobs should be flexible from day one, and will he be doing anything to turn those words into practice in all our businesses?

Mr Hammond: Yes. Female employment is indeed vitally important, and it has grown to a record high of 71.3%. As the labour market tightens, it is not just fair for us to make it possible and attractive for women to take part in the workforce; it is absolutely essential from an economic point of view. Dealing with any concealed discrimination is key to making it possible for women not only to enter the workforce, but to progress within the workforce to highly paid and rewarding jobs.

Rachel Reeves (Leeds West) (Lab): One way to reduce unemployment is to encourage self-employment, and 4.8 million people are now self-employed. While that is

welcome, there is a real problem of bogus self-employment, which is costing workers their rights and depriving the Treasury of tax revenue. Next week it will be a whole year since Matthew Taylor published his review "Good work" for the Government. When will they finally implement his recommendations and crack down on bogus self-employment?

Mr Hammond: The hon. Lady is right on both counts. Self-employment is an important contributor to our economy and genuine self-employment is very much to be encouraged, but there is a problem of bogus self-employment. People who are essentially employed are not paying the proper taxes and operating according to the proper rules for people who are employed, and in some cases employers are concealing the employment of people for their own selfish reasons. We need to deal with both those counts.

16. [906205] **Sir David Evennett** (Bexleyheath and Crayford) (Con): Given that we are a Government and a party that strongly supports business and entrepreneurs, what estimate has my right hon. Friend made of business investment in the UK during the last eight years?

Mr Hammond: Business investment in the UK over the last eight years has recovered significantly since the financial crisis, but right now, as my right hon. Friend knows, there is a degree of uncertainty. We need to get through this period of uncertainty in order to see a continuing commitment by business to invest in the UK economy, and that is what the Government are committed to doing.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The Chancellor says that we need to deal with bogus self-employment, and I absolutely agree. One in 10 workers in the north-east are on zero-hours contracts, in temporary roles, or in low-paid and often bogus self-employment. What will the Chancellor do to ensure that these new jobs are genuinely sustainable roles, and that people are not leading their lives in insecure work without real employment rights?

Mr Hammond: The overwhelming majority of the over 1,000 new jobs a day that have been created since the 2010 general election have been conventional jobs; only a tiny fraction of people in the workforce are on zero-hours contracts—less than 2.8%. Zero-hour contracts do have a role to play, but the Government have taken action to make sure they are not abused, and we will continue to take action to make sure that the flexibilities that are essential to the operation of our labour market and the attraction of the UK for international investment are not abused.

19. [906208] **Robert Neill** (Bromley and Chislehurst) (Con): Businesses in my constituency have been telling me that as we leave the EU they want to have the assurance and clarity of security of their supply chains, not to be burdened with undue regulation and paperwork in relation to customs, and in financial services both clarity and certainty of alignment and regulation; they also want the ability to fly in key personnel across our

EU markets to advise clients. Does my right hon. Friend agree that their views should be treated with respect and seriousness?

Mr Hammond: Yes, the views of business, which is the great generator of employment, wealth and prosperity in our country, should always be taken very carefully into account. We should listen to what business is telling us and make sure that we deliver a Brexit that delivers on the needs of business.

Alison McGovern (Wirral South) (Lab): The Chancellor lauds both the employment rate and the fiscal steps the Government he has been a part of have taken, but that data masks a host of problems, so can he confirm to the House today that he thinks a rising child poverty rate is a price worth paying for his spin and rhetoric?

Mr Hammond: No, and I should tell the hon. Lady that the proportion of people in absolute poverty is at a record low. Since 2010 there are 1 million fewer people in absolute low income; there are 300,000 fewer children in absolute low income and 200,000 fewer pensioners in absolute low income, and 881,000 fewer workless households. That is a great result and a great record, and we are proud of it.

Tax Regime: Forestry Sector

3. **Rebecca Pow (Taunton Deane) (Con):** What assessment he has made of the effect of the tax regime on the ability of the forestry sector to deliver value for money. [906191]

The Financial Secretary to the Treasury (Mel Stride): The evidence from the Forestry Commission is that UK timber production is globally competitive. Our 25 year environment plan sees the Government committed to increasing timber supplies and to the greater use of home-grown timber within the UK construction sector.

Rebecca Pow: I fully support this Government's ambition to plant more trees, but do the Minister and the Chancellor agree that any tax incentives towards this endeavour should include a requirement not only to own woodland, but to manage it as well, so that we have the right amount of timber to fuel the timber industry? Will the Minister agree to meet me to discuss this?

Mel Stride: My hon. Friend is absolutely right that forestry ownership and the management of woodland is extremely important. We keep all taxes under review—including some of the distortionary effects that taxes may have that I know she might be concerned about—and I am delighted to confirm that my right hon. Friend the Chancellor is looking forward to meeting her shortly.

Jim Shannon (Strangford) (DUP): I thank the Minister for that response. With the UK having an internationally competitive timber processing industry and having produced timber products with an annual value of £10 billion, will the Minister outline how his Department intends to facilitate a smoother tax path to ensure that smaller businesses in this big industry get help and support?

Mel Stride: The hon. Gentleman raises a specific issue around the participation of smaller businesses in this industry, and we will be looking at that as we look

at taxation in this area going forward. If he would like to make any specific representations to myself or the Chancellor, I am sure we would be delighted to receive them.

First-time House Buyers

4. **Damian Green (Ashford) (Con):** What steps he is taking to support first-time house buyers throughout the country. [906192]

The Chancellor of the Exchequer (Mr Philip Hammond): The Government have helped more than 300,000 first-time buyers to buy a home through our Help to Buy scheme, which includes the help to buy ISA, the help to buy equity loan and now the lifetime ISA. At the autumn budget I went further by abolishing stamp duty land tax for first-time buyers on property up to £300,000. Over 69,000 first-time buyers have already benefited from this change and we expect to help over 1 million first-time buyers over five years—and I remind my right hon. Friend that the Labour party voted against that measure.

Damian Green: Many younger homeowners will I am sure be delighted that the Government have cut stamp duty for 95% of first-time buyers. Can the Chancellor say how the rate of creating first-time buyers compares with previous periods, as keeping alive the dream of home ownership for many is essential for the long-term health of our society?

Mr Hammond: I can tell my right hon. Friend that under the last Labour Government, the number of people achieving home ownership fell by 61%. I think Labour's position is clear. The Leader of the Opposition has described home ownership as a national obsession; for the Government it is a national priority. We are helping hundreds of thousands of people across the country to achieve the dream of owning their own home, and that is why I am proud that, under a Conservative Government, the number of first-time buyers is now at an 11-year high.

Catherine West (Hornsey and Wood Green) (Lab): Will the Chancellor tell us what is being done for people who cannot afford their own home, in terms of lifting the borrowing requirement on councils so that they can build more social homes?

Mr Hammond: We have a £9 billion affordable homes programme, and we announced a £2 billion uplift in that programme last autumn. We have increased additional flexibilities to allow building for social rent and to relax the housing revenue account caps on local authorities in the highest demand areas. This Government's programme to deliver the homes this country needs achieved 217,000 net additional dwellings last year and is on track to deliver 300,000 net additional dwellings a year by the middle of the 2020s.

Alberto Costa (South Leicestershire) (Con): It is indeed commendable that the policies the Chancellor has brought to the House and made into law have been of enormous benefit to my constituents. Will he intensify his efforts in helping not only first-time buyers but those who find it difficult to afford houses? Can he perhaps say a few words on what he might do for them?

Mr Hammond: The key to dealing with the challenge that my hon. Friend outlines is to ensure improvements in the supply of housing. We have a consultation under way on the national planning policy framework, which will get more houses built, and we have measures to support demand by making Help to Buy equity loans available to those who are seeking to enter the housing market. This Government will remain committed to increasing the supply and to supporting those who need help, in order to make effective demand in this market.

David Hanson (Delyn) (Lab): The Help to Buy scheme helps homeowners, but it also appears to be helping the shareholders, chairmen and chief executives of major building firms. Will the Chancellor take this opportunity to condemn the £500 million bonus paid to the chairman of Persimmon Homes and his staff?

Mr Hammond: Our objective is to increase supply, not to increase the profits of house builders. To do that, we need to ensure that the planning system can be responsive to the demand that we are creating by supporting people with measures such as Help to Buy equity loans, and that is what we intend to do through the national planning policy framework changes.

Leaving the EU: Agricultural Sector

5. **Angela Smith (Penistone and Stocksbridge) (Lab):** What assessment has his Department made of the fiscal effect on the agricultural sector of the UK leaving the EU customs union and single market. [906193]

The Financial Secretary to the Treasury (Mel Stride): We are of course in the process of our negotiations with the European Union, and until they are concluded it will not be possible precisely to assess the impact on our agricultural sector, other than to assure the hon. Lady that agriculture has a very high priority for this Government. That is why we have pledged the same cash total in funds for farming as under the EU until the end of this Parliament.

Angela Smith: The Institute for Fiscal Studies has calculated that Brexit will deliver significant damage to the economy and to Government receipts. In that context, will the Minister guarantee that farmers will not suffer a reduction in the level of support they currently receive in the post common agricultural policy period?

Mel Stride: As the hon. Lady will know, the Department for Environment, Food and Rural Affairs is consulting currently and looking at the results of the recent consultation on how we should fund farming. Public money for public goods is at the centre of that approach. I reiterate that we have pledged the same cash total in funds for farming as under the EU for the rest of this Parliament.

Kirstene Hair (Angus) (Con): Does my right hon. Friend share my concern that the agricultural sector is facing severe seasonal labour shortages, whose significant financial consequences are already being felt? Will he work with his ministerial colleagues to reintroduce the seasonal agricultural workers scheme, which has worked so successfully in the past?

Mel Stride: My hon. Friend raises a very important point of which the Government are of course acutely aware. We are working with DEFRA to examine the issue.

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): After seeing the collapse in motor industry investment, does the Minister now accept that the Government must heed the call of the Society of Motor Manufacturers and Traders to rethink their Brexit negotiating position and to support a customs union with the European Union after Brexit?

Mr Speaker: This is really about agriculture rather than about cars. The concept of an agricultural vehicle might come in handy to the hon. Lady in this context. I am sure that she meant to mention it—[*Interruption.*] Yes, I keep hearing about tractors from a sedentary position.

Mel Stride: To be fair, Mr Speaker, farmers do own cars, which is an important point to take into account. I assure the hon. Lady that this Government's overriding objective is of course to negotiate an arrangement with the EU in which borders are as frictionless as possible, trade is kept flowing, supply chains are looked after and the agricultural and motoring sectors are supported.

Colin Clark (Gordon) (Con): Due to the UK's massive EU contributions, support to EU farmers will be cut as the UK leaves the EU. Does the Minister agree that the commitment to make payments to UK farmers until 2022 demonstrates this Government's support for UK farmers?

Mel Stride: My hon. Friend is entirely right. The commitments of support that we have already made up until 2022—the end of this Parliament—are entirely indicative of the importance of the agricultural sector to our economy.

Kirsty Blackman (Aberdeen North) (SNP): Given that over 18% of Scotland's international exports are food and drink related—our top export—this is an important question for people in Scotland. The EU's average applied most-favoured-nation tariff for agricultural products is 11.1%, but it is different for individual products: 170% on oils, 157% on fruit and veg, and 152% on beverages and tobacco. How many agricultural jobs does the Treasury believe will be lost as a result of crashing out of the customs union without a trade deal?

Mel Stride: An objective of our negotiation is to ensure that we lower tariff barriers between ourselves and the EU27, as they will be known. The hon. Lady did not mention the tariff on whisky, which is currently 0%, and if we had an independent Scotland, she would be asking the same question in the context of the new border between ourselves and Scotland.

Kirsty Blackman: People in Scotland are used to the UK Government making empty assurances, but the reality is that farmers cannot make plans on the strength of such assurances. Scottish farmers should have received over 80% of the convergence uplift moneys that the UK was given by the EU, but the UK Government have slashed that, passing only 16% on to Scottish farmers. Given the UK Government's track record, how can farmers trust them to deliver?

Mel Stride: I repeat to the hon. Lady that we have already shown, through the actions that we have taken, the reassurances that we have given and the consultations that we have undertaken, that agriculture is a firm priority for this Government, and that will continue to be the case in the negotiations and going forwards.

Infrastructure Investment: Oxfordshire

6. **Robert Courts** (Witney) (Con): What steps he is taking to invest in infrastructure in (a) Witney and (b) Oxfordshire. [906194]

The Exchequer Secretary to the Treasury (Robert Jenrick): Under this Government, investment in infrastructure will reach the highest sustained levels since the 1970s. In respect of Oxfordshire, the Department for Transport and Chiltern Railways have jointly funded a £400 million western section, delivering a new service between Oxford and London Marylebone, and we are of course backing the new Expressway and the east-west railway linking Oxford to Cambridge.

Robert Courts: I am grateful for the Minister's answer, but congestion on the A40 and reliability problems on the Cotswold line make travel a daily challenge for residents of west Oxfordshire. We urgently need upgrades on that line and extra capacity on the road network, particularly the A40. What can Ministers offer through central Government funding to give hope to my constituents?

Robert Jenrick: I appreciate that my hon. Friend has been campaigning for such things since before his election. We have provided £35 million for the Oxford Science Transit scheme, which will enhance the A40 between Oxford and Witney. As for the A40 more generally, the Government are providing £150 million through the Oxfordshire housing deal, which he could tap into to see further improvements on that road.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC) *rose—*

Ian Austin (Dudley North) (Lab) *rose—*

Mr Speaker: Carmarthen East and Dinefwr and Dudley have much to commend them, but they are both a long way away from Oxfordshire, upon which this question is focused. The hon. Member for Dudley North (Ian Austin) has always erred on the side of optimism in the 30 years that I have known him. He should keep trying, but later on. Resume your seat, man. Jolly well done.

Ian Austin: It is a question about Oxfordshire.

Mr Speaker: I do not know what the hon. Gentleman knows about Oxfordshire, but we will hear from the fella later. We look forward to it. A sense of anticipation is developing in the House.

Local Government Funding

7. **Afzal Khan** (Manchester, Gorton) (Lab): What discussions he has had with the Secretary of State for Housing, Communities and Local Government on changes in the level of funding for local government since 2010. [906195]

The Chief Secretary to the Treasury (Elizabeth Truss): It is right that money that is spent locally is raised locally. In 2010, councils were 80% dependent on central Government grants; by 2020, the vast majority of money spent locally will be raised by local councils.

Afzal Khan: The County Councils Network warned this week that

“the worst is yet to come”

for local government and that several authorities risk going bust. A survey of its members revealed that two thirds will struggle to balance their budget by 2021 unless more funding is made available, estimating the funding gap at £3.2 billion over the next two years. Is the Chancellor aware of the effect his austerity agenda is having on local services? Will he take responsibility for ending this crisis in our local councils?

Elizabeth Truss: As I said, we have moved from a situation in which local councils were majority funded by central Government to one where local councils are accountable for the money they spend and raise locally. We have given councils the extra ability to raise funds. I note that many councils have reinvented themselves, are doing things differently and are saving money, and public satisfaction with local services has held up.

Mr Philip Hollobone (Kettering) (Con): I declare my interest as a member of Kettering Borough Council.

By when do the Government expect to publish the conclusions to their fair funding review of local government?

Elizabeth Truss: We are currently considering those responses carefully, and we will publish them shortly.

Peter Dowd (Bootle) (Lab): Eight failed years of austerity have meant poor levels of funding for local government. In fact, today the Local Government Association reports that, by 2020, councils will have had £16 billion of funding cuts. With low pay, woeful productivity, tenuous job security, stubborn inflation, rising national debt, a huge deficit, a sinking pound, creaking public services, decaying infrastructure and chaotic railways, what other wheezes does the Chief Secretary have up her sleeve to wreck the economy further?

Elizabeth Truss: We are building. We saw a record number of new businesses started last year. We have record levels of employment across our economy. We have brilliant Conservative Mayors, like Andy Street and Ben Houchen, who are attracting new businesses to their areas and redesigning their port infrastructure, whereas Labour councils across the country are doing things like closing down Airbnb, trying to stop Uber and trying to stop progress.

Peter Dowd: Yes, that told me. It gets worse, if that were possible. This year, business investment growth is slowing, annual export growth is slowing, service sector growth is slowing and economic growth is slowing. With Brexit looming and punch-ups in the Cabinet, should the nation's economic future really rest in the hands of a go-slow Government?

Elizabeth Truss: Given that the hon. Gentleman's stated policy is to have a run on the banks, I suggest that our ideas for bringing in business investment are doing a lot better for Britain.

Public Health Funding

8. **Liz Twist** (Blaydon) (Lab): What recent discussions he has had with the Secretary of State for Health and Social Care on changes in the level of funding for public health since 2010. [906197]

The Chancellor of the Exchequer (Mr Philip Hammond): I have regular discussions with the Secretary of State for Health and Social Care about funding for public health. We fully understand the need to continue supporting prevention and public health in order to manage pressures on the NHS, and we will be setting out budgets for the public health grant in the forthcoming spending review.

Liz Twist: Gateshead Council will see a 15% reduction—that is £2.3 million—in its public health grant between 2013 and 2019-20, yet the recent NHS funding statement does not cover public health. With healthy life expectancy 13.8 years lower for men and 12.8 years lower for women in Gateshead than in many other areas, would it not make sense to invest in increased funding for public health services now to reduce demand on acute NHS services in the future?

Mr Hammond: The recent announcement of an additional £20 billion a year by 2023-24 for NHS funding was about core NHS funding. That is a huge commitment: £83 billion over the next five years. However, the hon. Lady is of course right to say that public health spending is also very important and has a direct impact on the way the NHS operates. Local authorities will receive more than £9 billion to spend on public health between now and 2021, but that is not the only stream of funding for public health. NHS England and the Department of Health and Social Care pay for Public Health England and for immunisation, screening and other preventive programmes. The NHS 10-year plan, which is currently under development, will set out proposals for public health.

Mr Speaker: We thank the Chancellor for his views, which have been set out in considerable detail. The right hon. Gentleman cannot be accused of excluding any consideration that might, at any time, to any degree, be judged material.

Dr Philippa Whitford (Central Ayrshire) (SNP): Last year, NHS England was given £337 million to prepare for winter pressures, but the Scottish Government received only £8.4 million rather than the expected £32 million. The Secretary of State for Health and Social Care has claimed that Scotland will get £2 billion from this recent uplift. When we will know the real figure?

Mr Hammond: I can give it to the hon. Lady now, with a brevity you will be proud of, Mr Speaker. It is £2.27 billion in 2023-24.

UK Battery Storage Market

9. **Sir Henry Bellingham** (North West Norfolk) (Con): What assessment his Department has made of the effect of the tax regime for onsite battery storage on the development of the UK battery storage market. [906198]

The Economic Secretary to the Treasury (John Glen): The Government have a number of policies in place to support the development of low-carbon technology, including battery storage technologies. Those include the carbon price support mechanism, which encourages decarbonisation of the power sector; the Government's smart systems and flexibility plan; and the Faraday challenge fund.

Sir Henry Bellingham: I am very grateful to the Minister for that reply. Is he aware of the huge investment in the offshore wind sector along the Norfolk and Lincolnshire coast, where more than 1,000 individual turbines are in place, with the prospect of many more to come? The key breakthrough that is required is enhanced battery storage technology, which will enable wind-generated electricity to be put through the grid on days when the wind is not blowing. What more is he going to do to try to incentivise further breakthroughs on that?

John Glen: I am grateful for that question. My hon. Friend is correct; we are maintaining our position as a global leader in offshore wind. But the combination of that with support for the battery storage sector is important, and we will be supporting it through the capacity market, which is helping to bring down costs.

Mr Jim Cunningham (Coventry South) (Lab): As the Minister will be aware, Jaguar Land Rover is in my constituency and it is developing batteries. What discussions has he had with Jaguar Land Rover about tax incentives in that area?

John Glen: I have not personally had any such discussions, but the Exchequer Secretary will have done. We are supporting that business, and many others up and down the country, through the comprehensive industrial strategy that we are rolling out in different sectors.

Schools: Per Pupil Funding

10. **Ruth Cadbury** (Brentford and Isleworth) (Lab): What recent discussions he has had with the Secretary of State for Education on changes in the level of funding per pupil in schools since 2010. [906199]

The Chief Secretary to the Treasury (Elizabeth Truss): We have protected schools' budgets in real terms since 2010, and through our reforms to schools and the curriculum children's results have improved, particularly in reading.

Ruth Cadbury: Will the Minister confirm that the additional £1.3 billion announced a year ago does not address the £1.5 billion shortfall in school budgets? So what advice does she have for the 88% of schools in this country facing real-terms budget cuts, despite the new funding formula?

Elizabeth Truss: I suggest the hon. Lady reads last week's edition of *Schools Week*, which said that the unions had admitted that they had their sums wrong and in fact per-pupil funding was being protected in real terms in 2018-19 and 2019-20.

Chris Philp (Croydon South) (Con): Will the Chief Secretary confirm that per-pupil spending in this country is higher than that in Japan or Germany? Will she also

confirm that this is not just about how much we spend, but about how wisely we spend it, thanks to which 2 million more children are now in good and outstanding schools than there were in 2010?

Elizabeth Truss: My hon. Friend is correct. In addition, the real-terms funding per pupil will be 50% higher in 2020 than it was in 2000. This Government's reforms to reading and mathematics are resulting in students' scores increasing, whereas under the Labour party we just had grade inflation.

18. [906207] **Wes Streeting** (Ilford North) (Lab): That is fascinating, because compared with last year, England's schools have 137,000 more pupils but almost 5,500 fewer teachers, 2,800 fewer teaching assistants, 1,400 fewer support staff and 1,200 fewer auxiliary staff. What has gone wrong? Is it that headteachers are not investing in staff, or is it that the Chief Secretary to the Treasury is in denial and thinks that she knows more than they do about how to manage school budgets?

Elizabeth Truss: I point out to the hon. Gentleman that 10,000 more teachers are now working in our schools than under the Labour Government. He should look at the results that children are achieving and the improvements that we have seen, particularly in reading. Under Labour, we were among the worst in Europe, whereas we are now among the best.

Infrastructure Investment: South-west

11. **Steve Double** (St Austell and Newquay) (Con): What steps he is taking to invest in infrastructure in Cornwall and the south-west. [906200]

The Exchequer Secretary to the Treasury (Robert Jenrick): The Government are investing in the infrastructure of the south-west. We are investing £2 billion in the strategic road network, including to transform the A303/A30/A358 into an expressway. We are delivering £146 million of investment in Cornish rail and, thanks to my hon. Friend's efforts, we are investing £79 million in the A30 to St Austell link road.

Steve Double: Cornish wages continue to lag around 30% below the national average. The national productivity investment fund is designed specifically to increase wages and living standards; will my hon. Friend tell the House how much of that fund is being spent in Cornwall and the south-west?

Robert Jenrick: We are investing significant funds, including £92 million to tackle congestion in the south-west and a portion of a £200 million fund for full fibre, and we are providing £40 million for small and medium-sized enterprises through the British Business Bank, which will go to Cornish small businesses.

Gareth Thomas (Harrow West) (Lab/Co-op) *rose*—

Mr Speaker: There is a lot to be said for the London Borough of Harrow—I used to live near it myself—but it is a considerable distance from Cornwall. We will get to the hon. Gentleman in at a later point in our proceedings.

HMRC: Office Closures

12. **Imran Hussain** (Bradford East) (Lab): What steps he is taking with HMRC to ensure that staff at its offices that are due to close are able to secure employment at HMRC regional hubs. [906201]

The Financial Secretary to the Treasury (Mel Stride): HMRC's analysis shows that 90% of those personnel in place as at 2015 will be able to move to a new HMRC location or see out their career in their current workplace. We will support those who have the skills necessary for the new workplaces, or, indeed, those who can aspire to those skills, to achieve that and provide jobs accordingly.

Imran Hussain: I thank the Financial Secretary for his answer, but although those employed in the soon-to-be-closed centres will still have a job, which we welcome, the relocation of the HMRC offices will leave a large gap in future employment opportunities in Bradford. What opportunities, particularly civil service opportunities, are being offered to the people of Bradford, bearing in mind the over-saturation of public sector jobs in Leeds?

Mel Stride: As Departments right across Government do, we look at the opportunities available in various towns and cities up and down the country, including Bradford. The hon. Gentleman mentions the employment impact of this particular measure; I remind him that the employment rate in Bradford is up 6.4% since 2010. That is above the national average and is a direct consequence of this Government's policies.

21. [906211] **Neil Gray** (Airdrie and Shotts) (SNP): The Financial Secretary to the Treasury, the Chancellor and the Prime Minister all gave commitments from the Dispatch Box that a meeting between senior HMRC officials and members of the Roadchef Employees Benefit Trust would bring a resolution to that dispute, but that did not happen, because HMRC stonewalled the EBT members. Will the Chancellor or the Financial Secretary commit to becoming a mediator in this dispute and bring a resolution that will see a pay-out finally being made for those beneficiaries?

Mel Stride: I slightly detected from the hon. Gentleman's question the suggestion that that meeting between HMRC and the EBT did not take place, and it most certainly did. He and I have discussed this matter, both formally in a meeting and informally, and we have debated it in the House. I have always stressed that there is a dividing line between HMRC and Treasury Ministers: we cannot intervene in the tax affairs of individuals or organisations. I am confident that HMRC is progressing in an appropriate manner.

Anneliese Dodds (Oxford East) (Lab/Co-op): Eight years of economic failure from this Government have been exacerbated—[*Interruption.*] I suggest that it is economic failure, with productivity growth down, GDP growth down and investment growth down, and in comparison with our comparators. Economic failure: if it smells like it and looks like it, that is what it is. Let me finish my question. That failure has been exacerbated by the Government's reorganisation of HMRC, with cuts in our country deeper than in any other, outside Greece. Will they abandon this failing reorganisation,

which also means that there will not be a single customs hub anywhere along the south coast or north of the central belt?

Mel Stride: The simple fact is that we need an HMRC that is fit for the 21st century, for the new digital ways in which we are working, and for our targeted approach on clamping down on avoidance, evasion and non-compliance, for example. That requires these sophisticated hubs that have the right skills to do that job, so I defend our reorganisation entirely.

On the portrayal of the economy that the hon. Lady has just given, we have the highest level of employment in our history, more women in work than at almost any time in our history and unemployment lower than at any time in the past 45 years. We are bearing down on the deficit and have debt falling as a percentage of GDP.

Infrastructure Investment: Kent

13. **Craig Mackinlay** (South Thanet) (Con): What steps he is taking to invest in infrastructure in Kent. [906202]

The Economic Secretary to the Treasury (John Glen): The Government are committed to ensuring that every part of the country has a modern and efficient infrastructure. In Kent, the extent of superfast broadband has risen from 33% to 95% since 2010, and the South East local enterprise partnership has secured £590 million for 30 transport schemes. Work has recently begun on a £105 million upgrade to junction 10a of the M20.

Craig Mackinlay: Given that Kent is on the frontline of EU border trade and that local plans involve the potential of more than 100,000 new homes over the next 15 years, will my hon. Friend consider investing in the dualling of the A2 and the A256 to improve traffic flows and resilience in east Kent?

John Glen: My hon. Friend makes a very sensible point. The dualling of the A2 near Dover was raised as an issue in Highways England's route strategy for Kent and is being considered alongside other investments. The A256 is part of the indicative major road network and the Department will be publishing the final network by the end of the year. If it is included, it will be a matter for the local authority, working with the subnational transport bodies, to determine whether to bid into the fund.

Ian Austin (Dudley North) (Lab) *rose*—

Mr Speaker: The Minister's initial reply did refer to the Government's ambitions for every part of the country, so there is no reason why we should not hear about the Dudley situation.

Ian Austin: London, the south-east and the home counties already get the vast majority of public sector investment. Civil service employment actually went up in London and the south-east while public spending was being cut in the rest of the country. Government Members impose austerity on the rest of us, and now they are coming to the Chamber to demand more spending for their own areas. Instead of thinking about London, the south-east and Oxfordshire, why do the Government not start looking at the position of the Black country so that they invest in infrastructure there and bring some new jobs to places such as Dudley?

John Glen: I am very sorry but I do not recognise the hon. Gentleman's characterisation of the Government's intentions. We have actually rolled out a comprehensive strategy across the country in terms of the northern powerhouse and the midlands engine with the systematic devolution of decision making and resources to enable growth throughout the country.

Economic Growth: Car Industry

14. **Matt Western** (Warwick and Leamington) (Lab): What assessment his Department has made of the effect on economic growth of levels of (a) car sales and (b) investment in the car industry. [906203]

The Exchequer Secretary to the Treasury (Robert Jenrick): The automotive sector is an extremely valuable part of the UK economy and we have worked very closely with it in recent years. We have established the first automotive sector deal, and we have backed research and development projects, such as the advanced propulsion centre, with £300 million of investment. Through the future of mobility grand challenge and a succession of Budget measures, we are supporting the development of and transition to low emission and autonomous vehicles.

Matt Western: The Chancellor will be well aware of the importance of car sales and manufacturer investment as indicators of economic output and business confidence respectively. In the year to May, car sales were down 7% and truck sales were down 6%. Investment by vehicle manufacturers fell by 55% in 2017 versus 2015, and by 47% in 2018 versus 2017 for the first quarter of the year, so it is on track to be down 75% from three years ago. Does the Chancellor accept that these figures are the reality behind the Foreign Secretary's assertion—I think this was the phrase—"fudge business"?

Robert Jenrick: As I have just described, the automotive sector is extremely important, and few of its businesses are more important than Jaguar Land Rover, which I appreciate is close to the hon. Gentleman's constituency. Car sales in 2017 were actually 25% higher than in 2010 and the UK remains the second biggest car market in Europe after Germany, so there is a great deal to celebrate in the UK automotive sector, and we will continue to support it.

20. [906209] **Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): In the light of Brexit, just this morning the British Chambers of Commerce published a list of two dozen vital questions to which British business needs answers, 10 of which are specifically relevant to the car industry. What assessment has the Chancellor made of the potential loss of business investment in the UK car industry as a result of the Government's failure to provide answers to those questions?

Robert Jenrick: We are working closely with the automotive sector, and the Treasury and other Departments have met its representatives on a number of occasions. The Prime Minister has made it clear that our intention throughout the current negotiations is to ensure that EU-UK trade is as frictionless as possible. We will continue to work with the automotive sector to ensure that we deliver a good Brexit deal for it.

Topical Questions

T1. [906215] **Tom Brake** (Carshalton and Wallington) (LD): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr Philip Hammond): My principal responsibility is to ensure economic stability and the continued prosperity of the British people, both during this period of heightened uncertainty and beyond it, after Brexit. I will do so by building on the plans that I set out in the autumn Budget and the spring statement. The Prime Minister recently announced a five-year NHS funding package that will boost spending on health by more than £20 billion a year in real terms in England alone. She also confirmed that we will stick to our fiscal rules and continue to reduce debt. It is our balanced approach to the public finances that enables us to give households, businesses and our public services targeted support in the near term, as well as to invest in the future of this country and to get debt down to be fair to the next generation.

Tom Brake: The Chancellor mentioned the NHS funding package. Will he confirm how much of that extra funding will come from the Brexit dividend, and how much will come from higher taxes for businesses and individuals, and on alcohol and fuel?

Mr Hammond: Obviously, the element of funding that can be provided by net savings from contributions to the European Union will depend intrinsically on the deal that we negotiate with the European Union. We will be working to get the very best possible deal that we can for Britain to ensure that that contribution makes up the largest possible proportion of the additional NHS funding.

T4. [906218] **Andrew Selous** (South West Bedfordshire) (Con): Only 15% of people who start their working lives in entry-level jobs in this country manage to rise above that level. This country would be more prosperous and socially just, and would have a bigger tax base, if we could help them. What more can we do to help that segment of the population?

The Chief Secretary to the Treasury (Elizabeth Truss): My hon. Friend is absolutely right. The way in which we will get higher wages is by improving productivity and skills, which is why we are investing in a record level of apprenticeships and the national training partnership.

John McDonnell (Hayes and Harlington) (Lab): As my hon. Friend the Member for West Bromwich West (Mr Bailey) pointed out, the British Chambers of Commerce has said today that its patience with the Government over Brexit is at “breaking point”. Its sense of frustration reflects accurately what trade unions and businesses across the country feel. All the British Chambers of Commerce wants are answers to some very basic questions, so will the Chancellor and those on the Treasury Bench provide some answers today? Post-Brexit, will goods be subject to new procedures and delayed at border points? Will regulation checks on goods conducted in the UK be recognised in Europe? Will firms be able to transfer staff between the UK and

the EU as they do now? Above all else, will Ministers stop squabbling and provide some answers to these vital questions?

Mr Philip Hammond: It is fascinating to see the right hon. Gentleman posing as the champion of business when he has been attacking and undermining business ever since he got into his current position. Yes, I recognise all the questions he asked. The Cabinet will meet on Friday to set out our way forward in our negotiation with the European Union. We recognise that this is now urgent and that we need to make progress. The right hon. Gentleman mentioned minimising frictions and maximising flexibility for employers in order to protect jobs and investment. We agree with him and the British Chambers of Commerce on all those things, and we will be looking to deliver a Brexit that maximises employment and prosperity in this country.

John McDonnell: The Chancellor does not have to worry about others undermining capitalism; the Government are doing a pretty good job themselves.

When the warring factions in the Cabinet meet this weekend, it is the role of Treasury Ministers to bring them into the real world and point out to them firmly the real cost of a no-deal Brexit for jobs, the economy and all our living standards, so will the Chancellor tell us today the Treasury’s latest estimate of the cost of no deal, its consequences for the economy and the potential loss of jobs? Surely it is time for him to show a bit of grit and to make it clear that no responsible Chancellor could remain in a Cabinet that is so recklessly putting our economy at risk through no deal?

Mr Hammond: I assure the right hon. Gentleman that I will be setting out for my colleagues, in the privacy of our Cabinet meeting on Friday, the Treasury’s assessment—indeed, the cross-Whitehall economic group’s assessment—of the implications of potential routes forward. However, as the Prime Minister has said, we cannot give a running commentary in public on a matter about which we are in intensive negotiation with our European interlocutors. I have said before, and say again today, that when the time comes for Parliament to vote on our proposed package, I will make sure that all the available material is put into the public domain so that Members of Parliament are properly informed.

T7. [906221] **James Cleverly** (Braintree) (Con): In Braintree, in Halstead and in the villages of my constituency, including my own lovely village of Earls Colne, there are a number of thriving businesses in retail, manufacturing and other sectors, but at the moment there is a disparity between the tax treatment of physical businesses and that of digital businesses. What plans do Ministers have to rebalance the tax treatment of those two types of businesses?

The Financial Secretary to the Treasury (Mel Stride): My hon. Friend raises a very important point. The Government are determined that we should have an international tax regime that is appropriate to the digital businesses to which he refers, particularly search engines, online marketplaces and social media platforms. We are working with the OECD and the European Union on a multilateral response. In the absence of that, we are prepared to act unilaterally to make sure that fair taxes are paid by those businesses.

T2. [906216] **Ellie Reeves** (Lewisham West and Penge) (Lab): The Legal Aid, Sentencing and Punishment of Offenders Act 2012 was intended to save £450 million a year on legal aid, but last year's spending was more than £950 million down from 2010 levels. As we find ourselves in an access to justice crisis, what discussions have Treasury Ministers had with the Ministry of Justice about increasing the money available for legal aid as part of the LASPO review?

Elizabeth Truss: We are conducting a review of LASPO at the moment. I have regular discussions with the Secretary of State for Justice, and we are making sure that the Department has the resources it needs.

T9. [906223] **Bob Stewart** (Beckenham) (Con): Fly-tipping is now a major nuisance to my constituents. The cost of dealing with even a single instance can run to thousands of pounds, and that does not include the cost of investigating for hazardous waste and trying to get prosecutions. Will the Minister consider the case for additional funding to enable my local council of Bromley, as well as other councils, to pay for the battle against environmental criminals?

The Exchequer Secretary to the Treasury (Robert Jenrick): Fly-tipping and illegal waste sites are a blight in many parts of the country. The Chancellor announced additional funding in the Budget for enforcement activities. The Environment Secretary recently announced a review of waste crime, and we will follow the results of that closely.

T3. [906217] **Stephen Lloyd** (Eastbourne) (LD): As the Ministers on the Treasury Bench know, there are strongly held and differing views about the fairness of the implementation of the Treasury's 2019 loan charge. Recent media reports have identified the severe impact that this huge retrospective charge is having on the mental health of some contractors, and I have real concerns for their wellbeing. Will the Minister commit to setting up a 24-hour helpline to provide support for individuals caught in this trap?

Mel Stride: The issue that the hon. Gentleman identifies is an important element of the tax avoidance that has been happening in our country. The vast majority of people pay the correct level of tax, but there have been schemes, such as the disguised remuneration schemes to which he refers, through which essentially very little tax indeed has been paid. The Government believe that that is wrong and that we should act to clean up the arrangements. We have given individuals until April 2019 to do exactly that. On the support that he mentions, HMRC's door is of course always open for individuals in that situation to have discussions. I would urge all those individuals to make contact with HMRC to find a sensible way forward.

Nicky Morgan (Loughborough) (Con): I warmly welcome what the Chancellor says about putting all information before Parliament before we vote on the final withdrawal agreement later this year, but of course that will not be the end of parliamentary involvement, because we will have to onshore all the current EU financial services legislation, including the binding technical standards. Will the Chancellor set out the Treasury's

thinking so far about how that process will be democratically accountable to Parliament or perhaps the Select Committees?

Mr Philip Hammond: My right hon. Friend asks about Parliament's role in dealing with the onshoring of a very large number of financial services regulations. Some of them will be dealt with through a parliamentary process, but other areas of financial services regulation are dealt with by the independent regulators—the Financial Conduct Authority and the Bank of England. I will write to her and give her as much detail as I can about how that will break down between the different categories.

T5. [906219] **Imran Hussain** (Bradford East) (Lab): The Chancellor and his Ministers accuse Labour of doom and gloom. Well, let me ask him this: what does he say to the hundreds of people in my constituency who are homeless as a result of his austerity? What does he say to the parents who send children to school hungry as a result of his austerity? What does he say to the communities that have been devastated as a result of his austerity? Is it not time that the Chancellor came out of his ivory tower and connected to reality?

Mr Speaker: The hon. Gentleman is a cheeky chappie in this Chamber. I counted no fewer than four questions, to which I know the Chancellor, with his customary intellectual dexterity, will reply with one answer, embracing the gamut of issues if he wishes.

Mr Hammond: Indeed, Mr Speaker. What I will say is that we have spent the last eight years cleaning up the mess that was left behind for us by the last Labour Government and trying to mitigate its impacts on ordinary families up and down this country. It is the same whenever Labour gets into power: it is always ordinary people and the most vulnerable in society who suffer the most, and it is always the Tory party that has to clean up the mess.

Peter Aldous (Waveney) (Con): To follow on from the question asked by the hon. Member for Eastbourne (Stephen Lloyd), the retrospective nature of the 2019 loan charge could bankrupt thousands of people. Will the Government revise legislation to ensure that that does not happen, with the loan charge only applying to disguised remuneration loans made after the passing of the Finance (No. 2) Act 2017?

Mel Stride: This is not retrospective legislation. The activities and arrangements entered into by those who are in scope of this measure were not legal when they were entered into, even though they may have been entered into in the past. The loan charge is there not to apply penalties for that behaviour, but to ensure that those individuals pay the right amount of tax.

T8. [906222] **Lucy Powell** (Manchester Central) (Lab/Co-op): A critical decision is currently with the Treasury on a life sciences grant that would create and secure hundreds of highly specialist jobs in Manchester. The private sector cornerstone company at the heart of that bid needs a decision by mid-July before it goes elsewhere in Europe. After months of indecision, will the Government now give us the okay on that bid as a matter of urgency?

Robert Jenrick: I am not familiar with the project that the hon. Lady mentions, but I will look into it immediately and write to her.

Mr Speaker: The hon. Member for Harrow West (Gareth Thomas) was inadvertently erased, but I will come to him momentarily—he need not fear.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): There was a recent announcement about extending contracts for rental homes to three years and losing the six-month rental position. May I urge the Treasury to look carefully at that? The last thing we want is fewer rental homes on the market and higher costs, as that would also have an impact on welfare costs.

Mr Philip Hammond: That consultation was announced by the Secretary of State for Housing, Communities and Local Government. I am acutely conscious of the risks that my right hon. Friend sets out. I assure him that I have looked very carefully at the wording of the consultation and I am confident that we will not fall into the trap that he suggests. We are looking at making a three-year term the default option for private sector renting.

T6. [906220] **Gareth Thomas** (Harrow West) (Lab/Co-op): In its report published today, which was commissioned by the Co-op party, the New Economics Foundation identifies lack of access to finance as a significant inhibitor in the growth of the co-op sector. While I am grateful to the Economic Secretary to the Treasury for his interest in this area, I wonder what steps the Treasury might now take to tackle that problem.

The Economic Secretary to the Treasury (John Glen): I held a workshop with representatives of various credit unions this week, and one with community development financial institutions last week. I have convened a working group from the financial inclusion taskforce, which will meet in September to consider urgently expanding access to credit options on better terms than the high-cost ones that exist in the market. We are doing all that we can to incentivise growth in that sector.

Gareth Johnson (Dartford) (Con): Dartford has seen over 1,000 new homes built in and around the town during the past 12 months, which is more than anywhere in Kent and one of the highest figures in the country. Does the Minister agree that investment in infrastructure needs to complement those new homes, not wait for several years?

Robert Jenrick: My hon. Friend is absolutely right. That is why we have created the £4 billion housing infrastructure fund—it is exactly to deal with this problem—and a £600 billion pipeline of new infrastructure projects. He and I have already met to discuss the issues in his constituency, and we will be taking that forward.

Clive Efford (Eltham) (Lab): Is it possible to provide the funding that our NHS needs and at the same time keep to the reckless tax cuts that the Government announced in their manifesto last year?

Mr Philip Hammond: We did not announce any reckless tax cuts in the manifesto last year. The Prime Minister made it very clear in her announcement about NHS

funding that we will continue to deliver on our fiscal rules, and we will continue to ensure that debt falls. I will make announcements at future fiscal events explaining exactly how we will do that.

Robert Halfon (Harlow) (Con): Given that the independent Centre for Economics and Business Research has said that the fuel duty freeze has contributed to creating 121,000 jobs, and that the Treasury said in 2014 that the benefits of the fuel duty freeze had offset the loss in tax income, does the Minister not agree that it would be absolute madness to raise fuel duty and hit working people up and down this country?

Mel Stride: I thank my right hon. Friend for his very relevant and, may I say, predictable question—he has been a doughty campaigner on this particular issue—but all I would say to him is that we will of course be looking at taxation, with everybody in their different ways paying a little bit more, to make sure that we fund the significant amount we have now committed to our national health service.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Rail electrification and the Swansea Bay tidal lagoon have both been scrapped by the British Government because they were not deemed good value for money. When it comes to designing the criteria for the proposed UK shared prosperity fund, will an immediate return on investment be the priority, as with every project scrapped in Wales?

Elizabeth Truss: We are looking closely at the shared prosperity fund to make sure that it delivers best value for money right across the UK, and I am in discussions with the Welsh Secretary about that.

Jeremy Quin (Horsham) (Con): What is my hon. Friend's reaction to the FCA report on doorstep lending, and does it go far enough?

John Glen: The report is a welcome step forward, and I note the provision that is made for further steps if the proposed measures do not have an effect. I will be meeting Andrew Bailey tomorrow morning to discuss it further.

Emma Reynolds (Wolverhampton North East) (Lab): Over 1,600 people work at the Jaguar Land Rover engine plant in Wolverhampton, and the car industry has serious concerns about the Government's plans to leave the customs union. Will the Chancellor guarantee that, when he goes to Chequers later this week, he will only sign up to a customs arrangement that preserves just-in-time manufacturing and integrated European supply chains?

Mr Philip Hammond: I assure the hon. Lady that on Friday, as I have done consistently for the past two years, I will argue for a future relationship with the European Union that protects our important supply chains, protects British jobs and protects British business.

Vicky Ford (Chelmsford) (Con): British insurers, such as the ones based in Chelmsford, face a dilemma over what will happen to their European clients' contracts: it would be immoral for them not to pay out on claims,

but illegal if they do so. Will you urge the European regulators to come up with the same sensible, pragmatic solutions as the British regulators?

Mr Speaker: Well, I won't, but the Chancellor might.

Mr Hammond: Yes, Mr Speaker, I will. I can tell my hon. Friend that we have established a European working group between the Bank of England and the European Central Bank to look at questions of contract continuity and other threats to financial stability over the period when we leave at the end of March. That will be looking at insurance contracts, and it will also be looking at the very large number of outstanding derivative contracts that could also, theoretically, become unenforceable at that point.

Several hon. Members *rose*—

Mr Speaker: Who can ask a single-sentence question? I call Chris Williamson.

Chris Williamson (Derby North) (Lab): Public services define a decent society, but analysis by the Local Government Association has revealed that councils face a £8 billion black hole by 2025; public services are in meltdown. When will the Chancellor stop behaving like a public services vandal and start resourcing the public services that communities desperately need?

Mr Speaker: The hon. Gentleman is clearly a devoted fan of the semicolon.

Mr Hammond: That is the answer, Mr Speaker.

There will be a spending review next year, when we will look at the overall spending envelope and the Government's priorities across the entire range of public spending.

Martin Vickers (Cleethorpes) (Con): I was pleased to welcome the Chief Secretary to the Treasury to my constituency a couple of weeks ago. Does she agree that the enthusiasm that we heard from local businessmen for free ports and free zones could be the way ahead for economic growth in Immingham and the surrounding area?

Elizabeth Truss: I was hugely impressed by the enthusiasm in Grimsby, Cleethorpes and Immingham for more development and more opportunities for free zones—and also by the fantastic fish and chips we had on Cleethorpes pier.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On his way to Chequers, will the Chancellor give a thought to health trusts such as Calderdale and Huddersfield NHS Foundation Trust? It still cannot deliver the healthcare that my constituents and people in the rest of west Yorkshire want because of the PFI hanging around their necks. Will he do something about PFIs?

Mr Philip Hammond: I am afraid that I have to remind the hon. Gentleman that 86% of all PFI contracts currently in place in the NHS, draining money out of NHS trusts, were put in place by the previous Labour Government.

Several hon. Members *rose*—

Mr Speaker: Order. We are very short of time. I will take two more: Kevin Hollinrake; and then Helen Goodman.

Kevin Hollinrake (Thirsk and Malton) (Con): The all-party parliamentary group on fair business banking is undertaking an important body of work on dispute resolution between banks and business. We will give it a parliamentary launch next week. Once the Minister has had time to digest the contents of that report, will he meet us to see how we can take the recommendations forward?

John Glen: I eagerly await the report's launch next Wednesday. I will be happy to meet the all-party group and make a judgment about the best outcome on that issue, along with three other streams of work, in the autumn.

Helen Goodman (Bishop Auckland) (Lab): Ending tax secrecy in the overseas territories will bring in £10 billion a year. Will the Chancellor organise a lunch for my right hon. Friend the Member for Barking (Dame Margaret Hodge), the right hon. Member for Sutton Coldfield (Mr Mitchell) and the entire Labour Whips Office, who were instrumental in securing this change?

Mr Philip Hammond: When I have the money in the bank, I will invite them around for a glass of champagne.

Mr Speaker: That is a pretty generous offer from the Treasury—[*Interruption.*] It will be recorded in *Hansard*; it will be in the *Official Report* tomorrow.

Govia Thameslink/Rail Electrification

12.42 pm

Andy McDonald (Middlesbrough) (Lab) (*Urgent Question*): To ask the Secretary of State for Transport to update the House on Govia Thameslink Railway and his plans for rail electrification.

The Minister of State, Department for Transport (Joseph Johnson): The shadow Transport Secretary has asked about the current situation on Govia Thameslink Railway and electrification, and I will answer each in turn.

Performance by GTR has been unacceptable since the timetable change on 20 May. GTR is working to increase the predictability and reliability of journeys on its network, including reducing the number of on-the-day cancellations. On 15 July, it will implement an interim timetable, which will allow GTR to slowly build up services to the originally planned May timetable.

We have said that passengers affected by severe disruption on GTR will receive special compensation; an announcement will follow shortly. We have also commissioned the independent Glaister review to make sure that we learn lessons and that this does not happen again. We have started a formal review of the franchise to establish whether GTR has met its contractual obligations in the planning and delivery of the May timetable. We will not hesitate to take tough action against it if it is found to have been negligent.

On electrification, the Government are clear that passengers expect high-quality rail services. We are committed to electrification where it delivers passenger benefits and value for money. We will also take advantage of state-of-the-art new technology to improve rail journeys.

Over recent days, there has been speculation over the trans-Pennine route upgrade. I can clarify for colleagues that the upgrade will account for one third of our anticipated expenditure for rail enhancements nationwide in the next spending period. It will be the biggest single investment we will make during this period, demonstrating our commitment to improving passenger journeys in the north.

The Department is currently awaiting Network Rail's final project plan. We have instructed it to prioritise the elements that bring the quickest passenger benefits. We will update the House in due course.

Andy McDonald: Reports over the weekend said that a decision had been taken to cancel the electrification of the trans-Pennine route between Manchester and Leeds. If true, much needed investment will be slashed, despite the north lagging far behind the south-east in terms of transport spending. It will kill any notion of a northern powerhouse. The Government should be matching Labour's commitment of £10 billion-plus to build a Crossrail for the north, not threatening already promised investment. As the National Audit Office report revealed, the technology that the Minister says makes electrification unnecessary does not exist. As the Transport Committee last week showed, rail electrification is necessary to deliver the improvements the Minister has promised. Will he take this opportunity to confirm that the electrification will go ahead as promised?

We also hear that GTR is being stripped of its franchise unless performance on its services in the south-east of England rapidly improves, and that the process could start within a matter of weeks. If that is so, when will the decision be made?

The Secretary of State says that he does not run the railway. I can tell him that we have noticed. But if not him, who does?

It is reported that the compensation package for passengers impacted by timetabling disruption will be the equivalent of one month's travel. Can the Minister explain who will pay for this?

We on the Labour Benches would welcome this incompetent train operator being stripped of its franchise, with services returning to public ownership. We have been calling for this for years, as GTR has repeatedly breached its obligations. Passengers have suffered needlessly because of the Secretary of State's refusal to do so. Will he now do the right thing and terminate this franchise?

Joseph Johnson: On the points made with respect to the railways in the north of England, I remind the House that the Government will have spent £13 billion by 2020 on transport in the north of England, the biggest programme of investment in decades. Specifically with regard to the trans-Pennine route, we will be spending £2.9 billion in the next control period, control period 6, between 2019 and 2024. We are looking carefully at the options Network Rail has presented to the Department and we will make a statement later in the year, ensuring that we deliver the highest possible value for taxpayers and significant benefits for passengers in the north of England.

On GTR, as I said, we have put in place a hard review of its performance in the run-up to the implementation of the May 2020 timetable. No options are off the table, should it be found to have been negligent in any respect.

The shadow Secretary of State asked about compensation. As he knows, we have already announced compensation for passengers affected by the timetabling debacle in the north of England on Northern. We will be coming forward with a similar rail industry-funded scheme for Thameslink and Great Northern passengers.

Theresa Villiers (Chipping Barnet) (Con): There was absolute chaos again on GTR-Great Northern yesterday for my constituents. The situation is not getting better. How long does this have to go on before they lose their franchises?

Joseph Johnson: My right hon. Friend is understandably exceptionally frustrated and angry on behalf of her constituents. I completely understand that. GTR is putting in place a new interim timetable on 15 July. It is vital that this timetable makes real progress in stabilising services on Thameslink and Great Northern, on which her constituents and those of other Members' depend.

Alan Brown (Kilmarnock and Loudoun) (SNP): We are constantly told by the Secretary of State that we should not believe everything we read in the newspapers, but it seems to be the only way we can actually get some information we trust. The Minister stands at the Dispatch Box and says there will be a full statement on the electrification project later on in the year. That does not engender confidence.

[Alan Brown]

On the performance of GTR, for once I agree with the right hon. Member for Mid Sussex (Sir Nicholas Soames), who said it was an absolute disaster. For once, I agree with the hon. Member for Mid Bedfordshire (Ms Dorries), who said that this is a crisis. Does the Minister agree with his colleagues?

According to a Library briefing, in 2016-17, Thameslink, Southern and Great Northern received a subsidy of nearly £100 million. Does that really reflect value for money or does it not reflect the reality of franchising economics? When will the Government admit that the franchising system is broken and do something constructive about it? The Minister says that the travel compensation scheme will be funded by industry. What measures will be put in place to make sure that the industry does not claw that money back from the Government in one way or another?

The Secretary of State has blamed the unions and Network Rail, even though he is the one responsible for Network Rail. He blames anybody but himself. Charles Horton resigned as chair of Govia Thameslink. Does the Minister agree that it is time that the Secretary of State looks in the mirror, admits his culpability and does the right thing and resigns as well?

Joseph Johnson: With respect to the speculation in the newspapers over the weekend, I clarify for the House that we are reviewing the options that have been presented to the Department by Network Rail on how we can make the most of the £2.9 billion that the Department and the Government have set aside for this important scheme. It represents one third of the entire enhancement budget across the entire railway network for the five-year period starting in 2019, and it is entirely right that the Government ensure that we get good value for money from it and deliver passenger benefits to the greatest extent that we possibly can.

The hon. Gentleman asked about GTR. A new chief executive is coming into post. I am due to speak to him later today. He has the vital task of ensuring that the new timetable that it is putting in place on 15 July stabilises services as rapidly as possible.

Heidi Allen (South Cambridgeshire) (Con): The Minister will know, because unfortunately for him I keep WhatsApping him every time my angry constituents tweet or email me, of the utterly unacceptable three-hour gaps that remain between trains at peak times in commuter villages. Four-carriage trains are turning up rather than 12-carriage trains; this is becoming an issue of safety, not just reliability. I understand that franchise removal could be the ultimate conclusion but, when he does his hard review, will he look at the commuter villages as well as the main hub stations in making that decision? Can he just give us a clue: what would the alternative be, are the risks worth it and will the service be better?

Joseph Johnson: As my hon. Friend knows, I am in contact with her on a regular basis about the situation affecting her constituents using stations such as Royston and St Neots—

Sir Oliver Heald (North East Hertfordshire) (Con): Royston is mine.

Joseph Johnson: Stations near my hon. Friend's constituency—Letchworth as well. Obviously, we see the pattern of services there as having been unacceptable in recent days and we have been pressing GTR to work tirelessly to ensure that it improves performance as rapidly as possible. As the Secretary of State has made clear, all options are on the table for the outcome of the review should it be found to have been negligent in any way in implementing this timetable.

Lucy Powell (Manchester Central) (Lab/Co-op): Coming off the back of all the turmoil that we have seen on Northern and elsewhere recently, is not this equivocation on the electrification of the Manchester-to-Leeds line just another really serious blow for people in the north, who now feel overwhelmingly, time and again, that they are getting a second-class service from this Government? Will the Minister please offer some political leadership on this issue and say, "This line and its electrification is of such strategic importance that we will make it happen come what may"?

Joseph Johnson: The Government are signalling their political commitment to the north of England by spending £13 billion on transport in the north in the years to 2020 and by allocating £2.9 billion to the trans-Pennine route upgrade alone. As I have already said, that represents a third of the entire rail enhancement budget for that five-year period. The trans-Pennine upgrade will be a phased project. It will be a rolling programme of enhancements, including major civil engineering projects and electrification.

Mr Gavin Shaker (Luton South) (Lab/Co-op): Customers on Govia Thameslink Railway have only 28 days to submit a claim under delay repay, yet this disruption has gone on for the last 44 days. The amount of time required to submit those claims is extensive. Will the Minister ensure that everyone who has had a valid claim since 20 May receives compensation?

Joseph Johnson: Yes, we are working very carefully with GTR and the rest of the industry to ensure that proper compensation is made available to everybody who has suffered on the most severely affected routes. We have already done so for passengers on Northern and other bits of the north of England. We will make an announcement about compensation for passengers on severely affected GTR routes, Thameslink and Great Northern shortly.

Martin Vickers (Cleethorpes) (Con): I attended an event last week at which many senior members of the railway industry were present. Clearly, it was well known that these problems would exist if the new timetable were introduced. What is the Minister doing to ensure that the industry advises him and his colleagues of any problems that may exist in the future?

Joseph Johnson: The Secretary of State has set up an independent review chaired by Professor Stephen Glaister, who is the chair of the Office of Rail and Road. He is looking at all the lessons that need to be learnt from the May timetable changes to ensure that we do not repeat the same mistakes in December 2018 and with subsequent timetable changes of that scale.

Tracy Brabin (Batley and Spen) (Lab/Co-op): My constituents are still experiencing delays, overcrowding and cancellations. In every meeting I have attended with TransPennine, Northern and the Secretary of State, I have been reassured that everything will be okay once we get electrification going. The Secretary of State is saying that we do not need to electrify all of every route, so will the Minister reassure the House now that, when electrification goes ahead, it will be the whole route and there will not be cherry-picking of what is most financially viable?

Joseph Johnson: The Department wants to get the best value for passengers and taxpayers out of the £2.9 billion that has been set aside for the trans-Pennine route upgrade. All Members of the House should be able to understand that objective. The Department is currently awaiting Network Rail's final project plan and we have instructed it to prioritise those elements that bring the quickest passenger benefits.

Sir Oliver Heald: My hon. Friend will be aware of the misery of the constant delays and cancellations on the line from North East Hertfordshire into London, and we are told that 15 July is the great hope. Can he say whether any programme is being put forward or any measures taken for an operator of last resort, in case the promises are broken again?

Joseph Johnson: My right hon. and learned Friend is right, and of course that is exactly what the Department is doing. We have a so-called hard review team in with GTR at the moment getting ready for exactly the eventuality that we need to put in the operator of last resort, should the review conclude that Network Rail has been negligent and does not have the managerial—*[Interruption.]* GTR, I beg your pardon, has been negligent and does not have the managerial strengths to deal with the challenges that that bit of the network faces.

Tom Brake (Carshalton and Wallington) (LD): The Minister is being far too measured in his response. He should stop pussyfooting about and put the boot in. He should sack Southern and GTR, boost compensation for passengers and hand over responsibility for rail services in London to Transport for London.

Joseph Johnson: The Secretary of State has been clear that he is leaving all options on the table should GTR be found to have been negligent. He is clear that the operator of last resort will be ready to step in, should that turn out to be the case, but of course the Department wants to follow all the correct processes in this matter.

Nick Herbert (Arundel and South Downs) (Con): We are now into week seven of this Thameslink timetable shambles, and there is no sign of the service getting better. Never mind electrification—frankly, trains were more reliable 100 years ago in the age of steam. Will the Minister confirm that the compensation package that he is to announce will be generous and that specifically, it will be funded by GTR, because its shareholders, not the taxpayer, should bear the pain for this appalling performance?

Joseph Johnson: I sympathise with my right hon. Friend's concerns. His constituents, including those who use Hassocks station, which we have discussed on a number of occasions, have endured an unacceptable

level of service, and he has been a strong champion for them. They will receive compensation and we will be setting out details of that compensation plan in coming days. It will be comparable, as the Secretary of State has indicated, with the compensation that was given to passengers on Southern about a year and a half ago.

Mike Kane (Wythenshawe and Sale East) (Lab): With trains cancelled and delayed and journey times between Leeds and Manchester airport in my constituency up by 12 minutes, how does the Minister think the northern rail project is going, especially given the news at the weekend that he is reneging on the commitment to electrify the line between those two cities?

Joseph Johnson: I have already addressed the issue of the trans-Pennine route upgrade. We await Network Rail's final project plan for how to make the best use of the £2.9 billion the Government have set aside for it. It is a significant investment, and it is entirely right that the Government seek to secure the best value for money, both for passengers and for taxpayers.

Maria Caulfield (Lewes) (Con): I get no sense of urgency from the Minister about the devastating impact this is having on my constituents. The timetable changes will see a reduction in services for passengers in Plumpton, Lewes, Seaford, Berwick, Polegate and Wivelsfield, and since the disaster of the timetable roll-out, we are constantly seeing short-formed trains—which are severely overcrowded, station-skipping in rural areas, where there is no other form of public transport, leaving vulnerable passengers, young people and people with a disability stranded—and late-night cancellations. It took three hours to travel 50 miles home last night, and three out of the first seven trains were cancelled this morning. This is unacceptable. The franchise must go.

Joseph Johnson: My hon. Friend speaks powerfully on behalf of her constituents, and has done consistently. We are looking at this as a matter of urgency. It is the Department's top priority to ensure that the unacceptable level of service comes to an end and that passengers get the standard of rail they have every right to expect. The Secretary of State has been absolutely clear that all options are available to him should GTR be found to have been negligent with respect to its contractual obligations.

Chris Bryant (Rhondda) (Lab): Seat bookings issued for carriages that do not actually exist; new 10-carriage trains where only five are available because passengers cannot walk from one end of the train to the other; trains cancelled because the companies do not have enough staff to run both parts of the train; endless cancellations; toilets that either do not work or where passengers get locked in, but where they do at least end up with a seat—this is complete and utter chaos. My constituents would dearly love to see the Government gripping this and making sure it gets sorted now, not in some distant future.

Joseph Johnson: The hon. Gentleman makes a powerful case on behalf of his constituents, and I understand his concerns on their behalf. We are improving the Great Western main line. There is a substantial investment programme, and, yes, there is considerable room for

[Joseph Johnson]

improvement, but it is good that more than 100 million rail journeys will improve next year as a result of the significant investment the Government are undertaking.

Chris Philp (Croydon South) (Con): GTR's performance has been abysmal not just for the past few weeks but for a number of years, with constituents unable to get home to see loved ones and some having even lost their jobs as a result of train lateness and cancellations. The timetable fiasco is simply the latest instalment in that record of failure. On Saturday morning, I tried to get from Coulsdon South to the centre of London and ended up having to drive because the trains were cancelled. This company is incompetent and the time has come for it to lose the franchise. I urge the Minister to act.

Joseph Johnson: That is the exactly why the Secretary of State has put in place the hard review. If GTR is found to have been negligent, he will have the full gamut of options available to him, including the removal of the franchise.

Daniel Zeichner (Cambridge) (Lab): I can catalogue similar misery endured by passengers from Cambridge, but the key question is: how did this happen? The conclusion I came to, listening to evidence to the Transport Committee, was that at the key time no one was in place to make the call. So let me ask: who is in charge of our railways?

Joseph Johnson: We have a lot to learn as an industry from what went wrong, which is why the Secretary of State has set up the Glaister review, an independent review chaired by the Office of Rail and Road. It is important that we learn all the lessons from what happened in the run-up to May to ensure that mistakes are not made again in December and May 2019.

Bob Stewart (Beckenham) (Con): The Government's strategy is to combine track and train. How does the Minister think this will improve the lot of passengers?

Joseph Johnson: My hon. Friend refers to the Secretary of State's strategic vision for rail, published last November, which seeks more integration between train operating companies and Network Rail to ensure less buck passing and less of the blame game in the future. A foretaste of how that will work can be seen in the new west coast partnership and the east coast partnership publications.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Campaign to Electrify Britain's Railway has calculated that the cost of electrifying the main line between Swansea and Cardiff at today's prices is only £150 million, which is considerably cheaper than the Department's estimation. Electrification has been rolled out across Europe, and indeed in Scotland, at a cost of about £1 million per mile, while High Speed 2 will cost more than £400 million. Will the Minister look again at the CEBR figures and finish the job of electrifying the main line all the way to the west of my country?

Joseph Johnson: Our focus in the Department is on securing the greatest passenger benefits in a tax-efficient and value-for-money way. It was found that electrifying

the route between Cardiff and Swansea would provide poor value for money and little by way of incremental time savings to passengers. It would not bring the significant journey time savings we would expect for such an expenditure and would result in significant disruption for passengers on the line.

Jeremy Quin (Horsham) (Con): I welcome the Minister's commitment on compensation to my right hon. Friend the Member for Arundel and South Downs (Nick Herbert), which will benefit our constituents. May I draw his attention to the problem of short-formed trains? Too often, fewer trains are coming into crowded platforms and they are short-formed, which forces passengers to pack themselves into trains that are far too small and in sweltering conditions. If GTR gets nothing else right, can it please sort that out in the coming weeks?

Joseph Johnson: Indeed, that is one element we will look at as we assess whether GTR has managed to stabilise services following the introduction of the new interim timetable on 15 July.

Joan Ryan (Enfield North) (Lab): People in Enfield who aspire to get on a train are running up and down the platform in the mornings, but the trains are full by the time they reach us, because of the delays and cancellations. Yesterday, almost half of all trains were either delayed or cancelled, and on 15 July we get our third timetable in two months. This cannot be acceptable. The Minister is a sight too relaxed for my liking about this matter. Does he realise that people in Enfield and further afield have completely lost faith in the Government's ability to manage the railways? And the Government do manage the railways!

Joseph Johnson: We are working urgently on improving GTR's performance. It has a new chief executive coming in as we speak whose task is clear with respect to the instructions he has received from the Department, which are to get performance back to where it should be as rapidly as possible.

Mohammad Yasin (Bedford) (Lab): Bedford rail users are facing misery, delays and cancellations almost every hour. It is complete chaos. It is clear that GTR has breached the terms of the franchise and that it should be taken back into public ownership. When will the Minister stop making excuses, get a reliable timetable in place and commit to reinstating east midlands peak services for Bedford?

Joseph Johnson: As I have said, GTR is introducing a new timetable on 15 July, and it will be held to account for the success of that new timetable. We want services to Bedford to improve as part of that.

Rachel Reeves (Leeds West) (Lab): Following the answers to my hon. Friends the Members for Batley and Spen (Tracy Brabin) and for Manchester Central (Lucy Powell), can the Minister confirm that it is no longer the Government's commitment to fully electrify the route between Manchester and Leeds, and will he tell us where the Secretary of State is today—has he missed his train?

Joseph Johnson: As I said, we await Network Rail's final options plan for how to make the best use of the £2.9 billion allocated to the trans-Pennine route upgrade. As all Members will understand, that is an important

part of how government makes use of taxpayer resources. We want it to deliver the best value for money. That will include major civil engineering projects and electrification.

Clive Efford (Eltham) (Lab): Govia is also responsible for Southeastern. As the Minister will know from just a glance at Twitter this morning, our constituents were telling us yet again that they were suffering delays. Why do the Government consistently put the shareholders of Govia above the interests of our constituents? It is time for both franchises to be taken away from Govia.

Joseph Johnson: I understand the hon. Gentleman's concern for passengers in his constituency. We want them to receive the services that they have every right to expect. As I have said, we are looking at GTR's performance with that franchise, and we will not hesitate to take the appropriate actions should they be necessary.

Chris Williamson (Derby North) (Lab): The Government gave my constituents a solemn pledge to electrify the midland main line, only to renege on their promises. The Minister's response to my hon. Friend the hon. Member for Middlesbrough (Andy McDonald) about the trans-Pennine route seemed to indicate that they will not proceed with the electrification of that route either. Does the Minister not realise that reneging on solemn pledges of this kind brings the political process into disrepute? Will he now say from the Dispatch Box that he will reverse those cuts in much-needed upgrades?

Joseph Johnson: Announcements relating to the hon. Gentleman's questions were made in July 2017. Passengers on the midland main line will benefit from a brand-new fleet of trains from 2022, but we have made clear since July last year that we do not need to electrify the whole route—every last mile of it—to deliver improved long-distance journeys, including more seats and faster journeys in peak hours. That will mean less disruption for passengers. We will, however, electrify the route from Bedford to the Market Harborough area and Corby, and, later, the route from Clay Cross to Sheffield to support HS2. We are also delivering upgrades along the route to improve journey times.

Peter Kyle (Hove) (Lab): Will the Glaister review panel be able to look into the functioning and involvement of the Minister's Department in the setting of the new timetable, the timetabling itself, the amount of influence that the Department had in signing off the timetable and the amount of time that it took to sign it off? Will the panel be able to look into his Department as well as the franchises?

Joseph Johnson: The answer is yes, and the terms of reference of the Glaister review, which are public, allow for that.

Diana Johnson (Kingston upon Hull North) (Lab): As we have been talking about the north, I want to ask a question about it. I believe that the Rail Minister is also the Minister for London; it is a shame that the Secretary of State, who has the whole country on his watch, is not here today. If it is true that the Department has not yet signed off the trans-Pennine money, why can we not transfer the power to decide what is best for the north from the Department to Transport for the North, which is what the One North campaign has been asking for?

Joseph Johnson: Transport for the North exists as a statutory body and has the ability to ensure that all transport investment decisions are informed by its transport strategy. We await with interest and excitement the publication of that strategy later in the year, so that northern transport authorities can prioritise appropriately what they see as the needs of passengers in the north.

Nick Smith (Blaenau Gwent) (Lab): The electrification work in the Severn tunnel have been a big failure. Rusting kit has led to the closure of the tunnel for three weeks and caused disruption to passengers, and it is very poor value for money. What is the financial cost of this electrification fault?

Joseph Johnson: Cost overruns on that project have been a feature over the course of its life. We are looking carefully into the issues that the hon. Gentleman has raised, and we will follow that up with him directly.

Kate Green (Stretford and Urmston) (Lab): Does the Minister understand the depth of anger and dismay in the north at the shadow that has now been cast over the full electrification of the trans-Pennine route? What assessment is he making of the impact on our economy and on future inward investment?

Joseph Johnson: The Government are making a massive investment in transport in the north of England, but Labour Members seem to be intent on downplaying its scale. It is worth reminding the House that £13 billion is being invested in northern transport in the years to 2020, and £2.9 billion is being invested in the trans-Pennine route upgrade alone. It is entirely right for the Government to seek the maximum value for both passengers and taxpayers when it comes to how that money is spent.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): It feels almost like groundhog day. Last night, again, it took me three hours to travel back to Brighton. What does the Transport Salaried Staffs Association, the union that represents staff—and I refer to my registered interest in that regard—say? It says that 95% of staff now face aggression from passengers whom they are unable to give any information, because the management does not give them any information, and 82% say that they have no trust in the management of the franchise any more. When will the Minister agree with passengers—and, now, with staff—and get rid of GTR?

Joseph Johnson: Obviously, no staff in GTR or any other train operating company should accept, or should expect to suffer, abuse of any sort from passengers in these circumstances. As the hon. Gentleman knows, a hard review of GTR's performance is now under way, and all options will be on the table following that review.

Stephen Lloyd (Eastbourne) (LD): Since the timetable changes, travelling on Southern from Eastbourne and Hampden Park has been horrific for my constituents. I was told this morning that a journey that should have taken an hour and a half had taken three and a half hours. The Minister has talked about substantial additional compensation for people travelling on Northern. May I urge him also to make a commitment to those long-standing passengers on Southern?

Joseph Johnson: The Government are committed to compensating passengers on the routes that have been most severely disrupted since the timetable change. We have already arranged compensation for passengers on Northern and other parts of the network in the north of England, and we will shortly announce details of schemes for passengers on the most disrupted parts of the GTR network. Southern's performance, while not perfect, has not been as severely disruptive as those of the other two operators.

Colin Clark (Gordon) (Con): On a point of order, Mr Speaker.

Mr Speaker: I will, exceptionally, take the point of order now, because I believe that it appertains to earlier exchanges during Question Time. Let us hear from the hon. Gentleman.

Colin Clark: Thank you very much, Mr Speaker.

In my question to the Financial Secretary to the Treasury, I mentioned EU payments to farmers. I should like to set the record straight and declare an interest, in that I am a recipient of the EU single farm payment. My farming interest is recorded in the Register of Members' Financial Interests.

Mr Speaker: I am most grateful to the hon. Gentleman for putting that fact on the record.

LGBT Action Plan

1.17 pm

Dawn Butler (Brent Central) (Lab) (*Urgent Question*): To ask the Minister for Women and Equalities if she will make a statement on the Government's LGBT action plan.

The Minister for Women and Equalities (Penny Mordaunt): In July last year the Government launched a national survey asking lesbian, gay, bisexual and transgender people about their experiences of living in the UK. I pay tribute to my right hon. Friend the Member for Putney (Justine Greening) for beginning that process. I am pleased that the Government are today publishing the findings of the survey, alongside an LGBT action plan that sets out their policy in response to those results.

The survey received more than 108,000 responses, which makes it the largest national survey of LGBT people conducted in the world to date. Responses covered a range of issues, including safety, health, education, and the experience of being LGBT in the UK. The findings will serve as crucial additional evidence on which we can build. While there are many positives to take from the findings, they also show that there is much more to do before we achieve equality for LGBT people in the UK. For me, one of the saddest statistics was that two thirds of respondents felt unable to hold their partner's hand in public.

The LGBT action plan consists of 75 actions that the Government will take to address the survey's findings. They include the appointment of a national LGBT health adviser in the NHS to tackle the health inequalities that LGBT people face, the extension of our existing anti-homophobic, biphobic and transphobic bullying programme, and a commitment to end the practice of conversion therapy in the UK.

I want this plan to be delivered by the end of this Parliament, and funding beyond 2019-20 will be agreed through the spending review process. The documents the Government are publishing today represent a significant milestone in the Government's commitment to building a country that works for everyone irrespective of their sexual orientation or gender identity.

Dawn Butler: I thank the Minister for her answer to the urgent question. The Government's action plan is a welcome first step. Although I would like to have seen more action, the action that it does contain is welcome. It is built on the foundations of the Labour party manifesto—I am grateful for that. I am more than happy for the Government to appropriate Labour's ideas and policies because the more we can work cross-party, the better legislation will be. The Government would get a quick win on legislation if they were to implement Lord Cashman's amendment to the Policing and Crime Act 2017.

I want the Government to be successful in this and to move the LGBT+ agenda forward. The "+" is important as many groups are not included and the "+" symbolises the fact that they are included when we talk about the subject, especially in this place. Paragraph three of the executive summary refers to the "bold action" that this Government are taking "both at home and abroad."

The lack of action on the consultation on the Gender Recognition Act 2004 created a hostile environment for trans people, so I hope that the Minister will say something that will move that forward.

We would also like to know the Government's plans as chair of the Commonwealth. The Government now have a global platform from which to promote LGBT rights both here and abroad. Bold actions also require a stable Government and a stable Government Equalities Office. Since 2010 the current GEO has moved offices on at least four occasions and has had six different Ministers, and, shockingly, the Department's funding has been almost halved. This type of upheaval is not conducive to a stable way of working for the equalities agenda.

Like the Government, Labour want to create an environment across the globe where people can be their true authentic selves at work, at home and publicly, and where they are not discriminated against because of who they are, who they love or how they look. I look forward to the Pride marches on Saturday and Sunday. I hope to see the Minister and her team there, and I look forward to challenging them with a #FlosswithPride dance-off.

Penny Mordaunt: I welcome the hon. Lady's welcome of the action plan. We want to do this well and implement the action plan well at local level as well as national level, and I hope all Members on both sides of the House will help us to do that. We also want to send a clear message that this is what we want for the UK, that we need to stamp out homophobia and bigotry wherever it exists, and that we want everyone in society to be able to love who they love and be able to hold hands in public. We need that culture shift; that still needs to happen. We have come a long way but there is still much more to do. So I thank the hon. Lady for her comments.

The hon. Lady mentioned other groups covered by the "+". They are addressed in the action plan; there are actions that will support them too, but more specifically we will also be making funding available to those groups because they need to be included in the work that is going on at national and local level. So funding will be available to groups specifically looking at those individuals. We are also setting up a new national panel that will have representatives from those groups in it, so they will be able to feed into future policy. That will be very helpful.

The hon. Lady mentioned the Gender Recognition Act consultation. We are launching that today—this afternoon. It will be launched by the Prime Minister and a written statement will be tabled to coincide with that launch. This is an incredibly important piece of work and it must be conducted as a national conversation as well as a consultation, and it must be conducted in a framework of empathy, focusing on facts, not myths, and being very practical. I hope that my speech today and the Prime Minister's words this afternoon set that tone.

The hon. Lady mentioned our international work. There are some commitments in the action plan specifically to promote LGBT+ rights in the rest of the world. The Prime Minister took a lead on this at her key address at the Commonwealth Heads of Government summit. She spoke at length about the need to promote LGBT rights across the Commonwealth. In addition to my work at the GEO, with my other hat on as International Development Secretary, we are doing a lot of work to support civil society and talk to national Governments about their policies and procedures.

The hon. Lady mentioned funding. I must apologise to her about the confusion as there is a smorgasbord of Departments that report on the GEO's budget, but our budget has actually gone up: with the programme budget it is close to £15 million. At my appearance at the Select Committee I confirmed that I would clarify those numbers; our funding has gone up.

It is London Pride this weekend and I will be there. Over the summer there will be many other Pride events going on around the country. I feel that as the hon. Lady has thrown down the gauntlet on the dance-off, I will see her there.

Several hon. Members *rose*—

Mr Speaker: Order. I am pleased to advise the House that the rainbow flag will fly above No. 1 Parliament Street and Portcullis House throughout the weekend, and I can also tell the House with some pride that ParliOUT, the workplace equality network based here, will be taking part in the Pride parade.

Justine Greening (Putney) (Con): It is perfect timing to launch the action plan and survey results in advance of London Pride this weekend. It shows that while this country has come a very long way—I am very proud of the fact that it was our Government who brought forward legislation on same-sex marriage—there is still a very long way to go. My right hon. Friend mentioned one of the most shocking statistics, but another is that 70% of respondents still felt that they could not be open about their sexuality or relationship because they were worried about a negative reaction. I know how that feels as I have been part of that 70% in the past, so may I simply welcome my right hon. Friend's action plan and say that this matters because people can only be at their best when they can be themselves?

Penny Mordaunt: I thank my right hon. Friend for her comments and for giving us the opportunity to do this. It is our action plan, and I mean that for every Member of this House. There are some good policies in there that, if implemented, as I hope they all will be by the end of this Parliament, will transform the lives of LGBT people. It is not just about the culture; it is also about the practical access to services that meet their needs. It is an important piece of work and my right hon. Friend should be very proud of her role in it.

Hannah Bardell (Livingston) (SNP): I, too, welcome the plan and the various aspects of it, particularly the health adviser and the plans to ban gay conversion therapy. I also welcome Vicky Beeching's book, which I assume has advised much of this; she has spoken very openly and very bravely and was a great support to me personally before I came out.

On the plans for education, the right hon. Lady will know that a lot of this has been done in Scotland already. I put on record our thanks to the Time for Inclusive Education campaign, which I hope the right hon. Lady will also welcome as it has its third anniversary. She has shown a willingness to work with the Scottish Government, and we are proud that Scotland is one of the most inclusive and progressive countries in LGBT+ rights in the world, but will she talk about the plans to work with Scotland and the other devolved nations,

[*Hannah Bardell*]

because equality is important for all countries in the UK? Will she meet me to discuss this, and, as we approach many Pride celebrations across the UK, will she agree that they are vital and that it is fantastic to see such huge celebrations?

However, there are still many corners of the UK, as this survey suggests, where LGBT+ people cannot be open. There are now Pride celebrations—such as mine in West Lothian, which is now in its fourth year—in small communities. Will the right hon. Lady look at creating a map of LGBT+ progressiveness across the UK, and address what support can be given to those small and rural communities where LGBT+ issues are still very much at the fore?

Penny Mordaunt: I also pay tribute to the individual and the organisation that the hon. Lady referred to. She is absolutely right. In my remarks this morning at the launch of the action plan, I spoke about equality in all four nations of the United Kingdom. Clearly, some of the services that we are talking about, such as healthcare, are devolved, and rightly so. The Secretary of State for Scotland was present at the launch with me, and one of the strengths of having a four-nation healthcare system is that we learn from each other and share good ideas while providing the service that is best tailored for people in their particular locality. And of course I am always happy to meet the hon. Lady.

Mrs Maria Miller (Basingstoke) (Con): I thank the Minister for informing me of her intention to publish the plan today, and for the consultation on the Gender Recognition Act 2004. I join her in paying tribute to my right hon. Friend the Member for Putney (Justine Greening), who did so much to commission the research relating to the launch today and who has put these building blocks in place. The Women and Equalities Committee looks forward to working with the Minister to ensure that these plans really do address the issues that LGBT people face in the UK, and to receiving the annual reports that she has described. Education has a pivotal role to play in dealing with the cultural issues and the cultural change that we need to see if we are to deliver her plan. Will she update the House on the progress that the Government have made on delivering statutory sex and relationships education, which is now in law? She also talked about the Prime Minister's plan to launch the Gender Recognition Act consultation this afternoon. Will she say a bit more about how she intends to deal with the unacceptable anti-trans hostility that has filled the vacuum of policy, which, I have to say, has come about over the past two years as a result of a great deal of change in the people holding her role?

Penny Mordaunt: I thank my right hon. Friend for her comments. I also thank her in her role as the Chair of the Select Committee for the work that the Committee has done on a range of issues to help to move this forward. It is absolutely right that the starting point for all this needs to be in our schools. We have made commitments to relationships education at primary school level and to sex and relationships education at secondary school level. The work in the action plan will be funded by the Government Equalities Office, and we are in discussions regarding the spending review in relation to

future work, but the Departments responsible for these commitments are committed to them. We will be able to be held to account for that, and I am sure that her Committee will do that as well.

My right hon. Friend also made a point about the bigotry and abuse that has been directed towards the trans community. It is vital, with the launch of the Gender Recognition Act consultation, that we put some of the myths to bed, because there has been a huge amount of misinformation. I believe that once people understand our proposals and the conversation we are having about how we can best support individuals and enable the process to best support them, how we can educate services and communities to best support them and how we can reassure others, we will then have a sensible, quality consultation and national conversation. Where we see bigotry—and some of the practices that have been taking place on social media and elsewhere—we must all call it out for what it is.

Ms Angela Eagle (Wallasey) (Lab): Does the Minister agree that, while we have made great progress in ensuring that rights are equal in law, we have a lot more to do to ensure that they are equal in practice? Does she also agree that we are now experiencing something of a backlash, of which the LGBT community—and particularly the trans community—are at the forefront? Will she say a bit more about how she and her Department plan to tackle this? As she said, if LGBT+ people are still frightened of holding hands in public because of the likely reaction, we still have a lot of work to do.

Penny Mordaunt: The hon. Lady is absolutely right. Ultimately, what will enable someone to hold their partner's hand as they walk down the street is not a piece of legislation but a culture change in this nation. As I have said before, back in the 1980s—before many of us were in politics—we saw the homophobia that gay men, for example, faced at the time. I am sure we all agree that if we had been in politics at that time, we would have called that out and stood up for those individuals. That same scenario is happening now to the trans community, and we must show our absolute unwavering solidarity with those individuals. As I said in my speech this morning, trans women are women and trans men are men. That is the starting point for the GRA consultation, and it will be its finishing point too. We need to send out a strong message on that front, and I thank the hon. Lady for affording me the opportunity to do so.

Nick Herbert (Arundel and South Downs) (Con): I congratulate my right hon. Friend on what she has just said about trans issues and on the action plan, which is welcome and comprehensive. I particularly congratulate her on the measures to ensure that Government support will be given through our diplomatic missions and through the Department for International Development to LGBT organisations on the ground worldwide. Will she say more about the Government's bid for the chairmanship of the Equal Rights Coalition, which is mentioned in the action plan? That would be very welcome, as it would be a statement of the UK's strong support for LGBT rights globally.

Penny Mordaunt: I thank my right hon. Friend for that suggestion. I am in complete agreement with him. In my time in this place, I have seen the effect of

whichever party has been in government advancing the rights of LGBT people on other nations around the world. We now have a huge opportunity with our chairing of the Commonwealth, and there are many other opportunities coming up. I agree with him wholeheartedly on this.

Mr Ben Bradshaw (Exeter) (Lab): We have come a long way since my Conservative opponent in 1997 described me as a sterile, disease-ridden homosexual who would put my constituents' children at risk. I warmly welcome the right hon. Lady's announcements today. I thank her for the announcement on gay conversion therapy, and I ask her to thank the public health Minister, the Under-Secretary of State for Health and Social Care, the hon. Member for Winchester (Steve Brine), and the Second Church Estates Commissioner, the right hon. Member for Meriden (Dame Caroline Spelman) for the roles that they have played in helping to deliver this. On trans rights, though, will she talk to her Health colleagues about the horrendous waiting times, particularly for young people who are waiting to see a specialist and to have the counselling necessary to undergo eventual gender reassignment? They are waiting far too long at a time of great vulnerability, and many are at suicide risk. This is a critical period in their lives, and the waiting times are currently completely unacceptable.

Penny Mordaunt: I would like to add my thanks to the Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Winchester, and to others who have helped to get us where we are today. I made some detailed remarks about waiting times this morning, and about other issues relating to gender identity clinics. The Care Quality Commission is going to start inspecting those clinics, and there are many other things in the action plan that will help. The survey has given us a good understanding of the inadequacies of some services, and a good base for where we need to get to. We are determined to improve the situation.

Crispin Blunt (Reigate) (Con): Some of us have come quite a long way since 1997, and that also applies to the position of my party, of which I am now inordinately proud because of the 75 recommendations in the action plan and because of the way in which the survey has thrown up the prevalence of the trans issue. The number of trans people who took part in the survey clearly makes it entirely appropriate for us to make this issue a priority. Mr Speaker, I know that as president of the Kaleidoscope Trust you will be delighted with the balance of resources going into the Commonwealth and internationally from my right hon. Friend's Department to enable our missions to directly support the groups and the very brave people who are fighting for the changes in their society that have been achieved over the past five or six decades here.

Mr Speaker: The hon. Gentleman understands me well, and I thank him for that gratuitous reference.

Penny Mordaunt: My hon. Friend makes some good points. At the recent Commonwealth Heads of Government meeting, I had the privilege of sitting down with activists from nations where citizens do not enjoy the same rights as our citizens. They are incredibly brave and must be supported, and I am conscious, in both my

Government roles, that we have a duty to do that. If we want change, civil society in those countries must be kept strong.

Chris Bryant (Rhondda) (Lab): I have married an awful lot of people in my time—[*Laughter.*] To one another. I have also entered a civil partnership myself. Indeed, it happened in your house, Mr Speaker. I therefore know how important a marriage or civil partnership is to the self-validation and self-respect that couples have in society. Will the Minister see off anybody who starts campaigning for the abolition of civil partnerships and instead extend them to heterosexual couples, so that everybody is treated equally under the law?

In addition, if the Bermudian Government appeal to the Privy Council to overturn the Bermudian Supreme Court's decision to re-allow same-sex marriage in Bermuda, will the Minister also ensure that the Privy Council will say, "Get lost"?

Finally, will the Minister ensure that we have same-sex marriage in Northern Ireland, or at least a free vote in this House on the matter?

Penny Mordaunt: I thank the hon. Gentleman for his several questions. I am aware that I have a number of issues in my in-tray as Equalities Minister, civil partnerships and equal marriage in Northern Ireland being just two of them. We have private Members' Bills before the House, and we must resolve the issues and I will examine what I can do to support that.

On civil partnerships, the hon. Gentleman may be interested to know that I have brought forward the opinion research commissioned by the Government Equalities Office that was to report in autumn next year to autumn this year—the end of the summer. We want to make good progress on all such issues.

As for Bermuda, I will ask the Foreign Office to write to the hon. Gentleman.

James Duddridge (Rochford and Southend East) (Con): I suspect that I may get the same answer, but may I urge the Minister to be less diplomatic and have a chat to the Foreign Secretary to see whether we can insist on every high commission and embassy flying the rainbow flag, particularly in countries where homosexuality is illegal?

Penny Mordaunt: The message that that would send is hugely important, and I know that it is the message that all those missions and offices wish to send. However, we do have to leave it to the judgment of the people working in those countries, because I know from my experiences in the Department for International Development that we must bear in mind the safety of the people doing such work. I hope that as many buildings as possible will be flying the rainbow flag in the coming days and weeks.

Christine Jardine (Edinburgh West) (LD): I welcome not just the fact of the action plan, but the sentiment behind it and the Minister's obvious commitment to the culture change that we all recognise is necessary. Home Office statistics from 2017 show that 70% of claims for asylum on the basis of sexuality were rejected, so will the Minister use her influence in Government to press

[Christine Jardine]

for a change to end the deportation of asylum seekers to countries where they could face torture or even death due to their sexuality?

Penny Mordaunt: Contrary to some media reports, there are some specific actions in the action plan relating to asylum seekers. We want to ensure that the process of making an application and going through the system is tailored to LGBT people, whether or not that is the basis of their claim. We will want to work closely with the Home Office and with others involved in the process to ensure that they are delivering for LGBT people.

Iain Stewart (Milton Keynes South) (Con): The survey that my right hon. Friend the Member for Putney (Justine Greening) initiated has clearly proven to be a thorough and accurate review of the concerns of the LGBT+ community. May I suggest that the Minister commits to repeating the survey after an appropriate period to measure what will hopefully be progress in the identified areas of concern?

May I also take this opportunity, Mr Speaker, to thank you for your leadership on this issue, in particular for your kindness in making facilities available in this place to the many charities, big and small, that do so much in this country to support LGBT people?

Penny Mordaunt: I thank my hon. Friend for his question, and I also thank Mr Speaker for all that he does not only on this matter, but on many other equalities issues. My hon. Friend is right that, as well as enabling us to examine where public services and other things are failing LGBT people and to bring forward an action plan, the survey has given us a baseline to track what I hope will be considerable and swift progress.

Joanna Cherry (Edinburgh South West) (SNP): I welcome the Minister's answer to the urgent question and the launch of this action plan, and I recognise how far we have come in recent years. I also appreciate the Minister's commitment to work with the Scottish Government, who have a good record on equality law. Will she consider the full devolution of equality law to Scotland so that the Scottish Government can get on with things in their own time? It is worth bearing in mind that the Scottish Government repealed section 28 several years before this Parliament.

Penny Mordaunt: I am a practical person, so I want to concentrate on the points in the action plan and on the other things that I can do to improve the lives of LGBT+ across the UK. As for other matters regarding other nations of the UK, Westminster has expressed a view that if devolved issues are not acted on, Westminster will act. I just want to point that out.

Sir Desmond Swayne (New Forest West) (Con): Civil partnerships were introduced to accommodate those couples who were discriminated against by being unable to marry, so the Minister should add to her list of actions the abolition of that institution of discrimination, should she not?

Chris Bryant: No!

Penny Mordaunt: My right hon. Friend is highly consistent in his campaign. We have clearly had a ruling that we need to act on this inequality, but not specifying—
[*Interruption.*]

Mr Speaker: Order. The right hon. Member for New Forest West (Sir Desmond Swayne) should remain in his place.

Sir Desmond Swayne: I was coming for the hon. Member for Rhondda (Chris Bryant).

Mr Speaker: That sounds like a threat! The right hon. Gentleman should not be beetling along the Bench when the Minister is answering. He is normally a most courteous fellow, but I think he has got carried away. I know that he will now listen with respectful attention and in all solemnity to the Minister.

Penny Mordaunt: If my right hon. Friend has a moment—[*Laughter.*] I will tell him that there are many reasons why people value civil partnerships; it was not just about the absence of the option of marriage. Some people do not want to get married, but they want to have a partnership with their partner. Other people who have been married and then bereaved may not want to remarry, but they may want to establish a civil partnership. People value civil partnerships for many reasons. I know that my right hon. Friend is very exercised about this matter, but I can reassure him that civil partnerships will not be compulsory.

Dan Carden (Liverpool, Walton) (Lab): I congratulate the right hon. Member for Putney (Justine Greening) on her initiative—it is a credit to her that her initiative has engaged with 108,000 people from the LGBT+ community—and I thank the Minister for the action plan.

I was shocked when, last year, a church in north Liverpool was exposed by former *Liverpool Echo* journalist Josh Parry as giving gay cure therapies, which are some of the most disturbing practices that could be imagined. I have raised such gay cure therapies with Ministers in the House. There had been some contradiction on those therapies before the report, and I hope the Minister will clear up some of those contradictions. The Home Office was initially dismissive, and the Department of Health and Social Care said no action would be taken. Will she clear up the contradictory advice that came from the Government before the report was published?

Furthermore, the report says:

“We are not trying to prevent LGBT people from seeking legitimate...support from their faith leader”.

I push the Minister to give a commitment today that she will not leave LGBT people in faith communities behind when this action plan is implemented.

Penny Mordaunt: I am happy to give the hon. Gentleman those reassurances. We are going to ban these abhorrent practices—with the most severe form involving corrective rape, some of these so-called therapies are appalling abuse—and we will consult on the best way to do that. It may involve legislation, but there will be other things we can do, too. We clearly need to work closely with healthcare.

Obviously, we do not want to close down completely legitimate and needed psychological support and other therapies that people might want to access as they explore their gender identity or their sexual orientation. Those are important supports for individuals, but wherever those other practices are found, including in religious settings, we will have no qualms about tackling them.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): There is a lot to welcome in this action plan. I am alarmed by the statistic that two in three respondents feel they cannot hold their partner's hand but, of course, 100% of people in same-sex relationships in Northern Ireland cannot get married. I welcome the funding and support for Commonwealth nations, but what practical support can the Minister offer people in Northern Ireland to make sure rights are advanced there, too?

Penny Mordaunt: I understand the hon. Gentleman's point, which he makes very strongly. As I said, there is a private Member's Bill option. That and other matters relating to Northern Ireland are receiving a great deal of my attention.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I welcome today's announcement, which is a huge step forward. What support and practical help can this action plan deliver in the regions, especially to help trans communities like Not Alone, which works so hard in Plymouth for trans and non-binary people who sometimes feel they have been left out on a limb and are not getting the support they need? Can the Minister advise on what support can be pushed into the regions so that the focus is not just on big cities?

Penny Mordaunt: There are many things we can do. Clearly a lot of the services we are looking to reform are devolved, but the £4.5 million that my Department is making available is precisely for such groups. We will shortly be announcing how groups can apply for that funding, but it is vital that those groups are empowered at a local level to shape local services and ensure people get the support they need.

Caroline Flint (Don Valley) (Lab): I very much welcome today's action plan, and I look forward to reading the documentation on the reforms to the Gender Recognition Act 2004. The truth is that equality is never a job done; it is something for which we always have to strive. We would not be here today if there had not been marked progress in this area between 1997 and 2010.

In creating a debate on the Gender Recognition Act, which I agree has to happen—there is a lot in the Select Committee's report that needs to be attended to—it must be recognised that we do not want a situation in which, in the protection of services, there is competition between the rights of the trans community and the rights for which women have fought so hard for many years. There is a way through this if people on all sides can debate it in an informed and discursive way that does not shut down conversations.

There has been abuse against the trans community, but there has also been a lot of abuse and insults against anyone who raises concerns about some of the implications. Some of it may need to be discussed, but people are genuinely worried about some of these things, and this

debate should allow us to put it to bed and to make sure that we come out of it with something that is better for everybody.

Penny Mordaunt: The right hon. Lady puts it very well. The questions raised by women's groups, for example, are completely legitimate. Sometimes people forget what we require of people who are changing their gender identity. We require them to live in their new gender for two years prior to changing their gender, so we are not catering for something new. The nation needs to have a calm, grown-up conversation, and this consultation affords us the chance to have it.

We want a good outcome. We want a less bureaucratic and more supportive process for those who are changing their gender identity, and we want those other people to be reassured. Both those sets of people have legitimate desires, and we need to come up with answers so that we have clarity on this issue and so that people can be assured of what is expected, of what is right and of how to treat people when they try to access services, and so forth.

That is how we need to conduct this debate, and I am confident that, having dispelled some of the myths, we will be able to have that debate and come up with a good outcome that suits everyone.

Chris Elmore (Ogmore) (Lab): The Minister's announcement today on the banning of so-called gay conversion therapies is obviously enormously welcome. As part of the process, as she looks to legislation or other processes with the Home Office, will she also try to ensure that such disgusting treatments do not go underground? Will she ensure that people are not able to access them in other countries? What representations is she making not just to Commonwealth countries but to countries across the world that these conversions are not needed, that they do not work and that there is no need for a cure for being gay?

Penny Mordaunt: I thank the hon. Gentleman for that question. One of the additional benefits of this action plan is that it will be a catalyst for other nations to follow suit, as has happened with other groundbreaking LGBT legislation passed by this House over many years. I hope that will be the case, and clearly the more we can shine a spotlight on these practices, the more we can educate people who might be vulnerable to going through such appalling practices and the better and more resilient people will be.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Like others, I welcome the action plan. The weekend before last I was delighted to see that the British mission in New York had a float at Pride, and I am pleased to have taken part in Pride with the British mission over a number of years.

The survey says that 40% of LGBT+ people have experienced hate crime and that nine in 10 did not report those serious crimes. In Brighton and Hove we have an LGBT safety forum that, as a first stop, does much of the important work of reporting, particularly for trans people. This and other forums across the country have never received statutory funding, which is an absolute disgrace. How does this action plan look to support such community groups, which are often the

[Lloyd Russell-Moyle]

first line of defence against violence and are often the ones dealing with the mess and picking up the pieces left behind?

Penny Mordaunt: The hon. Gentleman makes a very good point. I have mentioned the funding that we will make available to support those groups and forums, and we are putting in place the national panel, which will help Whitehall in its policy generation. As well as that practical support, the action plan gives us a good platform as we go into the spending review to really look at what good practice is out there and what we might need to do in future Budgets.

Mr Speaker: I am extremely grateful to the Minister and to all colleagues who have taken part in this set of exchanges.

Mr Gregory Campbell (East Londonderry) (DUP): On a point of order, Mr Speaker. In answering a question from the hon. Member for Rhondda (Chris Bryant), the Minister for Women and Equalities indicated that same-sex marriage is in her “in-tray.” The normal understanding of a Minister’s in-tray would be that action is about to follow. Given that both the Prime Minister and the Secretary of State for Northern Ireland have repeatedly said that the issue is a matter for devolution to decide, I hope that at some very early stage, if not now, the Minister for Women and Equalities will return to the Dispatch Box to reconcile that oversight.

Mr Speaker: The Minister is indicating a desire to say something now, and I think the House is all agog.

Penny Mordaunt Thank you, Mr Speaker. I am happy to clarify the position for the hon. Gentleman. The issue he refers to is in my in-tray. A huge number of letters are written to me every week on it, so that qualifies it as an issue in my tray. I am not bringing forward any legislation on this matter. On this and other issues that are for Northern Ireland and its people to decide, I have stood at this Dispatch Box and urged Members and Members of the Legislative Assembly to come together to represent the people who want answers to these questions. I also remind him that on equal marriage and on other matters there are private Members’ Bills in this place and the other place to address those concerns. If he wants, as I do, Northern Ireland to resolve these matters one way or the other, we must do everything we can to ensure that those political representatives are able to do that. This House has said that it wishes to resolve this issue and many others if Northern Ireland does not—that is the position. He has my assurance that I will not be bringing forward any measures to address this. The Northern Ireland Office is clearly leading on it, but these matters are in my in-tray because I have to respond to people in Northern Ireland who want action and want to be listened to.

Counter-Daesh Update

2.1 pm

The Secretary of State for Defence (Gavin Williamson): When my right hon. Friend the Secretary of State for International Development updated the House earlier this year, she was able to confirm that Daesh has lost control of almost all the territory it once held in Iraq and Syria. Today, I can tell the House that it is now confined to small pockets on the Iraq-Syria border, where it faces daily attacks from coalition forces on the ground and in the air, including from our own Royal Air Force. In Syria, the Syrian Democratic Forces, supported by coalition air power, are continuing their campaign. This involves the clearance of desert areas, securing the Syria-Iraq border and rooting out the remaining several hundred terrorists who are in outposts in the Euphrates valley and surrounding areas. [Interruption.]

Mr Speaker: What a very rum business that is.

Gavin Williamson: It was an intervention, but I do apologise for it. It is rare that one is heckled by one’s own mobile phone, but on this occasion we have a new parliamentary convention, without a doubt. If I may, Mr Speaker, I will proceed, without the help and support of Siri.

There remains work to be done, but that should not stop us from acknowledging the huge achievements of the past year. With the liberation of its people from Daesh, a new chapter in Iraq’s proud history has opened, and we should be proud of the role that the United Kingdom has played. We have provided close air support to Iraqi forces, as part of the coalition, launching 1,370 air strikes since 2014. We have trained 75,000 Iraqi security personnel, including the Peshmerga, and, for the first time, our cyber-operations have played a significant role in destroying Daesh’s online capabilities. In addition, we have given more than £237 million in humanitarian support and more than £30 million in stabilisation funding to assist in Iraq’s recovery from Daesh. But having visited Iraq at the beginning of the year and seen the extraordinary efforts of our armed forces, I know they have also done something more: given a proud nation hope of getting back on its feet. The elections in Iraq on 12 May were a major milestone in Iraq’s recovery on the road to reconciliation and peace and in bringing the nation together.

The final results are yet to be announced, but we look forward to working with the new Government once they are formed. Although the election was largely peaceful, there have been concerns about alleged electoral problems, and the Iraqi state must ensure that a thorough and transparent investigation is carried out into all such incidents. But as the Iraqis look to rebuild their country, the international community can do much to set the conditions for a more peaceful Iraq. Earlier this year, Kuwait hosted the reconstruction conference, which raised \$30 billion in pledges to help Iraq. Now global partners must deliver on their commitments.

The UK is determined to play its part, so last December, the Prime Minister and Iraqi Prime Minister Abadi announced that our security co-operation would be enduring. We are offering support in a range of areas, whether through the coalition, through the central Iraqi

national security institutions, or through partnership and investment to transform the Iraqi military. Back in January, I signed a statement of intent with the Iraqi Defence Minister that will see us countering the forces that continue to wish to destabilise Iraq and building on our co-operation to counter terrorism. But stabilising Iraq will require a good deal more than rooting out the remnants of Daesh. It will be about reconstructing Mosul and other affected areas, about revitalising Iraq's economy and reconciling communities, and about supporting people as they get their lives back on track. Of course, those are things that only Iraqis can do and lead on, but we stand ready to help whenever they ask.

From Iraq, I now turn to Syria. Tragically, the conflict in Syria is entering its eighth year, but with our military playing a role second only to the United States, Daesh's defeat is now at hand. We are doing all that we can to alleviate the unimaginable suffering experienced by the Syrian people. We are doing all we can to ensure that they understand that the British people stand side by side with them. We have committed £2.71 billion of aid—our largest ever response to a single humanitarian crisis. Since 2012, across Syria and the region, we have provided more than 27 million food rations, more than 12 million medical consultations, more than 10 million relief packages and more than 10 million vaccinations. Following the liberation of Raqqa, we have provided an additional £10 million to north-eastern Syria to support de-mining and to help to meet the needs of displaced people with water, shelter and cooking equipment. We have also helped to re-stock health facilities with medicines and equipment.

However, as long as the old grievances that gave rise to Daesh are allowed to fester, this long-running conflict will remain unresolved. Ultimately, the only solution is a lasting political settlement and the end of the suffering of the Syrian people. The UN-led Geneva process, which is mandated by UN Security Council resolution 2254, remains the best forum for a political solution to this conflict. That is why the UN efforts have our full and continuing support.

Thanks to the courage of our forces and our partners on the ground, Daesh's final territorial defeat is now at hand, but the battle against the poison of Daesh is not quite over. Instead, we are entering a new phase, as the terrorists change their approach, disperse and prepare for a potential insurgency. In Iraq, Daesh cells exist in Mosul, Hawija, Diyala, Anbar and Baghdad, from where they will attempt to grow once more, sowing the seeds of instability and undermining faith in the country's Government's ability to deliver security.

More widely, Daesh remains the most significant terrorist threat to the United Kingdom because of its ability to inspire, direct and enable attacks on our interests. That is why we continue to work through the global coalition to eliminate the danger that Daesh poses, and it is why the British people can rest assured that the Government will continue to do everything in our power to protect them by dealing with the threat at source in Iraq and Syria. We can keep that threat away from our shores by making sure that we are involved in counter-insurgency work with the Iraqi Government and with our allies in Syria.

Let us not forget that we have made enormous advances since the dark days when Daesh was close to the gates of Baghdad. Today, its black flags lie in tatters. As long

as we maintain the same resolve, the same determination and the same unity with our partners, we can be confident that Daesh's days are numbered.

2.10 pm

Nia Griffith (Llanelli) (Lab): I thank the Secretary of State for his statement and for advance sight of it.

The Opposition welcome the extraordinary progress that has been made in the campaign against Daesh. This evil organisation and its poisonous ideology must be defeated wherever they emerge. We pay tribute to our UK servicemen and women, whose courage and commitment is hastening the demise of Daesh, and we pay tribute to our allies and partners on the ground, who have sustained such heavy losses while liberating their peoples from the scourge of this terrorist group.

Following the success of the operation to liberate Mosul and much of Anbar province, the Iraqi Government are now focused on securing the border with Syria to ensure that fighters cannot return. Will the Secretary of State outline in greater detail the support that the UK is providing to that effort?

The campaign against Daesh has inevitably caused very substantial damage to infrastructure in Iraq and Syria. Homes, schools and hospitals have been destroyed, as has much of the fabric of governance. The World Bank has estimated that the overall cost of reconstruction and recovery in Iraq alone is more than \$88 billion. Will the Secretary of State say more about the UK's role in not only the reconstruction but the stabilisation of the areas affected?

Daesh fighters have carried out crimes of unspeakable barbarity. Many have been captured and are now in the custody of the Iraqi Government and other authorities in the region. Will the Secretary of State outline what action is being taken to prosecute them for their crimes and what monitoring there is of fighters and their families who may seek to return to the UK?

The global coalition against Daesh is engaged in degrading and defeating the organisation by tackling its finances. That is key to ensuring that Daesh does not simply reappear elsewhere or in another form. The loss of territory in the region has also precipitated a loss of assets and oil revenue, but what further steps is the UK taking to combat the funding of Daesh? As the organisation becomes vastly diminished as a territorial force, what work is being done, alongside internet companies and social media providers, to combat the online spread of Daesh's vile propaganda?

As the civil war in Syria has entered its eighth year, will the Secretary of State say what steps are being taken to achieve a ceasefire and a lasting political solution? As the UN-sponsored Geneva peace process has stalled, what effort is being made to co-ordinate that process with the discussions in Sochi and Astana?

The campaign to defeat Daesh has made significant progress in liberating territory, but we know that operations continue on a daily basis, as does the vital training that we provide to forces on the ground. That is down to the extraordinary commitment of our personnel and that of our allies. No one who serves in our armed forces does so for medals or acclaim but, particularly in the RAF's centenary year, I know that the whole House wants to see our personnel being commended for their bravery. The Ministry of Defence has been examining

[Nia Griffith]

the criteria for awarding a medal to those serving on Operation Shader. Will the Secretary of State provide an update on that work so that we can ensure that the bravery and dedication of our personnel is recognised properly and without delay?

Gavin Williamson: I thank the hon. Lady for her continued support for our armed forces as they continue to be involved in this important operation.

Our commitment in respect of a training mission to Iraq and the need to ensure that we do everything we can to ensure stability in the region was underlined by our recent visits to Iraq and meetings with the Iraqi Prime Minister and Defence Minister. We will continue to do everything that we can to train Iraqi forces to ensure that Iraq's border forces are in the very best position to deal with some of the threats and challenges. We are also looking into how we can do more with Jordanian forces. On top of that, we have committed to providing more than £30 million of support for UN stabilisation efforts. That makes it clear that Britain is a long-term ally of our Iraqi friends.

We are the second largest bilateral donor in Syria. We have consistently been the country leading the way in making sure that humanitarian support gets through, and we will continue to do that on top of the funding and support that we have been giving to Iraq.

The hon. Lady made an important point about the funding of Daesh, which the Government take exceptionally seriously. We talk about the dispersal of Daesh in Iraq and Syria, but the challenge is actually much wider, with Daesh dispersing much more globally. We need to look carefully at the financial flows that follow these people and that provide support for the acts of violence they wish to perpetrate in the countries to which they go.

The hon. Lady's point about countering propaganda is vital. For the first time, the United Kingdom has been incredibly active with an offensive cyber-capacity to deal with, correct and address that propaganda. We have seen a 70% reduction in the amount of propaganda coming out of Daesh, so our work is really showing results. We cannot rest on our laurels, however, and we will continue to look at the issue and drive down that propaganda, because we do not want to see any of Daesh's vile hatred on the internet at all.

On the hon. Lady's final point about a medal for those who have served in Op Shader, I have been incredibly touched by the commitment and dedication that all our service personnel have shown in the operation, and by the sacrifices that they have made to keep Britain safe—I know that the hon. Lady has, too. We are looking closely at medallic recognition. Ultimately, we hope to try to find a solution that ensures that all service personnel who have been involved in the campaign get the recognition that they deserve. As the hon. Lady knows, we are looking to try to land the support of all members of the cross-Government Committee.

Dr Julian Lewis (New Forest East) (Con): Does the Secretary of State accept that our principal allies on the ground in Syria have been Kurdish-led? Does he share my concern that, having helped to suppress and eliminate Daesh in Syria, those Kurdish-led forces may now find

themselves under attack by Turkey, a country with an ambivalent record toward both Islamist extremism on the one hand and Russia on the other? What will we do if we find that our Kurdish allies are attacked by our so-called NATO ally?

Gavin Williamson: We have worked incredibly closely with the Syrian defence forces over a period of time, as have other coalition allies. We are working closely with the United States and France to get a dialogue going between the Syrian defence forces and Turkey to ensure that there is no conflict of the form that my right hon. Friend suggests.¹

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I thank the Secretary of State for advance sight of the statement and of course, in the first instance, welcome the progress being made towards the eradication of what is a most despicable and cowardly terrorist organisation. I commend those Members of the armed forces who have been a part of that. However, it is imperative that the House is given a clear idea of what the Secretary of State sees as UK strategy in the region, especially if we are not to repeat the mistakes that allowed the vacuum from which Daesh emerged to be recreated elsewhere.

As the Secretary of State mentioned, following the damage wrought by Daesh in Iraq, the Iraqi Government asked the international community for some \$88 billion, yet, at February's conference for the reconstruction of Iraq in Kuwait, less than half that figure was raised. SNP Members are fully supportive of the £2.71 billion of aid that the Government have already provided, but I am sure that the Secretary of State will agree that others will need to step up as well. Does he accept that failing to invest adequately in reconstruction risks allowing Daesh back in through the back door?

On a broader point, the Secretary of State spoke about the number of forces who are deployed to fight against Daesh, but what he neglected to mention was that many of those will be special forces whose operational assignments almost always escape adequate scrutiny from the House. Can he tell us, therefore, how the House can hold the Government to account in future when so many of the day-to-day operations are carried out in this way? Finally, given the emerging case of Daesh using drone technology, what actions are the Government taking to counter that not only in the battle zone, but in the possible use by Daesh outside of it?

Gavin Williamson: As the hon. Gentleman knows, the Government do not comment on the activity of special forces, but we are absolutely committed to keeping this House regularly updated on our operations in Iraq and Syria. He talks about the recovery in the region and touches on what the Iraqi Government were looking for with regard to support. The international community has come forward with \$30 billion-worth of support. It is vital that the British Government do all they can to encourage that support to come forward swiftly, so that the Iraqi people get the benefit of it. We are starting to see some very positive signs in the Iraqi economy, with a recovery and increased private sector investment, and that is the true driver to Iraq's future. We should not underestimate the amount of oil wealth in Iraq in

1. [Official Report, 5 July 2018, Vol. 644, c. 2MC.]

ensuring that we do all we can to help the Iraqi Government to benefit from that wealth and, more importantly, that the people of Iraq benefit from that wealth, too.

Sir Desmond Swayne (New Forest West) (Con): What estimate has the Secretary of State made of the number of Daesh fighters who have got away, got back and are at large in the United Kingdom?

Gavin Williamson: The Government continue to keep a close eye on all those people who are travelling from the region through other third countries with the intention of returning to the United Kingdom. I am sure that my right hon. Friend will also appreciate that the Government keep a very close eye as to the activity and the movements of such people.

Mrs Madeleine Moon (Bridgend) (Lab): What steps is the Secretary of State's Department taking to counter those in Daesh, al-Qaeda and their affiliates who are now creating chaos across the swathe of sub-Saharan Africa, forcing much of the people movement towards the Mediterranean and on to our shores? What are we going to do there to again destroy Daesh?

Gavin Williamson: I am sure that the hon. Lady is very aware of the work that we have already announced, working with our partners, the French, as well as many other NATO countries, on dealing with the increasing problem of Daesh in the sub-Saharan region and with how it could migrate into Europe. We will continue to work very closely with the French and other NATO partners. The Government continue to look at how we can work more closely with other countries, such as Nigeria and Libya, to ensure that we do not see this migration of terror and the spread of Daesh into ungoverned areas.

Bob Stewart (Beckenham) (Con): My right hon. Friend has already stated that the enemy is now in an enclave on the Iraq-Syrian border, presumably penned there by Syrian forces, Iraqi security forces and the Peshmerga. What happens to people, enemies, who are either captured whole or wounded? Are we ensuring that they are penned away and cannot hurt our country in future?

Gavin Williamson: I can assure my hon. Friend that that is the case. The Syrian democratic forces are playing a key role in that in terms of the detention of such people.

Hilary Benn (Leeds Central) (Lab): Can the Secretary of State update the House on the Syrian assault on the province of Daraa, in which some 750,000 civilians are now effectively trapped—the border with Jordan has been closed for some time? There are also reports that opposition forces are negotiating to hand over some of the towns to the Assad regime. Also, is there anything that he can tell the House about the efforts that are being made to recover the body of Anna Campbell, who died fighting with the Kurdish YPJ?

Gavin Williamson: On the final point, I will write to the right hon. Gentleman to give him an update on that. I know that the Foreign Office is working very closely to try to facilitate the repatriation of the body. On the substantive point of his question, we are working with our allies to try to bring stability and a ceasefire. There had been a long-term agreement, which had held in

terms of that area. This has, obviously, fallen apart. We will continue to work both with the Jordanians and the United States, but there is an important role that Russia can play here in bringing pressure to bear on the Syrian regime. Russia is the nation that holds the greatest sway on the al-Assad regime and it needs to be doing all that it can to bring an end to the bloodshed that we are witnessing there.

Mark Pritchard (The Wrekin) (Con): It is welcome news that 98% of territory once held by Daesh has now been surrendered. May I welcome the Secretary of State's recent visit to RAF Cosford in my constituency? Would he like to put on record his tribute to the Defence College of Aeronautical Engineering at RAF Cosford? Without engineers, our pilots cannot fly. In this, the 100th year of the RAF, will he pay a special tribute to the 100-year history of that station in my constituency?

Gavin Williamson: My hon. Friend makes an important point about the important role of the Royal Air Force in our continued campaign. The Defence College of Aeronautical Engineering at RAF Cosford is an important part of that, training not just British service personnel, but service personnel of many other nations. It has done an amazing job in supporting the RAF over its very long and distinguished history. I say a big thank you to everyone in the Royal Air Force, which has not been more active than it has been in its 100th year. It has flown constant operations over the past few years, making sure that Britain remains safe.

Phil Wilson (Sedgefield) (Lab): The RAF has played a major role, and still does, in ensuring that something like 7 million civilians in Iraq and Syria are no longer under the shadow of Daesh, and we can be proud of the role it has played. We know how meticulous the RAF is in avoiding civilian casualties, and any allegation of civilian harm is, and should be, properly investigated, but how do we counter allegations by some organisations, such as Amnesty International, that there have actually been hundreds of civilians who have been killed by the RAF?

Gavin Williamson: We have always made it clear to this House that we investigate the issue of civilian casualties and that we do everything we can to avoid civilian casualties. We investigate it very closely and we have committed to reporting to this House immediately should it come to light that there has been a civilian casualty, which, of course, we did earlier this year.

I must say that I was deeply, deeply disappointed by the Amnesty International report, which was not only disappointing, but disgraceful. We have always been very open about the strikes that we have made. Amnesty International decided to issue this report. It contacted the Ministry of Defence, but, within 24 hours, without the ability for us to go back and explain, all its allegations were unfounded; RAF flights had not even been involved. It did not give us the opportunity to correct such a damaging and disgraceful report. We have written to Amnesty International and invited its representatives to the Ministry of Defence to discuss the matter. If it is going to produce reports, we want them to be accurate. We certainly do not want them to be calling into question the amazing professionalism of our Royal Air Force.

James Heapey (Wells) (Con): I join my right hon. Friend in congratulating our armed forces on the startling progress that they have made in Iraq and Syria. If we want to be able to do the same in the future, we must maintain capacity for peer-on-peer warfighting and expeditionary counter-insurgency, as well as meeting emerging threats in space, beneath the oceans and online. Does the Secretary of State agree that only nations with tier 1 military capabilities can confidently pursue their national interests against any enemy in any theatre, and that that is what the UK must continue to want to do?

Gavin Williamson: We have always been at the very top tier of military power and the ability to field military force, and I have no doubt that this nation will continue to be so long into the future.

Gavin Robinson (Belfast East) (DUP): I thank the Secretary of State for his statement. He is right and pragmatic to recognise that while Daesh is on the run it will move, change tactics, and try to regrow and emerge again. Is the Secretary of State aware that one of the outworkings of the Northern Ireland experience is that we have great knowledge in counter-terrorism? Companies from Northern Ireland are involved in Afghanistan, Libya and Tunisia, and their expertise could also be useful elsewhere.

Gavin Williamson: The hon. Gentleman makes an important point about using the expertise and knowledge of British business—including businesses from Northern Ireland—in our fight against Daesh. We also need to look imaginatively at how we are spending our aid budget to ensure that British businesses benefit. We are spending more than £2 billion in the area, so it would be great to see more British companies benefiting from that spend and using their unique expertise to benefit the people of Iraq and Syria.

Nigel Huddleston (Mid Worcestershire) (Con): As part of the armed forces parliamentary scheme, I have been fortunate to meet many men and women who have participated in Op Shader and our counter-Daesh activities overall. How many such men and women do we need to thank for their service and their sacrifice—often being away from their families for months at a time?

Gavin Williamson: There are 1,400 deployed, including 600 in Iraq, but the total number who have been on orientation is considerably higher. We need to recognise the amazing contribution that these forces have made—not only those who have been in Iraq or flying over Iraq and Syria, but the whole tail of people who have been doing the work and putting in the effort to ensure that the RAF has been able to make the flights and strike at the heart of those who wish to do us harm.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): Further to the question of the right hon. Member for New Forest West (Sir Desmond Swayne), I want to press the Defence Secretary on the issue of those returning to the UK who are not currently on the security list. What efforts have been made, in conjunction with Border Force, to monitor the people we have no knowledge of?

Gavin Williamson: Well, it is obviously difficult to monitor people we have no knowledge of. We are obviously working closely with the security services and allies in the region, whether it be Turkey or Iraq, and working

closely with the SDF to keep close tabs on what Daesh fighters are doing. We are seeing a large number of Daesh fighters not actually returning to the United Kingdom, but also going to different countries such as Afghanistan and Libya. We keep coming back to the point that, although we are making great progress in Iraq and Syria, the threat is changing and moving to different countries. We have to be aware that the fight continues against the evil hatred in these people's hearts, and we have to do everything we can to stop them.

Alex Chalk (Cheltenham) (Con): Daesh is a dangerous ideology in cyber-space as much as it is a physical threat on the battlefield. Will my right hon. Friend join me in acknowledging the work of the intelligence agencies, including GCHQ in my constituency, in dismantling that power base online, and will he update the House as to what steps are being taken to expunge what remains?

Gavin Williamson: As I touched on earlier, we are already using our abilities in the cyber-security field to counter the Daesh threat. We can only do that by working hand in glove with GCHQ—its amazing work and the technology it has developed—and with defence intelligence. We will continue to do that and to invest in this capability. An awful lot of extra investment has gone into this field from the Ministry of Defence and GCHQ, but we cannot be complacent. Although we have seen a significant, 70% reduction in the amount of propaganda that has been put out by Daesh, we saw a slight uptick as a result of the SDF shifting away from the fight in the middle Euphrates valley. Now that the fight has returned to that area, we are again seeing a reduction in the amount of online activity. These two things do not sit separately; it is about kinetic force, as well as cyber-force.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I think that the previous question got to the heart of something that is of great interest to this House. First, will the Secretary of State reassure me that the intelligence contacts that have been made with Iraqi intelligence will be developed and built on? I am sure that he will agree to that. Secondly, will he perhaps go a little further and outline how the experience of counteracting the cyber-war will benefit our intelligence services during the years and decades to come?

Gavin Williamson: I can give the hon. Gentleman that assurance. For the first time we saw a terrorist group that created a state around it and that effectively used the internet as a tool to bring terror to the streets of many European and world cities. We have learnt an awful lot in countering that. As I said to my hon. Friend the Member for Cheltenham (Alex Chalk), we have to keep investing in technology, experience and the people who are best able to counter the threat, and the Government are completely committed to doing that.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): The Secretary of State will be aware of reports of a number of private conversations and correspondence between himself and the Prime Minister that have been leaked to the press. Can he shed any light on how these have come into the public domain? Has he instituted a leak inquiry? If so, who will be leading on it and when will it report its findings to the House?

Gavin Williamson: I was waiting for a question about Daesh, and our operations in Iraq and Syria.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Is not one of the major problems we face that Daesh is an ideology, not a country? Therefore, when it is defeated in one geographical location, it can morph and develop in another location, as we are seeing on the border between Pakistan and Afghanistan. Daesh has extensive control of that eastern border, Libya and the sub-Saharan region. There is ultimately no military solution to the problem we face, unless we are to accept the situation of permanent war. We therefore need to concentrate on counter-radicalisation strategies. When we are involved in military activity in the middle east and Africa, the problem is that it feeds the fuel that drives Daesh.

Gavin Williamson: That is why we have put so much effort and resource into counter-radicalisation strategies, and into dealing with the threat in cyber-space as well as the physical threat. Behind those computers are individuals who have experience of fighting and spreading hate. That is why we have to deprive them of the territory in which they have been able to operate and do everything we can to deprive them of their ability to operate freely, and that is what our armed forces have been so successful in doing.

Sandy Martin (Ipswich) (Lab): The Kurdish people fought with some of the most bravery and effect to defend their local populations against the cruelties of Daesh. What are the UK Government now doing to protect the Kurdish people of Iraq and Syria from being attacked by the Governments of those two countries and, indeed, by the Government of Turkey?

Gavin Williamson: We continue to work very closely with, especially, the Iraqi Government and the Turkish Government to make sure that we have sensible and pragmatic solutions. We have always had a very strong relationship with the Kurds, especially in Afghanistan. We have a very good relationship with the SDF, which is both Kurdish and Arab. We will continue to work to try to ensure, especially in Syria, that the SDF is an integral part of the solution for that country going forward.¹

Point of Order

2.39 pm

Tom Brake (Carshalton and Wallington) (LD): On a point of order, Madam Deputy Speaker. I just want to ensure that the record of the House is correct in relation to last week's debate on the Haulage Permits and Trailer Registration Bill. During that debate, I referred to an incident, as reported in column 840 of *Hansard*:

"Many people will remember what happened a couple of years ago when a huge tailback occurred at Dover. Apparently, it was triggered by two French police officers based in Dover not turning up for their shift, and that led to a 15-mile tailback."

I was subsequently intervened on a couple of times by the hon. Member for Harrogate and Knaresborough (Andrew Jones), who, in his second intervention, said:

"The causes were very clear... The right hon. Gentleman"—that is, me—

"is just plain wrong."—[*Official Report*, 26 June 2018; Vol. 643, c. 840-842.]

I went back to the port of Dover to confirm that the incident that I referred to was indeed caused by an absence of French police officers, or a small number of French police officers being present. The hon. Gentleman may have suggested, perhaps inadvertently, that I was "plain wrong" in describing that incident, but the port of Dover has confirmed that I was plain right in the way that I described it.

Madam Deputy Speaker (Dame Rosie Winterton): I thank the right hon. Gentleman for giving me notice of this matter. He has put his views very clearly on the record. Of course, if the hon. Member for Harrogate and Knaresborough (Andrew Jones) feels that he has been inaccurate, it is open to him to correct the record. I suspect that there may be a difference of opinion—Members often do have different points of view—but, as I say, the right hon. Gentleman has put his views on the record.

Andrew Jones (Harrogate and Knaresborough) (Con): Further to that point of order, Madam Deputy Speaker. I obviously would not in any way wish to mislead the House or correct a Member inaccurately, so I went back and checked the press report. The headline at the time was, "MyFerryLink workers walked out on Monday over the sale of the company's ferries", resulting in the strike closing the port of Calais. The right hon. Gentleman's belief in the efficacy of the French police is magnificent, but it was quite clear what the press thought the cause of the problem was, and that was also agreed on by the British and French Governments. So can we perhaps just say that this exchange has indeed corrected the record all round?

Madam Deputy Speaker: As I suspected, there is a difference of opinion here. No doubt, these discussions will continue, but I think that both the right hon. Gentlemen and the hon. Gentleman have put their points of view on the record, so the best thing for us to do—

Tom Brake: Further to that point of order, Madam Deputy Speaker.

Madam Deputy Speaker: I do not think there is anything more to be said on this matter at this stage, and I would now like to move on.

1.[*Official Report*, 5 July 2018, Vol. 644, c. 2MC.]

Pets (Theft)

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

2.43 pm

Ross Thomson (Aberdeen South) (Con): I beg to move,

That leave be given to bring in a Bill to amend the Animal Welfare Act 2006 and the Animal Health and Welfare (Scotland) Act 2006 to make the theft of pets an offence; to apply certain post-conviction powers under those Acts to such an offence; and for connected purposes.

Yesterday, I joined many hon. Members from across the House to support the petition, signed by over 100,000 people across the country and by 69 people in my own constituency, calling for pet theft to be made a criminal offence in its own right. I pay tribute to Dr Daniel Allen for starting the petition and to all the campaigners who have worked tirelessly on this issue, such as SAMP—*the Stolen And Missing Pets Alliance*—and *Pet Theft Awareness*. Dr Allen has said that he started the petition because, as a dog owner, he finds the thought of someone taking his dog “unbearable”.

When I am asked what is the most difficult part of my job as an MP, I always answer, “Monday mornings.” That is not because I have to roll out of my bed to catch a 7.15 am flight, but because every Monday morning it breaks my heart to leave my Jack Russell cross Yorkshire terrier, Poppy. The fact that she knows I am leaving, and does her utmost to make me feel guilty about it, just makes heading to London so much harder. I could not imagine returning home to find that Poppy was not there. I do not even want to contemplate the notion of her being stolen. For me, just like the millions of pet owners across the UK, Poppy is my family. To be honest, I am like a proud dad. She has her moments, like every other teenager, and she can be relentless with her ball and her duckie, but I love her to bits and I would hate it if anything happened to her.

During yesterday’s debate, hon. Members gave very personal and moving accounts of the real emotional harm caused by pet theft and talked of the lasting damage it can cause to a family—more so than the theft of an inanimate object of the same sort of financial value. As Dawn Maw—who spent thousands of pounds, took an extended period off work and suffered the breakdown of her marriage after her dog, Angel, was stolen in 2013—has said,

“losing Angel was like losing my life.”

Or consider the case of Kieren Hamilton, who was stabbed 40 times in a burglary in which his dog, Rambo, was stolen. According to his mother, he just wants his dog back. There is also the case of Rita and Philip Potter, whose Labrador, Daisy, vanished from their own back garden in Norfolk eight months ago. Rita says that Daisy was such

“a beautiful dog, she was a wonderful companion. We have got seven grandchildren, and they all miss her so much. At Christmas time, our little granddaughter, who is just five years old, said all she wanted for Christmas was Daisy back home.”

As it stands, the law does not properly recognise the real harm that pet theft can cause, because pets are not inherently treated differently from inanimate objects. In England and Wales, sentencing guidelines are based primarily on the financial value of the possession, whether

a mobile phone, a TV, or a beloved family pet. When Dawn Maw, who described Angel as her “best friend,” said that

“my phone might have cost the same as Angel, but could have been replaced within 24 hours”,

she got to the heart of the absurdity of this situation. Victims of pet theft have not just lost a financial asset; they have lost a much-loved member of the family. Pet theft can be a truly devastating and distressing experience. Losing a pet can tear the heart out of a family—and that is what the law should, but does not, recognise.

This situation has also led to light-touch sentences for pet thieves who have wreaked havoc on victims’ lives. In England and Wales, the theft of a dog valued at less than £500 can only be classed as a category 3 or 4 offence, which invariably means a slap on the wrist. A slap on the wrist for pet thieves is a slap in the face for victims of pet theft. What is more, it is failing to act as a deterrent. Even after Sentencing Council reforms in 2016, most cases of pet theft do not go to court, most pet thieves are walking free and, unsurprisingly, pet theft is still very much on the rise.

The situation in Scotland is not much better. Pet theft is not an offence in its own right in Scotland either, and since the Scottish Sentencing Council has no guidelines for theft, judges rely on past precedent when deciding on sentencing. This offers more flexibility, but that can cut both ways—and sentences are not required to accurately reflect the emotional harm caused to the victim.

So change is needed across the United Kingdom. A change in the law is necessary to deliver justice for victims of pet theft and to give more peace of mind to the 12 million UK households with a pet. This Bill will create a new, separate criminal offence, in its own right, of pet theft, recognising the self-evident fact that the theft of a living, sentient being is in a whole different category to the theft of an inanimate object. We are talking about the abduction of an animal—of what most pet owners would consider a central part of their family. It is a crime that is either more thoughtless or more malicious—or both—than the theft of an inanimate possession.

The Bill will also require that sentencing is appropriate to the level of emotional harm caused by the theft, recognising that for victims of pet theft, it is the emotional loss, not the financial loss, that really matters. After all, today a growing number of companies offer bereavement leave for employees who have lost a pet. If we can give due recognition to the emotional effects of the loss of a pet in other walks of life, why can we not do a better job of it in the courts?

My intention is that this Bill would effect the necessary changes across Great Britain—in England and Wales, but also in Scotland. The law on this is flawed in both jurisdictions, and it is deeply important for me, as a Scottish MP, that pet owners in Aberdeen get as much support from the criminal justice system as pet owners in Abingdon or Aberavon. Scotland must not be left behind. My Bill seeks to amend a UK Act, and as such, it would apply to Scotland as well as England and Wales, but the provisions affecting Scotland would require a legislative consent motion in the Scottish Parliament. That happens on a near daily basis in Holyrood. I hope to work with the Scottish Parliament, and in particular my Scottish Conservative colleague Maurice Golden

MSP, to get legislative consent in Holyrood for the Bill, so that pet thieves all over Great Britain face real justice. This is an opportunity for Holyrood and Westminster to work together for positive change.

It is great that animal welfare has come to the forefront of the political agenda across the UK, and I would like to applaud the UK Government for their progress on this issue. Having campaigned for a ban on electric shock collars for dogs, I am particularly pleased at the action being taken in that area. However, we must ensure that this progress on animal welfare extends to ensuring that pets and their owners are protected against pet theft by laws and sentencing guidelines that are tough enough to act as a real deterrent. Likewise, we must ensure that victims of pet theft can have faith in the criminal justice system.

This Bill is not the end of that effort. For example, we need Police Scotland and the police services in England and Wales to redouble their efforts to catch pet thieves and reunite stolen pets with their owners. I firmly believe that legislation recognising the seriousness of this offence and recognising it as distinct from the theft of inanimate objects would be a first and major step towards changing the way we deal with pet theft in this country. I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Ross Thomson, Colin Clark, Luke Graham, Andrew Rosindell, Emma Little Pengelly, Bill Grant, Mike Hill, Christine Jardine, Mr Alister Jack, Andrew Bowie and Jim Shannon present the Bill.

Ross Thomson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 26 October, and to be printed (Bill 240).

Estimates Day

[4TH ALLOTTED DAY]

Department for Education

That, for the year ending with 31 March 2019, for expenditure by the Department for Education:

(1) further resources, not exceeding £34,065,501,000 be authorised for use for current purposes as set out in HC 957 of Session 2017–19,

(2) further resources, not exceeding £14,429,588,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £46,841,694,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Andrew Stephenson.*)

2.53 pm

Robert Halfon (Harlow) (Con): It is a pleasure to open this debate on the spending of the Department for Education in my capacity as Chair of the Select Committee on Education. I thank the Backbench Business Committee for allowing the debate and particularly my colleagues on the Committee who are here in the Chamber for all the work they do alongside the Committee officials.

If we regard the NHS as the guardian of our health, we should regard education as the guardian of our future. Almost every citizen is affected by education. I welcome the positive announcements made by the Department recently, and there certainly seems to be no lack of initiatives from within the Sanctuary Buildings. However, I have some concerns that, across the Department's remit, funding might be too atomised to be coherent and effective. There is an initiative here and an initiative there.

I am concerned that the Department's estimate is not strategic enough to deliver the outcomes we need. Let me take, for example, the recent announcement on grammar schools. I am not against grammar schools—I believe in parental choice—but I am not sure why spending up to £200 million over the next two years on expanding grammar schools is more important than spending £200 million on looking after the most vulnerable pupils. We could look after hundreds of thousands of vulnerable pupils with tuition for 12 weeks a year and transform their life opportunities.

John Redwood (Wokingham) (Con): Surely we have to do both. Expanding grammar schools provides opportunities, and this expansion will particularly target those from disadvantaged backgrounds, which is a great idea in support of it, but we also need to do what my right hon. Friend says for other children. I hope that he, like me, would welcome more rapid progress on better and fairer funding for all our schools, because it is still very low in areas such as mine.

Robert Halfon: As I said, I am not against grammar schools, but the problem is whether they are providing opportunities for the most disadvantaged pupils. Only 3% of pupils in grammar schools get free school meals, and I would rather the Government increase that proportion of pupils before giving grammar schools extra funding. That extra £200 million of funding will benefit only a few thousand pupils, but I have shown how it could

[Robert Halfon]

benefit a lot more. I have huge respect for my right hon. Friend. He often campaigns for more funding in his constituency, but it is because such funding has been spent in this way that schools in his area and others do not get as much money as they need.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): The Institute for Fiscal Studies has found that in the last two years, funding per pupil fell by just over 4%, at a time when other costs have increased. The recent reallocation to school funding from other budgets still leaves schools in my constituency worse off by more than £300 per pupil, something about which a great many parents and teachers have written to me in recent weeks. Does the right hon. Gentleman agree that we need to see new funding, so that our schools can improve standards and our pupils can reach their full potential?

Robert Halfon: While I accept that funding is much higher than it was in 2010—no doubt the Minister for School Standards will set that out—I also agree that there are increasing cost pressures, but I will make that argument in a moment.

I am full of admiration for my right hon. Friend the Health Secretary, who has successfully made the case for a longer-term vision for health and social care. I am convinced that his longevity has been a significant contributing factor and can only regret the fact that we have had a higher turnover in Education Secretaries in recent years. However, I am sure that my right hon. Friend the Member for East Hampshire (Damian Hinds) will, given the opportunity, prove to be an advocate for the public services that his Department oversees and funds.

Without wanting to stretch the scope of the debate too far, I would like to talk a little about the financial health of the school system, of nurseries and of further education and skills. While all the evidence tells us that over the long term, in comparison with relevant international comparators, schools in England are relatively well funded, it is unarguably the case that rising cost pressures have not been matched by the sort of investment that would allow them to be met without impacting upon the quality and delivery of education in our schools. My right hon. Friend the Member for Putney (Justine Greening) was absolutely right last autumn to redirect £1.3 billion of public funds from her own Department's budget to the frontline and raise the so-called floor in the national funding formula.

Mr Jim Cunningham (Coventry South) (Lab): Despite what the right hon. Gentleman says about the Government's claim to have put £1.5 billion back into the system through the new formula, I have gone around schools in Coventry, and they are still just under £300 per head short—in other words, they are still facing cuts. He talks about further education, which has seen cuts of about 27%. How does that affect the quality of apprenticeships, for example?

Robert Halfon: If the hon. Gentleman will allow me, I will come on to those points later, and if he does not feel that I have responded to them, I would be happy for him to intervene again.

In truth, the £1.3 billion should never have been necessary. While the introduction of a national funding formula is an entirely logical and necessary process of structural reform, for many schools the question is one of sufficiency just as much as of equity. The concept of fair funding may, I fear, be just too subjective to be delivered, so I want to see a change in the debate in this Chamber and elsewhere about school funding. The two supposedly competing accounts—one from the Conservative side of the House about record levels of overall investment going into schools, and the counter-argument that schools face real-terms reductions in per pupil funding—are both true, partly because there are simply more pupils in the system. We badly need to accept that reality, and move towards a practical solution not just for schools, but for further education, which has, without any sense or logic, been chronically underfunded for many years.

Gareth Thomas (Harrow West) (Lab/Co-op): I strongly support the point that the right hon. Gentleman is making. Do not the Government figures released last week—an extra 137,000 pupils in England's schools, but a loss of 5,400 teachers and almost 3,000 teaching assistants—further underline and support his point about the insufficiency of the total quantum going into schools budgets every year?

Robert Halfon: I think those are mixed figures, because if we look at this in the round, the number of teachers has gone up by a significant amount since 2010. Again, this is part of the argument I have been making.

Such arguments are why the Education Committee has launched an inquiry into school and college funding. We have no intention of unpicking the huge public consultation on the national funding formula or its sister consultation on high needs, but we must talk about the long-term sustainability of education. This is about delivering the outcomes we need as a nation and how we can move towards a longer-term vision, with a 10-year plan coupled with a future-proof five-year funding settlement.

Dr David Drew (Stroud) (Lab/Co-op): The right hon. Gentleman is being generous in giving way. Does he accept—I hope the Education Committee will look at this—that there are particular problems with the national funding formula for special schools? Those schools are hit in two ways. First, the special schools budget has been conflated with the overall budget, which is causing some difficulties. Secondly, they are also taking students with much more profound difficulties, for which they are not necessarily being funded in the way they need to be. Will he look into that?

Robert Halfon: The hon. Gentleman makes an important point. We are doing a separate inquiry into children with special educational needs and disabilities, which I hope will reflect the issues he has raised.

We began our inquiry on 19 June, with a scene-setting session featuring the National Foundation for Educational Research, the Education Policy Institute and Institute for Fiscal Studies. In our future sessions, we will be hearing directly from teachers, governors and parents about the way forward, and seeking to strengthen the Department's hand as it enters negotiations with the Treasury in the spending review.

One important matter is how public money actually reaches schools. Part of the original motivation of a national formula was to bypass the various byzantine means by which local authorities disbursed funds to schools. This is sensible, but there is a problem concerning the role of multi-academy trusts in top-slicing and allocating money received from the DFE, a matter on which my Committee colleague, the hon. Member for Manchester Central (Lucy Powell), has tabled a number of parliamentary questions.

According to the Education Policy Institute, there is little measurable difference between the performance of schools in MATs and those in local authorities. There is good and bad to be found in both, and we must not let the reforms of the past eight years or so be lost through a failure to attack underperformance in academy trusts, as has occurred in a number of high-profile cases recently, including WCAT—the Wakefield City Academies Trust—and Bright Tribe. Having said that, I recognise that there are many good and outstanding academy schools and the difference they have made to the lives of thousands of pupils.

I wish to add that the £1.3 billion top-up was an Elastoplast solution, as it were, for a longer-term problem that could become serious if not seen to. Members on both sides of the House will share my commitment to tackling social injustices—that is the aim of our Select Committee—and one of the most profound challenges we face on that front is the so-called attainment gap between the educational outcomes of children from disadvantaged backgrounds and those of their better-off peers. I appreciate that the Minister for School Standards and the Education Secretary have made progress on this, but it has been at quite a slow rate.

The Government and their predecessors have shown their commitment to tackling educational disadvantage through using the pupil premium to enable schools to provide additional support and opportunities to the children who deserve and need it most, but however well-intentioned and generously resourced the pupil premium is, it is not without its flaws. The first flaw is that schools are increasingly dipping into their pupil premium money to shore up their overall budget. This is most unlikely to be a measure of first resort, as it involves simultaneously further disadvantaging already disadvantaged pupils. There is also the ethical problem of publishing information about how pupil premium money is spent while knowingly doing something else with it.

The second flaw is that many children eligible for the pupil premium fail to receive it because they are not registered to receive free school meals. I understand that this figure could be as high as 200,000. This can happen because parents are unaware or unwilling to make a claim, perhaps in some areas through a sense of social stigma.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): Will the right hon. Gentleman give way?

Robert Halfon: I will give way for the last time, because I know you want me to get on, Madam Deputy Speaker.

Emma Hardy: Does the right hon. Gentleman agree that the whole pupil premium system needs to be reviewed in order to look at children facing bereavement and at different eligib—eligibil—[*Interruption.*] I will get there in the end.

Lucy Powell (Manchester Central) (Lab/Co-op): You obviously need to work on that.

Emma Hardy: I obviously do. Does the right hon. Gentleman agree that we need to look at different criteria—I will go with that word—for children qualifying for the pupil premium?

Robert Halfon: The hon. Lady makes an important point. I passionately support the pupil premium—it was a great reform by the Government—but we need to make sure that all children who should be entitled to it get it. We need to look at suggestions like the one made by the hon. Lady.

The third flaw is that the pupil premium may not be effective enough. At current rates of progress, it will simply take too long for the attainment gap between children in receipt of free school meals and their better-off counterparts to close.

There are a number of challenges facing the Department for Education. The first is social justice. We have to make sure that our enthusiasm and support for early years, where children's life chances are determined, matches the level of attention that schools and colleges receive. While the Department is investing in early years, there are also creative things that could be done to make better use of existing funds—for example, by reducing the threshold of the tax allowance on the 30 hours from £100,000 to £60,000. This would raise approximately £150 million to extend the free entitlement, or possibly fund maintained nurseries for a longer period than currently set. We also need to make sure that the level of support for students with special educational needs and disabilities is right. We had the first of our oral evidence sessions for our SEND inquiry this morning, and in the autumn we will be holding a combined evidence session to bring together our funding and SEND inquiries.

The next challenge is dealing with the—unfunded—rising cost pressures on schools. We face a crunch point if a recommendation to raise teachers' pay is not funded. Teacher retention is tough enough without their being told by heads that even a 1% increase would tip the school into deficit.

I now turn to further education, which was mentioned by the hon. Member for Coventry South (Mr Cunningham). A really important report by the House of Lords Economic Affairs Committee has said that the gap in funding between FE and higher education is huge and damaging. In 2016-17, funding per head in FE was £3,000, while in HE it was more than three times higher, at £10,800. Although much of the last figure is borne—at least theoretically—by the individual rather than the state, it is totally inexplicable, especially when one considers that secondary schools are funded more generously than FE and when we know that many people from disadvantaged backgrounds benefit from the FE ladder of opportunity.

The fourth industrial revolution and the ability of schools to equip students of today for the workplace of tomorrow will have a huge impact on our skills base and our need for stronger skills in our country. I am concerned that the Institute for Apprenticeships and the University of Oxford do not get it on vital subjects such as degree apprenticeships and T-levels. Unlike the University of Cambridge, the University of Oxford has closed the door on degree apprenticeships, which is a

[Robert Halfon]

huge shame, while the Institute for Apprenticeships said that it was “agnostic” about degree apprenticeships. But degree apprenticeships should be a strategic aim of the Government because they do so much to improve skills and to enable disadvantaged people to climb the apprenticeship ladder of opportunity.

The Government should look at the unsuccessful £800 million access fund, which is not producing great results given that the number of state school pupils going to university has remained pretty static over the past year. Perhaps some of that money could be put towards degree apprenticeships, to help those disadvantaged people benefit and climb that ladder of opportunity.

In conclusion, there has been huge and successful lobbying by the Department of Health and Social Care and significant lobbying by the Ministry of Defence. To be honest, I do not get many emails demanding more tanks in my constituency, but I do get hundreds asking about school funding. The truth is that we need textbooks, not tanks. I urge the Minister and the Secretary of State to do what the Health Secretary has done for the NHS: produce a 10-year plan for education. Go out there and battle for the right funding, so that our school, college and education system is fit for the 21st century.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. This is a very well subscribed debate. Everybody can get in if people stick to six minutes; if they do not, I will have to impose a time limit, although I would rather not.

3.11 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Since I became the proud Member of Parliament for Sheffield, Brightside and Hillsborough two years ago, teachers and parents have contacted me about the severe challenges facing our local schools. I have listened to their stories about impossible teacher workloads, increasing class sizes and lack of provision for the least privileged children. I am extremely grateful for the input of those teachers and parents. On being re-elected last year, I vowed to renew my efforts to hold the Government to account for their shambolic approach to our children’s education.

I have spoken out about how the Government have cut school budgets by £2.8 billion in real terms since 2015; about how local schools have had to forgo residential trips, breakfast clubs, after-school activities and extra learning opportunities for underperforming pupils; and about how schools in Sheffield and across the UK are so cut to the bone that they are now having to let teachers go, as well as teaching assistants and support staff—people needed to support our most struggling students.

Now, as the national funding formula’s “redistribution” leaves Sheffield with the worst schools funding of all the major cities in England, I am outraged. Under the current Government budget, schools in the city will receive £743 per pupil less than Manchester in the next academic year. But this is not a matter of taking from Peter to pay Paul; it is one of fair funding for all—from Sheffield to Slough, from Manchester to Maidenhead.

Headteachers in Sheffield have openly said that they will struggle to keep schools operating to their current standards.

Jeremy Quin (Horsham) (Con): I appreciate that there is a difference between Sheffield and Manchester, but does the hon. Lady accept the principle of being a national funding formula? If she does, she must accept that there will be differences between different cities in different parts of the country.

Gill Furniss: I said that there would be differences. The nub of the matter is the differences between northern areas where there is an educational divide: resources should be given to make up those differences. They should not be taken away from us, as we are now seeing.

Some of our headteachers are even warning of mass redundancies as a last resort to balance their budgets by 2020. This is not a war-torn country in 1945: this is Sheffield in 2018, and it is simply not fair. The Government’s national funding formula is not working. The Department for Education claimed it would redistribute funding from local authority control, focusing on historically deprived and isolated areas, but schools in pockets of some of the greatest deprivation, which have fought against the odds to improve their funding situation, are suffering the most. Now, after a continual uphill struggle to secure sufficient funding, Sheffield school budgets are being decimated once more.

Some schools in Brightside and Hillsborough are being pushed to the limit. One is predicted to lose a staggering £190,000 by 2020, meaning a reduction in teachers, teaching assistants and other crucial resources. At a time when the Sheffield school-age population has increased by 7% across the decade, which has also led to a greater demand for specialist services and special educational needs, the Government ought to be putting more much-needed resources into the system. They have consistently failed to do so. Instead, they are pumping money into grammar schools—so much for helping the “just about managing”. We need an alternative.

The Minister for School Standards (Nick Gibb): I have been listening patiently to the hon. Lady, but I must tell her that under the national funding formula, schools in Sheffield city will attract 6.6% more funding once the formula is fully implemented. By the way, that compares with a figure of 0.9% for Manchester.

Gill Furniss: Well, we have done our figures up north. I am telling the Minister the figures that we have got—and they do not match his.

We know that an alternative is possible. We, on this side of the House, have pledged to reverse the cuts and replace the national funding formula with a fairer funding system; to cap class sizes at 30; to give back control to local councils; to implement an effective accountability framework in schools; and to invest in comprehensive SEN training, ensuring that all staff are able to support the diverse needs of their students.

I am extremely proud of my city and its resilience. Teachers, parents, trade unions, councillors and even the local newspaper have come together to resist these changes; last week a petition was launched by *The Star* to demand that the Government deliver a fairer funding system for the city’s schools. I will support that and

continue to campaign locally as well as nationally to make sure that the voices of my constituents are heard. It is time that the Government stopped imposing a postcode lottery on our children's education and stopped taking the risk of destroying their chances of success.

3.17 pm

Craig Tracey (North Warwickshire) (Con): Regardless of our background, upbringing, gender or religion, we should all have the same opportunities. Hard work and ambition should be the defining factors in social mobility, so I am encouraged by the Government's commitment to a world-class education for everyone and by the introduction of a new national funding formula that gives every local authority more money for every pupil in every school.

Of course, increased education spending is only part of the story. There are now 1.9 million more children being taught in schools rated good or outstanding than in 2010. That is helping to ensure that every child will receive a good education and the opportunity to fulfil their potential.

Emma Hardy: Has the hon. Gentleman read the recent report that looked into the issue of there being more children in good and outstanding schools? It said that the number of children in such schools had increased because the number of children had increased. Actually, a high number of such schools have not seen an inspection since 2010. Does he agree that the figure could be at least a little misleading?

Craig Tracey: I have not seen the report that the hon. Lady has mentioned, but in my own constituency standards and exam results have been improving. From my own personal experience, that is happening on the ground. I will come back to that in a minute.

What is happening is helping ensure that every child will receive a good education and the opportunity to fulfil their potential. Locally in North Warwickshire and Bedworth there has been a significant improvement in school ratings. In fact, according to figures released in December, our local community was one of the best improved areas for pupils attending good or outstanding schools since 2010—an increase of nearly 8,000 children. Standards in our schools continue to rise because of the hard work of teachers, combined with the changes the Conservatives have made to the curriculum—something I have seen first-hand during my regular visits to local schools. That is a record that Conservatives, who in government have both protected and invested in education funding, can be proud of.

We are in a strong position, but there is one area that I would like to focus on and deserves our special attention: maintained nursery schools. Maintained nursery schools were set up in the 1940s to improve social mobility, with 64% based in areas of social deprivation. They also provide education and care for a large proportion of nursery aged children with special educational needs, which is a legal obligation not catered for by private providers. The issue they face is that in 2016, when the early years funding changed to universal base rate funding, they saw a dramatic reduction in the money they receive. The Department for Education was quick to act and agreed to provide supplementary funding of £55 million to top up their budgets until the financial year 2019-20.

Critically, this date is nearing and maintained nursery schools need certainty as soon as possible, so they can plan their futures. They provide a unique role in the early years sector. I know the Under-Secretary of State for Education, my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), takes a keen interest in this issue and the Government are committed to holding a public consultation later in the year. That is very welcome, but we must not underestimate the impact of these schools in our constituencies.

I have had the privilege of working with Amanda King, the inspirational headteacher of two maintained nursery schools in my constituency, Bedworth Heath and Atherstone. Some 20% of the children at her Bedworth Heath Nursery School are vulnerable children. From September, it will have eight children with heightened medical and special educational needs and disability. Despite those challenges, both schools are Ofsted rated outstanding across the board. As Amanda points out, it is not just about the service they offer to the children; the wider benefits they offer to the community are unique. If they were not around, there would be a gap in provision. They offer high-quality childcare, which is a key factor in the social mobility of the mothers. The schools even lead by example on this, with over a third of her staff being former parents of children who went to her nursery.

Unfortunately, the universal base rate funding is not enough to enable them to cater for these children and while they also receive an inclusion grant, it does not cover the full costs. To illustrate the point, the inclusion grant is £100, but one-to-one support costs Amanda's schools £160 a week. Having eight children with high-level special needs, they will be running a deficit of £480 a week on this one issue alone. She is understandably frustrated with the current funding situation, saying that they want to offer help and support across the wider sector but cannot plan to do this if they are at risk of having to close their doors at the end of the next financial year.

There is a clear and demonstrable case to provide the financial certainty that these schools need. They are an asset to the communities they serve. If the funding is not provided, it will still need to be found elsewhere so that the provision can be made to ensure that children, particularly from areas of social deprivation or with special educational needs, can continue to receive the best possible start to their education journey. When a clear solution already exists to these issues, it would seem prudent to give it all of the support it needs, but the clock is ticking. I therefore urge Ministers to look carefully and quickly at what can be done to ensure excellent headteachers like Amanda and her many colleagues around the country are able to fully concentrate their efforts in providing the high-quality education that benefits so many of our constituents, while delivering on the key Conservative principle of social mobility.

3.22 pm

Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to follow the hon. Member for North Warwickshire (Craig Tracey). I join him in his praise for teachers not only in his constituency and mine, but across the country. I also join him in his praise for headteachers and the enormous contribution they make to the future of our country. Given that so many areas of our country are

[Gareth Thomas]

finding it difficult to recruit and retain teachers, and many schools are finding it difficult to get a headteacher on the first recruitment exercise, he may well want to reflect on whether his party's policies are having quite the positive impact he claims.

If I may, I would like to go back to the opening remarks by the Chair of the Education Committee, the right hon. Member for Harlow (Robert Halfon). I praise his request for the message from this debate to be that we want investment in textbooks not tanks and a 10-year plan for education. It does feel that education is the public service that is not receiving sufficient attention around the Cabinet table in the negotiations with the Treasury. He was too polite to say so, but perhaps I can say that it is a pity the Secretary of State for Education is not here in person to hear the call for a 10-year plan for education. What I am sure he would not want to say at this stage is what my hon. Friend the Member for Sheffield, Brightside and Hillsborough (Gill Furniss) rightly said, which is that there needs to be more support, investment and pride in the contribution that comprehensive schools make, and more praise for the efforts of local councils to support high attainment and good standards in our schools. The idea that councils and local education authorities were ever a dead hand hindering high standards was always a nonsense and it is particularly a nonsense at the moment, given the huge cuts in funding to local authorities that LEAs have to deal with.

I want to make the rest of my remarks unashamedly parochial. I am fortunate to represent an area, the London Borough of Harrow, that has been deemed by the Education Policy Institute as offering the best education in terms of the increase in standards from when a child enters school to when they leave. While all the teachers and headteachers in Harrow are delighted with that accolade from the EPI, none would say they have sufficient resources.

My local schools work extremely closely together. The headteachers pride themselves on their co-operation and collaborative spirit. It is led in particular by the high schools. In my constituency, Whitmore High School, Nower Hill High, Harrow High and Rooks Heath work particularly closely together. All have very strong academic reputations. In particular, I want to single out the heads of Rooks Heath and Whitmore High School. The head of Rooks Heath was named not so long ago as the London headteacher of the year and the headteacher at Whitmore has a particularly good reputation, having led the school through a period of refurbishment and redevelopment.

Bentley Wood, Park, Canons Salvatorian and Sacred Heart are schools just outside my constituency—not quite as well politically represented as the four I have already named. All have strong reputations, all have effective leadership and all show good academic performance. However, all are crying out for more investment in funding. They have noted, as the heads of primary schools in my constituency have, that they are having to cope with an increase in employers' contributions, an increase non-teaching pensions, teachers' pay awards not being fully funded, non-teaching pay awards not being fully funded and the apprenticeship levy. Those pressures amount on average to an extra £54,000 in costs per primary school in Harrow and an extra £159,000

per secondary school. Similarly, schools in Harrow are having to cope with reductions in income from the way in which the minimum funding guarantee works and from reductions in their pupil premium grant. On average, primary schools are losing income. In 2017-18, £37,000 was lost per primary school and every secondary school lost £79,000. In terms of the additional school funding pressures facing every headteacher and governing body, the average overall in Harrow last year was almost £100,000 per primary school and £238,000 per secondary school, and that urgently needs to be addressed.

Nick Gibb: I am listening very carefully to the points that the hon. Gentleman is making, but he should be aware that no school in his constituency will lose funding. In fact, they will gain funding under the national funding formula, once we reach the end point, of 2.4%.

Gareth Thomas: I gently say to the right hon. Gentleman that he is very welcome to come to Harrow, and I would be very happy to organise a roundtable for him with headteachers of primary schools and secondary schools, because the experience that he describes is not the one that they have to face on a daily basis in managing their funding needs. He is sitting next to his colleague, the Minister for Apprenticeships and Skills, who I was glad to meet to discuss the funding needs of a sixth-form college that faces significant additional financial pressures.

More funding needs to be put into the school education system. Harrow needs it and every other school needs it—

David Morris (Morecambe and Lunesdale) (Con): Will the hon. Gentleman give way?

Gareth Thomas: Much as I would be delighted to invite the hon. Gentleman to join the Minister for School Standards in visiting Harrow, I hope that in the light of what Madam Deputy Speaker said, he will forgive me for not allowing him to intervene. Finally, there needs to be a 10-year funding plan and crucially, more investment next year in funding for schools across England and particularly, if the House will forgive me, in Harrow.

3.30 pm

Mr William Wragg (Hazel Grove) (Con): It is a pleasure to follow the hon. Member for Harrow West (Gareth Thomas) and, on the Government side of the House, my hon. Friend the Member for North Warwickshire (Craig Tracey), who made very pertinent points about the need to maintain funding for maintained nurseries, which do such a fantastic job. I also thank the Backbench Business Committee, of which admittedly, I am a member, and our illustrious chairman, the hon. Member for Gateshead (Ian Mearns), who is sitting opposite me, for granting time for this debate.

There are

“lies, damned lies and statistics”—

how true that is for the important debate on the expenditure of the Department for Education. How true those words are for the barrage of claims and counter-claims. How true Disraeli's quip is for neatly summarising our dilemma of who to believe. To misappropriate another eminent Victorian, in terms of education funding at least, it is “the best of times” and “the worst of times”. In Dickens' “A Tale of Two Cities”, we read of a land of

great contrasts. Today, we hear of schools in different parts of the country that are similarly contrasting. There are siren calls for parental funds for toilet paper in Berkshire while those in the inner capital supposedly cannot find enough things on which to spend their money.

It is true that there has never been more public money spent on education, and the Government are to be commended for that. Indeed, the diversion of a further £1.2 billion is a good start, but I want to be able to recommend Her Majesty's Government for even greater commendation. I want my right hon. and hon. Friends to go further. Bluntly, I want more cash for schools in my constituency. Without sounding too demanding or unreasonable, even at the risk of being less macho in the eyes of my right hon. Friend the Chief Secretary to the Treasury, I want to be able to put the case as to why the schools budget must be increased.

Have I, as a Conservative, lost my sense of fiscal rectitude? Am I, for saying "spend more money", seeking to be a pale imitation of a socialist? Am I fearful of the rapacious march of left-wing fanaticism, which we see embraced with wild abandon by segments of our society? I think not. Rather, like any good Conservative, I believe in investing money wisely in things with a proven record of return, and there is no greater stock worth investing in than our children's education.

Schools in Stockport, the borough that I partly represent, are among some of the most poorly funded in the country, so it is a tremendous credit to them that they generally achieve such good results, yet I fear that we are at a point at which this is becoming unsustainable. I say "unsustainable" because, being well managed, they have had to be careful with the budget for years, well before the current cost pressures were brought to bear, and therefore, put simply, because they are financially lean there is little scope for the efficiencies envisaged by the Department.

Since being elected to this place, I have sought to build strong professional relationships with the schools and headteachers in my constituency. I have always been grateful for their insight on the issue of school funding. It is fair to say that they are asking not for the world, but merely for comparable resources with similar schools that they are judged against. It is inherently unfair to expect schools with similar characteristics to produce the same results as their peers on wildly differing budgets.

I recently sought the views of all the headteachers in my constituency on this matter. I am particularly grateful to those who met with me—I may outdo the hon. Member for Harrow West at this point—including the headteachers of Brookside Primary, High Lane; Torkington Primary School, Hazel Grove; Fairway Primary School, Offerton; Mellor Primary School; Werneth High; and Harrytown Catholic High School. I am also immensely grateful to Jacqui Ames, the headteacher of Norbury Hall Primary School, and Joe Barker, the headteacher of Marple Hall School, who are the primary and secondary heads representatives respectively for Stockport. They have furnished me with facts and financial analyses that have been very helpful as I have sought a better deal for my local schools.

I pay tribute to my right hon. Friend the Secretary of State for meeting me and the aforementioned headteachers to hear at first hand the challenges they face. It was a

constructive meeting. We have an excellent complement of Ministers, who I know will argue strongly for their departmental budget in the forthcoming spending review. I have some ideas I would like to suggest they pursue with the Treasury and our right hon. Friend the Chancellor of the Exchequer. First, many of us had hoped that the new national funding formula would be more radical in seeking to address decades of underfunding under Governments of different colours. If the basic grant element of the formula is not to be increased in percentage terms, it may be necessary to target additional funding at the lowest quartile of poorly funded schools. Secondly, the Treasury should fund pay settlements, national insurance increases and additional pension contributions, which form the vast bulk of the cost pressures on school budgets. It is only right that teachers have better pay and conditions, although this should not adversely affect overall teaching and learning.

Heeding your advice, Mr Deputy Speaker, I will conclude by offering some thoughts to the Government in all seriousness and with good will and encouragement. There has been much understandable focus on the national health service, but we must not allow justifiable funding needs to crowd out other vital areas of the public sector. To my mind, and I sense the same in many colleagues, the schools budget is one such that deserves equal attention, care and consideration.

3.36 pm

Julie Cooper (Burnley) (Lab): It is a pleasure to follow the hon. Member for Hazel Grove (Mr Wragg). His conversion to socialism is very welcome on the Opposition Benches.

I am pleased to have the opportunity to speak on behalf of the children and teachers in my constituency. We spend a lot of time in this place talking about how to achieve national prosperity and how to plan for the future and our economy. Surely, there can be no better way to invest in the future than by investing in the children in our schools and nursery schools. One reason I came into Parliament was to champion fairness, so I welcome, in principle, the idea of fair funding for education, but what we have is far from fair. Rather than robbing Peter to pay Paul, we ought to acknowledge that the number of children has grown and that therefore the funding pot for education must grow also. That would serve us all better than to keep arguing about which child should have funding taken away from them and which child should benefit.

At every level in my constituency—I am led to believe that it is the same nationwide—children are being starved of funding in the provision of their education. In the state-maintained nursery schools, which I have had much contact with, the staff are doing a sterling job dealing with some very difficult times. The number of children with special needs in those nursery schools has grown by as much as a quarter. There is a justification for extra funding. These organisations, of course, are funded not as schools, which they are, but as child-minding facilities, which is clearly insufficient. If we do not take action, we will lose this very excellent resource.

In my constituency, a third of all children are growing up in poverty, and that figure rises to 50% in some wards. These children need to be supported and given the foundations to progress through their education. Without that, they will never progress in school. There has

[Julie Cooper]

been talk about who to believe. Understandably, the public are confused. The Government say there is more funding in education, while we say it is not enough. It is true that it is not enough. More funds may well be going in, but there are far more children, and their needs have grown. There are schools in my constituency in which headteachers report that up to 10 children in an academic year are attempting suicide, but the resources that they need to support those children are falling. Schools in my constituency are to lose £500 per child, at a time when they are dealing with additional pressures as well as additional children.

This is not helping to grow our economy, and it is not helping our national prosperity. It is about time we had an honest conversation about it. If we as a country are serious about our future prosperity and if we are serious about investing in our children, we must prioritise their education. We must support the state-maintained nursery schools, and treat them as the schools that they are. They are inspected as schools but they are not funded as schools, and it is about time they were. We must support our primary school teachers, so that class sizes do not keep rising as staff are made redundant in response to funding crises. We must support our secondary schools and help them to deal with those troubled young people. Cutting education budgets—we are seeing that at the moment: it is a reality—is short-sighted in the extreme. It is starving our nation of its future. This is not the way to grow our economy, and I implore the Minister and the Secretary of State to bear that in mind.

Grammar schools have been mentioned. I have no principled objection to them, but I fail to see how opening a grammar school in my constituency would help teachers to support children who are trying to commit suicide or help nurseries that are threatened with closure when they are supporting some of the most deprived children in the country.

I urge the Minister to listen and to fund our schools properly, not taking from one child to give to another, but ensuring that all teachers—all the professionals—have the funds that they tell us they need to do their job.

3.41 pm

Jeremy Quin (Horsham) (Con): It is a pleasure to follow the hon. Member for Burnley (Julie Cooper). I shall return to her point about growing the economy. It is also a pleasure to follow my right hon. Friend the Member for Harlow (Robert Halfon), the Chairman of the Education Committee, who introduced the debate so elegantly.

We have already heard from Dickens via my hon. Friend the Member for Hazel Grove (Mr Wragg). I sensed a slightly Micawberish tendency on the part of my right hon. Friend, and indeed the hon. Member for Harrow West (Gareth Thomas), in regard to the NHS announcement: a feeling that that positive announcement might somehow crowd out expenditure on education and the work of other Departments. In fact, when we look at the history of the NHS, it is extraordinary to see how closely education spending has mirrored its real-terms increases, year in year out. Since the creation of the NHS, education spending has grown nearly tenfold, from less than £10 billion to £87 billion this year. These things are not contradictory.

Of course, the past is no guide to the future. Let me now pick up the point made by the hon. Member for Burnley. We need to grow our economy. We need to increase our GDP, and with it our tax base. That is why my right hon. Friend was so right to flag up the need for investment in this area. Any chart, or any analysis of our projected population growth over the next 30 years, makes the position very clear. We will see a significant rise in our population, but the working population will not grow. We are relying on a smaller number of people to produce the goods to fund both our education and our NHS—indeed, all our public services.

We make our sums add up through productivity, and at the heart of that is education. Its impacts are twofold. First, there is a clear correlation between educational outcomes and productivity, which is why I welcome the emphasis that our country places on education. We are spending more on it, as a proportion of GDP, than any other country in the G7—more than France, Italy, the United States or Japan. Secondly, the creation of a land of opportunity in which anyone can succeed is fostered by a good education system. That is why I welcome the pupil premium, about which we have already heard from my right hon. Friend the Member for Harlow, and why I particularly welcome—here I thought that he was a little ungenerous—the narrowing of the attainment gap between the most privileged and the least privileged pupils.

Let me now turn from the general to the specific and the national funding formula. I think that the principles behind it are sound. We all want a transparent funding system that distributes funds to maximise opportunity and reflects the pressures on schools from deprivation, low prior attainment and the number of pupils for whom English is a second language. It is positive that the NFF recognises it, and it does so against a demographic map of the UK that is superior to anything that has gone before it. For understandable reasons, Ministers did not move straight to the ultimate end-goal pointed to by the NFF, but tapered and softened the results. For fairness to be fully established as greater resources are devoted to the sector, the full implications of the NFF will, I hope, work their way through, so that areas such as Horsham, which always have been and remain less well funded on a per pupil basis than elsewhere in the country, see further increases in their funding.

Every one of my secondary schools benefited from the minimum funding guarantee. I campaigned for that and welcomed the guarantee, and this reflects to me the importance of either maintaining a guarantee into the future or ensuring the full implications of the NFF are worked through over time.

I totally agree with my right hon. Friend that we should not be unpicking consultations. They take time, and a lot of work and effort was put into those consultation processes, but there are three areas I would highlight for the future. First, the high-needs block has been discussed; it is less easy to make economies on this scale and to be efficient, and these are kids who really do need our support, whether in special schools or through funding their progress through mainstream education. Resources targeted at them not only help some of our most vulnerable children, but have an impact across schools as a whole.

Secondly, a discussion of the area costs adjustment of the NFF leads to the risk of getting technical, but while I appreciate that its purpose is to reflect local wages

rather than the local cost of living, I think the latter would be more appropriate, and when one looks at the London fringe, one sees that that has in reality spread far faster than the Department recognises. Costs have risen significantly. This affects teacher recruitment and retention, and this is a technical area that could be productively re-examined.

Finally, on teachers' pay, we need to continue to recruit and retain highly motivated subject experts. That is perhaps peculiarly hard on schools in areas such as Horsham on the fringes of London with, I am delighted to say, areas of high employment and high-value employment. For such areas, getting good teachers in to teach STEM subjects is difficult. The Treasury has for other Departments looked creatively at pay, and I hope that it will look at it creatively again here if the evidence shows, as I suspect it will, difficulties in retaining and recruiting.

I will conclude my remarks on a positive note. Nationally, we have more pupils in good and outstanding schools than ever before, and I welcome the fact—I particularly praise the Minister for School Standards for this—that our international results are so much better. Huge amounts of good work are being done in our schools. I praise the heads and teachers in my schools, who, whatever the funding situation, produce outstanding results for their pupils. Unlike the hon. Member for Harrow West, I think we can look with confidence to the Department and what it will be getting for our pupils in the longer term.

3.47 pm

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): It is an honour to follow the hon. Member for Horsham (Jeremy Quin).

According to the Institute for Fiscal Studies, school funding has risen on average by around 2% per year in real terms for secondary schools and 2.4% per year for primary schools every year since the mid-1970s. Much of that growth came under the last Labour Government, who oversaw average growth of some 5% in the first decade of the new millennium and embarked on a huge and desperately needed investment programme to renew our crumbling school buildings. Yet since the 2015 election, according to the IFS, school budgets have fallen by just over 4%.

This Government trumpeted their announcement last year of more funding for schools as though it was some great triumph, when in reality all they have done is ensure that by 2019-20 school funding will be roughly equivalent to the funding in 2011-12. The numbers speak for themselves: 2% a year increases since the mid-70s; 5% a year under the last Labour Government; stagnant under the Tories. That will be the legacy of this Government's education policy.

These cuts are hitting our schools hard. Analysis by the Education Policy Institute shows that the proportion of local authority schools in deficit nearly trebled from 8.8% in 2012-13 to 26.1% in 2016-17, and that over two thirds of local authority-maintained secondary schools spent more than their income in 2016-17. That is simply not sustainable.

The pain is not only being felt by the schools; it is being felt by the teachers, too. Last year, research by the National Education Union and Tes revealed that 94% of teachers are having to pay for school essentials such as books, while 73% are regularly paying for stationery supplies.

How can it be right that those who undertake a role as important as educating our children feel they have no other option than to spend their own money buying supplies? We do not expect our doctors to buy their own medicines, so why should our teachers be any different?

Is it any wonder that the effects of these constant pressures are leading to problems with recruiting teachers? Just under 40,000 teachers quit the profession in 2016—that is 9% of the workforce—and they are simply not being replaced fast enough. There is now a shortfall of some 30,000 classroom teachers, and the problem is particularly acute at secondary level, where 20% of teacher vacancies remain unfilled. Since 2011-12, recruitment of initial teacher trainees has been below target every single year. In addition, the numbers of full-time teacher vacancies and temporarily filled posts have risen since 2011.

Paul Whiteman, the general secretary of the National Association of Head Teachers, has stated:

“The government acknowledges that schools are being asked to do more than ever before. They also accept that costs are rising. But they remain unwilling to meet these increased expectations and costs with sufficient funding.”

Mary Bousted, the joint general secretary of the National Education Union, has added:

“It is no wonder that schools are increasingly struggling to provide pupils with basic essentials and having to ask parents to fill the gap.”

These are not politicians; these are the people on the frontline who are witnessing the devastating effect of Tory policies, and we should listen to what they have to say.

It is not just in our schools that the Tories' ideology of austerity has hit hard. Maintained nursery schools have received no guaranteed funding after 2020, leaving them completely unable to budget for the future. These nurseries serve some of the poorest areas in England, with 64% in the most deprived areas. As things stand, they are set to lose almost £60 million from 2020 unless urgent action is taken. The Chair of the Education Committee, the right hon. Member for Harlow (Robert Halfon), highlighted this very issue on national radio this morning. When are the Government going to act? Their record on education is nothing short of shameful. My constituents will not be fooled by headline-grabbing Government announcements of more money for our schools or nurseries. The picture is clear, and the figures tell their own story: this Government are failing our schools and our children.

3.52 pm

Maggie Throup (Erewash) (Con): It is a pleasure to follow the hon. Member for Birmingham, Edgbaston (Preet Kaur Gill), although it will come as no surprise that I really do not agree with her analysis of the situation. There is perhaps no more important issue that we consider on the Floor of the House than the future of our children. I therefore commend the Government's efforts to reform the schools funding formula to ensure that we have an education system that is funded fairly across the board.

When I contributed to the Opposition day debate on schools funding in April, I, like other colleagues, took the opportunity to challenge the accuracy of the funding figures published by the School Cuts coalition and warned that Labour was using those figures to mislead the public, including parents in Erewash. Since that

[Maggie Throup]

debate, the union-backed group has been forced into an embarrassing retreat, admitting that it had failed to factor the £450 million central school services block funding into its calculations for 2018-19. That funding means that school funding per pupil will be protected in real terms, and that it will be 50% higher by 2020 than it was in the year 2000.

Specifically in Erewash, the new funding formula will mean that schools will receive an average increase of 5%—an increase in spending of £2.6 million. This rights the historic injustices of the postcode lottery and will enable schools to plan their spending more effectively and efficiently. However, this is just one side of the coin. As I have previously said in the Chamber, we must look beyond the balance sheet to what our schools and their inspirational teams of teaching professionals and volunteers are achieving with their resources in order to give our children the very best start in life.

One of the privileges that we share as Members of Parliament is visiting schools across our constituencies and seeing for ourselves the variety of activities taking place and the opportunities they offer to our young people. Just yesterday I was at St John Houghton Catholic Voluntary Academy, where I spoke to members of the Erewash Youth Forum. The forum is made up of students from Friesland School—which has recently become an academy—Ilkeston Academy, Long Eaton School, Wilsthorpe Community School, Kirk Hallam Academy and the host school. The students asked some tough questions, and I dare say that a few of them may be challenging for my job in the not too distant future. It was great to see their enthusiasm and their understanding of the complex issues that affect society, both at their age group and as a whole.

Chaucer Junior School, which visited Parliament again last month, is another outstanding school. It is really community-minded, adopting the flower containers at our new Ilkeston station and carrying out numerous litter picks inspired by the “Clean for the Queen” campaign. Just a few weeks ago, students took part in the “Keep Britain Tidy” campaign organised by the *Daily Mail*, and I am so pleased for them because they won and will now be visiting the National Sea Life Centre in Birmingham in September.

In summary, I am proud to be part of a governing party that is delivering the economic stability needed to provide a good level of funding for our schools and of a Government who have rightly recognised, through the introduction of initiatives such as T-levels and the renewed investment in apprenticeships, that someone does not have to be academic to achieve in life. The task of educating our next generation is vital. While we may disagree in this place about the strategy to best achieve that, what unites us is our admiration for the people who do this work on behalf of society. Not everyone can teach, but for those who do, it is not just a job, but a vocation.

3.56 pm

Lucy Powell (Manchester Central) (Lab/Co-op): It is a pleasure to follow the hon. Member for Erewash (Maggie Throup). I thank the right hon. Member for Harlow (Robert Halfon) for securing this debate and for encouraging the rest of us on the Education Committee to seek to secure it too.

Despite earlier provocation, I am not going to talk about how we cut the cake; I want to talk about the size of the cake. I am sure that we will hear these two main arguments from the Minister later on: more money than ever is going into education; and the per-pupil numbers are protected. Ministers say that there is more money than ever, but that is never followed by the fact that we have more pupils than ever. Not only do we have significantly more pupils, but the rise in the participation age and extra support for the early years mean that pupils are in education for a lot longer than ever before.

Ministers also say that per-pupil funding has been protected, but they do not say that the costs per pupil have gone up. The maths is quite simple—I am sure that it would make the new reception curriculum—because if there are more costs, but the cash is the same, spending power will decrease. There will be less cash to spend on teachers, textbooks and all the rest. This is not about the funding formula; it is about the size of the cake, which is insufficient to meet the current costs of our education system.

For schools in particular, the lack of funding is coinciding with the teacher recruitment crisis. That is adding to the costs, because the costs of recruitment and of supply teachers are so high, but there has also been massive change. At any other time, new curriculums, new exams and new assessments would require extra investment, not less money, so a huge strain is being put on the system as a whole.

Ian Mearns (Gateshead) (Lab): The argument about the size of the cake is pertinent. Almost 140,000 more children have joined the system over the past 12 months. That means 140,000 more children to eat the cake, so we need a bigger cake.

Lucy Powell: I thank my hon. Friend. I think the actual figure for the system as a whole is a lot higher than that.

Further education, as the right hon. Member for Harlow said, has also been starved of cash since 2010. The spending power of higher education has increased by around 25%—austerity certainly has not hit that sector—but FE has seen cuts of around the same amount at a time when it is being asked to do more. FE colleges must now undertake constant GCSE English and maths resits—we are not quite sure what the outcomes of that are when a norm-referenced statistical framework is being used, which means that so many people have to fail every year—along with delivering apprenticeships and offering new curricula. Post-16 education needs to be looked at urgently.

It is for those two reasons that we need a long-term funding settlement for education. The NHS has one, as we have already heard, but where are the voices in Government pushing the Treasury for a long-term funding settlement for education? We need a 10-year plan for education that takes account of need, of the numbers coming through the system and of the requirements of our economy not just today but tomorrow. I am afraid that is woefully lacking.

We are a bit hand to mouth at the moment. There is constant policy change, with little forecasting of budget requirements. No wonder we see this crisis in education. Ministers need to up the ante when making these arguments.

The remainder of my speech will focus on maintained nursery schools. Yes, overall funding for childcare has gone up under this Government, but who benefits? The analysis I did with the Social Market Foundation, and analyses from the Education Policy Institute, the Resolution Foundation and others, shows that the vast majority of the extra money the Government are putting into early years is going to top earners—in fact, 75% of the extra £6 billion is going to top earners—which is changing the social mobility arguments and tipping them the other way.

We know that the early years matter, because the single biggest indicator of how well a child will do in their GCSEs is still their development level at the age of five. Children from more affluent backgrounds hear over 30 million more words by the age of three than those from less advantaged backgrounds. Children from more disadvantaged backgrounds are twice as likely not to reach early learning goals at the age of five. The evidence is clear about quality early education.

As we heard on the “Today” programme this morning—the Minister was on the programme, and he made some of these arguments himself—our maintained nursery schools are the jewel in the crown of social mobility, but this is now becoming urgent. We cannot wait for the comprehensive spending review to secure the funding. Maintained nursery schools were offered three years’ transitional funding nearly two years ago, and the CSR will not be for another year, by which time those nurseries will be right at the cliff edge. Maintained nursery schools are disappearing now, so we have to get this sorted, and sorted fast.

I gently say to Ministers, who I know are personally committed to these agendas, that we will support them if they want to get out there and be a bit more bolshie—or should I say macho?—in pressing the Treasury for extra funding. If they are not careful, to use another metaphor, the macho tanks of the Secretary of State for Defence and of other Departments will be parked firmly on the lawn of the Treasury while Education Ministers politely put their hands up at the back of the class.

4.2 pm

Jack Brereton (Stoke-on-Trent South) (Con): It is a pleasure to follow the hon. Member for Manchester Central (Lucy Powell) and other colleagues who have made thoughtful contributions and to add my voice to this important debate. I disagree with the hon. Lady’s cake analogy, because funding is, of course, allocated on a per pupil basis. The more pupils a school has, the more funding it will receive.

“Stoke-on-Trent is leading the way in innovative practice...a city with so much to offer, but too many children and young people leave school on the back foot, and do not have the skills and tools required to access the opportunities on their doorstep.” Those are not my words, but the words of the Secretary of State for Education in the delivery plan for the Stoke-on-Trent opportunity area, 2017 to 2020. He is right, and the work going on in the city is a welcome line of spending from his Department.

It is an important line of spending for a number of reasons. First, the opportunity area does much to leverage partnership funding, volunteering and expertise, both from national organisations and local stakeholders. Secondly, it embeds national policy in a particular local context or, seen another way, it embeds particular local priorities in the context of national policy. Thirdly, it

enables workstreams locally that will be of national benefit by further raising the skills and productivity of a city that is on the up, with a resurgent ceramics industry and a wider creative and advanced manufacturing economy.

Ian Mearns: The hon. Gentleman is speaking eloquently about the benefits of having an opportunity area in the Stoke-on-Trent area. Does he not find it surprising that Her Majesty’s Government have seen fit not to have a single opportunity area in the north-east?

Jack Brereton: The hon. Gentleman should take that up with the Government. My area is certainly not one that has been traditionally Conservative. I am the first Conservative MP to represent my area in 82 years, so there are challenges to any suggestion that these opportunity areas are just being allocated to Conservative areas.

As I was saying, that resurgence is firing up the need for an increased number of skilled, roundly educated workers. Like many towns and cities outside London, ours needs not only to improve our rates of educational attainment, but to retain educated graduates and skilled workers, who are too often lured to the larger more metropolitan cities. Essential to that is more effectively bridging the gap between education and the economy, ensuring that our young people have the right skills for the job opportunities available locally. Critically, in Stoke-on-Trent this must be about raising aspirations, with our entire city focused on ensuring all our young people are able to and have inclination to reach their full potential.

Although school standards and results in Stoke-on-Trent are on an upward trajectory, and we have seen vast improvements in most recent years, we still need to go further to ensure that all our schools and children are able to access the quality of education they deserve. Many of the problems we are having to reverse in Stoke-on-Trent are deep-seated and long-standing. As recently as December 2016, nearly half of all learners in secondary education across the city were in schools judged by Ofsted to be less than good. At key stage 2, Stoke-on-Trent’s children are behind the national average in reading, writing, maths and science. Thankfully, this picture has now started to improve and we have seen a number of these schools make significant progress over the past two years. I am especially pleased that the schools in Stoke-on-Trent will benefit from reform of the funding formula, addressing long-standing inequalities in the old formula, but I agree with my hon. Friend the Member for Horsham (Jeremy Quin) about the high-needs block.

All the secondary schools across my constituency are now improving, and I hope that will be further demonstrated in the results in August. A vital part of achieving that is having high standards of teaching and leadership in our schools. For teachers to be their best we must liberate them to teach, rather than saddle them with unnecessary burdens. I was pleased to welcome the Minister for School Standards to Stoke-on-Trent South to talk to primary heads and deputies recently about reducing unnecessary teacher workloads. We heard examples of outstanding practice taking place in Stoke-on-Trent, and I know the Minister was impressed by the teachers he met.

For our young people, careers advice is also crucial to broadening horizons to both academic or vocational routes. So it is welcome that the Careers & Enterprise Company is working to ensure that every secondary school and post-16 provider in Stoke-on-Trent will have

[Jack Brereton]

access to an enterprise adviser. We are talking about senior figures from business volunteering their time in schools, and a share of £2 million investment, so that every secondary school pupil has access to at least four high-quality business encounters.

I am also delighted to say that recent efforts to increase applications to Oxford and Cambridge from A-Level students in Stoke-on-Trent seem to be working. I was particularly pleased to see the work done at Ormiston Sir Stanley Mathews Academy recently, with the brilliant club scholars programme to widen access to the top universities and push our children to achieve their best. By getting our educational base right, we can open up new possibilities, especially for children from deprived backgrounds. Important in that is the engagement of organisations such as Young Enterprise and the National Citizen Service with the opportunity area.

4.8 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): It is pleasure to follow the hon. Member for Stoke-on-Trent South (Jack Brereton), whose constituency I suspect shares many problems with mine. We could range widely in this debate about education estimates, but I wish to focus on one particular area: the role of our nursery schools and their importance in opening up opportunity.

I wish to begin by thanking the Chair of the Select Committee for pressing this debate. On this issue of nursery schools, I wish to thank my hon. Friends the Members for Batley and Spennings (Tracy Brabin) and for Manchester Central (Lucy Powell), who, from the Front Bench and the all-party group on nursery schools, nursery and reception classes respectively, argue the case for these schools with skills and passion, week in, week out.

We have to recognise that there are parts of the country where there is a deep political and economic disaffection: working-class areas where people feel, with some justification, that they do not get a fair share and that the best chances and the biggest rewards go to others and not to them. That is where education comes in. My constituency is at the wrong end of a lot of league tables. Our unemployment rate is around three times the national average; for those who are in work, their pay is around £100 a week less than the English average; we have something like three times the national average proportion of working-age people with no formal qualifications whatsoever; and we have a far lower percentage of people with higher educational qualifications than the national average.

When it comes to the cycle of disadvantage and lack of opportunity, inequality sets in early. We already know that when it comes to starting school there is a development gap, variously measured at 12 or 15 months, between children from the lowest-income backgrounds and those who are better off. If that development gap is not addressed early, it can affect people for the rest of their lives, holding them back from learning what they might have learned, cutting them off from opportunities and careers that they might have had, and reinforcing the inequality and lack of social mobility that is so prevalent in our country.

If we are to address the cycle, we have to start in the early years, and our nursery schools are at the frontline of that effort. I regularly visit wonderful nursery schools in my constituency, including Windsor Nursery School,

Bilston Nursery School, Phoenix Nursery School and Eastfield Nursery School. The staff in those nursery schools do a fantastic job. They are fuelled by a passion to give every child the best possible start in life, no matter what that child's background is. No child is written off. The staff will accept second best for no one. They are conscious of the importance of their role and, rather than be daunted by it, they are inspired by it and are in turn inspiring to others through their efforts.

When I visit these nursery schools, as committed and passionate as the staff are, they make two points to me, and I want the Minister to reflect on them. First, they say that the new funding formula, with its emphasis on per-pupil per-hour funding, does not reflect the reality of their costs. These are nursery schools with a fixed cost base. The emphasis on per-pupil per-hour funding, particularly in highly mobile areas where pupil rolls can go up and down, makes it almost impossible for them to plan for the future. They need to know whether they can employ a good headteacher. They need to know that they can invest in the development of staff. They need to know that they can continue to provide the essential help for special educational needs and for children with disabilities that they are so good at. They cannot do that adequately if they do not know what their budgets are going to be from year to year. There used to be a lump sum in the funding formula—on top of the hourly fee—that helped schools to plan in that way. That element has now gone, leaving staff living from year to year, if not month to month, without knowing what the future holds.

Secondly, nursery schools need more certainty about the future of even the per-hour funding. At the moment, the impact of the new funding formula has been tempered by transitional relief, but as we have heard that is not guaranteed beyond 2019-20. What is going to happen after that? If the supplementary funding is not continued, it will be a disaster for these schools. One federation of two nursery schools in my constituency projects a loss in income of more than £100,000 per year per school, if there is no supplementary funding beyond 2019-20.

It is good that we have a 30-hour offer for three and four-year-olds, but I would like to see a deeper and more universal early-years offer. The key point is that whatever the number of hours the Government offer, it is essential that the offer is funded properly in a way that recognises not just pupil numbers but the real-world costs of running a nursery school.

In conclusion, the way in which we treat this policy area says much about our attitude to social mobility. If we get it right and give it the priority that it deserves, we can break through some of the barriers that hold people back. If we do something on this, we can offer a real answer to some of the grievance and disaffection that I spoke of. Plenty of politicians out there are content to pour petrol on anger. That should not be our role; we should be offering a chance, not a grievance. If we are serious about it, we should start in the early years.

4.15 pm

Huw Merriman (Bexhill and Battle) (Con): It is an honour to follow the right hon. Member for Wolverhampton South East (Mr McFadden).

I thank my right hon. Friend the Member for Harlow (Robert Halfon) for leading us through this very important debate. It is a pleasure to speak, because, as the son of

not just a teacher, but a trade union steward of the NASUWT, I promised my mother that I would speak often on the subject of education, perhaps to make up somewhat for the disappointment of my becoming a Conservative MP. I will continue to speak up, and hopefully I will win her round eventually.

I am particularly proud of this Government's record. Yes, we have issues with regard to funding, and I will touch on them in the minutes that I have available. The reality is that 86% of our schools are now good or outstanding, and that is the absolute acid test for how our schools are doing. That figure has gone up from 66%. Regardless of political views, some credit for that rise should be given to the Department as well as to the teachers, the heads and indeed the pupils of all those schools that have excelled in recent years. I do hope that the Opposition will take that in a spirit of fairness.

I want to thank all the teachers. I am sure that all MPs will understand when I say that going into a school gives me an enormous lift. On Friday, I went into Robertsbridge comprehensive school in my constituency, having had a particularly bruising week. The reality was, however, that the pupils did not really give a stuff about what had happened to me. All they cared about was what will happen to them in their future. Their optimism, their positivity and their belief that they can and will take on the world must surely rub off on all of us as constituency MPs, and, hopefully, make us work harder for them in this Chamber.

I want to touch on early years, primary school, secondary school and then sixth form if time permits. I am very proud that the £6 billion spent on childcare is giving parents an opportunity to provide for and to give back to their children. I speak to many nursery providers and to the parents who use the nurseries. Undoubtedly, the feedback is really positive in terms of take-up and indeed in the way that things are working out. I am sure that, like many constituency MPs, I speak to many providers who do feel that the cost is a bit of a stretch. Issues such as business rates could be considered and will provide a welcome boost to them. I am pleased that the Government are committed to looking at this space and, now that the 30 hours has been rolled out, to what more needs to be done. None the less, it is a very successful policy, which perhaps needs a bit of tweaking to make it an absolute success.

I have many rural primary schools in my constituency, and this is an area where the funding formula really needs to be looked at. At one of my schools, 69% of the pupils come from Hastings, which, as a particularly deprived area, has more money allocated to its schools, but those pupils from that deprived area go to a rural school, which does not get that same funding level. The school gets the pupil premium, but not the additional deprivation level. Every constituency MP wants more for their schools. In East Sussex, £4,500 is spent on each pupil at secondary level; in Hackney, that figure is nearer to £7,000. There should be one fixed amount across the entire country, and then we add on the extras, rather than doubling the amount.

I would like to see a better planning process, so that in areas where, clearly, there are falling rolls, pressure is on the local authority to build more houses. In one particular town, there is no building planned, yet it is the only part of my constituency in which there are falling rolls. The planning process needs to change to reflect that.

At the secondary school level, I am very fortunate in having two outstanding secondary schools and three good schools. Formerly, one was not good. That is testament to the work that has gone into that school. All of the headteachers deserve great credit.

I have asked the Chancellor and the Department for Education team whether it would be possible for the well-deserved pay rise for teachers to be funded outside of the education budget. There is no point in us fighting so hard and being so grateful to get that extra £1.3 billion for our schools, only to find that it is taken out in pay rises because about 80% to 90% of the schools budget is spent on pay. I very much hope that the Exchequer will look at that situation.

Before I sit down, I will briefly mention sixth forms. There is only one sixth form within a school in my constituency. The other four schools do not offer sixth form, but there is a sixth-form college. I would like there to be more sixth forms within schools so that my students do not have to travel further afield, but the reality is that funding at the sixth-form level is 10% lower than at secondary place level, and it was 50% higher 20 years ago. This is holding schools back from expanding, which is a shame because it is good for students to stay in the school that has nurtured them.

The Government are doing a fine job. I recognise that more funding has gone in than ever before, but I also recognise the point made by schools that costs have never been higher, which is why I would like to see a little more funding.

4.20 pm

Thelma Walker (Colne Valley) (Lab): I am delighted to follow the hon. Member for Bexhill and Battle (Huw Merriman). As a co-sponsor of this debate with the right hon. Member for Harlow (Robert Halfon), I believe that it is important that this House has the opportunity to scrutinise fully the Department for Education's spending. I hope that Members will come to the same conclusion as me—that much more needs to be spent on schools and our young people's education.

"I hope that we all agree that the aim is to provide the right education for every child. For some children, that will be an education that is firmly based in learning practical and vocational skills. For others, it will be an education based on academic excellence." —[*Official Report*, 2 June 1997; Vol. 295, c. 60-61.]

Those are not my words, but the words of the Prime Minister in her maiden speech. I would like to use the next few minutes to examine the Prime Minister's words to see how they fit with the Department for Education's policies and spending plans today.

First, let us look at "the right education for every child."

I agree with the Prime Minister's words that every child deserves the right education, regardless of their background, postcode or the support needed.

Laura Smith (Crewe and Nantwich) (Lab): Since the introduction of the new code of practice, there has been a significant increase in the number of pupils eligible to access special educational needs funding, but no proportionate increase in funding from central Government. Does my hon. Friend agree that the Government need to examine pressures on SEN budgets as part of their spending review, to help struggling local authorities such as Cheshire East Council, which is already anticipating a £2 million overspend this year alone?

Thelma Walker: I could not agree more. The Select Committee on Education will be looking at that issue in its inquiry.

Sadly, many children across the country are not given the appropriate support. “Growing up North”, a report by the Children’s Commissioner for England, stated that

“it is also important to understand that a disproportionate number of children in the North are growing up in communities of entrenched disadvantage which have not enjoyed the financial growth or government energy and spotlight that have so boosted opportunities in other areas of the country—London and the South East in particular. As a result, too many disadvantaged children in the North are being left behind.”

That report, alongside work from other organisations such as the Northern Powerhouse Partnership, shows that children are being denied the same quality education and support based just on where they are born.

Furthermore, the Social Mobility Commission’s 2017 “state of the nation” report found that:

“Disadvantaged children are 14 percentage points less likely to be school-ready at age five in coldspots than hotspots: in 94 areas, under half of disadvantaged children reach a good level of development at age five.”

Those are shocking statistics. Both those reports highlight the devastating impact that the lack of social mobility has on children who go to school without having the best start in life—hungry, in dirty clothes, and potentially lacking social and emotional support. This has an impact on the child all the way through their educational journey and into adulthood; it is a cycle of deprivation. I have witnessed such deprivation at first hand throughout my teaching career.

An essential part of delivering this quality education to each child is a nurturing and supportive school environment. I know that teachers and headteachers across the country are working so hard to provide the best education for our children, but funding cuts over the past several years have made their job increasingly difficult.

Secondly, the Prime Minister said:

“For some children, that will be an education that is firmly based in learning practical and vocational skills.”

In addition to the schools system, our colleges and sixth forms are being starved of funding. Figures from the Sixth Form Colleges Association state that 50% of schools and colleges have dropped courses in modern foreign languages, 34% have dropped STEM—science, technology, engineering and maths—subjects, 67% have reduced student support services and extra-curricular support, and 77% are teaching students in larger classes. Since 2010, total expenditure on 16-to-18 education has fallen by an incredible 17.5% in real terms. This area of our education system has been hit hard by cuts.

I have heard personally from leaders in my constituency just how much pressure and stress this is placing on them. In 2017-18, funding for sixth-form colleges is £5,400 per student—the same as it was, in real terms, in 1990. How does supporting a young person by a quarter of what their peers receive demonstrate that the Government value all those who choose practical or vocational qualifications? As was said in one of our sessions at the Education Committee:

“If we were given £9,000 to train health workers, what an amazing system we would have!”

Each one of our young people deserves to have an education and career choices, and to be respected and valued. Is it too much to ask for a genuine and balanced commitment to the further education route?

In the third part of the quote from the Prime Minister’s maiden speech, she says:

“For others, it will be an education based on academic excellence.”

Cutting subjects, raising class sizes and forcing students to learn in dilapidated sheds will not allow academic excellence to be achieved to its fullest potential. Across the UK, £2.8 billion has been cut from school budgets since 2015. That breaks down to an average of £45,000 per primary school and £185,000 per secondary school. Academic excellence should not be open just to those who are wealthy and can afford to pay for private schools for tuition—it should be something that every child, in every classroom, in every school in the country can aspire to.

4.27 pm

James Frith (Bury North) (Lab): I refer Members to my entry in the Register of Members’ Financial Interests.

Improving education chances for all young people in my constituency is one of my top priorities, as it will be for many across the House but, sadly, for too many the reality does not match the Government’s rhetoric. So I want to record the reality shared with me by the 67 head teachers from primary, secondary and special schools across the borough of Bury in their letter to *The Bury Times* in April this year, in which they said:

“Ministers repeatedly claim that education funding is protected and seem to be in denial about the realities of school funding and its impact on children. They talk about there being more money in education than ever before, when there are half a million more children in schools than in 2010. Tough decisions will have to be taken. Governors and Headteachers can no longer guarantee that such cuts will not impact on our children.”

Their letter goes on to warn of the consequences of this funding shortfall—larger class sizes, fewer teachers and senior staff, decrepit school buildings, loss of teaching assistants, fewer GCSE options on offer, difficulty in recruiting teachers and so on. One Bury head told me:

“It is quite simple—there is less money in schools. Government rhetoric says that schools’ funding has been maintained but does not mention the additional costs (NI payments, paying for services which were previously free, pay increases, pension increases etc.)”

Most alarmingly, this impacts on children with special educational needs and disability. I am pleased to have secured, with colleagues from the Education Committee in the Chamber today, the SEND inquiry, which has now started. More than half of the Bury heads responding to my survey told me that they had been forced to cut special educational needs provision. Three quarters say that the number of staff they have dedicated to SEN support has either stayed the same or fallen, despite increasing numbers of pupils needing access to it, while 52% expect to have to cut it further in the next two years. One primary head said, “I do not have the necessary funding to support some of our most vulnerable children in terms of SEND.” Schools need support if we are to create and sustain the dynamic mainstream education system that I would advocate.

It is unlikely to be a coincidence that the number of excluded pupils in alternative provision with SEND is on the rise. Some 77% of excluded pupils in 2016-17 had special educational needs and disabilities, with heads

marking the reason for their exclusion from an extensive list of options as “other”. “Other” now represents nearly 20%, despite being a category intended for rare use on which the Department holds no data. In his recent letter to the Education Committee, the Minister for School Standards provided no data for 2017-18 SEND exclusions, which will have been submitted already but are not disclosed. Perhaps he might announce those figures in his closing remarks.

We need more scrutiny of schools’ use of “other” as a reason for excluding, as well as a more sympathetic system that supports and encourages schools to include and does not penalise them through the Ofsted framework. Pressures on our local authorities compound the problem. Some 250 children are being educated out of borough in Bury, at a cost of £6.5 million. I urge the Government to introduce a pupil premium-style funding allocation for children with SEND. Let us call it “SEND spend” and fund it properly. The high needs block funding must rise in line with costs, and the rise in SEND numbers needs to be better reflected explicitly in the system.

In Bury, I have challenged the local authority to commit to no out-of-borough care in five years. Let us not unsettle children who wish to remain, but enable a return to mainstream for children for whom a reasonable adjustment can be made. Alternative provision has a profound role to play—one that I celebrate and defend—but it must not become an alternative to a patient, sympathetic and inclusive mainstream system. This Government have presided over a highly pressurised, poorly funded system that leads schools to off-roll and to exclude, not include. Where now for Every Child Matters? We have a plan for some children, not all, and our most vulnerable are being left behind.

If we delve a little deeper into the Government’s auto-response that 1.9 million more children are in good or outstanding schools since 2010, we see that it is misleading. As I said to the Minister at last month’s Education Committee session, and as the Education Policy Institute confirmed in its report yesterday, a large part of that increase is due to a rise in the birth rate. About a quarter of the 1.9 million pupils—nearly 600,000—are the result of an increase in the population of pupils.

Nick Gibb: Can I point out that, in 2010, 68% of schools were judged by Ofsted to be good or outstanding and that figure is now 89%? In between those two dates, Ofsted has raised the bar of what constitutes good or outstanding.

James Frith: With respect, the Minister will have a chance to address these points when he sums up.

I have heard of Government intervention, but I am unsure how this Government can take credit for an increase in the birth rate—and anyway, the birth rate increase happened on Labour’s watch. Another quarter of pupils are in schools rated good or outstanding that have not been rated by Ofsted for at least eight years, and 300,000 pupils are in schools not inspected since 2010 because they are in converter academies. I know there is much agreement across the House on these issues, so I say to Ministers: take note of the forensic attention that our heads and your colleagues are paying to performance and ensure that, come the Budget, that is reflected in the allocation.

I will conclude with a brief word on capital spending. In response to my recent request for Lord Agnew and the Secretary of State to consider rebuilding Tottington High in Bury in my constituency, I received a letter acknowledging that the cost of a new school is on average between £9 million and £12 million in current money. Lord Agnew referred us to the £2 million pot given to Bury to look after all its schools. Since the ambitious days of Building Schools for the Future, capital funding has all but disappeared. Tottington High has been overlooked. It was booted off the BSF when the new Government came into power in 2010 and then pushed off their list for new builds. School governors expect more contact from the HSE than the DFE. As I asked the Secretary of State last week, will he send officials from his Department to visit the school to see for themselves the case to rebuild? If he responds to me in this debate, I will update the school when I am proudly its prize-giving speaker on Thursday night.

4.34 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): I wonder whether the Minister has any idea how hard schools in Birmingham are finding things these days. It does not really matter if we are talking about LEA schools or academies, because they are all beset by the same funding problems. In Birmingham, the base rate per primary is down by £250. One local school that has made a virtue of catering for youngsters with special needs has lost three experienced teachers, who have been replaced by one newly qualified teacher, and the same school has had to lose five teaching assistants and three dinner ladies.

Let us just look at what is happening to schools in my constituency. In Billesley Primary School, which has been totally transformed thanks to the efforts of one of our most talented heads, the pupil to TA ratio has halved. At Cotteridge, the pupil to TA ratio is down, and it is the same at Colmore Infant and Nursery School, Hollywood, Tiverton Academy, Woodthorpe Junior and Infant School, and Yardley Wood Community Primary School—to name only a few.

Headteachers and experienced teachers are having to vacate their schools for several days a week and tout themselves around as specialist leaders in education, earning £300 to £400 per day just to keep their schools ticking over. That £300 to £400 comes of course from the budgets of failing schools. We are seeing a vicious merry-go-round in which a school that is failing has to sacrifice part of its budget to pay for support from a specialist leader in education, and that specialist leader has to sacrifice the time they should be spending in their own school, teaching the children there, just to earn enough to keep their own school afloat. That is the reality of this Government’s education funding.

The Government’s own workforce census shows that schools in Birmingham lost more than 600 teachers and teaching assistants last year. Just this morning, I received an email from a teacher at a very highly rated primary in my constituency, imploring me to speak out in this debate and tell people how bad things really are. We now find ourselves in a situation where schools are sacrificing ancillary staff, teaching assistants and experienced staff because they cannot afford their salaries, pensions and national insurance contributions. Welcome though any pay rise is, for the head and governors, it of course means another round of redundancies, because this Government have no intention of funding the pay

[*Steve McCabe*]

settlement, pension and national insurance contributions. All this is happening against a backdrop of rising pupil to teacher ratios and a shortage of qualified teachers, with more leaving the profession than entering it.

In secondary schools, we have probably yet to see the worst effects, but they are already subject to a shortfall of £500 million per year in funding for 11 to 16-year-olds from 2015 to 2020, with huge cuts to sixth-form budgets for schools in my constituency. Schools have had to scrap the sixth form because of the detrimental impact the funding shortage was having on children in the lower school. The projected loss of income from 2015-16 to 2019-20 for King's Norton Boys School is £126,195; for Bournville Secondary, the figure is £359,201; for Dame Elizabeth Cadbury, it is £303,606; for King's Norton Girls School, £182,261; for Allens Croft Primary, £174,347; for Billesley Primary, £178,959; and Yardley Wood Community Primary School, £166,243.

Andy Slaughter (Hammersmith) (Lab): Will my hon. Friend give way?

Steve McCabe: I will not give way at the moment because other people want to speak.

Those are good schools, with excellent leadership teams and committed staff who want to do the best for our children. They are prepared to go the extra mile, working evenings, holidays and weekends. Linda McGrath, the head of Woodthorpe Junior and Infant School, recently found herself thrust into the role of project manager as she attempted to put her school back together following the devastating floods only a few weeks ago—supervising the cleaning and rebuilding work, ordering the necessary materials and finding alternative classroom provision at other schools for her children. She deserves a medal for her efforts, not the budget cut that this Secretary of State is planning to impose on her. That is the reality of school funding today. That is what the Government are trying to disguise. The lesson of this debate should be that the Government have to do much better by our schools.

4.40 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I first declare an interest: my wife is the cabinet member for children and young people at Cheshire West and Chester Council and two of my children attend a local school in the constituency.

The recently published University College London Institute of Education report showed a relationship between inspection grades and changes in the socioeconomic composition of pupils. That means, certainly to my mind, that there is an element of good schools becoming a self-fulfilling prophecy. I do not think we should be surprised by the finding; parents, of course, want their children to have the best education possible, but an inevitable consequence is that the parents with the most resources will use them to maximise their chances of getting their child into what they consider to be the best school in the area. Where does that leave others? Where does it leave the challenge of improving social mobility? Surely, that can only go backwards in this scenario? Is there a risk that schools not performing as well in the area could get into a downward spiral that they will struggle to get out of?

I have seen for myself the risks, with the University of Chester Academies Trust; as a multi-academy trust, it has been underperforming for some time. Ofsted first raised serious questions about the whole chain's performance some 18 months ago. In May, the trust announced that it was cutting staff and trying to offload four schools due to a £3 million deficit. That left three schools still in the trust, including the Ellesmere Port Academy in my constituency, which has itself been in special measures for a year. It was pretty clear to me that the trust did not have the capacity or the resources to survive, let alone drive through the changes needed to turn the school round.

Now, thankfully, a decision has been reached—that it is unviable to allow the trust to continue—but it has taken a long time to get to this point, and there has been a lot of uncertainty for parents, staff and pupils alike. That uncertainty will continue until there is a new sponsor. I hope that one can be found swiftly and I am pleased that we are finally addressing the issue. I find it incredible that the situation was tolerated for so long. Had the MAT been a local authority or any of the schools been under council control, I have no doubt that there would have been action long ago.

As we have heard today, claims that every school in England would see a cash increase in their funding have been challenged—not only by Labour Members, but by the Institute for Fiscal Studies and the UK Statistics Authority. Given that all but one of the schools in my constituency face a funding cut, the true situation is clear: local schools will lose about £3 million between 2015 and 2019. Pupils in my constituency will receive £300 per head less over the next three or four years.

Andy Slaughter: I do not want to indulge in a hierarchy of misery, but every single one of the schools in my constituency will lose money in the five years to 2020—£50,000 to £150,000 for primaries and £300,000 to £600,000 for secondaries. That is more than £500 per child. This is an extraordinary situation. I know that the Minister does not accept these figures; if he does not take them from us, perhaps he should take them from the headteachers in our constituencies.

Justin Madders: I thank my hon. Friend, who is absolutely right. I know from talking to parents, teachers and heads in my constituency that schools are already facing very tough choices. The National Education Union survey told us that 55% of schools that responded said that class sizes had risen in the past year and that more than three quarters had reported cuts in spending on books and equipment. The headteacher survey on the state of our schools post the national funding formula found that 90% of schools are now using pupil premium funds to prop up their basic core budgets. That money is meant to be spent on the most vulnerable pupils rather than as part of the sticking-plaster approach that we are seeing at the moment.

The cuts to school funding also extend to council support. Changes to central support grants will lead to about half a million pounds being lost to my local authority in the next decade, which will further emasculate its already diminished ability to support schools—not that it could help most of them even if it wanted to, thanks to the acceleration of the academies programme. What is that programme actually achieving now? Well, the words of David Laws the other day were quite interesting. He said:

“What we know is that the most successful part of the academisation programme was the early part of it... Those early academies had absolutely everything thrown at them. They were academised school by school, with huge ministerial intervention. The new governors were almost hand-picked. They often brought in the best headteachers to replace failing management teams. They had new buildings. Sponsors had to put in extra cash. Our research shows that much of the programme since then has had little impact on standards.”

In other words, early improvements under a Labour Government have been lost to an ideological drive to create a market and to denude local authorities of a role.

The logical conclusion of the mass academisation of recent years is that the local authority is still the admissions authority, but in name only. Because of the difficulties we have had in one of the schools I referred to, as well as one or two other factors, we have ended up with a totally lopsided admissions process this year, which has led to record appeals, many parents sending their children to schools miles away that were not one of their original three preferences and some parents sadly feeling that they will have to home educate.

Nationally, the number of children being home-schooled has risen by more than 40% in the past three years, according to figures obtained by the BBC. That increase is not just about a broken admissions system, but schools perhaps suggesting that a particular child should be home-schooled to avoid an exclusion or that the school environment might not be the best place for a child if they have special educational needs. Yes, of course some parents are simply exercising parental choice, but for me the rise in the numbers of academies and the rise in numbers of those being home-schooled is surely no coincidence.

Who is monitoring and evaluating this explosion in home-schooling? Has there been a 40% increase in resources to do that? Are we confident that the legislation and guidance in this area is as up to date as it needs to be? Are we comfortable that so many children are being educated in this way? Is this a great example of how parental choice operates, or are parents being forced down this route because they have no real choice? What efforts are being made to ensure that children are able to return to school if they can? What scrutiny is taking place of schools or areas that have higher than average levels of home-schooling? Has any analysis been done on why this is the case?

Those are not easy questions to answer, but they should be asked. I fear that the fragmented system we currently have means that once a child becomes home educated, they become somebody else's responsibility. That is the wrong approach. We owe it to all children to ensure that they get the very best education, no matter where they take it.

4.46 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to follow my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders).

The debate on school funding always appears to follow the same tired pattern. Teachers, parents, education trade unions and the Opposition parties all point to the facts: increased class sizes; the number of teachers leaving the profession; the lack of adequate support for children with special educational needs and disabilities; the number of “expensive” subjects cut from the curriculum;

the cancelled school visits because the schools cannot subsidise them; the number of teaching assistant jobs that have been cut or reduced; the declining state of the school estate; the request by schools to even put Amazon wish lists out for parents because they cannot afford basic school supplies; and many other concrete examples of continual underfunding. The Government then say, “We have increased funding for schools”. What they do not say is that what they give with one hand they take with another. They repeat their mantra frequently, encouraging all those sitting on the Government Benches to trot it out at every available opportunity. They are desperate to make us believe that the emperor really does have new clothes, but I am sorry to say that those on the Government Front Bench are all completely naked.

The reality is that the IFS estimates that, from 2015-16 to 2018, funding for schools fell in real terms by just over 4% per pupil. Since April 2017, the 0.5% apprentice levy has been an additional burden on the payroll. Schools tell me they see it as an additional tax that they cannot use to improve the learning or outcomes for the pupils in their classes. On top of that, we have had increased national insurance contributions and an increase in inflation. The number of children requiring SEND support has increased by 21% in the past three years.

Nationally, the National Association of Head Teachers undertook a survey called “Breaking Point”, which found that more than four fifths or 86% of respondents had reduced the number of hours of teaching assistants or their numbers to balance their budgets. More than a third of respondents said that they had to reduce the number of hours or the number of teaching staff. Figures sometimes lack the human impact or real story behind them. What difference do teaching assistants make? I can tell the House about the teaching assistants that I worked with in my 11 years as an infant teacher and the difference that they made. Yes, part of it was about the educational achievement of the children who did not often read at home. They were taken every morning by me or the teaching assistant to make sure that they had the time, and the quality interaction, to improve their reading. However, there is much more to it than that. There are stories that do not often come out on the Floor of the House, such as when a child of only six years old decides to vomit everywhere in the classroom. Who has to clear it up? The teaching assistant has to do that because the teacher has to stop the 29 other children going to inspect the vomit that is in their classroom. These things happen in infant school and nursery classrooms, and yet, what happens if we take those teaching assistants away? Imagine the disruption. Every teacher around the country can tell us about the disruption caused by a bee in a classroom, let alone a child who suffers from diarrhoea and vomiting.

Over half the schools in my constituency have had to make teaching assistants redundant. Hull headteachers have already written to the Secretary of State, asking for £5 million extra in funding to help them to support the children who are most in need. Currently, 526 pre-school children in Hull with SEND are going to be starting school in September, and they need the money for the additional support.

As the system is set up at the moment, schools are expected to provide £6,000 in additional support for children with SEND before they can access any other funding, so that is going to be an incredible cost for

[Emma Hardy]

those schools. I ask the Minister: what does he think is happening to those children in schools? Where does he think they are going? What happens to the children that nobody wants? They end up being off-rolled and put in alternative provision. The number of children being home-educated or educated outside a school setting has risen from 3,305 in 2010 to 8,304 in 2017, so 8,304 children are waiting for adequate education, and there is huge competition for specialist places in specialist schools.

The forthcoming report from University College London's Institute of Education said that the system is now pushing schools and their heads to prioritise "the interests of the school over the interests of groups of, usually more vulnerable, children".

Some schools were found to be engaged in "aggressive marketing campaigns and 'cream skimming' aimed at recruiting particular types of students".

That is the true legacy of this Government's education reforms—a legacy that excludes and treats the most vulnerable people in our society in this way.

The world is becoming an increasingly dangerous place, with dangerous ideals being promoted closer and closer to home. Now is the time to be pouring our money into education, fighting fake news and preparing our children for the fourth industrial revolution, because before we complain about the cost of education, we should first consider the cost of ignorance.

4.52 pm

Matt Rodda (Reading East) (Lab): It is a pleasure to speak in this important debate and to follow my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy).

The funding of our schools is a key issue in my constituency. Reading and Woodley are growing towns with many young families, and many other residents are concerned about the state of schools and education in general. I endorse the points that hon. Members have made about the importance of funding our schools properly, and I want to go further. I want to describe the scale of the problems in my constituency, which are both serious and substantial. There is no doubt that our schools face a deepening funding crisis. I also want to show that the scale of the crisis demands a fundamental rethink of the scale of the funding envelope available to education in this country. I am calling for an end to austerity and for a fair funding settlement for our schools, the NHS and other services.

First, I will describe the crisis in my constituency. Nurseries, primary schools and secondary education have all been hit hard by eight years of austerity. As a new MP, I have been meeting with teachers, parents and pupils, and I have asked schools that I visited to tell me what they would like to report to Ministers to explain the scale of the crisis. One nursery head described it particularly well. She explained that she has always had to face an uneven playing field—for example, nurseries pay business rates, unlike schools. She now has to manage, however, with a totally different situation—one that my hon. Friends have already alluded to—having to deal with a greatly increased number of children with special educational needs and a wide range of other financial pressures. Primary schools in my constituency have had to deal with heavy cuts at the same time as pupil

numbers have risen steeply. Schools have also reported serious additional problems with unfunded pay rises and unfunded national insurance increases.

These pressures have fed through into secondary schools, which have also had to respond to significant changes to the curriculum and the introduction of new GCSEs and A-levels, all taking place at the same time. The number of teaching posts has been cut and subjects axed, including German and music—I imagine that many Members would consider both of those subjects to be a fundamental part of secondary education. The average local authority secondary school deficit in Reading has risen from £300,000 in 2010 to £374,000 in 2018. Taken together, this is close to a perfect storm. The cuts, the relentless changes to the curriculum and examinations and the significant rise in pupil numbers have all put tremendous pressure on our schools. Is it any wonder, then, that teachers are leaving the profession and recruitment is becoming so much harder?

I am grateful to have had the opportunity to set out the substantial challenges faced by schools in my constituency and across our country. There is a severe funding crisis—one that is creating close to a perfect storm, when taken together with the other major changes being forced through schools—and yet the Government have an opportunity to rethink. I urge Ministers to listen to teachers, parents and students and seriously reflect on this mistaken approach. Surely, it is worth rethinking austerity after eight failed years.

4.56 pm

Jack Dromey (Birmingham, Erdington) (Lab): I start by paying tribute to our teachers, our teaching assistants and the school staff for the remarkable work they do. I think of Osborne Nursery School, where a grandfather said to me, "Our little boy came here six months ago. He couldn't string two words together. He was withdrawn and we were worried about him. Now, six months later, we can't shut him up. He loves the nursery school. He bounces in every morning. He's going from strength to strength." I think of the mother at Lakeside children's centre who told me, "Jack, I was suicidal. I couldn't cope with two kids, one of whom has severe difficulties, but the children's centre helped me through. It helped me to become a good mum".

I think of Twickenham Primary School, where I was told of a young boy, aged seven now, who came from a home with no curtains, carpets, cupboards or wardrobes, where everything was stored in bin bags on the floor. The school had to bring him to school every morning and feed him every day, including at night and the weekend, but it did it, and as a consequence this little boy, who was struggling in a problem home, is now top of his class. I think of secondary schools such as North Birmingham Academy. I remember when it opened its sixth form two wonderful young people from the first intake telling me that they came from families and communities where no one had ever been to university, but how, thanks to a good school, they had that ladder of opportunity.

We see so much that is admirable—but, but, but. What said it all for me was Michelle Gay, the headteacher of Osborne Primary School, who on ITV in March wept in frustration at the difficulties confronting headteachers having to make difficult choices about laying off teaching assistants, no longer replacing teachers, cutting back on

maintenance and cutting back on the curriculum, including for the next generation of world-class musicians who are not getting the opportunities they would otherwise have had.

Giving kids the best possible start in life starts with early-years education. In this respect, Birmingham has a proud tradition, with all our children's centres and the 27 dedicated nursery schools, but cuts to council budgets have meant that, although 18 children centres remain open, 11 have closed. Nationwide, 1,000 Sure Start centres have closed as a consequence of austerity and cuts since 2010. On nursery schools, however, we fought and won the battle two years ago. I am proud to say that that started in Birmingham and then went nationwide. We won a commitment from the Government to provide supplementary funding, which has avoided the complete disaster that would otherwise have befallen those 400 nursery schools. But, but, but. We are coming to the end of the guarantees that were given then. Nursery schools are now being told, "You have to plan for the future." However, they have no idea whether the Government will continue that supplementary funding, and will the means for them to continue to deliver a world-class education.

That is why tomorrow, along with the right hon. Member for Harlow (Robert Halfon)—I pay tribute to him for his speech—and my hon. Friend the Member for Manchester Central (Lucy Powell), I will be launching, in the all-party parliamentary group on nursery schools, nursery and reception classes, a drive to ensure that the voice of parents of children at those nursery schools is heard by the Government, and that the necessary resources are made available on a continuing basis.

It is not only in early-years education that the problems are mounting; they are mounting also in primary and secondary schools. In Birmingham, 361 out of 364 schools face cuts, and we expect a total loss of £51.4 million by 2020. That means a loss of £293 for every one of Birmingham's 184,000 children. North Birmingham Academy will lose £552 per pupil, Stockland Green School will lose £503 per pupil, Erdington Academy will lose £360 per pupil, and St Edmund Campion Catholic School will lose £222 per pupil.

The education unions were absolutely right to say that the Government needed to face the facts. Our kids get one chance of a bright future when they go to school, but let us look at what is happening now. There are 137,000 more pupils in schools in England than there were last year, but—and I should tell the Minister that these figures are undeniable, because they come from his Department—there are 5,400 fewer teachers, 2,800 fewer teaching assistants, 1,400 fewer support staff, and 1,200 fewer auxiliary staff. Those facts speak for themselves.

Like other Members who have spoken, I am passionate about the cause of education, because when I was a kid I was fortunate enough to get a good start in life, although my dad was a navy and my mother was a nurse. I never forget the schools that helped me to get on. I want to ensure that all kids, in Birmingham and in Britain, have the same chances that all of us here have had, but right now the opportunity is being denied to millions, and that is fundamentally wrong.

5.2 pm

Carol Monaghan (Glasgow North West) (SNP): Let me start by saying that Scottish schools broke up for the holidays last week. I wish all teachers and pupils a

sunny, safe and enjoyable holiday. I also congratulate the right hon. Member for Harlow (Robert Halfon) on showing a deep understanding of the issues that school staff are facing.

I want to say something about early-years education. The right hon. Member for Wolverhampton South East (Mr McFadden) made some important points about increased childcare provision, which he said was reaching only a certain sector of society. If we only offer that increased provision to households in which both parents are working, we miss out some of the most vulnerable of those we want to target. According to statistics from the WAVE Trust, maltreatment affects 20% of children, and the most damaging period is when they are between zero and two years old, when the brain is still developing. Such experiences affect their long-term prospects, both educationally and economically: it is estimated that adverse childhood experiences cost the UK economy £15 billion per annum. Not to provide dedicated early-years funding, especially for those in the zero-to-two age group, is particularly short-sighted.

On school funding, many Members, including the hon. Member for Sheffield, Brightside and Hillsborough (Gill Furniss), painted a grim picture of the reality at the chalk face. Since 2015, when the impact of inflation is taken into account, schools have faced real-terms cuts. The oft-repeated statement from the Government that there are now 1.9 million more children in good or outstanding schools than there were in 2010 was highlighted by the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy). That has less impact when we know that half a million pupils in England attend schools that have not been inspected since 2010, and many have not been inspected for more than 10 years. The hon. Member for Birmingham, Selly Oak (Steve McCabe) told us that even the excellent schools in his constituency were struggling under the funding, so this is a warning that the very best are giving us as well.

The forthcoming UCL report on education reforms was referred to by a number of Members. The analysis on high-performing schools accepting fewer children from poor backgrounds is turning out to be a self-fulfilling prophecy. A few are actually selecting pupils at that stage. We are effectively getting a grammar system whether we like it or not. A comprehensive system works far better at reducing inequalities for those from deprived backgrounds.

The report also mentioned that the original pledge to set schools free and give them more power has led to a system causing high levels of stress among teachers. We can expect nothing else when schools are competing with one another rather than collaborating.

The maths premium has not been mentioned so far. The hope is that this will incentivise the take-up of maths. I have no doubt that this premium has been introduced with the best of intentions, but there is a difficulty: if underfunded schools identify this as a way of raising capital, students could be forced into studying maths when a more suitable pathway might be available to them. This Government have done a lot of work on T-levels, but what if these pupils are directed away from T-levels into maths simply because it will generate more income for the school? If the Government want to tackle productivity and growth, why not offer premiums to schools who achieve positive destinations for their students, with particular focus on careers and areas where there is a skills shortage?

[Carol Monaghan]

The success or failure of any school always rests with the teachers. With the advent of academies, we are seeing a situation where teachers can be paid at a rate below nationally agreed pay scales. This means that pay scales can be bypassed to allow schools to stretch a budget further. So when we hear politicians praising our dedicated teachers, perhaps we should be asking them if they would be willing to teach a group of 30 or more teenagers with multiple support needs with no support for £24,000 per annum. As one teacher told me:

“I would be better off working in a supermarket...at least I would earn overtime.”

I was recently at an event where a fellow MP talked about their disappointment at the lack of uptake of continuing professional development opportunities by teachers during summer holidays. That shows the complete disconnect between the job teachers are doing and the understanding that politicians have. Let us be clear: when teachers have battled their way through the term and have made it to the summer holidays, probably all they are able to do is sleep—as I used to do—for the first fortnight and recharge their batteries. Perhaps a better idea would be to have some politicians teaching in a school for a couple of weeks and really experiencing the issues in an underfunded secondary school. Thankfully, in Scotland we are looking at the issue of pay and conditions seriously and have lifted the pay cap for teachers, and I encourage this Government to do the same.

On further education, a long-term approach to post-16 education funding is needed, with courses linked specifically to needs in the labour market. I do not understand why in England FE colleges are still training young people for jobs that do not exist. Increasing the budget here is not sufficient; we need courses that are tailored to the needs in our jobs market. Brexit will make this issue even more acute, so we really must consider that.

England has the highest university tuition fees in the industrialised world and debt on graduation at £50,000. This is not saving money in the long run. Shortages in key areas, such as nursing, will become far more acute if we do not address this marketisation of higher education. As in early years provision, the lack of funding now will have serious long-term implications.

In Scotland, we value education and the benefit it brings not only to the individual but to society as a whole, and school leaver destination statistics show that we are making great progress in widening access to higher education. The most recent UCAS figures, published in January, show a 13% increase in the number of Scots from the most deprived communities getting places to study at a Scottish university. More importantly, young people must have the destination that is right for them, and Scotland now has the highest positive destination for young school leavers of any nation in the UK. The funding of education is ultimately about choices. The Chair of the Select Committee, the right hon. Member for Harlow (Robert Halfon), said earlier that we should fund “textbooks, not tanks”. I would go further, and say that I would fund textbooks, not Trident.

5.10 pm

Mike Kane (Wythenshawe and Sale East) (Lab): I want to apologise to you straight away, Mr Deputy Speaker. I prepared diligently for this debate, but I had

not realised the importance of estimates day debates to the House. I woke up today to headlines in all the newspapers talking about Kane for England, “Go Kane” and Kane for Harry, England and St George. It was not until the shadow Secretary of State turned up in her England top that the penny dropped. However, I am sure that the one thing that the Minister and I would agree on is that we wish our team all the best for tonight. Straight out of the gate, the Chair of the Education Committee, the right hon. Member for Harlow (Robert Halfon), got the tone right for the debate. He also came up with the best soundbite of the day when he talked about funding “textbooks, not tanks”. I shall carry on with the alliteration and say that textbooks, not Tories, are the best thing for our education system.

There is a great deal to discuss in the Department’s spending review, but as colleagues have had to be brief, I will follow suit. I will start with schools, where the Department does the majority of its spending. In particular, I would like to focus on a claim that the Minister made over the weekend that is particularly relevant to this debate. He took to Twitter to say that

“claims that schools would lose money next year are inaccurate. School funding is protected in real terms per pupil—contrary to some inaccurate and misleading claims”.

I for one am glad that the Minister has decided he has a problem with inaccurate and misleading claims. With that in mind, does he believe that every school is going to get more money in the coming financial year? After all, it was the Secretary of State who said that under the current spending plans,

“each school will see at least a small cash increase.”—[*Official Report*, 29 January 2018; Vol. 635, c. 536.]

Unfortunately for his Department, this has been queried by the independent Institute for Fiscal Studies and the UK Statistics Authority. So I ask the Minister to offer us some clarification and to state clearly whether schools will lose money or whether they will see a cash increase.

Nick Gibb: I should just like to point out that in the hon. Gentleman’s own constituency, his local authority has been funded to enable schools in Wythenshawe and Sale East to be funded with an increase of 2.3% once the national funding formula is implemented.

Mike Kane: I was so looking forward to that! The Prime Minister came to my constituency a few weeks ago to visit a school in Brooklands, in Trafford. That seat had never turned Labour in the history of municipal authority, but it did so that night and Labour took Trafford, because Trafford is losing £3.3 million in spending power for its schools.

Under the Department’s spending plans, schools will see cuts to their budgets for the third year in a row. I know that the Minister will be tempted to rehearse his prepared rebuttal and tell us how the Government have protected per-pupil spending in real terms, despite the fact that £2.7 billion in real terms has been cut since 2015. Those were the first schools cuts in a generation. Despite all the shallow talk of protecting budgets and extra funding, the future of our schools is not safe under the Tories.

While we are talking about the Department’s spending plans for next year, I know that there is one issue that teachers and school leavers across the country need an answer on, and that is pay. The Government’s own

research has shown that their pay policy has left teachers nearly £4,000 worse off in real terms since they came into office. It is hardly a surprise that the Government are overseeing a crisis in the recruitment and retention of the teachers that our children and country need. Will the Minister admit that his pay policies have played a role in driving teachers out of the profession? If not, will he tell us why they are leaving the classroom in record numbers? For every teacher coming in, one is leaving the profession.

Teachers and other public sector staff have been repeatedly promised that the public sector pay cap has come to an end, but schools have been given no certainty about any pay rise or how it will be funded. So, will the Minister tell the House when the School Teachers' Review Body will be publishing its annual report? Surely the Minister agrees that, without enough money to pay for higher wages, anything he utters from the Dispatch Box about an end to the pay cap is absolutely meaningless to the thousands of hard-working teachers who have not seen a real pay rise in years.

Before I end my speech, I want to discuss our student finance system. The Department's estimates show that spending on the payment of student loans will be over £21 billion this year. They also show that the Department will be considering over £3 billion of interest payments on student debt as revenue. My hon. Friend the Member for Bootle (Peter Dowd), the shadow Chief Secretary to the Treasury, has already shown that the Government's use of an unreliable inflation measure for these debts costs students around £16,000, and they will now discover that that is being done to line the Treasury's coffers. Will the Minister tell us how that £3.2 billion is going to be spent? Will he tell us whether the fact that his Department has a vested financial interest in keeping interest rates high means that it will not be acting to address the fact that students are paying more than 6% in interest before they are even able to repay their debts?

It is traditional for the Opposition spokesman to thank Opposition Members for their speeches, but not today. I want to thank all the Government Members for their speeches—[HON. MEMBERS: "Ahh."] Isn't that nice of me? The hon. Member for North Warwickshire (Craig Tracey) made a fine speech, but he failed to mention that North Warwickshire Borough Council is losing £12.5 million from its schools budget. We had the most supportive unsupportive speech that I have ever heard in this House from the hon. Member for Hazel Grove (Mr Wragg). He is right to say that Manchester teachers are the some of the best in the world—I was one of them—but Stockport Metropolitan Borough Council is losing £5.9 million over the funding period. What a fine speech it was from the hon. Member for Horsham (Jeremy Quin). I believe that Horsham is in West Sussex, where primary schools are losing £8.9 million over this Parliament. I have already had it out with the hon. Member for Erewash (Maggie Throup) about Derbyshire, which is facing an £11.5 million cut. Who else do we have? The hon. Member for Stoke-on-Trent South (Jack Brereton)—

Several hon. Members *rose*—

Mike Kane: I have very little time left. Stoke-on-Trent is having £2.8 million taken away from its budgets. The hon. Member for Bexhill and Battle (Huw Merriman), which is in East Sussex, will see £6.4 million of funding removed.

It is eight years since the former Chancellor delivered the first austerity budget. After eight years of cuts and the usual platitudes, can Government Members really say it is working for them and their schools in their constituencies? As we approach the summer recess, I call on them to contemplate what austerity has done to our country and to the schools in their communities. I ask them to think deeply about whether they can continue in all conscience to support their Ministers in this great decimation of our education system.

5.19 pm

The Minister for School Standards (Nick Gibb): I start by congratulating my right hon. Friend the Member for Harlow (Robert Halfon) and the hon. Members for Colne Valley (Thelma Walker) and for Manchester Central (Lucy Powell) on securing the subject of this estimates debate.

The Government are determined to create an education system that offers opportunities to everyone, at every stage of life, and an effective funding system is a cornerstone of such an education system.

Education funding has been a key priority for this Government, which is why we have been able to maintain core school funding in real terms since 2010, at a time when we have been tackling the historically high budget deficit we inherited from the Labour party. It is only through such a balanced approach to fiscal policy that we have been able to secure a strong economy that provides opportunities for young people, with the highest level of employment and the lowest level of unemployment since the 1970s.

Sir Edward Leigh (Gainsborough) (Con): As the Minister knows, the Government had a manifesto commitment to remove the cap for faith schools, which they decided not to implement. However, they have promised to fund voluntary-aided faith schools 100%. Can he confirm that that pledge stands? What steps is he taking to ensure that money is forthcoming for new voluntary-aided faith schools?

Nick Gibb: My right hon. Friend the Secretary of State for Education has said that that is the approach we are taking to assist Catholic schools in particular. We are spending £23 billion on capital funding because of our balanced approach to managing the public finances.

We have made historic reforms to the way we fund our schools, supported by an additional £1.3 billion investment, and we have announced ambitious plans for a new world-class technical education system, backed by £500 million a year of additional funding.

As is clear from this debate, our work as a Department, and our investment in young people, extend far beyond schools and colleges. Members have raised issues relating to priorities across the Department's remit—from early years to further and higher education—and I aim to address some of those important questions.

Lucy Powell: I thank the Minister for giving way; he did intervene on a number of colleagues during the debate. He champions numeracy, but does he accept that spending power is reduced when costs go up and income remains the same? The number of teachers who can be employed, the amount of training that can be put on and the support that schools can provide has reduced, and budgets have therefore fallen.

Nick Gibb: Of course I acknowledge that, but the hon. Lady also has to acknowledge that school funding is at a record level—£42.4 billion this year, rising to £43.5 billion next year. Of course I acknowledge there are costs that schools have absorbed, and I will come to the measures we have taken to help schools to deal with those rising costs, which include employers' national insurance contributions. Those costs have been absorbed by the private sector, and they have been incurred across the public sector—public sector pensions have also been an increased cost across Whitehall. We are helping schools to address those issues.

By prioritising frontline spending within the Department's budget, we have ensured that core funding for schools and high needs has risen over and above the allocations set out at the last spending review. The total core schools and high needs budget will rise from almost £41 billion in 2017-18 to £43.5 billion by 2019-20.

The hon. Member for Bury North (James Frith) mentioned Ofsted, and he pointed out that pupil numbers have increased. Of course he is right, which is why we have created 825,000 new school places since 2010, in contrast with the cut of 100,000 school places under the last Labour Government, despite the increased birth rate being very clear even then.

Sixty-eight per cent. of schools were judged good or outstanding by Ofsted in 2010, compared with 89% today. Although outstanding schools are exempt from routine inspection, Ofsted will trigger an inspection if academic results begin to slide in an outstanding school. The schools in the constituency of the hon. Member for Bury North will see a 6.9% per pupil increase in funding once the national funding formula is fully implemented.

The shadow Minister thanked Conservative Members, and I would like to thank Labour Members for their contributions to this debate because it gives me the opportunity to point out to the hon. Member for Burnley (Julie Cooper) that schools in her constituency will see a 3.2% increase in funding as a result of the introduction of the national funding formula. The right hon. Member for Wolverhampton South East (Mr McFadden) will see a 3.5% per pupil increase at the end point of the introduction of the national funding formula. The hon. Member for Gateshead (Ian Mearns) will see an increase of 3.4% per pupil under the NFF. The hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) will see a 4.2% increase in per pupil funding as a consequence of the introduction of the NFF. She also talked about teaching assistants, and I should point out to her that in January 2010 there were 194,000 full-time equivalent TAs in our schools, whereas today there are 263,000 TAs. Finally, I should point out to the hon. Member for Reading East (Matt Rodda) that schools in his constituency face a 3.9% increase in pupil funding.

James Frith: I appreciate such sharpened focus and attention in the Minister's remarks. He feels strongly supported by that information. Would he care to respond to my request for additional SEND funding to be maintained in line with the increase in the number of SEND pupils? Does he believe it acceptable that 77% of excluded pupils have special educational needs and disabilities?

Nick Gibb: I should point out that special educational needs funding is rising from £5 billion in 2013 to £6 billion this year. The statistics that the hon. Gentleman referred

to in his speech—the exclusion figures—will be published on 19 July in the usual way, as we do every year.

I wish to point out—

Huw Merriman *rose*—

Nick Gibb: I will not take any interventions for the moment, if my hon. Friend will forgive me.

In addition to the funding distributed through the NFF, eligible pupils will also attract the pupil premium, which has a specific focus on raising the attainment of pupils from disadvantaged backgrounds—we are talking about £2.4 billion this year. As a result, the attainment gap between disadvantaged pupils and their peers has closed by 10%, and standards are rising in our schools.

Our focus on phonics has transformed the way reading is taught in our primary schools. When we introduced the phonics screening check in 2012, just 58% of the six-year-olds taking the test reached the expected standard. Last year, that 58% had risen to 81%. However, we need to go further to ensure that every primary school is using the best approach to teaching reading. That is why we have funded phonics roadshows and why we are rolling out English hubs across the country to promote, and train schools in, the use of systematic synthetic phonics in the teaching of reading. We want every child in every primary school to be a fluent reader.

Jeremy Quin: Will the Minister give way?

Nick Gibb: I will not give way, if my hon. Friend will forgive me.

In 2014, we introduced a more demanding primary curriculum. In the first standard assessment tests, taken in 2016, which reflected that new curriculum, 70% of pupils reached the expected standard in the more demanding maths and arithmetic SATs. A year later, that had risen to 75%. But we want it to go higher still, which is why we are spending £75 million funding 35 maths hubs across the country, promoting the highly effective south-east Asian maths mastery approach to teaching maths. Our ambition is for half of all primary schools to be trained to use that approach by 2020, and for 11,000 primary and secondary schools to be in that position by 2023.

Next year, we are rolling out a computer-based multiplication tables check for all nine-year-olds, ensuring that every child knows their times tables by heart. What a contrast to the days when teachers were told they must not teach times tables. We are promoting the use of high-quality textbooks in primary schools, undoing the damage from the 1970s, when textbooks in primary schools were consigned to the store cupboard. High-quality, knowledge-rich, carefully sequenced textbooks promote understanding and reduce teacher workload.

In a global trading nation, we need to reverse the decline in the study of foreign languages that began under Labour in 2004. Since 2010, the proportion of 16-year-olds taking a GCSE in a foreign language has increased from 40% to 47%, but our ambition is for 75% to be studying for a GCSE in a foreign language by 2022 and for 90% to be doing so by 2025.

Let me respond to the typically thoughtful speech of my right hon. Friend the Member for Harlow, in which he paid tribute to the Secretary of State for Health and Social Care for securing a five-year funding settlement.

He is right that longer-term visibility is helpful in every sector, and we are committed to securing the right deal for education in the spending review. I am grateful to my right hon. Friend for raising this important issue. Our track record gives us much to be proud of, but we will of course continue to listen carefully and take into account the issues raised today and the findings of the Education Committee inquiry. Investing in our young people's future is one of the most important investments that we can make as a country. As a Government, we are committed to getting it right.

Mr Speaker: For the right hon. Member for Harlow (Robert Halfon) to be denied at least a minute would seem to be an act of cruelty, and that is unwarranted, so he can certainly have at least a minute.

5.30 pm

Robert Halfon: I thank Members from all parties for speaking on this important matter. The shadow Minister, the hon. Member for Wythenshawe and Sale East (Mike Kane), was kind about my speech, but then said that he preferred textbooks to Tories and compared himself to the England captain; I have to say that Harry Kane is a lot better at scoring goals.

On the general question of education, in the 1970s, we Conservatives often felt that if there was enough economic capital, everything else would be solved. We now realise that we have to build economic capital and social capital hand in hand. I hugely respect my right hon. Friend the Minister for School Standards. He has built up academic capital, transformed reading in our country and done many good things to improve standards in schools, but we have to concentrate as much on social capital and skills capital as on academic capital. Great social injustices remain in our education system. As Government and Opposition Members have said, we have to deal with early-years injustice and with maintained nursery schools, which were described as the jewel in the crown. We have to deal with the problem of exclusions, with 833 fixed exclusions every day for special needs pupils, and we have to deal with further education. I urge my right hon. Friend to support a 10-year plan for education, just as has been achieved for the NHS.

Question deferred (Standing Order No. 54).

Mr Speaker: It would be churlish not to mention it at this point in our proceedings, so I will mention that today represents a very special birthday for the hon. Member for Ealing North (Stephen Pound), who is himself a distinguished alumnus of the Hertford Grammar School and other educational institutions. I predict only with modest confidence that, as he has now served 21 years in the House, he might have reached the mid-point of his parliamentary career.

TREASURY

Treasury Spending: Grants to Devolved Institutions

Motion made, and Question proposed.

That, for the year ending with 31 March 2019, for expenditure by HM Treasury, so far as it relates to spending decisions and their consequences for grants to the devolved institutions:

(1) the resources authorised for use for current purposes be reduced by £294,563,000, as set out in HC 957 of Session 2017–19,

(2) the resources authorised for use for capital purposes be reduced by £6,293,934,000 as so set out, and

(3) the sum granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament be reduced by £4,632,925,000.—(*Jo Churchill.*)

5.33 pm

Kirsty Blackman (Aberdeen North) (SNP): I thank the Backbench Business Committee for agreeing to schedule this debate, and I thank my hon. Friend the Member for Glasgow South (Stewart Malcolm McDonald) for making the application and all the Members from across the House who agreed to back it. My hon. Friend is unwell today, which is why I am here in his place; I hope that Members understand.

As the House would expect, I shall mainly focus my comments on the Scottish context, but I wish first to touch on the other devolved institutions. My Welsh colleagues have often expressed their concerns about how the Barnett formula applies to Wales. The issue was further compounded by the recent cancelling of the Swansea tidal lagoon project, which would have generated significant income for Wales. The reality is that Wales has been badly served by the UK Government.

On Northern Ireland, the main estimates include £410 million arising from the confidence and supply agreement. The SNP has stressed on numerous occasions how shocking it is that the Prime Minister has entered into this grubby deal, giving huge amounts of cash to Northern Ireland just to keep herself and her Government in power. But the biggest problem about the whole deal—apart from the fact that the Tories, with whom we fundamentally disagree, are being propped up by the Democratic Unionist party, with which we have even more fundamental disagreements—is that the money does not generate Barnett consequentials. If Northern Ireland is receiving £1 billion, Scotland should receive £2.9 billion and Wales £1.6 billion. Given that Scotland's discretionary budget has been cut by 8.1%, or by £2.6 billion, between 2010–11 and 2019–20, I hope that the UK Government will understand why the people of Scotland and of Wales are so deeply unimpressed by their behaviour.

Chris Elmore (Ogmore) (Lab): In addition to the provision of the DUP bung, Wales has lost £1.2 billion, or 7%, since 2010, so we are talking about a 7% real-terms cut. Despite that and despite the myths peddled by the Government, health and social care spending in Wales is still higher per head of population than in England. Does the hon. Lady agree that we should talk in facts and that the real-terms cuts happening in Wales and Scotland are having a real impact on people's lives?

Kirsty Blackman: I agree. What we should be doing in this debate, and what I will try to do in this debate, is to lay out what the real-terms cuts actually are. We cannot

[Kirsty Blackman]

have constant fudge from the UK Government, whether on the Wales budget or on the Scotland budget. We need to be accurate about how much is being cut from these budgets.

Scotland's fiscal resource budget has seen a cut of 9.1% over this period, and our total fiscal budget will be cut by 8.4% in real terms. The UK Government have been talking about the Barnett consequential that are coming to Scotland, but the reality is that most of that money is financial transactions money. Financial transactions cannot be spent on normal day-to-day spending. They cannot be spent on resources for our NHS, for example, because they have to be paid back. This is not real money that the Scottish Government can spend.

We are also seeing a £230 million resource cut in 2018-19, but despite that, the SNP Government at Holyrood continue to protect public services and to invest in measures to unlock innovation and drive increased productivity. On policing, unlike the UK Government, we have not cut the numbers of police. At this point, I would like to congratulate the new Scottish Justice Minister, Humza Yousaf. It is possible that Donald Trump will visit Scotland. I am certainly not a big fan of Donald Trump coming to Scotland, but I am pleased that Humza Yousaf has managed to convince the UK Treasury—I thank the Minister for doing this—to provide an extra £5 million to cover the cost of rolling out the red carpet. I do not want Donald Trump to come here anyway, but he has had the hand of welcome extended to him by the Prime Minister, so it is completely reasonable that the UK Government should cover this cost.

Bill Grant (Ayr, Carrick and Cumnock) (Con): In reference to Donald Trump, the President of the United States, does the hon. Lady not agree that he is one of the single biggest investors in Scotland, whether in the north-east in Aberdeen or in Turnberry in my constituency, where he employs 300 people and has invested more than £200 million? I would welcome Donald Trump to my constituency. Does she agree?

Kirsty Blackman: I do not give a stuff how much Donald Trump has invested in Scotland, because he is separating families, and that far outweighs any good that he has done with the investment that he has made.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): The hon. Lady has criticised the financial transactions as the means by which the UK Government are delivering extra funding to Scotland, but does she not agree or accept that the Scottish Government have used financial transactions to invest in housing, in vital infrastructure projects and in other business support? It seems to me that she is happy to criticise the UK Government for using this model but is not prepared to accept that the Scottish Government use exactly the same model for their investments.

Kirsty Blackman: I am pleased that the Scottish Government are receiving the financial transactions money. However, the UK Government cannot say that this is money that can be spent on day-to-day spending, because it cannot. The Resolution Foundation has specifically said that it cannot be spent in that way.

Stephen Kerr (Stirling) (Con) *rose*—

Luke Graham (Ochil and South Perthshire) (Con) *rose*—

Kirsty Blackman: I will not give way, because I want to make some progress.

That money cannot be spent on day-to-day services such as our NHS.

On the NHS, our Scottish Government have invested an additional £550 million in health and social care. We have increased the health and sport budget by 9.6% in real terms between 2010-11 and 2018-19. In addition, our NHS Scotland staff will be offered a 9% pay rise over the next three years. That is the highest NHS pay uplift offered in the UK, and I am pleased that we can recognise our NHS workers in this way, particularly in the 70th year of the NHS.

At Treasury questions this morning, the Chancellor confirmed that Scotland's share of the NHS uplift will be £2.27 billion in 2023-24, but the Treasury has not yet confirmed how this uplift will be paid for. Will it require devolved tax hikes, or will there be a cut to Barnett consequential coming from elsewhere to fund this additional revenue? The people of Scotland need clarity, and it would be most welcome if the Treasury provided that clarity at the earliest possible opportunity.

The Scottish Government are investing more than £3 billion during this Parliament to deliver 50,000 affordable homes, including 35,000 for social rent—an area that had sadly been neglected by the UK Government. Although it is important that there is enough supply so that people can buy homes, it is also important that those who cannot afford to buy homes have secure rents at levels that they can afford.

In my maiden speech, I said that the Scottish Government's scrapping of the right to buy was one of the most monumental moves that has been made. I was a local councillor for eight years before I did this job, and a phenomenal number of people were waiting for council housing at that time because of the amount of housing stock that had been sold off. The number of people waiting has now reduced in my constituency and in Aberdeen in general, but this has only happened because Aberdeen City Council is now able to invest in building homes without the fear that they will be sold off immediately.

Kirstene Hair (Angus) (Con): Will the hon. Lady condemn the parents of her party's leader—the First Minister—who took advantage of the right to buy?

Kirsty Blackman: Many people took advantage of the right to buy, because it was the rule that they could do so. I do not think that people should be allowed to do that, which is why I have supported the Scottish Government's move. I will not criticise the UK Government for doing this south of the border, but I urge them to look at what is happening in Scotland—particularly with council housing, but also more generally with social rent. This move has improved people's quality of life, because they are now able to have long-term rentals, secure tenancies and a roof over their heads. I think that that is more important than being able to buy their own homes.

Ian Murray (Edinburgh South) (Lab): I am glad that the hon. Lady and her colleagues have been successful in getting this important estimates day debate, but I do have to pick her up on something. I represent a city that has a waiting list for social and council housing of 26,000 people. The Scottish National party has now been in power for over 10 years, during which time that list has doubled, not halved.

Kirsty Blackman: The Labour party was in charge in Holyrood before and could have cancelled the right to buy then, but it sadly did not. Unfortunately, we are trying to undo the legacy of Margaret Thatcher, who put in place the right to buy. We are trying to undo the legacy of the decimation of our council housing stock. The reality is that we can only build houses so quickly, and we are doing our very best. I would like to see the Labour party do a better job, to be honest.

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): Does the hon. Lady agree that if people cannot buy council housing, they need to get social housing? Let us give our young people a chance to have a start in life with a new house. Let us start building social housing and creating jobs.

Kirsty Blackman: Of the homes that the Scottish Government are building, 35,000 are for social rent. The reality is that the Scottish Government have put in place a huge number of schemes to allow first-time buyers to get into the housing market, including joint purchase schemes, whereby people go into joint purchases with the Scottish Government. These measures have been incredibly successful in ensuring that people can get a foot on the housing ladder.

At Westminster, politics gets bleaker by the day. As the Tories hark back to the 19th century, our Scottish Government are pressing on with a forward-looking, 21st century agenda to boost innovation and the economy's productive base. The Scottish Government have set aside resources of £340 million to provide initial capitalisation for the Scottish Investment Bank. Our Scottish Government do not have power over all the levers to generate economic growth, but we are doing what we can to ensure that our economy can keep pace.

In Scotland, 70% of taxpayers are paying less in income tax this year, assuming that their income has not changed. Some 50% of taxpayers in England—those who earn the least—are paying more income tax than they would if they were in Scotland. Despite all the cuts from Westminster—*[Interruption.]* I am being queried on this, but these are Library figures—I can send them on to the hon. Member for Stirling (Stephen Kerr) if he is interested in seeing them. Despite all the cuts from Westminster, Scotland is the fairest-taxed part of the UK.

I want to touch briefly on oil and gas; as an Aberdeen MP, most people would expect me to do so. We welcome the UK Government's move on transferable tax history. We pushed for that for a very long time—I have been raising it for about two years in this place—but it is coming along too slowly. The more quickly the transferable tax history changes can happen in relation to oil and gas, the better. I understand that they are intended to be in place in November this year. I very much urge the Government not to extend that deadline further back, because the quicker this can happen, the better. The changes

ensure that new investment can be made in late-life assets in the North sea. It is really important that we ensure that this comes forward.

On investment in the North sea, I would very much like the UK Government to ensure that they are fully behind the Oil and Gas Authority's "Vision 2035". This is absolutely vital not just for the north-east of Scotland but, more widely, for any companies that are involved in oil and gas and for all the jobs that are supported by that. To be fair to Scottish Conservative Members, they have been very supportive of "Vision 2035" as well, but the more people who talk about it in this place and outside it, the better. We need to be talking about anchoring our supply chain in the north-east of Scotland and throughout the rest of the UK far into the future, so that even once there is no oil and gas left in the North sea, we continue to have that world-class, recognised supply chain and can continue to generate the tax revenues from it.

It would not be a debate in this Parliament if I did not raise Brexit. The threat of leaving the customs union and the single market is undoubtedly the biggest threat to Scotland's economy, and so to the Scottish Government's spending power. For the period 2014-20, Scotland received €476 million in European regional development fund money and €465 million in European social fund money. There has been no commitment from the UK Government that they will plug this gap in spending in Scotland after Brexit. In 2016, the EU common agricultural policy supported payments of £490 million in Scotland. Will the Government guarantee this money beyond 2022? Our farmers need to plan long term about how best to manage their land, and they need clear guarantees.

The convergence uplift moneys of €220 million—as I said, this was mentioned this morning—were supposed to go to people like Scottish hill farmers who are receiving the lowest levels of support in the EU. Unfortunately, because of the way that the UK Government decided to distribute the money, instead of more than 80% coming to Scotland, only 16% came to Scotland. I am very clear that that money should have come to our farmers in Scotland, yet it did not.

Luke Graham: The hon. Lady is talking about farmers' payments. Does she not recognise that over £150 million has been spent on an IT system that has had no benefit to hill farmers and that farmers' debt in Scotland is at a record high, not because of Westminster but because of the SNP in Edinburgh?

Kirsty Blackman: I am very sad that the hon. Gentleman does not recognise that £160 million of EU funding should have come to Scotland. It is important that Members across the House push for this money to come. It is also really important that it is guaranteed in future years as well and not lost now and therefore lost in future years. It is very important that we get that money. *[Interruption.]* The Minister asks where we will get this money from. What about the Brexit dividend that we are apparently supposed to be getting? The Brexit dividend could be spent on the EU convergence uplift money. I am very clear that there is not a Brexit dividend, but the Government seem to think that there is, so it would be great if some of it could go to places where the EU would have spent it.

[Kirsty Blackman]

Scotland's universities are world-leading. They generate wealth for our economy, support innovation and increase productivity, but they rely on close links with EU countries. Changes to their funding and collaboration structures could have a devastating effect and wide-ranging economic consequences.

But there are further threats from Brexit, and I want to highlight two. The first is the reduction in immigration from EU citizens that is likely to hit us. This is a problem not just in that it will reduce our cultural diversity and the richness of our society, but in that it will have a direct impact on tax generation. If we cannot attract migrants to live and work in Scotland, we cannot grow our tax base, and we will not have enough workers to support our ageing population.

Every week in my office, I speak to people from outside the EU who have been hit by the UK Government's immigration policies. Many of them are particularly high earners and have paid a huge amount of tax into the UK Government's coffers over the years, yet they are being denied the right to stay in the UK. The loss of the post-study work visa also means that the brightest and best cannot stay in Scotland. I am concerned that the system for EU migrants will become as bad as the system for non-EU migrants and that we will exclude highly skilled workers from outside the EU—I will get towards the end of my remarks shortly, Mr Speaker; I can see you getting a bit antsy.

I am really concerned about this. I am constantly shocked that the UK Government believe that making it more difficult to move here will help. They need to be honest with the general population about the fact that migration brings benefits in terms of tax revenues, and more Conservative Members could do with standing up and saying that more often, so that we can take better decisions about immigration. We expect to discuss the Trade Bill and the customs Bill in this place before the summer recess. I cannot make it any clearer to the UK Government: leaving the single market and the customs union is an economic catastrophe. Tariff barriers and non-tariff barriers will have a drastic effect on any company that exports to not just the EU but countries that the EU has trade deals with.

The UK Government are mismanaging Brexit, just as they are mismanaging grants to the devolved institutions. Scotland would be far better off if we were an independent country. If we had the levers to close the per capita income gap with small advanced economies by focusing on productivity, population and participation, we would have an additional £22 billion in GDP and a potential additional £9 billion in tax revenues. That is £4,100 per person. Being part of the UK is holding Scotland back. The UK is not working for us.

Several hon. Members *rose*—

Mr Speaker: Order. I am going to recommend an informal limit of about six minutes per speaker, and colleagues should be collegiate towards each other.

5.51 pm

Kirstene Hair (Angus) (Con): I am grateful for this opportunity to address grants to devolved Administrations. This week we celebrate the 70th birthday of our NHS,

which is incredibly timely as we see how the SNP have talked the talk but failed to deliver for health services in Scotland. Even though over a third of Scottish Government spending is dedicated to health and sport, Nicola Sturgeon's mismanagement of healthcare has had a devastating impact on local services across Scotland, which accounts for a large proportion of my constituency casework. That is down to not just poor workforce planning on the SNP's part but a refusal to deliver the funding needed by health boards to ensure that everyone across Scotland can access top-quality care when they need it.

While it is common to hear nationalists in this place and Holyrood paint a picture of a perfect NHS in Scotland, that is simply a smokescreen for their own failings and is unidentifiable to many Angus residents. Whenever the SNP Government have benefited from increasing budgets thanks to the UK Government increasing spending, they have been reluctant to pass that on to Scotland's health service. For all their condemnation of the Conservative party, it is Nicola Sturgeon's party that has not served our health service well. NHS spending in England increased in real terms by 10.9% from 2010-11 to 2016-17, whereas Scotland only saw a 5.4% increase—less than half. Health spending increases in Scotland failed to match those in England in 2012-13, 2013-14 and 2014-15. Nicola Sturgeon's new ministerial team—once she finds a replacement for those with records of the most despicable remarks—has a clear opportunity to put that wrong right.

The Prime Minister has rightly promised an additional £20 billion for the NHS—a commitment that I welcomed, along with all Conservative Members—but there has been silence from the SNP. Why? Because they are not interested in extra funding from the UK Government to Scotland. They would rather focus on stoking up grievance and division. The NHS funding commitment will help to deliver improved services and higher quality care and is a clear demonstration of this Government's determination to support our much-valued public services. That commitment means that the Scottish Government will receive an additional £2 billion by 2023-24.

Nicola Sturgeon now has a responsibility, after seeing standards slip and confidence fall, to invest every single penny of that increase in Scotland's NHS. For far too long, she has starved the Scottish health services of money, overseeing closures of centres across the country. In Angus, she has allowed the excellent Mulberry ward to close, the Montrose maternity unit to be shut down and Brechin infirmary to go and at every turn has prioritised centralisation over local services; my list could go on. The SNP are experts at shouting from the sidelines, but this extra funding is a test of their commitment to our NHS. I urge them to show the people of Scotland that they can act in the national interest by committing £2 billion to Scotland's health service.

Mr Speaker: Commendably brief!

5.54 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I cannot promise to be equally brief, but I will endeavour to stick to the six-minute limit. It is a pleasure to speak about bread and butter issues—the Barnett formula, Barnett consequentials, Welsh funding—considering that we seem to have been talking entirely about Brexit for the past two or three years.

The Welsh Government total departmental expenditure limit budget sought for 2018-19 is £15.827 billion, a reduction of 3.3% in both resource and capital budgets compared with last year's final budget. I understand that this reduction has primarily arisen because last year's revised budget included £300 million of additional funds for student loan impairments, and £278 million carried over from the previous year, neither of which has been repeated. It is also down £269 million because of the block grant adjustments arising from the devolution of stamp duty and landfill tax.

I acknowledge the fact that some significant adjustments have been made, but compared with the original spending review settlement plans for 2018-19, which include £18 million extra for the Cardiff and Swansea city deals, I would argue that the estimates in front of us are symptomatic of a negligent Westminster Government, with a comatose Secretary of State for Wales. Where is the money for the Swansea Bay tidal lagoon project, which was mentioned by my hon. Friend the Member for Aberdeen North (Kirsty Blackman)? Where is the money for rail electrification? Rail experts calculate that it would now cost only £150 million to electrify the line between Swansea and Cardiff, Wales's two largest cities, in a stand-alone project. This compares with a cost of £400 million per mile for HS2, so the whole project in south Wales could be delivered for less than the cost of a third of a mile of HS2.

When it comes to the Swansea Bay city deal, 90% of the money is Welsh public and private money, yet the British Government are propagandising in the west of my country about how they are about to spend £1 billion in our communities. As it happens, that project is being delivered by Plaid Cymru-led Carmarthenshire County Council, definitely not by the British Government. The excuses given by the Secretary of State for Wales when delivering the bad news centre on the projects not being good value for money for the taxpayer. It is very disappointing that the Secretary of State believes that, and some might really question whether the £4.6 million investment for the Wales Office, which is included in the estimates, is value for money.

There is an adjustment of £16 million because of the 5% uplift on the Barnett consequential in the Welsh fiscal framework. For the first time—this is to be welcomed—a needs-based factor has been added to the calculation in these estimates with the aim of ensuring that Welsh funding converges to a level based on the needs of our country. However, we are still left languishing compared with Scotland and Northern Ireland. Welsh public funding per head will be about £10,076, but in Scotland the figure is £10,651 and in Northern Ireland it is £11,042, which is before we start talking about the £1 billion bung for Northern Ireland. Welsh funding per head also languishes behind that for London, where the figure is £10,192. Wales is certainly getting the bad end of the stick. As David Phillips of the Institute for Fiscal Studies argues:

“Although the inclusion of a need-based element in the Barnett formula is to be welcomed, the agreement makes no provision for updating the assessment of relative need in future. Even at the point of introduction the calculation will be based on an already decade old assessment. This could become a source of tension, if it emerges Wales' relative need is changing, and the agreement is therefore unlikely to end debate around Wales' fiscal framework.”

Following the devolution of stamp duty and landfill tax this year and the partial devolution of income tax in April 2019, the Welsh Government and our local authorities—through business rates and domestic rates—will control nearly £5 billion of tax revenues, which equates to about 30% of the combined spending of the Welsh Government and local authorities. However, this is far less than the fiscal power available to Scotland and Northern Ireland. While the Welsh budget will be largely protected from UK-wide economic shocks, by means of the block grant adjustment mechanism agreed in the new fiscal framework, devolved revenues will need to keep pace with comparable revenues in the rest of the UK to avoid a shortfall in the Welsh budget. As Guto Ifan recently wrote in relation to his report for the Wales Governance Centre:

“Increased transparency and budgetary information on the underlying block grant, devolved revenues and the adjustments made for tax devolution will be crucial in boosting fiscal accountability and aiding understanding of annual changes to the budget.”

I welcome the fact that we have got to the point where the Welsh Government now have to raise their own revenue to spend on public services; that will incentivise them to consider programmes that develop the Welsh economy—at the moment, of course, they are merely a spending body.

However, if the formula is to be based on population growth, there is going to be an issue. Even if we turned around the Welsh economy so that it was performing better than the UK economy, which should result in better revenues, there might be no net benefit because our population would be likely to lag behind. That cannot be right: we cannot be running a population-based revenue-related risk. We must look at that again, and I would be grateful if the Treasury agreed. This comes back to the argument made by the hon. Member for Aberdeen North: in the post-Brexit environment, if the formula is to decide the funding available to our respective nations, devolved power over immigration will be important for Wales and Scotland.

The lack of transparency and accountability in Welsh funding could be a problem in the long term. The promised boost in funding to NHS England is a case in point. The British Government have set out their estimated Barnett consequentials for the Welsh Government as a result of the extra £20 billion per annum for NHS England by 2023-24. However, those are yet to be finalised and we are none the wiser as to exactly how the uplift will be funded in England by increases in tax—and how that will impact on Wales, once income tax is devolved in April 2019. I hope those on the Treasury Bench will explain exactly how that is going to work.

Although partly devolving income tax is an important step towards fiscal accountability and responsibility, Plaid Cymru has always advocated for the full powers over income tax that are being made available to Scotland—especially the power to set our own bands. Following the UK's departure from the European Union, there will be no legal or legislative barriers to the Westminster Government's devolving taxation powers that would allow each nation of the British state to have the fiscal arrangements that suited its needs—not those of domineering London and the south-east of England.

We need to consider devolving three key taxes following Brexit: VAT, corporation tax and air passenger duty. VAT is particularly important to the Welsh economy.

[Jonathan Edwards]

Welsh VAT revenues have been far more resilient than any other major taxes, with about £5.2 billion raised in 2014-15. VAT has become the largest fiscal source of revenue in Wales and performed far higher than the UK average; in contrast, income tax remains the dominant tax in the rest of the UK. VAT would be a very good tax to devolve to Wales.

Luke Graham: The hon. Gentleman is talking about VAT. Given that VAT is a regressive tax, is his party's position to increase VAT in Wales?

Jonathan Edwards: The hon. Gentleman has brought to mind my recent visit to the United States: in every state there, sales tax is devolved. The argument is clear. If a tax is performing well in the UK context, it would be good to devolve it to Wales.

The Holtham commission recognised the immense benefits of devolving corporation tax in its 2010 report on finances in Wales. It argued that corporation tax devolution could be a critical part of the transformational change that the Welsh economy needs. Corporation tax has been devolved to Northern Ireland, and the Silk commission said in its report that there was no reason why that should not also apply to Wales. Our problem is that whereas Scotland and Northern Ireland have a range of fiscal powers, the Welsh fiscal portfolio is far weaker, which means that Wales is going to be at a competitive disadvantage within the UK.

Long-haul air passenger duty, of course, is another tax that has been devolved to Scotland and Northern Ireland. That means that the competitiveness of our publicly owned airport in Wales is being held back. Bristol airport opposes the devolution of the tax to Wales and that trumps what is in the best interests of the Welsh economy. The Welsh Government, of course, have no say over the ability of Bristol airport to build a second terminal. That will have a devastating effect on Cardiff airport.

Across the British state as a whole, devolved funding arrangements look increasingly asymmetric and ad hoc. There will now be significant differences in the scale and composition of devolved and reserved taxes across each country: how their block grants are determined and adjusted over time, and the borrowing and budget management capacity of each devolved Government. The British state is changing quickly and we will have to have new structures to manage those changes. With Brexit on our doorstep, the case has never been greater for an independent commission, similar to the Australian Commonwealth Grants Commission, to carry out an assessment of relative need, undertake periodic reviews, arbitrate between tax disputes, and collect and publish information on an annual basis about the allocation of finances and funding to the devolved Administrations. We cannot have a situation where the Treasury is judge and jury.

I would like to finish by talking about the UK shared prosperity fund, which has been a major source of income for investment infrastructure in Wales. Convergence funding between 2014 and 2020 is worth £2 billion. Despite it being two years since the referendum result, there is no clarity at all from the British Government on how that fund will work and how funds will be allocated. That will be a major issue for Wales and we will be pressing the British Government on it.

If the British state is to survive post Brexit, it will require radical restructuring and fiscal policy will be a key element in that. The estimates debate is probably not the right time to make those arguments, but I look forward to putting forward suggestions in the months to come.

6.6 pm

Douglas Ross (Moray) (Con): I am shocked—shocked that a debate entitled, “Spending decisions of HM Treasury and their consequences for grants to the devolved institutions” could muster just one Scottish National party speaker. The hon. Member for Aberdeen North (Kirsty Blackman) and the SNP Chief Whip sitting in the corner, out of a parliamentary group of 35 MPs, is all they can muster. The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) has just rightly said that this is a debate about bread and butter issues that he is happy to be debating, yet other nationalists in this place seem to be happy to be absent.

I will be looking very closely tomorrow at the SNP Opposition day debate on the claim of right for Scotland: yet another argument in this place about constitutional matters. Will the SNP Benches be so sparsely populated for a debate on the claim of right for Scotland as they are tonight about the money we spend in Scotland and the public services we get? I think my constituents and people across Scotland will wonder why they send SNP representatives down to Westminster if they cannot even turn up to a debate about spending in the devolved Administrations.

This is an important debate that affects all our constituencies across Scotland and Wales. It is about the money we put forward in Westminster to be spent in the devolved Administrations. I want to pick up on points made by my hon. Friend the Member for Angus (Kirstene Hair). My NHS area is suffering at the moment. NHS Grampian is one of the poorest funded health boards anywhere in Scotland. I continually receive complaints about local healthcare and waiting lists. In fact, I wrote to the acting chief executive today about someone who has to wait up to two years for an ear, nose and throat check for nosebleeds that stop her leaving her home, because she is so worried about having another severe nosebleed. When she went to the NHS in Scotland, they said, “You can go privately and get it done within a week or two.” But NHS Scotland, overseen by the SNP for the past 11 years, says she has to wait up to two years. That is not acceptable to my constituent or to anyone else.

I note that the two SNP Members in the Chamber are not intervening to say that that is wrong. They know that after 11 years, under a First Minister who was previously Health Secretary, another Health Secretary who was her friend, and now a new Health Secretary, health in Scotland is suffering because the SNP is performing poorly in this area despite significant investment by the UK Government. We have already heard that £2 billion extra has been invested in Scotland as a result of last year's Budget. By 2020, the block grant will have grown to over £31.1 billion: £31.1 billion is going to the SNP Government in Scotland and the way they are spending it is letting us down.

Stephen Kerr: Will my hon. Friend confirm that because of our hard-nosed lobbying of the Treasury,

the £2 billion that was dismissed as not real money is very much real money, and it is investment in Scotland that we badly need?

Douglas Ross: Absolutely. The Chancellor said at the Dispatch Box during that Budget debate that his ear had been bent by the Scottish Conservatives. It was not bent by the SNP—not surprising, because they do not seem to turn up to debates about the economy in Scotland. It was the work of the Scottish Conservative MPs, working alongside our Ministers within Government, that achieved that for Scotland. The resource budget in Scotland has gone up by almost £100 million in the last year. Those real-term changes are positively impacting on people in Scotland and all we get from the SNP are more and more complaints.

I know that time is short, Madam Deputy Speaker, but I was interested that in the 20 minutes that the hon. Member for Aberdeen North spent introducing the debate, there was no mention of the recent reshuffle. This is important when we talk about the money that goes to Scotland to spend on the devolved Administration. She did not mention that in a decade of the SNP being in power in Scotland, the number of Ministers has gone from 16 to 26. The cost of Ministers in Scotland has gone up by £400 million. That does not include the extra funding that will go to their private offices or on their car hire. I notice that the hon. Member for Perth and North Perthshire (Pete Wishart) has just come in. Clearly, a message has gone out—“We must get more people on our Benches.” They have now gone up to three, and it will be interesting to see his contribution to the debate.

Martin Whitfield (East Lothian) (Lab): Is it not also the case that as the ministerial burden has increased with the SNP Government, there has been a 10% cut to our councils in Scotland over the last eight years, which has caused huge problems to individuals and our constituents?

Douglas Ross: Absolutely, and I want to finish on that point because it is important. My Moray Council has suffered one of the biggest funding reductions of all councils anywhere in Scotland. When the SNP in Scotland gets more money from Westminster, it spends less on our health service. It spends less on our local councils and it spends more on giving 42% of all SNP MSPs a job in Government. If that is what we get after 11 years in power from the SNP, the next election cannot come quickly enough.

Ian Murray (Edinburgh South) (Lab): I am grateful to the hon. Gentleman for pointing out some home truths, but could we not sum up his speech and that of the hon. Member for Angus (Kirstene Hair) by saying that the UK Conservative Government is addicted to austerity, and that the SNP Scottish Government is addicted to austerity?

Douglas Ross: That is amazing from a Member of the party that brought about the collapse in the financial markets, which is why we have had to have good governance of our finances in this country—to deal with the mess left behind by Labour.

Pete Wishart (Perth and North Perthshire) (SNP)
rose—

Douglas Ross: No, I will not give way to someone who comes in halfway through a debate. I must finish because a lot of Members on the Conservative Benches want to speak in the debate, even if those opposite do not. This is an important debate. This is where our constituents want to see decisions being taken. They want to see money going from Westminster to Holyrood, but what they are seeing in Scotland at the moment is an SNP Government who are letting them down. What they will hopefully see tonight is a UK Government who are investing in Scotland and investing for the future, and that it is the Scottish Government and the SNP who are letting them down.

6.12 pm

Luke Graham (Ochil and South Perthshire) (Con): In her opening speech, the hon. Member for Aberdeen North (Kirsty Blackman) made a number of assertions about spending in Scotland, and I want to refute a few of those. By 2020—these are facts available from the House of Commons Library, as she quoted—the block grant will have grown to over £31.1 billion, which is a real-terms increase over the spending review period. In the 2018-19 financial year, the devolved Administration’s budget will increase by £500 million. Capital will increase by £566 million—£273 million of which is financial transactions, which I will come back to—and there will have been an overall increase of 17% since 2015-16.

The hon. Lady talked about financial transactions. She said that they were not real money and that they could not be spent on real things. That is interesting, because we took a look at the latest draft budget for 2018-19 and the SNP is planning to use £489 million of financial transactions. The funding includes the following: £40 million for the higher education budget, including innovation, low carbon and energy; £68.5 million for Scottish Enterprise; £26.5 million for the energy budget; and most importantly and specifically, since she talked about housing, £221.3 million for housing programmes, including the Help to Buy scheme and the open market shared equity scheme. If she was being truthful and saying that this money is not real and has to go back, has she told everyone back home?

The hon. Lady also talked about farmers. My constituency being predominantly a rural constituency, I speak to farmers every week, and I can say that under the SNP they have not received the support they need. The IT system does not work, they have not had the right rural funding and, to top it off, they now face record levels of farmers debt. That is the legacy of the SNP Administration in Scotland.

Pete Wishart: On financial issues, will the hon. Gentleman explain from who the Scottish Conservatives got the £390,000 donated to them over the past few years? It was from a group called the Scottish Unionist Association Trust, which supports his hon. Friends. Where are their addresses, who are their registered shareholders, and are they registered with the Electoral Commission?

Luke Graham: This debate is about devolved funding for our constituents. If the hon. Gentleman wants to talk about that, he should go somewhere else.

We have just ascertained in the Chamber that Scotland has received more money from the UK Government. It is now important to look at how it is actually spent.

[*Luke Graham*]

As my hon. Friend the Member for Angus (Kirstene Hair) said, about one third of the 2018-19 budget went on health and sport, but one of the next biggest areas of funding is finance and the constitution, where 11.8% of the budget is being spent. Now, finance and the constitution are all perfectly fine and important things, if they want to make those choices, but it is more relevant when we consider the percentage of spending that goes on education and skills, which is 8.4%. The No. 1 priority for the SNP Administration only gets 8.4% of the funding, versus the—wait for it—12.4% from the Westminster Government that goes on education and skills.

Stephen Kerr *rose*—

Luke Graham: It is the SNP Government's No. 1 priority and yet our schools are plunging in the international rankings. I give way to my hon. Friend.

Stephen Kerr: My hon. Friend has pre-empted my point. Will he remind the House what has happened to Scottish education in the last 11 years under this SNP Scottish Government?

Luke Graham: The performance has been lamentable. Scotland's schools have fallen in the rankings in reading, mathematics and science. We have gone from No. 1 in the UK to No. 3. Scottish education, which was once a byword for excellence in the world, is now merely ranked as average in most international tables. That is not doing Scotland down; it is recognising a problem because we want to solve it.

I am conscious of time so I will come to my last point. We have all heard of “tax and spend” Governments, but we rarely hear of “tax and underspend” Governments, yet that is what we have in Edinburgh. In 2017-18, the Government underspent by £453 million. The Finance Secretary in Edinburgh says, “This is all part of a plan. It is normal to underspend on your budget.” I think the Chief Secretary to the Treasury would probably say it is not normal for Departments to lobby to underspend on their budgets; in fact, they want to meet or exceed those budgets.

This underspend covers £66 million for volatility; £100 million for a new social security system—instead of actually working with the UK Government to build a better devolved social security system; and £50 million from better tax receipts that they are not refunding or reinvesting in Scottish local authorities. This would be bad in one year, but it is in addition to the £191 million underspend from the previous year. The SNP continues to scream for more powers and spending, and yet when it receives the powers, it does not use them, and when it sees the money, it does not spend it.

My constituents are fed up with the mismanagement of the SNP. That is why we Scottish Conservatives have stood here tonight. Why is it that, despite more money going from Westminster to Edinburgh, we still face cuts to our local council services, in Clackmannanshire and in Perth and Kinross, cuts to music education, cuts to support services for disabled people, cuts in infrastructure, cuts to our roads and paths—[*Interruption.*] If the hon. Member for Perth and North Perthshire (Pete Wishart) wants to make an intervention, he is more than welcome to do so. [*Interruption.*] Oh yes, I am conscious of time

so I will not give way. It is time for the SNP to take account of the money it receives and to take responsibility for the budgets it receives from Westminster; it is not time for my constituents to carry on paying for the mismanagement of the SNP.

6.18 pm

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): I rise to speak as a Conservative MP proud of what my Government are doing and delivering for Scotland. Thanks to this Conservative Government, by 2020, the block grant to the Scottish Government will have grown to £31.1 billion—a real-terms increase over the spending review period; thanks to this Conservative Government, day-to-day spending in Scotland will increase by £500 million; thanks to this Conservative Government, the capital budget, which is used for crucial investment in Scotland, will increase by £566 million; and thanks to this Conservative Government, and their commitment to investing in our national health service, Scotland will now receive an extra £2.27 billion in real terms. A Conservative Government are governing and delivering for the whole United Kingdom, including Scotland.

But what do we hear from my hon. Friend the Member for Aberdeen North (Kirsty Blackman)—and I use the word “friend” sincerely? We hear no acknowledgement that Scotland is the second highest per capita-funded nation in the UK; no acknowledgement of the huge spending boost delivered in last year's Budget; no acknowledgement—and I am surprised at this—of the £18 million delivered for the Aberdeen city region deal, the £20 million delivered for the Edinburgh city region deal, or the £8 million delivered for the Inverness city region deal. No, what we hear instead is the Scottish National party, and the Administration in Holyrood, bemoaning the fact that the extra £2 billion delivered in last year's Budget is somehow a con, because the money is financial transactions capital funding.

Kirsty Blackman: Will the hon. Gentleman give way?

Andrew Bowie: I should be delighted.

Kirsty Blackman: I was very pleased to hear the hon. Gentleman mention the Aberdeen city region deal. I was a huge supporter of it. Indeed, I initiated an Adjournment debate on that very subject during my first few weeks as an MP. Does he not recognise, however, that the Scottish Government are providing more funds for the deal than the UK Government? Will he push the UK Government to match the Scottish Government's funding?

Andrew Bowie: I welcome the contribution of the Scottish Government to the Aberdeen city region deal, but the hon. Lady must acknowledge that the deal would not have happened if the UK Government had not driven it ahead.

For goodness sake, give me strength. The argument about the financial transactions capital funding is ridiculous not only because, let's face it, the Scottish people do not care what type of money they are getting as long as the Government spend it in a way that can benefit them and their communities, but because the Scottish Government have themselves used that type of funding for affordable housing, business investment and infrastructure projects. But then, consistency has never been the watchword of the Scottish National party.

Indeed, why allow the focus to fall on how the money is being spent? It is much easier to concoct the false narrative that Westminster is doing Scotland down and short- changing it; that the reason NHS Tayside and Grampian are in crisis, the reason Police Scotland is failing, the reason for the state of the management of education north of the border—when are we going to see that education Bill?—is that, somehow, the Tories are underfunding Scotland. That, say SNP Members, is why they are having to raise income tax; that is why they are forcing councils to raise council tax, making Scotland the highest-taxed part of the UK and Aberdeenshire—forever the Scottish Government's cash cow—the highest-taxed part of Scotland.

In fact, none of the problems facing Scotland in 2018 is due to underfunding from this Government at Westminster. They are all due to the incompetence of the Scottish Government, who could not organise—well, a tea party in a café. While moaning about not getting enough money, and while punishing the hard-working people of Scotland by raising their taxes, the Scottish Government actually underspent their budget by half a billion pounds last year. But that is not the worst of it. Not only are they not spending the money that they already have; not only have they ensured that Scottish workers keep less of their salaries than their English and Welsh colleagues; most disgracefully of all, they are spending money hand over fist on the biggest and most bloated Executive that Scotland has ever seen.

The new SNP Government at Holyrood is truly gargantuan. At present, 42% of SNP MSPs are on Nicola Sturgeon's payroll. Talk about buying patronage! Please do not do any more of it, or the Government Whips might get some ideas. There are more Ministers than there ever were when Alex Salmond was First Minister, and he was not someone who ever sold himself short. The SNP Government have twice as many Cabinet Ministers drawing salaries as Alex Salmond had in his Government in 2007.

It is clear, at the end of the day, that it is the Conservatives who are delivering for Scotland. The SNP should spend less time complaining, less time giving jobs to the boys and girls, and more time governing. The conversation that we should be having now is about how we can best spend this dividend to improve Scotland's services. So let us see an end to the grievance politics and the "it wisnae me" narrative. Let us work together and build a better Scotland, inside a stronger United Kingdom.

6.23 pm

Stephen Kerr (Stirling) (Con): It seems to me that we often get carried away when we speak about money in this place. We speak about giving an extra couple of billion here, or an extra 10 million there. For most people—and I include myself in their number—such amounts are hard to imagine.

When we examine the figure of £453 million, we can come up with some interesting statistics. If £453 million were paid in pound coins, it would weigh 9.5 tonnes, and would stack into a pile almost 2 miles high. The total budget for the Forth Valley health board, which covers my constituency in Clackmannanshire and Falkirk, is about that amount, and it is more than twice the budget for council services in my constituency. For that amount, every one of my constituents could be educated, have their bins picked up and have their roads repaired

for two years. That is the size of the Scottish Government underspend. I will say that again: this is the amount of money that was allocated to them and was not spent.

The SNP does not like that figure to be discussed and generally disseminated; it resists scrutiny, undermines Scottish parliamentary committees, and has subverted the freedom of information process in Scotland. But it is right during this debate that we speak about the services that could have been provided with the money allocated for the last financial year had it been spent—the healthcare that could have been provided to the sick, the educational equipment that could have been bought for our students, and the roads that could have been fixed or repaired for our motorists by the Scottish Government. The Scottish taxpayer is now the highest taxed of all taxpayers in these islands.

Of course, I defend the right of the SNP Scottish Government to set their spending priorities according to the priorities they have set for that Government. That is their prerogative. The devolved Government can and must reflect the different needs of Scotland. But it is right to throw a spotlight on the mismanagement of the public finances in Scotland and ask questions about the services being cut around Scotland while Derek Mackay runs up a huge Government surplus.

This comes at a time when councils are increasingly dipping into their reserves, and that is a direct consequence of SNP budget cuts. A recent Scottish Government report reveals that in 2017-18 councils spent £126 million from their reserves and this coming year it is predicted that councils will need to call on an additional £113 million-worth of reserves. These reserves are not being used for landmark projects; it is a last resort to keep day-to-day services going.

This might seem like a small issue, but to my constituents who contacted me it is a big deal. I am speaking now of the Stirling play bus. It is an old bus that many children in Stirling and the surrounding district for the past few decades had enjoyed. It went around Stirling, right into the most remote villages and into the heart of the some of the most deprived communities in my constituency. It was a place to play when the weather was not so good and it gave kids a place to go during the summer. The bus was, sadly, scrapped this year having finally given up the ghost. Stirling Council—an SNP and Labour-run council since last year—took the opportunity to reduce play services and remove all mobile provision of this kind, as a cost saving by a council strapped for cash.

It is shocking that this should happen while the Government of Scotland run up a surplus of half a billion pounds. I know Members from across Scotland will have many hundreds of such examples and I could go into many more myself; this will take some explaining on the part of the SNP Scottish Government.

As has been widely reported, the Scottish Fiscal Commission is forecasting that the Scottish Government are facing a £1.7 billion shortfall in public finances over the next five years, as Scotland's economy lags behind the rest of the UK, with growth remaining below 1% a year until 2023. As my good friend and colleague Murdo Fraser MSP said:

"Derek Mackay might like to fool us all into thinking this £453 million underspend figure is an insignificant sum. But it's higher than what the SNP's independence blueprint"

—the growth commission—

[Stephen Kerr]

“said it would cost to create a separate state. The finance secretary is having to put money aside to meet a projected shortfall in tax revenues due to Scottish economic underperformance.”

Those are the words of Murdo Fraser, and I concur with them.

In the minute I have remaining to me I would like to raise an issue pertinent to my Stirling constituency specifically: the governance of the Stirling and Clackmannanshire city region deal. I am delighted that my right hon. Friend the Chief Secretary to the Treasury is answering this debate because she played no small part in delivering the city deal for Stirling and Clackmannanshire. For that we on these Benches are indebted and very grateful. But I am concerned about the governance that is prescribed for a city deal. I hope she will be able to reassure us that the approach for the governance of the city deal will be pragmatic—that it will be light touch—and will not be left at the mercy of a bureaucratic system of committees and joint boards. I wonder whether having the deal anchored within a council is the best way to achieve what we are striving to achieve. I do not want the Stirling and Clackmannanshire city region deal to find itself in the category of city deals described in a recent FSB Scotland briefing, which welcomed the city deals but questioned their

“lack of engagement with smaller businesses”

and the

“lack of transparency inherent within the deals”.

I look forward to hearing what my right hon. Friend the Chief Secretary to the Treasury—and she truly is a right hon. Friend to Scotland—will have to say in response to that specific concern.

6.30 pm

Patrick Grady (Glasgow North) (SNP): I understand that there are hordes of people around London this evening looking for 90 minutes of entertainment on a green playing field, and where better to look than the House of Commons? We have been thoroughly entertained already and I am sure that there is nothing else in this evening’s line-up that could be as interesting. I want to start by congratulating my hon. Friend the Member for Glasgow South (Stewart Malcolm McDonald) on securing this debate, and the Backbench Business Committee and the Liaison Committee on securing the time for him. My hon. Friend unfortunately took unwell morning and is unable to be here. I say gently to Members who criticise people for their absence that they should perhaps not do so from a position of ignorance.

Douglas Ross: I was fully aware of the illness of the hon. Member for Glasgow South and I understood that that was why the hon. Member for Aberdeen North (Kirsty Blackman) took his place. That was perfectly clear to all of us on the Government side of the House. What was not clear was where the other 34 Scottish National party MPs were at the time. The reinforcements have arrived in the Chamber now, so the text messaging system works well, but that is the point that we were making.

Patrick Grady: I was watching the parliamentary private secretary passing notes around the back of the Chamber earlier, so I will take no lessons on internal group communications from the hon. Gentleman.

I have spoken in estimates day debates before and been called out of order for daring to actually discuss the estimates, so it is very helpful indeed to be able to have this discussion on Government spending. The reason that we have these debates is that the SNP questioned the estimates process in the context of the English votes for English laws process. We were told by the then Leader of the House, who is now the Transport Secretary, that if we wanted to have a say and a vote on spending as it affected Scotland, the estimates process was the way to do so. As we have been so ably encouraged by Conservative Members to take that opportunity this evening, I am sure that they will look forward to that happening at 7 o’clock and in the time that follows.

In summing up, it would be only fair to address the points that have been raised by Conservative Members. The hon. Member for Angus (Kirstene Hair) was interested in health and in the Barnett consequentials that will allegedly come as a result of the £20 billion increase in expenditure for the health service. It is great to know that they are coming, and the Scottish Government have consistently said in successive manifestos that they will pass on all the Barnett consequentials that they receive for health. The question is: where is the funding coming from? It was supposed to be coming from a Brexit dividend, but it now appears that it will come from increased taxation or perhaps from cuts to other Departments. However, if other Departments are cut to fund health spending, there will be cuts to the Barnett consequentials as well.

Dr Philippa Whitford (Central Ayrshire) (SNP): To give the House an example, the NHS in England got £337 million for winter pressures last year, but what finally made it over the border was not the expected £32 million but £8.4 million, for exactly that reason.

Patrick Grady: Exactly. I do not know how many Scottish Tories took part in the health estimates debate last night, but I know for a fact that my hon. Friend the Member for Central Ayrshire (Dr Whitford) did so. Again, we will take no lessons on attendance in this Chamber.

I say to the hon. Member for Moray (Douglas Ross) that if he is so keen to debate the Scottish national health service, perhaps he should go back to where he came from: the Scottish Parliament, which makes the decisions about health. And if he is concerned about the payroll vote, he might want to take note of the fact that the current Prime Minister has the largest Government since 1979. I will take no lessons on bloated Government from Members on the other side of the House.

David Linden (Glasgow East) (SNP): Why are there no protestations from the party opposite about Lord Duncan of Springbank, who was defeated at the general election and then stuffed into the House of Lords?

Patrick Grady: Precisely. If we want to talk about wasting public expenditure, we have only to look up the corridor.

The hon. Member for Ochil and South Perthshire (Luke Graham) was quoting from his Whip’s note about what financial transactions money was being spent on, but he neglected to say, as my hon. Friend the Member for Aberdeen North pointed out at the very

start, is that financial transactions money has to be paid back, so it is not money that the Scottish Government have the kind of discretion over that they need and deserve.

The hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) is not in the best position to lecture us about the payroll vote. We salute the fact that he holds a place of greater esteem on the Government Benches than his hon. Friends, but I want to take him back to my modern studies class at the Inverness Royal Academy way back in 1996 and 1997 where we talked about why funding per head is greater in Scotland than in the other parts of the United Kingdom. There are two good reasons, as some of the Scottish Conservatives should know. First, we have higher costs on account of having large rural areas that need to be served. Secondly, the figures are for identifiable public expenditure, and we all know that the vast amount of unidentifiable public expenditure is spent here in the south-east of England in London on Departments and large-scale infrastructure projects that are of no benefit whatsoever to the people of Scotland.

The name that allowed me to tick off my Scottish Tory bingo sheet was that of the hon. Member for Stirling (Stephen Kerr). He said that Scotland is the highest-taxed part of the United Kingdom, which everybody was delighted to hear. Perhaps the Scottish Tories at the Hurlingham Club Tory summer ball last night were weeping into their warm prosecco over the leadership plots and the fact that they now have to pay, like all SNP Members, an extra 60p a month because tax is going up in Scotland. For what we get in Scotland, such as free prescriptions, more bobbies on the beat, investment in education, free tuition and mitigation of the Tory bedroom tax, I think that that is pretty good value for money. In addition, everyone in Scotland earning less than £33,000 a year, which includes squaddies, nurses and teachers at the start of their careers, is paying less. That is the simple fact of the effect of the Scottish Government's budget, so we do not need to hear any more about that.

As this is an estimates debate, I want to reflect on a couple of points about how spending decisions are made in Scotland once the grant has been agreed and the tax revenue collected. As Members who have previously served in the Scottish Parliament will know, we have an open and full legislative process to agree Government spending during which Members can make suggestions. The Opposition parties in Scotland are good at explaining the things on which they would like more to be spent, but they are not so good at explaining where they think cuts should come from or what should be reduced. Nevertheless, they have the opportunity.

Pete Wishart: The one thing that the Scottish Tories did not want to talk about is where they are in control in Scotland. They are in control in Perth and Kinross Council, where they are closing schools and depriving leisure facilities of hard-earned money. That is the reality of the Tories in power. A Tory vote is not consequence free.

Patrick Grady: There is no danger of a penalty shoot-out this evening; the goals are quite clearly being scored by Members on this side of the House.

Luke Graham *rose—*

Patrick Grady: I do not think that intervening would be wise. The hon. Gentleman should probably take a seat.

We just have to compare the system in this House with the system in Scotland. Here, we have 90 minutes of debate, but the Scottish Parliament has months of decision making. Tomorrow, in less than 30 seconds, the Supply and Appropriation (Main Estimates) (No. 2) Bill, which has not even been published yet, will be nodded through, authorising billions of pounds-worth of expenditure without any real scrutiny whatsoever.

I cannot finish without talking about the other consequence for devolved institutions. It is the elephant in the room, the canary in the coal mine, or whatever metaphor we please: the dodgy deal, the grubby agreement, the confidence and supply arrangement that has propped up this weak Government for over a year in return for £1.5 billion that we cannot scrutinise and is almost impossible to find anywhere in the estimates document. The debates yesterday and today and the Bill tomorrow are literally the supply element of confidence and supply, but getting to the bottom of the deal is almost impenetrable. All the Library briefing note can find is a line about health buried somewhere. If I was in the DUP, first of all I would be here, but I might also be starting to feel slightly aggrieved about whether the money is ever actually going to show.

However, at least that money has been promised. The real disgrace of the confidence and supply arrangement is that Barnett consequentials are not being made available to the other devolved institutions. We have seen the contempt in which the UK Government hold the devolution settlement these days. They ripped up the Sewel convention to pass the European Union (Withdrawal) Bill without a legislative consent motion from Scotland. In fact, that contempt has been clear since they have shown total disregard for the Barnett formula. No matter what vows were made in 2014, it seems that the conventions and formulae that have underpinned devolution for the past 20 years are slowly but surely being undone. There we are.

We have heard the reality of Tory austerity, which has always been an ideological choice, not a necessity. It has meant real-terms cuts to the discretionary budget in Scotland. We heard the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) speak of the struggles in Wales, which has been dealt the double whammy of Tory austerity and Labour incompetence. We wonder where and when there will ever be a proper chance for scrutiny of the confidence and supply deal that is propping up this Government at the cost of £1.5 billion, which has been delivered without the due consequentials elsewhere.

I know that, unaccountably, the attention of other Members might be somewhere else at 7 o'clock, but we in the SNP are left with no choice but to divide the House on the estimates.

6.40 pm

Peter Dowd (Bootle) (Lab): I am not quite sure whether I need a wee dram after that speech by the hon. Member for Glasgow North (Patrick Grady). We have moved from the turgid to the ranting in one fell swoop, and it got the point where I was looking forward to the Chief Secretary's speech, which takes something.

[Peter Dowd]

I will not regurgitate what has been said, because I could not make head nor tail of it, quite frankly, and I do not suspect the Members who made those speeches could, either. These debates come on the eighth anniversary of the Conservatives' first austerity Budget, and we are still seeing the effects of that pernicious and ill-informed policy in these estimates.

Back in 2010, the then Chancellor outlined a package of cuts worth £81 billion, to be rolled out gradually, with many still to take effect during this Parliament. There has been an absolute decimation of the public realm, and the vast contraction in spending has had devastating social consequences. A cash-starved NHS is at crisis point; social care has been forgotten and ignored; there has been the longest fall in living standards since records began; and the Office for Budget Responsibility is saying that wages will stagnate for another two decades. Meanwhile, swingeing cuts to the regions have left the UK more unequal.

Today, the Local Government Association published a report showing that local authorities will have had £16 billion cut from their core funding by the end of the decade, leading to a £7.8 billion funding gap by 2025. When Conservative Members call for special consideration, I remind them that they all supported those decisions, with no dissent, year in, year out. With no codicils and no caveats, they supported every one of those spending cuts. They are now complaining and saying that they need their communities back up and running. Quite simply, they voted for these cuts in their own areas, and they should have the guts and the backbone to admit it.

Those cuts helped to create a sense of hopelessness and destitution in many places across the UK, one which no doubt contributed to the Brexit vote a few years after Mr Osborne's slash-and-burn Budget. It is very strange that, after pursuing this unpopular and ineffective programme, cutting Department after Department, the Prime Minister managed to find enough cash to buy the support of the Democratic Unionist party. It is regrettable that DUP Members are not here today, but the fact is that the DUP should not have had to ask in the first place.

Yes, ironically, the Prime Minister sprouted the magic money tree in the rose garden of No. 10 on the very spot where the giggling David and Nick shook hands on the austerity deal. Indeed, £410 million of that deal is included in these estimates, with some £590 million left to be allocated. Perhaps the Chief Secretary could tell the House when the remaining millions promised to the DUP will be put before Parliament.

We have no issue with the funding of Northern Ireland. After all, following eight years of austerity, 370,000 people there are now living in poverty. What we object to is the Government telling the public during an election campaign that there is no fiscal headroom for investment, before immediately finding a £1 billion windfall to keep themselves in power. Unfortunately, the other devolved nations have not been privy to similar arrangements, as they could not afford to offer the Prime Minister continued tenure in office in return.

Looking north of the English border, the Scotland Office sees a significant reduction in its departmental budget. I also note that some spending has been allocated

for city deals in Edinburgh, Inverness and Aberdeen. Alongside that funding, perhaps the Chief Secretary can tell us how much money the UK Government will invest in the new or recently signed city deals in Scotland, such as the Stirling and Clackmannanshire deal. Will she give us more details on the Glasgow and Clyde Valley city deal by updating us, for example, on whether there will be any additional Government funding for that deal, particularly for infrastructure projects?

Turning to Wales, the cash grant proposed for the devolved Welsh Government is 2% lower than the amount they received last year and comes at a time of unprecedented austerity for Wales. The Welsh Labour Government's budget will be 7% lower in real terms by the end of the decade than it was in 2010-11 as a result of the UK Government's cuts. That means there is £1.2 billion less to spend on public services. As with Scotland, this is the first financial year the Welsh Government have been given greater control over taxation. The Wales Act 2017 and the Welsh fiscal framework devolved stamp duty and landfill tax to the Welsh Government. Responding to that, the Government have reduced the block grant by £269 million to reflect changes to the amount of tax revenue the Welsh Government now collect directly.

Although the devolution of Welsh taxes is welcome, Labour is the real party of devolution and wants to ensure that the Welsh Government have a greater level of fiscal autonomy and financial self-determination. However, this also puts Wales in a vulnerable position. Welsh taxes will need to grow as fast as those in the rest of England to keep up with cuts to the block-grant. In the case of stamp duty, which has been replaced by a land transaction tax, Wales has received no agreement from the Government to protect any fall in revenue. That is particularly concerning given the deep-rooted differences in UK property market conditions, especially after Brexit, which risk leaving the Welsh Government exposed to risks that are outside their control. In addition, Wales's slower population growth may lead to slower revenue growth than in the other nations of the UK.

The Opposition are also concerned by the method that has been agreed upon to determine how the Welsh block grant is cut. The comparable model means that Wales will lose out even if revenues per head grow at the same rate as everywhere else in the UK. When offered the same method, the Scottish Government rejected it outright, and the Welsh Government agreed to it only after the Treasury agreed to a Welsh needs-based factor being included in the Barnett formula.

So although the Government's recognition of the Welsh population's higher needs is a welcome step, the uprating of Barnett consequential to reflect the high need must also be closely monitored. The transitional uprating of 5% and the agreed funding floor of 15% should not be considered a fait accompli by the Treasury. Instead, both rates should be regularly reviewed by this House and the Welsh Assembly, and, where necessary, uprated.

The day-to-day spending budget for the Welsh Government is yet another casualty in the Government's continued austerity programme. The Welsh Government this year will see a 3.3% reduction in both their capital and resource budget compared with last year's final budget. The reality is that the Treasury is pulling the rug from under the Welsh Government by demanding that they do more with less. It is the same old story that we

have seen played out time and again, for example, in relation to local government in the UK. Ministers have cynically devolved taxation as a means to also devolve their austerity agenda. That is another case of the Tories not having the courage of their convictions; it is all a charade and an illusion. Financial settlements are dressed up, but in the end Scotland, Northern Ireland and Wales will inevitably find that they have less. Those nations deserve better from the Government; they deserve a better deal, one that is fair. With these estimates, they are not getting that deal and, to use the words of the Chief Secretary, "That's a disgrace".

6.48 pm

The Chief Secretary to the Treasury (Elizabeth Truss):

We have had a fantastic debate, in which we have heard from some of our top talents from right across the House. I thank the hon. Member for Aberdeen North (Kirsty Blackman) for opening the debate and the hon. Member for Bootle (Peter Dowd) for his contributions. Sadly, however, we again heard the tales of doom and gloom, and projections of difficulty, whereas when we look at what is happening around Britain and at the UK economy, we see there is a positive story. We have record levels of employment and of new businesses set up, and exports are going up right across the UK. All that comes while we have had to deal with the legacy of the previous Labour Government, who left this country in crisis. We have managed to reduce the deficit that they left us by three quarters. It is because of our stewardship of the economy that we have been able to make sure that the devolved Administrations throughout the UK received more money in the most recent Budget, which contained £2 billion for Scotland, £1.2 billion for Wales and £660 million for Northern Ireland.

We have heard some absolutely fantastic speeches in this debate, particularly from the Scottish Conservative MPs, who talked about some of the real issues in that country. We heard complaints from Scottish National party Members but, as my colleagues pointed out, it is within the Scottish Government's power to solve many of the issues that they raised. The Scottish Government have failed to use the money delivered through the Barnett formula to sort out those problems.

My hon. Friend the Member for Angus (Kirstene Hair) talked about the failings in the NHS. My hon. Friend the Member for Moray (Douglas Ross) talked about those failings as well, and asked where the SNP Members were during the debate. No doubt they were getting seats for the England versus Colombia match that we are all looking forward to. My hon. Friend the Member for Ochil and South Perthshire (Luke Graham) talked about the failures of IT to deliver agriculture payments to Scottish farmers and the lamentable results in English and maths education, which show that Scottish children have been let down by the Scottish Government. My hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) talked about how hard-working people are being punished by the raising of taxes on their income at the same time as the Scottish Government are inflating the cost of government and the number of Ministers. My hon. Friend the Member for Stirling (Stephen Kerr) talked about the poor management of the budget in Scotland. I am glad that we were able to finalise the details of the Stirling and Clackmannanshire city region deal.

Stephen Kerr: Will my right hon. Friend take this opportunity to confirm to the House that the UK Government contribution to the Stirling and Clackmannanshire city region deal is £45.1 million? The SNP asked the question, and I think it is worth repeating that it is £45.1 million—thanks in no small measure to my right hon. Friend.

Elizabeth Truss: I can indeed confirm that the money allocated by the UK Government to the Stirling and Clackmannanshire deal is £45.1 million. I thank my hon. Friend for his hard work on that deal. I will be looking at the issues across Government to make sure that we deliver these deals in the best possible way to deliver real value for local communities. That is what MPs have been campaigning for and I will look into that very carefully.

Pete Wishart: Will the Chief Secretary tell us when the Tay cities deal is finally going to be agreed and concluded? Will she confirm that the UK Government will match the funds that the Scottish Government supply to that deal?

Elizabeth Truss: I have already had some discussions about the Tay cities deal with the Secretary of State for Scotland, and we will look at the details. We constantly have to make sure that every piece of Government spending has the best possible value for money. It was significant that in the speeches from SNP Members we heard nothing about value for money or the fact that taxpayers pay for spending.

Peter Dowd: Will the Chief Secretary join me in congratulating the hon. Member for Stirling (Stephen Kerr) on actually getting an answer out of this Government?

Elizabeth Truss: My hon. Friend the Member for Stirling is an extremely effective Member of Parliament from whom Members from all parties could learn.

Luke Graham: I have two questions. First, SNP Members regularly question this, so will my right hon. Friend confirm Scottish Conservative Members' involvement in the Stirling Clackmannanshire deal and Tay cities deal negotiations? Secondly, will my right hon. Friend push the devolved Administration in Scotland to confirm that the money that they have pledged for the Tay cities deal will be new money, not reallocated money, as has been the case with so many other deals, which have taken money from other local authorities?

Elizabeth Truss: It was very good to meet my hon. Friend to discuss the Clackmannanshire and Stirling city region deal and I look forward to visiting him and his colleagues soon in Scotland to see how things are working on the ground. I can confirm that we will be working further with the Scottish Government on those issues.

I commend the work that is being done on the oil and gas industry by my colleagues in Scotland. That issue was also raised by the hon. Members for Aberdeen North and for Glasgow North (Patrick Grady). As well as visiting Stirling and Clackmannanshire, I will be going up to Aberdeen to hear directly from representatives from the oil and gas industry. *[Interruption.]* Well, that

[Elizabeth Truss]

is a very kind comment, sir, and may I offer the hon. Member for Ealing North (Stephen Pound) a happy birthday on this great occasion?

A number of Members raised the issue of health funding. As has been explained by the Prime Minister and the Chancellor, we will be presenting the details of how that will be funded in due course and, of course, the Barnett consequential will be passed to the devolved Administration. It is very important that we ensure that, for every pound of money that we spend, we get maximum value for money. With that money going into the health service, we are making sure that it is improving productivity, improving efficiency and getting the maximum benefit from our hardworking staff on the frontline. That will, of course, be part of the work that we do as well.

On Brexit, we heard the usual contradictions from Scottish National party Members. First, they said that if we were to leave the customs union, which is what we, as a Government, have promised to do, that would be bad news for Scotland. We are, of course, seeking the most frictionless arrangements at the border that we possibly can. They also said that they wanted an independent Scotland, cut off from the rest of the UK. Given that goods worth £46 billion travel from Scotland into the rest of the UK every year, that sounds to me like a highly contradictory statement.

We also heard various comments about Northern Ireland and the additional £1 billion allocated to it. I point out to all Members of the House that, of course, we have the Barnett formula, which is about making sure that consequential are passed through when there is a change in spending in England, but it is absolutely standard practice that we do fund outside the Barnett formula where it is valid, and we have done so in the past. For example, the Stormont House and Fresh Start agreements were funded outside the Barnett formula. We altered the Barnett formula, as was mentioned by the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), to make sure that spending levels in Wales are fair, and we have also allocated extra money to city deals across Wales and Scotland, because they have, in many cases, largely devolved purposes.

I am pleased that the hon. Member for Aberdeen North welcomed the funding that we are providing for the potential visit of the American President to Scotland. I confirmed today that we will supply an extra £5 million to cover the cost incurred by Police Scotland. Again, that is outside the Barnett formula. Therefore, we do have the Barnett formula there for the important work that is done across Government, but it is right that we should look at the specific circumstances that we face with respect to Northern Ireland and to getting the right city deals in Scotland and Wales. We need to ensure that we use our funding in that flexible way.

We have heard some fantastic speeches in the House today, but I observe that the champions of fiscal rectitude and enterprise in Scotland sit on the Conservative Benches.

6.58 pm

Kirsty Blackman: I appreciate the chance to have a minute at the end of this debate. On the debate and the way it has been conducted, I appreciate the fact that so many people have taken an interest in the finances that

are being granted to the devolved institutions. I really hope that, when it comes to the Budget process later this year, we see the same level of interest.

Finally, the change in the process is welcome to ensure that we can actually debate the estimates, but I suggest that further change is still needed to ensure that the estimates debates can be meaningfully amended and that proper alternatives can be put forward so that we can make it clear what our alternative spending plans would be and that we can have actual meaningful votes on them.

Question deferred (Standing Order No. 54)

7 pm

The Deputy Speaker put the deferred Questions (Standing Order No. 54).

MAIN ESTIMATES 2018-19

MINISTRY OF JUSTICE

Question put,

That, for the year ending with 31 March 2019, for expenditure by the Ministry of Justice:

(1) further resources, not exceeding £3,673,299,000 be authorised for use for current purposes as set out in HC 957 of Session 2017-19,

(2) further resources, not exceeding £198,182,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £3,635,304,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

The House proceeded to a Division.

Madam Deputy Speaker (Dame Eleanor Laing): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 312, Noes 32.

Division No. 198]

[7 pm

AYES

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

Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
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 Sir 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
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, rh Mr Robert
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
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hobhouse, Wera
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir 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
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
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott

Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
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
Paterson, rh Mr Owen
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
Rosindell, Andrew
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
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, rh Mel
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
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
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim
Tellers for the Ayes:
Kelly Tolhurst and
Mims Davies

NOES

Bardell, Hannah
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Crawley, Angela
Docherty-Hughes, Martin
Edwards, Jonathan
Gethins, Stephen

Gibson, Patricia
Grady, Patrick
Grant, Peter
Hendry, Drew
Hobhouse, Wera
Hosie, Stewart
Lake, Ben
Law, Chris
Mc Nally, John
McDonald, Stuart C.
Monaghan, Carol

Newlands, Gavin
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Whitford, Dr Philippa
Williams, Hywel
Wishart, Pete

Tellers for the Noes:

**David Linden and
Neil Gray**

Question accordingly agreed to.

DEPARTMENT OF HEALTH AND SOCIAL CARE AND
MINISTRY OF HOUSING, COMMUNITIES AND LOCAL
GOVERNMENT

Question put,

That, —

(1) for the year ending with 31 March 2019, for expenditure by the Department of Health and Social Care:

- (a) further resources, not exceeding £61,592,567,000 be authorised for use for current purposes as set out in HC 957 of Session 2017–19,
- (b) further resources, not exceeding £3,634,818,000 be authorised for use for capital purposes as so set out, and
- (c) a further sum, not exceeding £62,184,741,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament; and

(2) for the year ending with 31 March 2019, for expenditure by the Ministry of Housing, Communities and Local Government:

- (a) further resources, not exceeding £17,571,313,000 be authorised for use for current purposes as set out in HC 957 of Session 2017–19,
- (b) further resources, not exceeding £4,003,853,000 be authorised for use for capital purposes as so set out, and
- (c) a further sum, not exceeding £12,311,628,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

The House proceeded to a Division.

Sir Bernard Jenkin (Harwich and North Essex) (Con): On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker (Dame Eleanor Laing): Does the hon. Gentleman's point of order relate to the Division?

Sir Bernard Jenkin: It does.

Madam Deputy Speaker: The hon. Gentleman may make his point of order.

Sir Bernard Jenkin: Madam Deputy Speaker, do you suppose that the Scottish National party would be calling so many Divisions this evening if it was Scotland that was playing an important football match?

Madam Deputy Speaker: I appreciate that the hon. Gentleman's point of order relates to the Division, but it is not of course a point of order. I just have a fervent hope that, one day, Scotland will be playing an important football match.

Once again, I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 307, Noes 33.
Division No. 199]

[7.18 pm

AYES

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
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Braverman, Suella
Brereton, Jack
Bridgen, Andrew
Brine, Steve
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
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Clarke, Mr Simon
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
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
Evennett, rh Sir 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
Gillan, rh Dame Cheryl
Girvan, Paul
Glen, John
Goldsmith, Zac
Goodwill, rh Mr Robert
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
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon

Herbert, rh Nick
Hinds, rh Damian
Hoare, Simon
Hobhouse, Wera
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir 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
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
Little Pengelly, Emma
Lopez, Julia
Lopresti, Jack
Lord, Mr Jonathan
Loughton, Tim
Mackinlay, Craig
Maclean, Rachel
Main, Mrs Anne
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
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
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Sir Mike
Penrose, John
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
Rosindell, Andrew
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
Spelman, rh Dame Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, rh Mel
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Sir Robert

Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, rh Mr Ben
Warburton, David

Bardell, Hannah
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Crawley, Angela
Docherty-Hughes, Martin
Edwards, Jonathan
Fellows, Marion
Gethins, Stephen
Gibson, Patricia
Grady, Patrick
Grant, Peter

Warman, Matt
Watling, Giles
Whately, Helen
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Kelly Tolhurst and
Mims Davies

NOES

Hendry, Drew
Hobhouse, Wera
Hosie, Stewart
Lake, Ben
Law, Chris
Mc Nally, John
McDonald, Stuart C.
Monaghan, Carol
Newlands, Gavin
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Whitford, Dr Philippa
Williams, Hywel
Wishart, Pete

Tellers for the Noes:
David Linden and
Neil Gray

Question accordingly agreed to.

DEPARTMENT FOR EDUCATION

Question put,

That, for the year ending with 31 March 2019, for expenditure by the Department for Education:

(1) further resources, not exceeding £34,065,501,000 be authorised for use for current purposes as set out in HC 957 of Session 2017–19,

(2) further resources, not exceeding £14,429,588,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £46,841,694,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.

The House divided: Ayes 297, Noes 33.

Division No. 200]

[7.33 pm

AYES

Adams, Nigel
Afolami, Bim
Afrayie, 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
Beresford, Sir Paul
Berry, Jake
Blackman, Bob
Blunt, Crispin
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew

Bradley, Ben
 Bradley, rh Karen
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 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
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evennett, rh Sir 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
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 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
 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
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, rh Damian
 Hoare, Simon
 Hobhouse, Wera
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 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
 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
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Mackinlay, Craig
 Maclean, Rachel
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 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
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 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
 Rosindell, Andrew
 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
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Stride, rh Mel
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim
Tellers for the Ayes:
**Kelly Tolhurst and
 Mims Davies**
NOES
 Bardell, Hannah
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Brock, Deidre
 Brown, Alan

Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Crawley, Angela
Docherty-Hughes, Martin
Edwards, Jonathan
Fellows, Marion
Gethins, Stephen
Gibson, Patricia
Grant, Peter
Hendry, Drew
Hobhouse, Wera
Hosie, Stewart
Lake, Ben

Law, Chris
Linden, David
Mc Nally, John
McDonald, Stuart C.
Monaghan, Carol
Newlands, Gavin
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Whitford, Dr Philippa
Williams, Hywel
Wishart, Pete

Tellers for the Noes:
Patrick Grady and
Neil Gray

Question accordingly agreed to.

TREASURY

Question put,

That, for the year ending with 31 March 2019, for expenditure by HM Treasury:

(1) the resources authorised for use for current purposes be reduced by £294,563,000, as set out in HC 957 of Session 2017–19,

(2) the resources authorised for use for capital purposes be reduced by £6,293,934,000 as so set out, and

(3) the sum granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament be reduced by £4,632,925,000.

Madam Deputy Speaker (Dame Eleanor Laing): I think the Ayes have it. [*Interruption.*] I think the Ayes have it. [HON. MEMBERS: “No!”] Order. I have tried to discern from the voices whether the Ayes or the Noes have more votes, but I am unable to do so owing to the extreme number of voices involved. I therefore have no option but to call a Division.

The House divided: Ayes 239, Noes 33.

Division No. 201]

[7.45 pm

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Badenoch, Mrs Kemi
Baker, Mr Steve
Baldwin, Harriett
Bebb, Guto
Bellingham, Sir Henry
Benyon, rh Richard
Blackman, Bob
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, rh Karen
Braverman, Suella
Brereton, Jack
Brine, Steve
Bruce, Fiona
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Campbell, Mr Gregory
Cartledge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clark, Colin
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Costa, Alberto
Courts, Robert
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Chris
Davies, Glyn
Davis, rh Mr David

Dinenage, Caroline
Dodds, rh Nigel
Donaldson, rh Sir Jeffrey M.
Donelan, Michelle
Dorries, Ms Nadine
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Duguid, David
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Eustice, George
Evennett, rh Sir David
Fallon, rh Sir Michael
Field, rh Mark
Ford, Vicky
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freer, Mike
Fysh, Mr Marcus
Gale, Sir Roger
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Gillan, rh Dame Cheryl
Girvan, Paul
Goodwill, rh Mr Robert
Graham, Luke
Grant, Bill
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Grieve, rh Mr Dominic
Gyimah, Mr Sam
Hair, Kirstene
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matt
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Hayes, rh Mr John
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Hinds, rh Damian
Hoare, Simon
Hobhouse, Wera
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Adam
Howell, John
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth

Jones, Mr Marcus
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, rh Mark
Leadsom, rh Andrea
Leigh, Sir Edward
Lewer, Andrew
Lewis, rh Brandon
Lewis, rh Dr Julian
Little Pengelly, Emma
Lopresti, Jack
Lord, Mr Jonathan
Mackinlay, Craig
Maclean, Rachel
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
Maynard, Paul
McLoughlin, rh Sir Patrick
McPartland, Stephen
McVey, rh Ms Esther
Menzies, Mark
Merriman, Huw
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Moore, Damien
Mordaunt, rh Penny
Morgan, rh Nicky
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Pawsey, Mark
Penning, rh Sir Mike
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
Rosindell, Andrew
Ross, Douglas

Rowley, Lee
Rutley, David
Scully, Paul
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston
Spencer, Mark
Stephenson, Andrew
Stewart, Iain
Stewart, Rory
Stride, rh Mel
Sunak, Rishi
Swire, rh Sir Hugo
Syms, Sir Robert
Thomas, Derek
Thomson, Ross
Throup, Maggie
Tomlinson, Justin

Tomlinson, Michael
Tracey, Craig
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Theresa
Walker, Mr Robin
Wallace, rh Mr Ben
Warman, Matt
Watling, Giles
Whately, Helen
Whittaker, Craig
Wiggin, Bill
Williamson, rh Gavin
Wilson, rh Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:

**Kelly Tolhurst and
Mims Davies**

NOES

Bardell, Hannah
Black, Mhairi
Blackford, rh Ian
Blackman, Kirsty
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Crawley, Angela
Docherty-Hughes, Martin
Edwards, Jonathan
Gethins, Stephen
Gibson, Patricia
Grady, Patrick
Grant, Peter
Hendry, Drew

Hobhouse, Wera
Hosie, Stewart
Lake, Ben
Law, Chris
Linden, David
Mc Nally, John
McDonald, Stuart C.
Monaghan, Carol
Newlands, Gavin
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Whitford, Dr Philippa
Williams, Hywel
Wishart, Pete

Tellers for the Noes:

**Marion Fellows and
Neil Gray**

Question accordingly agreed to.

The Deputy Speaker then put the Question on the outstanding Estimate (Standing Order No. 55).

MAIN ESTIMATES 2018-19

Question put,

That, for the year ending with 31 March 2019:

(1) further resources, not exceeding £174,176,998,000 be authorised for use for current purposes as set out in HC 957, HC 945, HC 959, HC 964, HC 968 and HC 977, of Session 2017–19,

(2) further resources, not exceeding £21,891,869,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £155,875,820,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Craig Whittaker.*)

The House divided: Ayes 175, Noes 33.

Division No. 202]**[7.56 pm****AYES**

Adams, Nigel
Amess, Sir David
Andrew, Stuart

Argar, Edward
Badenoch, Mrs Kemi
Baker, Mr Steve

Baldwin, Harriett
Bebb, Guto
Blackman, Bob
Bone, Mr Peter
Bottomley, Sir Peter
Bowie, Andrew
Bradley, Ben
Bradley, rh Karen
Braverman, Suella
Brereton, Jack
Brine, Steve
Buckland, Robert
Burghart, Alex
Burns, Conor
Burt, rh Alistair
Cairns, rh Alun
Cartledge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Sir Geoffrey
Coffey, Dr Thérèse
Costa, Alberto
Courts, Robert
Crouch, Tracey
Davies, Chris
Davies, Glyn
Dinagen, Caroline
Dodds, rh Nigel
Donelan, Michelle
Dorries, Ms Nadine
Dowden, Oliver
Doyle-Price, Jackie
Duguid, David
Duncan, rh Sir Alan
Dunne, Mr Philip
Ellis, Michael
Ellwood, rh Mr Tobias
Eustice, George
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freer, Mike
Gauke, rh Mr David
Ghani, Ms Nusrat
Gibb, rh Nick
Girvan, Paul
Graham, Luke
Grant, Bill
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Gyimah, Mr Sam
Hair, Kirstene
Hall, Luke
Hancock, rh Matt
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Heappey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Hinds, rh Damian
Hoare, Simon
Hobhouse, Wera
Hollingbery, George

Hollinrake, Kevin
Hollobone, Mr Philip
Huddleston, Nigel
Hughes, Eddie
Hunt, rh Mr Jeremy
Hurd, rh Mr Nick
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Sir Bernard
Jenrick, Robert
Johnson, Dr Caroline
Johnson, Gareth
Jones, Mr Marcus
Keegan, Gillian
Kennedy, Seema
Kerr, Stephen
Knight, Julian
Kwarteng, Kwasi
Lamont, John
Lancaster, rh Mark
Leadsom, rh Andrea
Lewer, Andrew
Lewis, rh Brandon
Lopresti, Jack
Mackinlay, Craig
Maclean, Rachel
Mak, Alan
Malthouse, Kit
Mann, Scott
Masterton, Paul
Maynard, Paul
McVey, rh Ms Esther
Merriman, Huw
Miller, rh Mrs Maria
Milling, Amanda
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, rh Penny
Morris, David
Morris, James
Morton, Wendy
Mundell, rh David
Newton, Sarah
Nokes, rh Caroline
Norman, Jesse
Opperman, Guy
Paisley, Ian
Penning, rh Sir Mike
Perry, rh Claire
Philp, Chris
Pincher, Christopher
Pow, Rebecca
Prentis, Victoria
Pursglove, Tom
Quin, Jeremy
Quince, Will
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Ross, Douglas
Rutley, David
Scully, Paul
Shannon, Jim
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston

Spencer, Mark
Stephenson, Andrew
Stewart, Iain
Stewart, Rory
Stride, rh Mel
Sunak, Rishi
Syms, Sir Robert
Thomson, Ross
Throup, Maggie
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, Mrs Anne-Marie
Vara, Mr Shailesh

Vickers, Martin
Walker, Mr Robin
Wallace, rh Mr Ben
Warman, Matt
Whately, Helen
Whittaker, Craig
Williamson, rh Gavin
Wood, Mike
Wragg, Mr William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Kelly Tolhurst and
Mims Davies

NOES

Bardell, Hannah
Black, Mhairi
Blackford, rh Iain
Blackman, Kirsty
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Chapman, Douglas
Cherry, Joanna
Cowan, Ronnie
Crawley, Angela
Docherty-Hughes, Martin
Edwards, Jonathan
Gethins, Stephen
Gibson, Patricia
Grady, Patrick
Grant, Peter
Gray, Neil

Hendry, Drew
Hobhouse, Wera
Hosie, Stewart
Lake, Ben
Law, Chris
Mc Nally, John
McDonald, Stuart C.
Monaghan, Carol
Newlands, Gavin
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Whitford, Dr Philippa
Williams, Hywel
Wishart, Pete

Tellers for the Noes:
Marion Fellows and
David Linden

Question accordingly agreed to.

Ordered, that a Bill be brought in upon the foregoing Resolutions.

That the Chairman of Ways and Means, Mr Chancellor of the Exchequer, Elizabeth Truss, John Glen, Robert Jenrick and Mel Stride bring in the Bill.

SUPPLY AND APPROPRIATION (MAIN ESTIMATES) (No.2) BILL

Presentation and First Reading.

Mel Stride accordingly presented a Bill to authorise the use of resources for the year ending 31 March 2019; to authorise both the issue of sums out of the Consolidated Fund and the application of income for that year; and to appropriate the supply authorised for that year by this Act and by the Supply and Appropriation (Anticipation and Adjustments) Act 2018.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 241).

Ian Blackford (Ross, Skye and Lochaber) (SNP): On a point of order, Madam Deputy Speaker. May I thank you for your forbearance this evening? Perhaps it is pertinent, given some of the angst from those on the Government Benches, to point out just exactly what has happened this evening. The reason we are here is because of Government business. The Government are responsible for timetabling, and this was the only opportunity—*[Interruption.]*

Madam Deputy Speaker (Dame Eleanor Laing): Order. I will hear Mr Blackford's point of order.

Ian Blackford: Thank you, Madam Deputy Speaker. Voting this evening was the only opportunity we have had to speak out against the continued austerity of this Conservative Government and the attack on the budget of Scotland. More importantly, three weeks ago, we witnessed a situation—*[Interruption.]* I hear about embarrassment, but don't talk to me about embarrassment. The embarrassment that took place was three weeks ago, when we had a power grab against the powers of the Scottish Parliament. I signalled to the Conservative Government then that what they had done was act against the consent of the Scottish Parliament and the Scottish people, and that it would no longer be business as usual. I now commend the Scottish National party for standing up for Scotland tonight, and I say to this Conservative Government that we will use parliamentary procedure to oppose this Government every inch of the way and to make sure that the SNP stands up for the rights of the Scottish Parliament until Westminster recognises that it must reverse the power grab against the Scottish Parliament. *[Interruption.]*

Madam Deputy Speaker: Order. I have heard the right hon. Gentleman's point of order, but I have to say that although it was most eloquent, it was not necessary. It seems to me that the point he is making is that he and his colleagues will use parliamentary procedure to make sure their opinions and those of their constituents are well aired here in this Parliament. He has done so and he has every right to do so, and the Chair will defend his right and that of his colleagues to do so. However, there was no need for his point of order, because we are all in agreement about the importance of using parliamentary procedure for the correct ends.

Douglas Ross (Moray) (Con): On a point of order, Madam Deputy Speaker. Further to what the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) said, it is interesting to know how important he thought the debate was, given that he could not sit through it. Only two Scottish National party Members sat through the debate, which the SNP called.

Will you respond to a couple of points, Madam Deputy Speaker? First, I do not care how many times we vote but we saw pathetic theatrics from the SNP and you twice had to instruct the Serjeant at Arms to get them out of the Lobby. Only 33 SNP Members voted tonight. I know that under the SNP in Scotland the level of physical activity is among the lowest levels anywhere in the world, but I am surprised at how long it took just 33 Members to walk through the Lobby. That affects not only Members of this House but House staff. Will you or the Speaker reflect on how such antics affect House staff, who have to stay here for longer?

Secondly, the right hon. Member for Ross, Skye and Lochaber spoke about austerity from this Conservative Government. He and his colleagues have just voted against the estimates, and had they succeeded, Scotland would have received nothing from the UK Parliament. Is it correct that they want no money to go to Scotland?

Madam Deputy Speaker: The hon. Gentleman's final point is a point of debate, and we have had a full debate on those points today. As to his point about the length of time it took to divide the House five times this evening, nothing disorderly has occurred—

Pete Wishart (Perth and North Perthshire) (SNP)
rose—

Madam Deputy Speaker: The hon. Gentleman must allow me to finish answering the point of order. Nothing disorderly has occurred. It is up to every Member of this House to decide how to use parliamentary procedure. I am quite sure that those who called five Divisions this evening know the effect that their calling of those Divisions has had.

David Linden (Glasgow East) (SNP): On a point of order, Madam Deputy Speaker. The House spent more than an hour this evening voting on huge matters of public expenditure and committing serious amounts of public money for spending. Given that we had five votes and it took more than an hour, have you been given advance notice of a statement from the Leader of the House on the introduction of electronic voting?

Madam Deputy Speaker: No. The hon. Gentleman asked a reasonable question, to which I can only give a straight answer.

Pete Wishart: Further to that point of order, Madam Deputy Speaker. I very much concur with my hon. Friend the Member for Glasgow East (David Linden). We spent an hour considering the important allocation of spending by Department by this Government, and we here in this place are tasked with that very function. However, would it not be a lot better to solve all these situations by doing what my hon. Friend suggests and getting electronic voting down here so that we do not spend hours and hours in packed Lobbies going around in circles just to vote?

Madam Deputy Speaker: I appreciate the hon. Gentleman's point, but I have already answered it. I have had no notice of such a matter to be raised.

Simon Hoare (North Dorset) (Con): On a point of order, Madam Deputy Speaker. Given the faux outrage from one of the Opposition parties and the effect that that can have on personal health, can you advise whether the Clerks or the House authorities have checked both the location and the workability of defibrillators near to the Chamber?

Madam Deputy Speaker: I appreciate the hon. Gentleman's point, and I have every confidence that the defibrillators—I do wish that the hon. Gentleman had not asked me to say that difficult word at this time. I am confident that the important machines to which the hon. Gentleman refers are in perfect working order.

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith (Standing Order ,

That, at this day's sitting, the Second Reading of the Voyeurism (Offences) (No.2) Bill may be taken, though opposed, at any hour and Standing Order No. 41A (Deferred divisions) will not apply.—
(*Chris Heaton-Harris.*)

Question agreed to.

HOUSE OF COMMONS MEMBERS' FUND

Resolved,

That the Rt Hon The Lord Lilley, David Mowat and Ian Blackford be discharged as Trustees of the House of Commons Members' Fund and Eric Martlew, Peter Grant, Charles Walker and Anne Main be appointed as Trustees in pursuance of Part 1, Section 2 of the House of Commons Members' Fund Act 2016.
—(*Andrea Leadsom.*)

Business without Debate

VOYEURISM (OFFENCES) (NO. 2) BILL

Motion made, and Question put forthwith (Standing Orders Nos. 59(3) and 90(5)), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

Ordered,

That the public bill committee to which the Voyeurism (Offences) (No. 2) Bill stands committed shall:

- (1) have the power to send for persons, papers and records, and
- (2) have leave to sit twice on the first day on which it meets.

—(*Chris Heaton-Harris.*)

DELEGATED LEGISLATION

Madam Deputy Speaker: With the leave of the House, we shall take motions 7 to 11 together.

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

DISCLOSURE OF INFORMATION

That the draft Digital Government (Disclosure of Information) Regulations 2018, which were laid before this House on 17 May, be approved.

REGISTRATION SERVICE

That the draft Data Sharing Code of Practice: Code of Practice for civil registration officials disclosing information under section 19AA of the Registration Service Act 1953, which was laid before this House on 21 May, be approved.

DIGITAL ECONOMY

That the draft Research Code of Practice and Draft Accreditation Criteria, which were laid before this House on 21 May, be approved.

STATISTICS AND REGISTRATION

That the draft Statistics Statement of Principles and Draft Code of Practice on changes to data systems, which was laid before this House on 21 May, be approved.

DIGITAL ECONOMY

That the draft Information Sharing Code of Practice: Code of Practice for public authorities disclosing information under Chapter 1, 3 and 4 (Public Service Delivery, Debt and Fraud) of Part 5 of the Digital Economy Act 2017, which was laid before this House on 21 May, be approved. —(*Chris Heaton-Harris.*)

Question agreed to.

PETITION

Changing Places Toilets

8.15 pm

John Mc Nally (Falkirk) (SNP): I rise to present this petition on behalf of the residents of the Falkirk constituency.

The petition states:

The petition of residents of Falkirk constituency,

Declares that the petitioners believe that over a quarter of a million people with profound and multiple learning disabilities, as well as other disabilities that severely limit mobility, cannot use standard accessible toilets and need personal assistance to use the toilet or change continence pads; further that their needs can only be met by Changing Places toilets with adequate space and equipment, such as hoists; further that the need for these facilities is growing with the number of people with complex disabilities and increased life expectancy; further that “British Standard 8300:2009 Design” of buildings and their approaches to meet the needs of disabled people recommends that Changing Places toilets should be provided in larger public buildings and complexes; and further that the current lack of Changing Places toilets is leading to thousands of disabled people experiencing a risk of injury and lack of dignity as families are forced to risk their own health and safety by changing their loved one on a toilet floor.

The petitioners therefore request that the House of Commons urges the Government to proactively promote the installation of Changing Places toilets in all large public places, including Government

buildings; and further to amend existing equality legislation to specifically require that Changing Places toilets should be provided in addition to standard accessible toilets in venues such as city centres, shopping centres, arts venues, hospitals, transport hubs like train stations, airports and motorway service stations, leisure complexes, sporting stadiums and arenas, in order to enable all disabled people to go out, go to the shops, attend hospital appointments, enjoy community life and travel with the same dignity as everyone else.

And the petitioners remain, etc.

[P002162]

ADJOURNMENT

Motion made and Question proposed, That this House do now adjourn.—(*Chris Heaton-Harris.*)

Madam Deputy Speaker (Dame Eleanor Laing): Order. Before I put the question I should explain for the sake of clarity that the right hon. Member for Broxtowe (Anna Soubry) who was due to bring the Adjournment debate this evening is unable to do so. There will therefore be no Adjournment debate.

Question put and agreed to.

8.18 pm

House adjourned.

Westminster Hall

Tuesday 3 July 2018

[SIR ROGER GALE *in the Chair*]

Leaving the EU: Implications for Scotland

9.30 am

Patricia Gibson (North Ayrshire and Arran) (SNP): I beg to move,

That this House has considered the implications for Scotland of leaving the EU.

It is a pleasure to serve under your chairmanship, Sir Roger. I am delighted to have secured this debate and I thank my colleagues on the Backbench Business Committee for supporting my application. I begin this debate in the hope that we can have a measured, clear analysis of the facts and challenges that lie ahead, which are of material importance to Scotland and her prosperity.

The implications for Scotland of leaving the European Union are profound and significant. First, we need to consider the damaging effect that leaving the EU will have on Scotland's vital interests both at home and abroad. Nobody can deny that the UK's governing party is hopelessly divided against itself, as the UK faces arguably the biggest challenge and upheaval since the second world war. The Cabinet speaks not with one voice, but with several confused and contradictory voices. How can it enter into negotiations with the EU and inspire confidence from any quarter?

Colin Clark (Gordon) (Con): Does the hon. Lady accept that almost a third of Scottish National party voters also voted to leave the EU and that, therefore, the SNP is divided on this issue too?

Patricia Gibson: That is quite an interesting point. I hope to maintain a respectful dialogue in this debate. I gently remind the hon. Gentleman that the former Tory leader and Prime Minister, John Major, has called the handling of Brexit "bad politics" and a "grand folly" dictated by "ultra Brexiteers". He has also said:

"Many electors know they were misled".

How people voted in the EU referendum, therefore, is beside the point. I want to focus on the damage that is being done to Scotland, because a lot of people have watched the unfolding of the Brexit process with horror and alarm.

The UK Government's own leaked analysis has shown that Scotland's GDP could face a hit of up to 9%, with analysis from the Fraser of Allander Institute showing that a hard Brexit could cost Scotland up to 80,000 jobs. The final figure could be higher or lower—we have no idea at the moment. The Governor of the Bank of England, Mark Carney, has revealed that Brexit has already cost each household £900.

Stephen Kerr (Stirling) (Con): The hon. Lady makes an excellent point: we do not really know at the moment. That is true of all forecasts in any context. We do not really know. What we need to do, however, is pull together our Governments, countries and peoples, to

make a success of what will inevitably happen, given the passing of the European Union (Withdrawal) Act 2018. We are leaving the European Union, therefore we need to work together. No one knows what will happen, but we are responsible for making our own future. We are the masters of our own fate.

Patricia Gibson: The hon. Gentleman is correct. We know that until everything is agreed, nothing is agreed. In that context it is hard to make final predictions. I say to him, however, that we have experts whose minds are more academic on this issue than his or mine, and their opinions matter. Independent forecasters, the UK Government's own analysis, the Fraser of Allander Institute, Her Majesty's Revenue and Customs, the Economic and Social Research Institute and the National Farmers Union have all expressed real concern about what Brexit means for Scotland. I direct the hon. Gentleman to those sources, not to what I am saying.

Joanna Cherry (Edinburgh South West) (SNP): My hon. Friend is making a powerful speech and she makes the point, which Government Members cannot bear to hear, that business, the trade unions and all of civic society in Scotland are concerned about the impact of Brexit on Scotland. The hon. Member for Stirling (Stephen Kerr) said that we should be masters of our own fate. Does my hon. Friend agree that the whole point of this debate is that the people of Scotland are not masters of their own fate, because they are being taken out of the European Union against their democratic will?

Patricia Gibson: My hon. and learned Friend makes an excellent point, which needs no gilding from myself. I wholeheartedly agree. I will come on to the people of Scotland in a few moments.

An HMRC report showed that in 2013-14, European economic area nationals paid £12.1 billion more in income tax and national insurance than they took out in tax credits and child benefit in the UK as a whole. EU nationals working in Scotland contribute an average of £34,000 to GDP. The rights of Scotland's current EU community must be protected and guaranteed as a matter of principle. One in 25 GPs in Scotland is an EU citizen. Losing them would affect 226,000 patients. Regardless of whether those GPs are allowed to stay in Scotland, the fact is that Brexit has created something of a hostile environment for those who choose to live and work in the UK. That may create challenges with retaining EU citizens across the UK, who have contributed so much to our communities. Although not necessarily a large sum for some of our EU citizens, asking them to pay £65 per person—the principle of asking people to re-subscribe to their own lives in a country where they have already contributed so much—is something that shames the Government and us as a society. It should be scrapped.

Christine Jardine (Edinburgh West) (LD): I agree with the hon. Lady that we are asking EU citizens to do something unthinkable. Many of them have paid tax and national insurance in this country. If the SNP is so opposed to what is happening, why does it not back the people's vote, or be straight with the people of Scotland that it is just trying to churn up the argument for independence? It should be straight with the people and tell them that, or back the people's vote.

Patricia Gibson: Sir Roger, you will forgive me for tittering when a Lib Dem asks me to be straight with the people. We in the SNP are absolutely straight with the people of Scotland, who are waking up to the fact that they have been misled. You do not need to take my word for it; you just need to speak to John Major, your former leader and Prime Minister, who openly says that the people have been misled over Brexit. Of course, the people of Scotland were not misled, because we voted overwhelmingly to remain in the EU, but that appears not to matter to the constituents that you represent.

Joanna Cherry: Does my hon. Friend agree that the Liberal Democrats and the Conservatives conveniently choose to ignore the fact that the majority of Scottish voters in 2016 voted for Scottish political parties that said they wanted to hold another independence referendum in the event of Scotland being taken out of the EU against its will? Whether they like it or not, there is a mandate in the Scottish Parliament for that second independence referendum. It is time that they respected the democracy of that vote.

Sir Roger Gale (in the Chair): Order. I ask hon. Members to confine interventions to the length of a proper intervention and not to make speeches.

Patricia Gibson: I will simply respond to my hon. and learned Friend by saying that that is why the Lib Dems are increasingly irrelevant in UK and Scottish politics.

Stephen Kerr: Will the hon. Lady give way?

Patricia Gibson: I will make some progress. We in the SNP believe that the Government should negotiate to stay in the single market and the customs union, not least to protect the exchange of citizens' rights between the EU and the UK.

Another area of huge concern is the importance of the single market and the customs union to protecting our social, trade and investment partnerships with EU businesses and Governments. The Scottish Government's impact analysis has shown that a failure to remain in the single market and the customs union, or to secure a free trade agreement, would see Scotland's GDP around £12.7 billion lower by 2030 than it would be under continued EU membership. That would mean a loss equivalent to £2,300 per person in Scotland. In addition, the impact analysis shows that a so-called Canada-type deal with the EU would still leave Scotland's GDP £9 billion lower by 2030, or £1,610 per head.

Scotland's food and drink exports have reached £6 billion—the highest level ever—with the EU being the largest market. However, the Economic and Social Research Institute reported that a hard Brexit would result in up to a 90% fall in exports to the EU from Scotland. Those are important voices from industry, and everybody who cares about Scotland's economic prospects should listen to them. A hard Brexit would leave the UK isolated on the world stage and expose the country to a regulatory race to the bottom, compromising our trading relationships and consumer standards.

The right hon. Member for Witham (Priti Patel) has said that Brexit was an opportunity for widespread deregulation. The Foreign Secretary has said, "Scrap social Europe". Daniel Hannan, a Tory MEP, said that all contracts between employers and employees should be "free contracts" with no statutory protection. There

is no question but that Brexit will see a bonfire of British workers' rights, given that those words come from the governing party. I do not claim to speak for the people of England, and nor should I, but we in Scotland are alarmed by those comments, which go against the values and beliefs that the people of Scotland hold dear.

The Secretary of State for International Trade is on the record as being "relaxed" about the diminution of food standards post Brexit, although the Secretary of State for Environment, Food and Rural Affairs has said he is opposed to it. The Prime Minister simply responded that the questions were "hypothetical". Food standards that are currently banned across the EU may become permissible in the UK post Brexit, which precipitates concerns about the proverbial race to the bottom. More relaxed standards have implications for animal welfare and raise potential environmental and public health concerns. Will Scotland really have to endure such standards post Brexit? Is that what was meant by taking back control?

The UK will seek to pursue new trade deals, particularly with the US. Since we already know that procurement and public contracts are important objectives for the US in negotiating a trade deal, as demonstrated by the Transatlantic Trade and Investment Partnership negotiations, Scotland's public services are at risk of being bargained off in new agreements. For the people of Scotland, that is simply unacceptable. Hon. Members across the House will know that, because they, too, will have received countless emails from constituents about it. If any hon. Member in the Chamber has not received any emails about the issue, they should feel free to intervene now.

A growing number of people in Scotland are bewildered. In Scotland, we had a referendum on EU membership, which there was no evidence that Scotland wanted. We in Scotland voted to remain in the EU by a convincing majority, but we are now being removed against our will from a family of nations of which we wish to remain part. To add insult to injury, Scotland's voice in the UK negotiations has been summarily ignored. We all witnessed the farce on 12 June. Despite the implications of Scotland being dragged out of the EU, we were allocated a mere 19 minutes. Not one Scottish MP from any party was permitted to speak and there was no protected time for the debate. We witnessed an unprecedented ripping up of the devolution settlement, with Scotland's voice silenced.

Luke Graham (Ochil and South Perthshire) (Con): On timing, does the hon. Lady recognise that in this Parliament, we have spent 252 hours debating Brexit, and we will spend several more, whereas the Scottish Parliament has spent only 25 hours on legislation that was rushed through on an emergency basis? It is not right for her to take a high hand when it comes to time.

Patricia Gibson: The hon. Gentleman may not be aware of this, so I will enlighten him: Scotland did not vote for Brexit and the Brexit negotiations are being carried out by the UK Government. They are therefore duty-bound to allow Scottish MPs, who represent people who did not vote for Brexit, proper time to debate the implications of Brexit and the fact that the devolution settlement has been torn up, about which he appears to have no concern.

Let us be clear: in the democratically elected Scottish Parliament, every single party save the Tories—the SNP, the Liberal Democrats, Labour and the Greens—voted overwhelmingly against repatriating powers to London, by 95 votes to 32. During the Standing Orders debate in the Commons Chamber on 13 June, I was stunned to hear Scottish Tory MPs dismiss that lack of legislative consent—that power grab—by saying, to paraphrase them, “What does it matter? It is only powers over this, that or the other.” They may say that, but when you ignore the entire concept of consent and ride roughshod over democratic institutions elected by the people of Scotland, to which the Tory Government in Westminster have not listened, you do so at your peril.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): On the issue of a power grab, last week the Scottish Government and the First Minister attempted a Government reshuffle, which created the biggest Scottish Government in history and reflects the Scottish Government’s expanding power base. How can the hon. Lady claim there has been a power grab when there are more Ministers and Cabinet Secretaries in the Scottish Government than ever before, and when 80 new powers are coming to the Scottish Government after Brexit?

Patricia Gibson: It is interesting that a Tory Member is concerned about the expanding public purse in these times of austerity and the expanded Scottish Government. That is good. Perhaps he should take up those concerns with the ever-expanding, dripping roast that is the House of Lords. I am sure that the Prime Minister would be happy—

Several hon. Members *rose*—

Patricia Gibson: I am dealing with this intervention—one at a time! The hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont) will find that the Prime Minister’s Cabinet has also expanded as she tries to hold together an unholy coalition of Brexiteers and people with a bit of sense, of whom there are increasingly few in the Cabinet.

Stephen Kerr: I have a simple question for the hon. Lady: if there has been a power grab, why did Nicola Sturgeon expand her Cabinet? Is it not factually correct that it was because there are new powers now and there are new powers coming?

Patricia Gibson: It is that kind of attitude that has seen my party’s membership soar by 10,000 people in a short period of time. The hon. Gentleman says “if there has been a power grab”, which suggests there has not been one—[*Interruption.*] If you make an intervention, you have to let me answer. That is how the game works. It appears that this is a game for some people, but it is about your country of Scotland and the people you represent. If you let me speak, we might get somewhere.

To dismiss the fact that there has been a power grab shows a breath-taking contempt for devolution and the Scottish Parliament. Under the Scotland Act—

Christine Jardine: Will the hon. Lady give way?

Patricia Gibson: Can I finish my point?

Stephen Kerr: You’re in charge.

Patricia Gibson: It doesn’t stop people shouting.

Joanna Cherry: Get some manners.

Patricia Gibson: They are really lacking. You do not get this in the Scottish Parliament, Sir Roger.

The hon. Member for Stirling (Stephen Kerr) should go back and look at the devolution settlement. Anything that is not reserved is devolved, and should correctly come back to the Scottish Parliament. When you start to ignore legislative consent, which has served that Parliament well for the 20 years it has existed, you cross a Rubicon and get to a point where you do what you like and ignore the Scottish Parliament anyway. I do not think that treats the sovereign people of Scotland with respect.

Christine Jardine: Will the hon. Lady give way on that point?

Patricia Gibson: I will make some progress.

Holyrood is not Westminster. In Scotland, sovereignty lies with the people of Scotland. Under the constitutional rules, the Government should not proceed with any measure that affects Scotland without the Scottish Parliament’s consent. For the record—there has been some perhaps wilful confusion about this—the kind of powers being clawed back by Westminster are in 24 areas where they want to retain power in the wake of Britain’s exit from the EU, including agriculture, fisheries, food labelling and public procurement. Public procurement is interesting, because that could constitute an attack on our public services. I have listened to Scottish Tory MPs rubbish concerns about those powers being clawed back as though they do not matter, as we have heard today. They do matter and anyone who doubts it only has to look at the SNP’s soaring membership after the power grab was brought to public attention, as I have already said.

The SNP has been accused of effectively trying to veto Brexit. However, legislative consent was withheld by every party save the Tories, so the argument—

Christine Jardine: Will the hon. Lady give way?

Patricia Gibson: I am in the middle of a point.

The argument that it is some kind of SNP plot simply does not wash. Let there be no mistake: the Scottish Government and the Scottish Parliament recognise that there may be times—this is the point that Conservative Members really have to listen to because I have heard them rubbish this in the past—when UK-wide frameworks are required post Brexit and when they would be in Scotland’s interests. However, the way to achieve such frameworks is through negotiation. That is what a statesman or stateswoman would do; that is grown-up politics. Achieving UK-wide frameworks should not be achieved by strangling the voice of those who were democratically elected to speak for Scotland.

The stand-off that we have is in no one’s interests and that is why it is important to bring forward emergency legislation to remove section 11 from the European Union (Withdrawal) Act 2018. Devolution cannot operate on the terms of grace and favour. To take powers restricting the competence of Holyrood and to exercise

[Patricia Gibson]

those powers in the face of an explicit decision by Holyrood that they should not be exercised is, whatever way you look at it, a power grab.

Under devolution, that which is not reserved is devolved—it is as simple and as important as that. Make no mistake: this process is about being able to adjust the terms on which devolution operates through delegated legislation without the consent—and even against the wishes—of the Scottish Parliament. I am fleetingly reminded of the fact that we were told how important it was to have English votes for English laws. I wonder when we will have Scottish votes for Scottish laws.

Many who are hostile to the Scottish Parliament have tried to dismiss the concerns that it has raised about a hard Brexit and Scotland's voice being silenced as a ploy to promote independence, but that is not the case. This is about something, Sir Roger, that some people in this Chamber would do well to remember—it is about standing up for Scotland, and it is supported even by those in the Scottish Parliament who do not support independence and who are not yet convinced of the case for independence.

Christine Jardine *rose*—

Patricia Gibson: I am finishing up.

I say today that those who value the Union should beware the next referendum on Scottish independence—and it will come—because the debate has crystallised. [Interruption.] There is chuntering from a sedentary position, Sir Roger. The debate has crystallised like never before. The people of Scotland will be asked simply, “Who do you trust most to govern in the best interests of Scotland: Westminster or Holyrood?”. Given what we have witnessed over recent weeks and months, it does not take too great a leap of the imagination to guess what the answer will be from the people of Scotland.

The matters that we are discussing today are not just about Brexit or devolution or Scotland's economic interests; they are ultimately about trust. Every day, this Tory Government demonstrate just a little bit more that they cannot be trusted by the people of Scotland. We are not the “valued and equal” partners we were told we were when we were love-bombed during the 2014 referendum campaign, and the people of Scotland know it. I urge all who care about Scotland to be her voice now and to stand up for her interests. The people of Scotland are sovereign and will not have their voices overridden by Westminster without consequence. Dismiss them at your peril.

Sir Roger Gale (in the Chair): Before we proceed, I understand that in the Scottish Parliament, it is—[Interruption.] Order. I understand that in the Scottish Parliament, it is customary to use the word “you” when referring to another Member. In the Westminster Parliament, “you” refers to the Chair. The Chair has no responsibility for party political matters, so I would be grateful if all hon. Members respected that convention.

We have six Members seeking to make contributions. It should be possible to accommodate everybody, provided that a degree of self-restraint is exercised. That is in your hands, not mine.

9.53 am

Colin Clark (Gordon) (Con): Thank you very much, Sir Roger. It is a pleasure, as ever, to serve under your chairmanship, and to follow the hon. Member for North Ayrshire and Arran (Patricia Gibson).

As a Scottish Conservative and Unionist, I strongly believe in democracy. The Scottish people rejected independence in 2014, just as the British people voted to leave the EU two years later. Both referendums were massive exercises in democracy and in both many people voted for the first time, and we must respect that. If we are to retain that level of interest and keep people's trust in our system, those results must be respected—both the independence referendum and the Brexit referendum.

While a majority of Scottish people voted to remain in the European Union, 1 million of them turned out to vote leave. More Scots voted to leave the European Union than voted for the Scottish National party in the last general election.

Peter Grant (Glenrothes) (SNP): Following the hon. Gentleman's logic, the number of people who voted for independence was 60% higher than the number who voted to leave the European Union. What, then, does his logic suggest we should do about the 1.6 million people who voted to leave the United Kingdom?

Colin Clark: I thank the hon. Gentleman very much for that question; I absolutely respect that point, and I covered it in the first line of my speech. People voted to stay in the United Kingdom, and we had a United Kingdom vote in the European Union referendum.

Patricia Gibson *rose*—

Colin Clark: I will make some progress.

The Scottish people now expect politicians to carry out their wishes. I was disappointed to hear the hon. Member for North Ayrshire and Arran take quite such a negative tone. Nobody on the Government Benches is denying the challenges that surround our exit from the EU, nor are we naive to the scale of the work still to be completed, and much work has been done.

However, the situation is not doom and gloom—far from it, in fact. Done correctly, Brexit can provide many exciting opportunities for Scotland. Overnight, the Scottish Parliament will become considerably more powerful as a result of our exit from the EU. Sovereignty and control over our own laws was a major driver of the leave vote, and I am delighted that the Government, through the European Union (Withdrawal) Act 2018, have already taken steps to bring powers home to the United Kingdom. Brexit will give us the opportunity to bring decision making closer to people, not only through Westminster but through the devolved institutions in Edinburgh, Cardiff and Stormont.

Patricia Gibson: As the hon. Gentleman was speaking, one thought occurred to me that I would like to ask him about, because I am sure he has thoughts on it. He talked about the importance of respecting democracy, and I am sure we all agree with that, but does he share the concerns that many in his party have about the lack of transparency regarding the funding for the EU leave campaign, the dirty money that appears to have been

involved and the lack of ability to trace the source of that money? Does he have any concerns about how that might have influenced the result?

Colin Clark: I thank the hon. Lady for the question, but I have an absolute respect for the institutions of this country, including the Electoral Commission, which will investigate funding, whether in Scottish elections or the EU referendum. I will respect its findings, because I have respect for UK institutions.

On day one after exit, more than 80 new powers will go directly from Brussels to Edinburgh—80 areas in which Scottish politicians can make decisions in the best interests of the Scottish people. The UK Government have rightly confirmed that they will presume devolution for all returning powers, meaning that only in exceptional circumstances will powers be temporarily held at UK level so that we can have some sort of framework, which Scottish industry and United Kingdom industry want. I believe that to be sensible and pragmatic. The UK Government travelled a significant distance from their original proposal, and we are now in a place where we can guarantee that Brexit will be to the advantage of the devolution settlement.

Of course, another upside of leaving the EU will be the ability to send more Scottish goods out to new markets, as we take control over our trade and chart a new course in the world. Scottish economic growth has been driven by exports, and the north-east of Scotland, where my constituency is located, is the largest exporting region in Scotland. In 2015, total exports from the north-east amounted to more than £8 billion—21.3% of total Scottish exports, in an area with 8% of the population. Leaving the EU will allow our exporting businesses to reach new markets and customers, and to grow those numbers further.

The hon. Member for North Ayrshire and Arran mentioned the food and drink sector and agriculture. It is a significant part of the north-east's economy. It directly employs 22,000 people; 51% of those jobs are in agriculture, and a further 11% are in fishing. Leaving the EU will bring huge benefits to those people. We can finally design an agriculture policy that works for Scotland, and it will not be a DEFRA-centric, top-down policy. It will be a policy set by the Scottish Government for the unique needs of Scottish farmers—Members can see from my entry in the Register of Members' Financial Interests that I am one myself.

Fisheries policy will also escape the clutches of the EU, and I am delighted that we are already having conversations on that. It is amazing that the Scottish Government wish to receive powers and then immediately hand them back to the EU, particularly on the common fisheries policy, which would not go down well in our fishing communities.

Leaving, therefore, provides opportunities and hope to some of Scotland's key industries. It will allow us to be part of an internationalist United Kingdom and to embrace new trading opportunities.

Joanna Cherry: Apparently, the majority of sea fish caught at and off the coast of Scotland is sold into the European single market. Can the hon. Gentleman tell us where it is going to be sold after we leave the single market?

Colin Clark: That is a good question. As the hon. and learned Lady knows, we are not leaving Europe. We are leaving the EU. We would hope to form a market in a frictionless free trade arrangement with the EU. Norway is also a huge exporter and is not a full member of the EU. We hope to negotiate a free trade arrangement with the EU.

Joanna Cherry: Is the hon. Gentleman aware that Norway is a member of the single market, through the European economic area? Does he not even know that basic fact? Does he understand that the reason Norway joined the single market was so it could sell its produce into the single market? Will he answer my question—where will the fish caught in and off the coast of Scotland be sold after we leave the European single market?

Colin Clark: It will go to Europe, with us outside the EU. It will go to Japan, America and the rest of the world. Those are the enormous opportunities that we have. It is incredible that the hon. and learned Lady does not realise that the common fisheries policy means that British fishermen catch only 40% of their potential fish catch. We cannot go to other countries in Europe and take their agricultural production, so it is important that more of our fish should be caught by Scottish and United Kingdom fishermen. I look forward to that happening. I am interested in how the Scottish Government explain to people on the coast why they want to hand fishing rights back to Europe immediately.

To move on to other industries, which I am sure Scottish National party Members will ask me about, last year whisky represented 20% of the UK's food and drink exports—£4.4 billion. Diageo and Macallan, in the constituency next to mine, have made multi-million pound investments because they have confidence in our international future. Ardmore, Glen Garioch and Glendronach in my own patch predict a huge improvement in sales, which is good news to me as a farmer, because hopefully that will happen with Scottish barley. The reason for the investment is confidence in an export future and not sharing the Scottish Government's negativity. A free trade deal with India alone would massively boost whisky. We cannot actually grow enough barley in Scotland—and apparently not in the whole United Kingdom—to supply the Indian market, if we had full access to it.

Oil and gas in the north-east—a dollar-denominated industry trading around the world—is resilient after a massive price collapse: the industry still supports 300,000 jobs. Its international horizons are huge, and already the vast majority of its exports are outside the EU. It has no problems with taking on the opportunities of exporting outside the EU, and is investing vast sums in the north-east of Scotland. Financial services, from Aberdeen Asset Management to Artemis in Edinburgh, have global brands and huge international opportunities. They invest in international opportunities throughout the world, not just in the EU. The UK is the clearing bank of Europe and the world; it is the hub of mergers and acquisitions.

What is the threat? We do not have to go far to see bigger risks in Scotland than Brexit. INEOS, the largest private UK company, which has invested £2 billion in the North sea and Grangemouth chemical plant, plans to invest £2 billion in the north-west of Europe. Brexit?

[Colin Clark]

No, apparently: from listening to Radio 4 this morning it is about fracking gas—we have to be careful how we pronounce that—from the US. It is half the price of gas in Europe. However, the Scottish Government will not listen to science. They want to demonise fracking wherever it takes place—America, Scotland or England. High-tech companies will run a mile from an anti-business Government who believe in quasi-science and carry on peddling it.

Peter Grant: Is it the policy of the Scottish Conservative party that fracking should be allowed in Scotland and that decisions about it should be taken by Westminster?

Sir Roger Gale (in the Chair): Order. I am sure that the hon. Gentleman will be creative enough to relate his reply to the matter under debate, the European Union. I am interested to hear his response.

Colin Clark: I will only point out that my party, and this Parliament, will listen to science. I hope that the Scottish Government will also do so; on many things they do.

I want finally to mention farming, the oldest industry. Just under two weeks ago I was at the Royal Highland Show, as I am sure were many other hon. Members. I learned that the Scottish Government's climate change ambitions pose a bigger threat to farming than Brexit—that is the view of Jim McLaren, chairman of Quality Meat Scotland and the former president of the National Farmers Union of Scotland. He has said that the Scottish Government setting a net zero carbon target in law means zero livestock production in Scotland. Members speak about the risk that Brexit poses to the EU, but there is a report out there saying that livestock farming in Scotland will no longer be viable if there is a zero carbon target. I did not write the report: I read it for the first time at the highland show, and it was remarkable. That situation is potentially devastating to Scottish farming.

My final point, and my overall point as a businessman, farmer and investor, is that whether we are talking about whisky, oil and gas, petrochemicals, finance or farming, investor confidence is paramount, and the Scottish Government are damaging it. Her Majesty's Government are working for the best Brexit possible; the SNP would sabotage the Brexit vote and Brexit.

Several hon. Members *rose*—

Sir Roger Gale (in the Chair): Order. I intend to call the Front-Bench speakers at 10.30 am. Do the maths—there are five Members waiting to speak.

10.5 am

Jim Shannon (Strangford) (DUP): That gives me five minutes, and I shall follow your instructions, Sir Roger. I thank the hon. Member for North Ayrshire and Arran (Patricia Gibson) for bringing the matter forward. I want to speak from the perspective of the relationship between Northern Ireland and Scotland, and the importance of maintaining it. It is essential to enhance and strengthen our centuries-old connection, regardless of how we all exit the EU.

I read an interesting article about the history of our two nations. Long before the first plantation of Ulster in the 1600s, there was a very close connection between Ulster and Scotland. Lowland Scots speech was introduced to Ulster at the beginning of the 17th century, becoming Ulster Scots, which, according to the 2011 census, is still spoken by about 8% of the population of Northern Ireland, many of whom live in my constituency. I am proud to say that I am descended from the Stewarts of the Scottish lowlands. My maiden speech in this place was in Ulster Scots, which an important part of my heritage and culture. I am a proud Ulster-Scot. My wife sees my frugal ways and perhaps wishes that there was not so much Scots in me, because I can be very tight when it comes to looking after the purse strings.

We are looking forward to the Orangefest celebrations on 12 July, when we will have numerous Scots bands walking our streets, as well as our home-grown bagpiping bands. Bagpiping is another Scottish import that many in Northern Ireland excel at—a Northern Ireland band has won the world pipe band championships in five of the past seven years. My party leader, Arlene Foster, spoke at a 12 July parade in Scotland only this weekend.

Our nations have been linked for years. From Ballyhalbert, which is not far from my home, the coast of Scotland can be clearly seen—it is only 12 miles away. There is talk of building a bridge. I am not sure whether that will ever happen, but it underlines the important connection between the nations of Scotland and Northern Ireland. The bridge would be a way of supporting that, if the Government were minded to invest the money. The DUP has proposed a feasibility study of the business and tourism potential. Indeed, my local council recently passed a motion stating that

“as the Council's vision is to promote the Borough as a key destination, it is recommended that the Council writes to the First Minister for Scotland, the Secretary of State for Northern Ireland and in the absence of the Executive the Permanent Secretary of the Department for Infrastructure welcoming these discussions and requesting the east coast of the Borough be considered in any feasibility study or business case as a possible connection point for a new bridge between Northern Ireland and Scotland”.

The vision is clear. We should make the most of the ability to be more easily connected, but even without a bridge we can still be connected, and not just by culture and history but by a closer post-Brexit relationship. That is the desire of the people and businesses of Northern Ireland. It is my belief that our enhanced connectivity, after Scotland and the rest of us leave the EU, can be used for external opportunities and will be useful to our shared agricultural and fishing industries, and many other links. The hon. Member for Gordon (Colin Clark) referred to farming and fishing, which are two sectors that we want to build on in Northern Ireland. We can do that better working alongside our Scottish brethren and sisters, in a way that enhances our relationship.

As with Northern Ireland, the biggest part of Scotland's trade remains with the rest of the UK. “Export Statistics Scotland”, the Scottish Government's annual trade statistics, show that in 2016 Scotland exported more than £45 billion in goods and services to England, Wales and Northern Ireland, while exports to the EU totalled £12.7 billion. The figures speak for themselves. Exports to the rest of the UK make up 61% of Scotland's total exports—nearly four times the amount of its trade with the EU market. Independent research shows that around 560,000 jobs in Scotland—nearly one in four of all jobs—are supported

by demand for Scottish goods and services from the rest of the UK. It is clear that we are better off together. That is the fact of the matter. I sit alongside my Scottish National party friends and colleagues because I value their friendship. I do not agree with everything they say, as they know, and they do not agree with everything I say, but we are friends and colleagues and we try to do our best in the Chamber for our constituents.

Greater connectivity between Scotland and Northern Ireland would strengthen the business links that have already been built up and make it easier to attract inward investment. The implication of Scotland leaving the EU alongside Northern Ireland, Wales and England will be a closer relationship with Northern Ireland. That will be to the benefit of all four nations within the great United Kingdom of Great Britain and Northern Ireland. We will be better together, for everyone's mutual benefit.

10.10 am

Stephen Kerr (Stirling) (Con): There is a Scottish comedic character, made famous by Rikki Fulton, by the name of the Reverend I.M. Jolly. He is famed because he is miserable. He can never bring himself to be upbeat, positive or optimistic. I am afraid that that caricature is one that the SNP seems to have voluntarily adopted. It is being so cheerful that keeps it going. It fits the SNP's narrative to spread doom and gloom and to talk down our country's future. As a Scottish Conservative, I insist that our best days lie ahead of us as part of the United Kingdom, the world's most successful political and economic union.

The SNP wants to create an air of constitutional crisis, but Scotland is not buying any of that talk, and people are sick and tired of the SNP's obsession with a second independence referendum. Keith Brown MSP, who was sacked last week by Nicola Sturgeon as Cabinet Secretary for the Economy, was only recently elected deputy leader of the SNP. He now claims to be focusing all his energy on building up readiness for a campaign for a second independence referendum as early as next April. Yet at the weekend Andrew Wilson, the former MSP who produced the so-called growth commission report, the SNP's blueprint for independence that promised only a generation of misery, said that he was interested only in the softest possible form of independence—presumably in name only. He recognised that people in Scotland were not interested in another independence referendum.

Patricia Gibson: The hon. Gentleman is once again trying to make this out to be some kind of SNP plot. What are his views on the fact that the SNP, the Labour party, the Greens and the Liberal Democrats in the Scottish Parliament also withheld consent for Brexit? Are they involved in the SNP plot?

Stephen Kerr: I can only imagine that Scottish Labour and the Scottish Liberal Democrats regret deeply ever getting into any kind of alliance with the Scottish National party, but it is not for me to speak for them.

What is important to Scotland and Scottish business? Liz Cameron, the chief executive of the Scottish Chambers of Commerce, has said:

“The ability to trade freely between the constituent parts of the UK without additional compliance measures is absolutely vital to a large proportion of businesses, and we need to see both Governments co-operating and making decisions together, enabling the private sector to create jobs and grow the economy.”

To underline the importance of the UK single market to Scotland, it cannot be said too often that Scotland exports four times as much to the rest of the United Kingdom as it does to the EU. That is £46 billion going to the UK, and only £12 billion going to the EU. No one on the Government Benches is saying that trade with the rest of the European Union is not important—it is vital—but just because we are leaving the European Union does not mean that we are going to cease trading in any scenario. Other countries that are outside full EU membership, the single market and the customs union trade successfully with countries that are members.

We need to forge a new, deep and special relationship that is founded upon the principles of free and fair trade. That will inevitably include an arrangement on customs. Only in the minds of the obsessive and negative SNP is the answer to leaving the EU to break up a Union that is four times more valuable to Scotland. As my hon. Friend the Member for Gordon (Colin Clark) said, just last week we saw that UK exports to India have grown by 31% year on year. That is just a sample of what we can achieve once we leave the EU in March 2019 and have the chance to strike our own trade deals. He also mentioned the Scotch Whisky Association and the opportunity there. In India, Scotch imports account for just 1% of total whisky consumption. There are massive opportunities.

Brexit is seen by too many as only being a challenge. We see it as an opportunity too. Leaving the EU will give more powers to Holyrood and Westminster, yet we have seen little imagination and creativity at Holyrood on how the powers will be used. Indeed, the Scottish nationalists would rather see those powers kept in Brussels. As was said earlier, why on earth would Nicola Sturgeon reshape her Cabinet and add Ministers if it was not to handle increased powers? Leaving the European Union needs to be treated as an opportunity.

In closing, I will quickly mention one thing. If there is one area of professional activity that can change the productivity landscape and enhance our prospects as a nation exporting to the world, it is sales productivity. We need to uplift our commercial proficiency and effectiveness in professional sales and be a nation that values its salespeople. I feel strongly about that. A few weeks ago I had the privilege of welcoming the Secretary of State for International Trade and his ministerial team to Stirling, alongside the Secretary of State for Scotland and other Government officials, for the first meeting of the UK Board of Trade in Scotland for hundreds of years. A reception was held that evening in the great hall of Stirling castle. The room was abuzz with anticipation and excitement for the export opportunities that lie ahead for businesses in my constituency and throughout Scotland as we leave the European Union.

In Stirling we have some fantastic businesses that are ready to take up the challenge and the new opportunities, including Fallen Brewing, which I will be visiting later this week. This brewery in the town of Kippen has been exporting across the UK, and like so many other local businesses, it needs only the slightest encouragement to push into the significant overseas markets for British beers. A great national effort is required to sell our products and services around the world. To summarise, I believe that Scotland's professional sales talent and capability will be key to a prosperous post-Brexit global Britain.

10.16 am

Joanna Cherry (Edinburgh South West) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) on securing the debate. I say gently to my friend the hon. Member for Strangford (Jim Shannon) that many of us in Scotland who come from the Catholic tradition find the marches he described that Arlene Foster attended last weekend intimidating, upsetting and quite offensive. There is no place for sectarianism in modern Scotland. Perhaps it was not a very good idea for his party leader to come to that Orange parade in Fife last weekend.

Jim Shannon: Will the hon. and learned Lady give way?

Joanna Cherry: I will make some progress. I just wanted to make that statement.

I want to speak about the implications of Brexit for security, judicial co-operation and law enforcement in Scotland, which the UK Government have overlooked to date. That is not my view; it is the view of the distinguished former judge at the European Court of Justice, Sir David Edward. He is also a distinguished former judge on the Scottish bench. When he gave evidence to a Select Committee at the Scottish Parliament last year, he said that so far in their negotiations with the EU, the UK Government have overlooked the significance of the separate Scottish legal system, the Scottish judicial system and the Scottish prosecution system in relation to justice and home affairs issues. He went on to describe the UK Government's paper, "Enforcement and dispute resolution", as "an undergraduate essay that would have failed."

He says that those writing such papers are not aware of the problems posed by the separate Scottish legal system and do not want to hear from experts who have offered to help.

I declare an interest, because in a former life I was senior advocate depute at the Crown Office. I worked in these fields, and I am well aware of how European Union law has become woven into the fabric of Scots law over the past 40 years. Serious organised criminality and terrorism do not respect national borders. If we leave the EU without securing continued participation in EU criminal justice measures, it could mean Scotland losing the common set of tools that allows law enforcement agencies in Scotland and across the EU to tackle international challenges effectively.

The Scottish Government have asked the UK Government on numerous occasions to share their planning on key issues that will have implications for justice and home affairs in Scotland, but they have failed to do so. Indeed, the UK Government's future partnership paper, "Security, law enforcement and criminal justice", which was published in September 2017, was prepared without any engagement whatever from the Scottish Government. It did not even acknowledge that Scotland is a separate legal jurisdiction with its own criminal justice, prosecution and police agencies. Just two months ago, the UK Government published presentation slides titled, "Framework for the UK-EU Security Partnership". The slides cover internal and external security and were used in the EU negotiations, but they contain matters

that directly affect Scotland, including operational matters that fall under the responsibility of the Lord Advocate, the head of Scotland's prosecution system. The slides were prepared without any consultation with the Scottish Government or the Lord Advocate, nor were the Scottish Government advised of the publication of the slides.

Safeguarding Scotland's independent justice system necessitates the Scottish Government's full involvement in the negotiations between the UK Government and the EU. To date that has not happened. The Scottish Government have been cut out of any involvement in the negotiations, and the implications for justice and home affairs in Scotland are therefore not being recognised. I want to hear what the Minister is going to do about that.

Before I sit down, I will give way to the hon. Member for Strangford).

Jim Shannon: I thank the hon. and learned Lady for giving way. I understand her position, but I want to put on the record that we are not a sectarian organisation. We are there to encourage people to enjoy culture, history and tradition, and no one should—nobody does—feel threatened by that in Scotland. We do not feel threatened by it in Newtownards whenever we are parading there on 12 July, or across the Province on other days.

Joanna Cherry: I am grateful to the hon. Gentleman for his intervention, but I can tell him that people from the Catholic community do feel threatened and offended by these demonstrations. I feel threatened and offended by them, and many of my constituents write to me asking how an organisation that traditionally marched to intimidate a section of the population can be allowed to continue to do so in a modern democracy. I realise the hon. Gentleman might like to change that, but that is the perception. Without doubt many people from the Catholic tradition will have cleared out of Cowdenbeath last weekend in fear of what they might experience if they remained.

10.21 am

Luke Graham (Ochil and South Perthshire) (Con): It is a pleasure to serve under your direction this morning, Sir Roger. I congratulate the hon. Member for North Ayrshire and Arran (Patricia Gibson) on securing the debate. She started by saying she wanted a constructive debate, and I prepared my remarks on that basis. However, as she was giving her speech it was clear that I would not need those remarks, so I will speak off the cuff.

SNP Members made a lot of noise about how they are the voice of Scotland and speak for Scotland. I am not so arrogant. I was elected as the Member for Ochil and South Perthshire, so that is who I speak for—I do not speak for all of Scotland, but I speak for my constituents. It is time SNP Members started to be a little more modest and speak for their constituents rather than claiming to speak for the whole nation.

A point was made about GDP and business confidence; apparently, Scotland was doing really well before Brexit. In fact, it is clear that GDP and business confidence lagged behind the rest of the UK before 2016. Some 20 years after devolution and after 11 years of the SNP Administration, Brexit is not responsible for our below-par economic performance compared with the rest of the UK. It is not responsible for the fact that we

are slipping in all the international education league tables or for the fact that we have not bucked the trend in the challenges that the NHS faces in Scotland, as it does in every other part of the UK. That is not down to Brexit; it is down to the SNP and its flawed Administration.

My next point is about scaremongering. The hon. Member for North Ayrshire and Arran and others talked about EU citizens. That issue has been clearly dealt with. It was dealt with in the December agreement and then in the March transitional agreement. They should not stoke up fears among EU citizens in my constituency when they know that an agreement is on the table between the UK and the EU. In fact, the UK has unilaterally guaranteed some rights, and I am sure the Minister will talk about people's right to remain. Some people's family members will even come to the UK to join them. I am sure the Minister will reiterate those points, but I ask the hon. Member for North Ayrshire and Arran to reflect on her comments, because they do nothing but undermine the confidence of people who contribute so much to my constituency.

Another point was raised about a bonfire of workers' rights, but how can that be? We have just passed legislation in the European Union (Withdrawal) Bill that bakes all the EU legislation into British law, which means that rights will be respected across the United Kingdom and we will not fall below them. If anything comes up in subsequent debates about reducing rights, I will certainly not vote for that. Again, the hon. Lady should reflect on the facts, not the fiction.

The Transatlantic Trade and Investment Partnership was mentioned. For members of the audience who might not be so familiar with the TTIP negotiation, the European Union negotiated a specific clause to protect public health systems in the EU, so at there was no risk of United States companies coming and taking over our NHS or any of the other public health systems in Europe, unless those countries individually opted for that. That clause was part of the negotiation. If we are to have these fundamentally important debates, let us have them on facts, not fiction.

Finally—I am conscious of the time—we have to remember that this is not a zero-sum game. A power for Westminster does not mean a power taken away from Scotland. That is why we are all here. Like the European Parliament, the United Kingdom Parliament has directly elected Scottish constituency MPs. We are directly elected by our constituents to be in this place and have these debates. Several of my colleagues are proudly serving in the Government at the moment. I could go even further: Scottish MPs who have served the Prime Minister for the entire United Kingdom have led us forward in peace, in war, in economic arrangements and in international and domestic engagements, reforming the health service and education or looking at infrastructure throughout the United Kingdom. Scottish MPs should not be undermined. We are here to make a difference, to fight for our constituents and to make sure a good deal is achieved on Brexit. Let us stick to the facts, not fiction. We will be here defending our constituents and working for the whole United Kingdom.

10.25 am

David Linden (Glasgow East) (SNP): It is a pleasure to serve under your chairmanship, Sir Roger. I appreciate your allowing me to leave a little earlier to attend to my

commitments. I commend my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) for securing the debate. Because of the time limit I have had to hack out most of my speech.

We know that 62% of Scots voted to remain in the European Union, and I was one of them. I did not just vote but proactively campaigned for the remain side. I have always been a passionate European; with a German surname it is difficult to be anything other than proud of my European citizenship. I say that as someone who has both lived and worked in Brussels and personally benefited from the principle of free movement of people and labour. I remain bitterly disappointed that free movement of people became a major issue during the campaign, that the issue of EU citizens settling in the UK was weaponised and that such xenophobic language was deployed and normalised. For far too long in this country we have tolerated right-wing rhetoric around immigration—some parties have even gone so far as to put it on the side of mugs—and it has led to swathes of society viewing EU migrants as somehow a negative thing, especially in the context of low-skilled jobs.

The reality is that leaving the European Union and pulling up the drawbridge will be deeply damaging to our economy. My first frustration relates to migration. All the EU nationals who pick our fruit, who work on our factory lines or who provide support in our care homes are now shamefully being asked to pay £65 each simply to continue their lives here. For most of us in this Chamber, £65 is not a lot of money, but it sends a fundamentally negative message to people to effectively ask them to re-subscribe to being citizens and a part of our society.

My second frustration when discussing Brexit is the complete denial of the calamitous impact of Brexit on our economy. We know from the British Government's own leaked analysis that Scotland's GDP could face a hit of 9%; we know from the Fraser of Allander Institute that a hard Brexit is forecast to cost 80,000 jobs in Scotland, and we know from the Bank of England that Brexit has already cost constituents, including in Gordon, Ochil and South Perthshire and Stirling, £900 per household. That is why it is imperative that our compromise position of leaving the European Union but remaining in the single market and the customs union is implemented.

The stark reality is that, when we all walked into the polling booths on 23 June 2016 to cast our votes, there was nothing—absolutely hee-haw—on the ballot paper about leaving the single market or the customs union. People did not vote for a Brexit that meant they would be poorer, but I am afraid that is the trajectory we are currently on.

So my message to the Minister today is absolutely crystal clear: he should stop listening to the Brexiteers on his Back Benches and instead listen to businesses and ordinary families who stand to lose so much as a result of our driving over the cliff edge to a hard Brexit. If the British Government will not listen to the warnings about a hard Brexit cliff edge, they might find that Scotland has unhooked the tow bar and taken a different path of independence.

10.28 am

Peter Grant (Glenrothes) (SNP): I am pleased to begin the summing up in this debate. It has certainly been interesting. I congratulate my hon. Friend the

[Peter Grant]

Member for North Ayrshire and Arran (Patricia Gibson) on securing it and on the well-informed and comprehensive way in which she set out the social and economic impact that leaving the European Union threatens to have on our country. My hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) commented very knowledgeably on the potential legal and judicial impact and correctly pointed out that the UK Government have simply refused to acknowledge the issue.

We have had some interesting contributions from the Scottish Conservatives about Scottish independence; somebody forgot to tell them that we are actually talking about the European Union. I did not hear a single word from the Scottish Conservatives about why ending the free movement of people is a good idea for Scotland. We heard a lot of words about why the SNP is bad, why independence is bad, why the SNP is still bad, and why independence is even worse, but there was not a single word of justification for what the UK Government keep telling us was the single biggest reason for people voting to leave the European Union. I wonder why that might be. I wonder why they are scared to talk about the impact that ending the free movement of people will have on our nation.

My hon. Friend the Member for Glasgow East (David Linden) made an excellent contribution about the huge benefits that the free movement of people creates for all of us. Those benefits cannot be measured just by counting how much people pay in tax or generate for the economy. The free movement of people and the exchange of beliefs and ideas is probably more important than the movement of labour, workers or anything else. People coming here from other places and cultures enrich our place and our culture. It will always be a negative, backward and regressive step to try to prevent people from doing that by asking them to pay to exercise rights that they already have, or by putting in place some completely arbitrary, picked-out-of-the-sky number to limit who is and is not allowed to come here.

The single biggest impact of Brexit on Scotland is the one that my hon. Friend the Member for North Ayrshire and Arran referred to her in her introduction. The Scottish Conservatives will try to hedge around it with the creative use of statistics, but it is an inalienable fact that 62% of people in Scotland voted to stay in the European Union. The hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont) was muttering at one point, "Have you seen the opinion polls?" I have not seen an opinion poll since then that puts support for EU membership in Scotland at less than 62%. I have seen quite a few that put it significantly higher—75% in some places.

Stephen Kerr: As my hon. Friend the Member for Ochil and South Perthshire (Luke Graham) said, we were elected last year on a manifesto commitment to take our country, the United Kingdom, out of the European Union, the single market and the customs union, and to do so in a way that protects jobs and our economy. That is why we are here. The hon. Gentleman can quote statistics about the cumulative referendum vote in Scotland until the cows come home, but we were elected on that manifesto and are here to see that the

interests of our constituents in our part of Scotland are well represented and protected as we leave the European Union.

Peter Grant: The hon. Gentleman makes a valid point on a United Kingdom basis, but I gently remind him that we were elected with a substantial overall majority of Scottish seats in this place. As has been pointed out, the Scottish Government were elected on a manifesto commitment as well, which they will put into practice. Incidentally, his party was elected in 2015 on a manifesto that said it would keep us in the single market, so I do not know what its manifesto will be in next year's general election.

As I said, 62% of the sovereign people of Scotland voted to remain in the European Union. We ignore that at our peril. If Scotland votes a different way from other parts of the United Kingdom, or if the Scottish Government and the UK Government, or their Parliaments, disagree, that does not create a constitutional crisis. It might create a political crisis, but a constitutional crisis happens only when those in power refuse to accept the will of the people. Clearly the UK Government intend to ride roughshod over the demand—not the desire, request or plea—of the people of the Scotland that our voice will be heard and that our links with our European partners will not be sacrificed on some altar of far-right ideology in a vain attempt to keep the Conservative party together.

Luke Graham: The hon. Gentleman makes a fine point about respecting the will of the people. Will he now publicly, for everyone in the Chamber, finally respect the will of the people in 2014, who voted by a 10-point margin, rather than by a four-point margin such as in the 2016 referendum, to stay in the United Kingdom? Here is your opportunity, sir—please take it.

Peter Grant: I do not know whether the hon. Gentleman has noticed, but we are in the United Kingdom Parliament. That is a kind of acceptance that, for now, Scotland is part of the United Kingdom. However, there is a legal principle that subsequent legislation always trumps previous legislation if the two are incompatible. What about the mandate in 2016 for the Scottish Government to give the people of Scotland a choice if Scotland is threatened with being taken out of the European Union against our will? Nobody forces the Scottish people to do anything. The Conservative party want to deny the people of Scotland the right to set our own future. They want to deny the people of Scotland the right to remain in the European Union, which 62% of us have demanded. In percentage terms, the majority to stay in the European Union was almost 2.5 times bigger than the majority to stay in the United Kingdom.

The Conservatives do all this fancy footwork—I call it the Maradona trick. They take the vote on one side in one referendum, and to back up their argument they compare it with the vote in a different election on a different day on a different question. I call it the Maradona trick because it would mean that Argentina were still in the World cup—Argentina scored three goals and Brazil scored only two, so Argentina stay in the World cup and Brazil go out. Totally ridiculous, but no more ridiculous than the attempts of the Scottish Conservatives to set one part of the electorate against another based on an election or referendum held on a completely different day.

The fact that the Scottish Conservatives turn up to a debate about Scotland's place in Europe and spend most of their time arguing for the lost cause of Scotland's place in the United Kingdom says it all. They cannot argue the benefits to Scotland of leaving the European Union, because there are none. The damage done to Scotland by being forced to leave the European Union against our will is even greater than the damage that would be done if we left on our own terms and with the will of the people.

The people of Scotland are our masters; they are our sovereigns. There is no absolute parliamentary sovereignty in Scotland. There is no absolute sovereignty of the monarch, nor will there be of anyone who replaces the monarch in the future. The people are the absolute sovereigns, and our sovereigns have told us what to do. Brexit threatens to deny the people of Scotland the right to have the country that they have decided they want to have. Anyone who ignores the people in that context does so at their peril, because the people of Scotland will not be kept silent.

The hon. Member for Stirling (Stephen Kerr) shakes his head, with that smug smirk that he is so fond of.

Stephen Kerr: We are so used to your threats.

Peter Grant: It is not a threat to say that the people have spoken and will ensure that their voice is heard. If the Scottish Conservatives are afraid of the voice of the people, what are they doing here?

Luke Graham: Will the hon. Gentleman give way?

Peter Grant: I will give way just once more, on the off-chance it is worthwhile listening.

Luke Graham: I will try to make it worth the hon. Gentleman's while. I am still caught on the Maradona comment; if only I could rival those skills. Does he not realise that not only Scotland but London, Manchester and Bristol voted to remain? Should all the different parts of the UK that did not vote the same way threaten to leave? I do not think so. There are different views across the United Kingdom. Everyone should be respected, and not threatened.

Peter Grant: I am trying very hard to think of a way of saying, "The people of Scotland are sovereign," in words of one syllable. The difficulty that some Government Members have is that the word "Europe" is more than one syllable, so some of the arguments seem to be beyond them. The people of London are not sovereign over London. I would argue that the people of England are sovereign over England—I am quite happy with that. England is a nation. What a fall from grace it is, in just over a year, for someone who came down here to stand up for Scotland to say now that Scotland is a city of England and has no more rights to self-determination than the great cities of England. Scottish Conservatives came down here saying that they would stand up for Scotland, and suddenly they are not speaking for Scotland, but talking about Scotland as some kind of equivalent to Leeds, London, Manchester or anywhere else.

Scotland is an "equal partner" in this Union of nations. Those are not our words, but the Government's words from 2014. It is not an equal partner of a city, region or county council, but an equal partner of the other nations in the Union. The sovereigns of that

equal partner have said, "We want to stay in the European Union." If that choice is not made available to the people of Scotland within the United Kingdom, it will be made available to them by some other means.

10.39 am

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): As always, it is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for North Ayrshire and Arran (Patricia Gibson) on securing this debate on what is a fundamentally important issue.

We are leaving the European Union—that much is clear. The discussion that we should be having now—although it has not been entirely possible due to the inability of the Tories to come to an agreement in their own Cabinet—is how we leave, on what terms we leave and how we ensure that when we leave, we do not suffer economically or socially as a result.

Before we get into the detail of today's debate, I would reflect on one thing: if Brexit has taught us anything at all, it is just how difficult it is for the UK to leave a political and economic union that we have been part of for just 40 years. That should be cause for concern for not only Members of the Scottish National party here today, but also the Scottish Government and the First Minister. As the hon. Member for North Ayrshire and Arran said, she and her colleagues have a desire for Scotland to leave a political and economic union that we have been part of for more than 300 years. I can only begin to imagine the difficulties that would be thrown up were people in Scotland to decide that they agreed with that proposition—thankfully, they do not. The SNP's own confusion over the matter is laid bare by its recent growth commission, which ironically proposes to leave the UK but to surrender all control of interest rates, inflation and capacity to introduce fiscal stimulus in Scotland. What an absurd, worst-of-all-possible situations that would be.

There are three main areas I want to focus on: the constitutional, social and economic implications. It is undeniable that there are constitutional implications for Scotland arising from the decision to leave the EU. The Scottish devolution settlement was written in 1998 and our membership of the European Union is integral to it. A couple of weeks ago, we saw the UK Government shut down debate in the Commons, leaving a mere 15 minutes to discuss devolution. Not allowing one single Scottish Member of Parliament to speak was disgraceful; it showed nothing but contempt, not only for Scottish Members, but for those we represent.

Stephen Kerr: Will the hon. Gentleman give way?

Luke Graham *rose*—

Mr Sweeney: I am happy to give way on that point.

Luke Graham: But to which one of us?

Mr Sweeney: I give way to the hon. Member for Stirling (Stephen Kerr).

Stephen Kerr: I point out to the hon. Gentleman that it was the insistence of his Front Benchers on holding 11 pointless votes that led to that 19 minutes of debate. We agree that it was shameful, but it was because the Labour party—his party—insisted on those 11 stupid votes.

Mr Sweeney: I thank the hon. Gentleman for raising that point. It is important that we scotch that myth once and for all—

Stephen Kerr: It is not a myth.

Mr Sweeney: It is a myth. Labour proposed to extend the time allowed under the programme motion to provide ample time to discuss all the amendments. I tell the hon. Gentleman that all 11 votes were necessary and vital. He might dismiss them as ridiculous, but they were essential.

Sir Roger Gale (in the Chair): Order. I would be grateful if the Front-Bench spokesperson would stick to the subject in hand, which is Brexit and Scotland.

Mr Sweeney: On the topic of the Scottish devolution amendment—

Luke Graham: Will the hon. Gentleman give way?

Mr Sweeney: I am happy to give way.

Luke Graham: The hon. Gentleman is making a point about how fundamental the issue is and how important it is for the UK Parliament and for debates in this place. Does he not feel that the strength of feeling in his party is accurately represented by the number of attendees in this debate?

Mr Sweeney: It is a matter of logistics. My hon. Friend the Member for Midlothian (Danielle Rowley) was an observer at the Mexican elections and is still in Mexico. The shadow Secretary of State is at shadow Cabinet. Other hon. Members are at the Scottish Affairs Committee. They are all working hard in other forums for the people of Scotland, and the hon. Gentleman's accusation is entirely unfair.

The Opposition realise that that incident of shutting down debate is not likely to be the only time that Scotland's voice is shut out of the Brexit talks. It is definitely not the only time we will witness a fight between the UK Government and the Scottish Government. I would be surprised if we did not see the same approach taken by both Governments when it comes to the Trade Bill, the customs Bill, the agriculture Bill and the fisheries Bill. Each and every one of those pieces of legislation will have implications for people in Scotland and for our constituents, and we must not forget that. What people want is not for the Governments in different parts of the UK to be at each other's throats, arguing about technicalities; they want the Governments to work together in a collaborative, respectful manner and to find solutions to problems. That is why we see the need for a dispute resolution mechanism to be formally agreed. I refer Members to the speech by the shadow Secretary of State for Scotland in this place on 20 June if they are struggling for ideas on what those mechanisms might be.

Constitutionally, we are in this mess because of the Tory Government. Their complete and utter lack of understanding about devolution has been quite astounding and astonishing to witness. From the original drafting of clause 11 of the European Union (Withdrawal) Bill, all the way through to the shutting down of debate, it is clear that they neither care about nor respect people in Scotland.

Moving on to the social implications, in December 2017, 150,000 European Union nationals were working in Scotland—5.7% of all people in employment in Scotland. Some 18,000 of those EU nationals work in the public sector, predominantly in our education system and our national health service, yet it took the UK Government more than a year to guarantee that they would even be allowed to remain in the UK. Even now, we know that they will have to pay £65 a head to stay in their own homes and continue to work in the vital public services upon which we all rely. It is an utter shambles. I ask the Minister a simple question: what happens to our public services if the EU nationals decide that they no longer want to be subjected to this country's hostile environment and return to their country of origin, because without them, our national health service would crumble and our schools would grind to a halt? Have the Government made contingency plans for every eventuality?

We have not even got to the economic implications of Scotland leaving the EU. I made clear in my opening remarks that the Labour party respects the result of the referendum and accepts that we will be leaving the European Union. That does not mean that we are giving the Government a blank cheque or a free hand to negotiate any kind of deal they see fit. While we accept the result of the referendum, we must now focus on what our relationship with the European Union will look like. We have been clear throughout that the relationship must be a close and collaborative one that affords us the benefits of membership of the single market and also keeps us in a customs union.

There are many Tory Members who want to have a clean break from the European Union, but the Scottish Government's analysis shows that Scotland could see its GDP fall by 8.5% by 2030 in a no-deal scenario. If Government Members do not like that analysis, they just need to look closer to home: the UK Government's analysis shows that Scotland could see its GDP fall by 9% in the same timeframe if we have a no-deal scenario. I am not entirely sure what planet Members on the Government Benches live on, but that would be absolutely devastating for the Scottish economy. I cannot for the life of me see how anyone could advocate that as a policy.

I use this opportunity to issue a plea to Scottish Tory Members: it is time for them to stand up and use their leverage on the UK Government to ensure that the madness is stopped, and that we have a reasonable and logical approach to addressing the shortcomings of negotiations as they currently stand with the European Union. We have heard rhetoric about a deep and special relationship with the European Union for more than two years now, but the timeframe we have left amounts to a mere six weeks of negotiating time. I ask the Minister one question: when will we know what the UK Government's plans are, from an economic point of view? Time is fast running out and the whole country cannot wait until after the Prime Minister's Mad Hatter's tea party at Chequers to get some answers.

10.47 am

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for North Ayrshire and Arran (Patricia Gibson) on securing this important debate. It is an important opportunity to reflect on a wide range of matters relating to EU exit and the implications for

Scotland. I congratulate my many hon. Friends who have contributed powerfully to the debate, as well as those who have spoken from parties across the House.

I turn first to our negotiations with the European Union. The Government are clear that we want a deal that works for the whole United Kingdom. We have built on the significant progress we made in March by locking down the text of the majority of the withdrawal agreement. Taken with the agreement that we reached in March on the implementation period—something that Scottish businesses have been very clear in meetings with me that they want to see—on citizens' rights and on the financial settlement, we have now reached agreement on many of the most important issues. That provides certainty for businesses and individuals across the UK, including in Scotland.

The hon. Member for North Ayrshire and Arran spoke passionately about the impact on EEA nationals. As my hon. Friend the Member for Ochil and South Perthshire (Luke Graham) pointed out, we have reached agreement on the crucial areas of citizens' rights. The agreement is fully reciprocal between the UK and the EU. The Prime Minister has said consistently to those people that we want them to stay. We have now reached an agreement that means that we are providing the certainty and the mechanism for them to stay.

Patricia Gibson: Whether an agreement has been reached or not, the point is that the hostile environment that has been created will drive EU citizens, who contribute so much to our communities, to simply leave the UK. Does the Minister not accept that that is an issue and that there is evidence of it?

Mr Walker: I disagree with the hon. Lady completely. I think the environment has been welcoming. The Prime Minister's own words were that we value the contribution of EEA citizens to the UK and we want them to stay—she has repeated that time and again.

The hon. Member for Glasgow North East (Mr Sweeney) referred to 150,000 EU citizens who work in Scotland. Just like with those who live in my own constituency, we want them to stay and we want them to enjoy the same pensions, healthcare and social security benefits. We have reached agreement on the legal text to ensure that that will be the case. The Government will continue to work closely with the devolved Administrations to ensure that the future arrangement for co-operation with the EU in this area takes account of the distinct justice systems in Scotland and Northern Ireland, and delivers legal certainty and clarity for everyone in the UK.

I listened closely to the points made by the hon. and learned Member for Edinburgh South West (Joanna Cherry). My Department and the Home Office have engaged with the Scottish Government on security and judicial co-operation, and we routinely share papers with the devolved Administrations prior to publication. Indeed, we discussed civil judicial co-operation with them last week at the second meeting of the ministerial forum, which I will return to in a moment. We recognise that Scotland and Northern Ireland have distinct legal systems, and that the Scottish Government engage directly with EU agencies such as Europol.

Joanna Cherry: A couple of weeks ago, the former Cabinet Secretary for Justice, my colleague Michael Matheson, to whom I pay tribute, and the new Cabinet Secretary for Justice, Humza Yousaf, published a paper

entitled "Scotland's Place in Europe" on justice and home affairs. It clearly states in the foreword that there has not been engagement of the kind I described in my speech. Does the Minister accept that the first paper that I mentioned does not deal with Scotland at all, and that there was no engagement on the slides that were produced in May?

Mr Walker: There has been engagement—I have just referred to engagement at the ministerial forum—and I assured the hon. and learned Lady that there will be more. Although some questions about the withdrawal agreement remain to be resolved, our negotiating teams are working hard to ensure that they are finalised. We are confident that we will reach an agreement by October.

The most important issue for us now across the UK is to focus on negotiating the right future relationship. Jointly with the Commission, we published the topics for discussion on the future framework. They incorporate economic and security partnerships, as the Prime Minister outlined, the institutional framework that will underpin them and other cross-cutting issues. The joint publication reflects both sides' determination to achieve a broad partnership that stands the test of time after the UK leaves the EU.

We have committed to engaging the devolved Administrations on the negotiations, and they have had input into the development of the UK's negotiating position. I have appeared before three Committees of the devolved legislatures to give evidence on the UK Government's preparations for EU exit. The Joint Ministerial Committee on EU negotiations has now met 10 times, most recently at the British-Irish Council in Guernsey a couple of weeks ago, which I attended to provide an update on the negotiations.

Following our commitment to increase our engagement with the devolved Administrations, the UK Government established a ministerial forum on EU negotiations to discuss regularly a range of issues relating to the EU negotiations and the UK's future relationship with the EU.

Joanna Cherry: Does the Minister accept that the most genuine way in which the British Government could show that they are engaging with the Scottish Government and Parliament would be to acknowledge that the Scottish Parliament withheld legislative consent to the European Union (Withdrawal) Bill and, as my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) said, to introduce emergency legislation to deal with that issue? All this talking and engagement means nothing if that single fact is not acknowledged.

Mr Walker: I will come back to the hon. and learned Lady's point about the withdrawal Bill and the debate about legislative consent, but there is constructive engagement between the UK and Scottish Governments. I welcome the input we have had from the Scottish Government, both at a ministerial level and an official level, into the work of the new ministerial forum, which I co-chair with the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Norwich North (Chloe Smith). The conversations we have had so far with the devolved Administrations have been constructive and useful. The inaugural meeting of the forum was held in Edinburgh on 24 May, and the second meeting was on 27 June in London. We use the meetings to have

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in-depth discussions about the proposed content of the UK Government's forthcoming White Paper. Sections of the White Paper have been shared with the Scottish Government and the other devolved Administrations confidentially. I want to express my gratitude for the hard work of the Scottish Government officials who have worked with us on the White Paper and on other issues.

Discussions at the Joint Ministerial Committee and the ministerial forum have covered a wide range of areas. It is clear that we and the Scottish Government agree on much, including the need to ensure that Scottish universities and businesses have access to the best of European talent. We have also addressed other issues relating to attracting talent and skills. I note that the issues that have been raised in conversations I have had with growers in Scotland, including the Fife growers, about the importance of seasonal work are similar to the issues that have been raised with me in my own part of England—Worcestershire—by growers in the vale of Evesham.

Crucially, Scotland's two Governments agree that EU exit should not create any new barriers to living and doing business in our Union. That has been one of our guiding principles and is a key priority for Scottish business. I have heard directly from Scottish business on many visits to Scotland of the issues and opportunities that EU exit creates for them. I have met representatives of a wide variety of Scottish businesses and business associations, including a number of chambers of commerce, the Scottish Retail Consortium, the Scottish Fishermen's Federation, the Scottish Seafood Association, and of course the world-famous Scotch Whisky Association, which, as a number of my hon. Friends pointed out, is very excited about the international opportunities to be pursued as a result of the UK's having an independent trade policy.

The Scottish Retail Consortium said:

"Scotland's businesses benefit enormously from the existing and largely unfettered UK single market".

Its interests and those of sectors across Scotland are actively informing our negotiating position. As the Prime Minister set out in her Mansion House speech, we want to remain part of bodies such as the European Medicines Agency and the European Chemicals Agency, which are vital for organisations in areas such as the Scottish life sciences sector and the oil and gas sector, representatives of which I met in Aberdeen in April. I have also had detailed discussions with Scottish businesses about the global opportunities for them. In any deal that we negotiate, we must ensure that we have the flexibility to take these opportunities.

The hon. Member for North Ayrshire and Arran spoke about food standards and animal welfare. The Government and I are clear that we want the highest standards of food and animal welfare for the UK, not just to ensure that we can continue to sell into European markets, but so we can make the most of the opportunities in the wider global market and ensure that British and Scottish products reach the widest range of markets and represent quality.

However, it is essential to remember that four times as much of Scotland's business is with the UK as with the rest of Europe, as a number of hon. Members said. Indeed, the worst thing for Scottish jobs and businesses would be to split from our United Kingdom. As the

hon. Member for Strangford (Jim Shannon) said, we are better together. We want to continue working together now to deliver EU exit for the UK in a smooth and certain fashion. That includes designing and implementing replacement frameworks, which the Scottish Government agree we will need, where we have a significant opportunity to work together to improve policy making across the UK.

As hon. Members know, EU exit will result in a significant increase in the devolved Administrations' decision-making powers. New responsibilities will transfer to Edinburgh, Cardiff and, once a new Executive is formed, Belfast. We have published our provisional frameworks analysis of the 107 returning EU powers that intersect with devolved competence in Scotland across a wide range of policy areas. It shows that there are only 24 policy areas, such as food labelling, that are now subject to more detailed discussion to explore whether legislative common framework arrangements are needed in whole or in part.

At the moment, foods placed on the market across the EU have common labelling requirements that are set by EU legislation. If we do not agree to continue a common legislative approach to labelling, it is possible that different requirements will spring up, which would increase production costs for Scottish businesses and discourage cross-border trading within the UK. Divergent food labelling requirements would make it more difficult to enter into trade deals. That is why we are working together to consider a common food labelling framework.

Our frameworks, which will be designed together, can be lighter touch and UK-specific, offering bespoke policy arrangements that will ensure that power sits closer to the people than ever before. As we set up those arrangements one thing is clear: the success of each framework will rely on the strength of our relationships. It is vital that we work closely together to put arrangements in place that will stand the test of time and provide certainty for people and businesses living and operating up and down the UK.

A number of Members have mentioned the European Union (Withdrawal) Bill—now the European Union (Withdrawal) Act 2018. I remind them that the UK Government made substantial and reasonable modifications to provisions in the Act during its passage. Those changes were the result of joint working that we undertook with the Scottish and Welsh Governments.

As the Welsh Government acknowledged, the legislation respects the devolution settlement. We are, of course, disappointed that the Scottish Parliament did not choose to give consent. We will continue to offer the full provisions of the intergovernmental agreement, which was agreed with the Welsh Government, and to meet all of the UK Government's commitments on frameworks. Those are open to the Scottish Government and Parliament. We believe that, throughout this process, the UK Government have acted in line with the Sewel convention. We worked with the Scottish Government to reach agreement in the hope that we would be able to achieve consent for the Bill.

I again thank the hon. Member for North Ayrshire and Arran for securing this debate, to which there have been many valuable contributions. We recognise that Scotland has two Governments, and that the interests of the people of Scotland are best served when they work together. We will proceed in that spirit. The hon. Member for Strangford spoke powerfully about the

deep links between Northern Ireland and Scotland, and a number of other hon. Members spoke powerfully about the importance of this United Kingdom.

As the hon. Member for Glasgow North East pointed out, we have been members of the European Union together for 45 years, but for more than 400 years Scotland has worked with England on our international relations, and for more than 300 years we have been part of a United Kingdom that has served the people of Scotland and all other parts of the United Kingdom well. The implications of our EU exit mean that we must work more closely together in the years ahead.

Motion lapsed (Standing Order No. 10(6)).

Local Government in Gloucestershire

11 am

Dr David Drew (Stroud) (Lab/Co-op): I beg to move,

That this House has considered the future of local government in Gloucestershire.

I am delighted to serve under your chairmanship, Sir Roger, and I welcome the Minister to his place, although everyone else is leaving—this debate might not matter to those in Scotland, but it certainly does to those in Gloucestershire. It has taken me longer than most to secure—I have put in six times for a debate on the subject—so I shall make the best of it, but I will give the Minister as much time as possible to explain how he can help us in Gloucestershire.

Gloucestershire remains the only authority in the south-west without either any unitary government in at least part of the area, or even a move towards unitary government. I have long believed that unitary authorities are the way forward in local government—I have a long track record on that—and I have been a councillor for many years. During the whole time I was twin-hatting—or triple-hatting, given that I was always a member of the parish and town council when I was a district and county councillor—I always believed that the primary authority should be the one body. That is the reason for this debate.

The one thing that has been left out of my proposed title for the debate is the question mark at the end. I know that the House authorities do not like question marks, but I deliberately included one because there is a real question mark about where we go to and where we have come from with local government in Gloucestershire.

The debate has three main parts. First, as I have intimated, every other part of the south-west, let alone other parts of the country, is now moving towards unitary local government. It is about time that Gloucestershire grasped that nettle. Secondly, the county of Gloucestershire is under financial constraint. To a greater or lesser extent, the seven different authorities have real financial burdens, which have come on the back of austerity. I shall not labour the point, but now is a crunch time so we have to consider all options. Thirdly, we need a strategic authority that speaks for those who live within the county of Gloucestershire—I shall not remove the county—because we need to recognise that local government must speak with a much more coherent and co-ordinated voice than it does now.

I shall not call for a specific reform, which is the business of a proper consultation, led by councillors. Many ideas have been suggested, such as a unitary county—not my preferred solution—east and west being split, a doughnut with Cheltenham and Gloucester in the middle and a rural authority around it, including my area of Stroud, or indeed allowing authorities such as Stroud that could go to South Gloucestershire, an existing local authority, to do so, and seeing what else might happen to the rest of the county. In reality, we have to do something, and I shall be asking the Minister to look at ways in which he can encourage and, dare I say it, cajole those who make decisions in Gloucestershire to consider how we move forward on local government reform.

Within the seven counties of the south-west, every other authority is now looking at some form of unitary arrangement. It is important that we consider it too, but we have no mechanism for doing so. The leaders and

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chief executives get together, but they have no authority to bring the debate to a proper conclusion, the result of which, I believe, would be local authorities choosing the unitary route, with the support of the people.

For the financial case, I obtained funding figures and compared unitary authorities with those areas, such as Gloucestershire, that still have tiers. The demarcation is obvious. At the moment the Government seem to be encouraging unitary authorities because the finances seem to follow that trend. Under a previous Secretary of State—the recently ennobled Lord Pickles—the clear view was that unitarisation was not the way forward, but I am pleased that the new Secretary of State is much more open. The Secretary of State told the *Local Government Chronicle* in May 2018:

“There is a clear space and scope for unitary authorities. Obviously it is seeing where there is a need for that and yes, there are proposals on the table that my predecessor had been considering and I will now be looking at.”

I take that to be a green light. I am not saying that day will necessarily follow night, but the Government’s clear view is that unitary authorities are the way forward. Also, the simple fact is that I know of no unitary authority that wishes to go back to a two-tier form—bar Torbay, due to funding issues. The direction of change is obvious.

The finances suggest a change and, in a way, impose it on us. I could moan about how Stroud District Council has had no funding through the revenue support grant this year, but I am pleased that the Government have offered Gloucestershire the opportunity of the business rates initiative, so we have moved forward. Furthermore, that has demanded a degree of collaboration among our authorities, so the Government are pushing on finance.

A final financial point that I wish to make arises from the attitude of staff working for two-tier authorities. Unison conducted a survey of its members in Stroud District Council, and the figures were stark: 80% were not confident about the future of local services under the existing arrangements; none felt that vulnerable local residents were cared for safely; 60% were not confident of the financial situation of their employer; and 53% were thinking about leaving their job for something less stressful. Indeed, sadly some very good staff—the bedrock of local government—are being laid off. They have served Stroud for generations but are being laid off, all because of the cuts and because we have the wrong local government arrangements in Gloucestershire.

To come to the strategic case, the main problem is that with seven authorities, dare I say it, there is no obvious strategy. What strategy there is results from outside pressures, rather than a clear directional movement following decision making by the county council. The county council has severe problems. It is enduring ongoing inspection of its children’s services, where were deemed inadequate last year. I was pleased to see in the last letter I received, dated 8 June, that some improvement has been noted, but the county council is still subject to ongoing investigation. Yesterday, the chief fire officer resigned. I do not know the full details, but again the county council seems to have a degree of crisis associated with it. My favourite topic is the waste incinerator,

which is being built at such great expense—£500,000. I argue that the case for the incineration of waste is entirely dubious, with regard to cost, environmental impact and health implications, which I shall talk about later.

Gloucestershire needs to move forward, to see how it can address its own issues by embracing change. We almost went through that process some time ago. I remember the Widdicombe investigation back in the mid ’80s. You might do too, Sir Roger, but other Members here might not even know what the Widdicombe investigation was—the Minister’s eyes are glazing over. It was an attempt, under a Conservative Government, to look at how local government could be reframed. It was not about unitary local government per se; it was about how services could be provided differently. All I remember about the Widdicombe report is that in Gloucestershire we did not adopt any change whatever. In fact, it ended up as a bit of a bloodbath, with all councillors attacking each other because they felt that their authority was the most important in their area, and with no meeting of minds at all. I do not want to go through another Widdicombe report.

I want pressure from the Government, in the nicest possible way, to say to places such as Gloucestershire, “You have to consider the options now.” We know what has happened in Northamptonshire and what is happening more voluntarily in places such as Leicestershire, which is considering the options and what is happening elsewhere in the south-west, where there has been a clear directional shift. Councillors have been sufficiently grown up to recognise that the only way they can deal with the financial pressures is by considering some form of amalgamation, so that they can at least deal with back-office costs and pressures. In particular, it will allow them to develop a stronger strategic direction, in line with the way in which I hope the Government can see us going.

I have two questions for the Minister—I will give him an awful lot of time to answer them, but I am sure that he will not mind if I intervene occasionally to prompt him. First, without top-down demand, what is the Government’s approach to unitarisation? Are there finance and strategic service delivery pressures that the Government could bring to bear to encourage local authorities, such as Gloucestershire, that have been laggards in the whole process? Secondly, as a sequitur of the first question, if parts of the country refuse, for whatever reason, even to consider this option—not necessarily to choose it—what will central Government do? We cannot have a situation in which every other authority has looked at this and many have gone along with it, bar Oxfordshire, which I gather is still looking at some element of a unitary authority.

We still have relationships with our local enterprise partnership, which in Gloucestershire appears to be performing very well. We have a unitary police commissioner and a unitary health arrangement through the NHS, so why not local government? How do we do it? And if we do not do it, what are the Government prepared to do to help us do it?

11.12 am

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): It is a pleasure to serve under your chairmanship, Sir Roger. I congratulate the hon. Member for Stroud (Dr Drew)

on securing this important debate. I very much recognise and respect his long-standing personal views on the topic, no doubt informed by his many years of service at various tiers of local Government, which I am sure he draws on today. He will have heard me say before that, when requested, the Government are committed to consider locally led proposals for unitarisation and mergers between councils. He will also know that we recently legislated to create two new unitary councils in Dorset, as well as mergers of district councils in Somerset West and Taunton, East Suffolk and West Suffolk. In each of those cases, the councils developed their proposals locally, as is currently happening in Northamptonshire, where a public consultation is underway to help inform the councils' proposals for the Secretary of State.

Turning to Gloucestershire, there is currently the county council and the six district and borough councils, and adjacent to the administrative county there is also the unitary council of South Gloucestershire. It is important to state for the record that the Department has received no proposals from the county council or any of the district councils for local government reorganisation in Gloucestershire. I am not aware of any other plans in development that are to be presented to me imminently. The Government's stated policy is to consider any locally led proposals that are submitted.

To answer the hon. Gentleman's first question, it might be helpful for me to talk a little about the processes for unitarisation. There are two legislative processes that can be used. First, the Cities and Local Government Devolution Act 2016 allows a process to proceed if at least one affected authority consents. This process was used recently for the creation of the two unitary councils in Dorset. Secondly, we can use the Local Government and Public Involvement in Health Act 2007, as we are currently doing for Northamptonshire. Regardless of the legislative process used, the Government have been clear on what our criteria for unitisation are and how the Secretary of State will assess any proposal.

I want to spend a moment outlining the three main criteria. First, the proposal has to be likely to improve local government in the area, by improving service delivery, giving greater value for money, yielding cost savings, providing stronger strategic and local leadership, delivering more sustainable structures and avoiding fragmentation of major services. Secondly, the proposed structure has to be for a credible geography, consisting of one or more existing local government areas, and the population of any unitary authority must be substantial.

Matt Western (Warwick and Leamington) (Lab): So many authorities are under significant financial pressure, as the Minister described. The majority of those named are smaller, more rural authorities. In that light, is it not appropriate to go through this exercise as a matter of course, to explore what sort of cost savings could be made? In Warwickshire that would enable us to understand what sort of savings and efficiency improvements in the services delivered could be made.

Rishi Sunak: We are here to talk about Gloucestershire today and not Warwickshire, but I will address the hon. Gentleman's underlying question about the Government's role in this process when I answer the second question from the hon. Member for Stroud.

The third criterion for judging a proposal is that it commands local support. In particular, the structure must be proposed by one or more existing councils in the area and there is evidence of a good deal of local support, including from business, the voluntary sector, public bodies and local communities.

Matt Western: To that end, rather than just getting anecdotal support from businesses and other organisations, would the Minister support going to the public with that at the time of an election or through a referendum?

Rishi Sunak: The hon. Gentleman anticipates what I was about to say, so let me elaborate on what the Government mean by a good deal of local support. The Government would like that to be assessed across the area from business, the voluntary sectors, public bodies and local communities. That does not mean unanimous agreement from all councils, stakeholders and residents, but it is vital that any proposals to change structures in local government are truly locally led. That is why we feel that a public consultation is so important.

That has been the experience of recent proposals, where the councils involved have used opinion services or consultants to engage extensively with the public through discourse, surveys and events, to ensure that they have captured the state of public opinion on the proposals they are due to submit to the Department. Having received those proposals, following an invitation, the Secretary of State must consult all affected local authorities that are not signed up to the proposal, and any other persons he considers appropriate, before reaching a decision, judged against the three criteria I outlined. The extent of any consultation would depend on the extent of the consultation that those making the proposal have already carried out.

It is essential that those making a proposal carry out an effective consultation before submitting their proposal, not least to provide evidence about the level of local support. The Secretary of State may then implement the proposal by order, with or without modification, or decide to take no action. Such an order is subject to the affirmative resolution procedure but does not require the consent of any council.

Let me turn to the question from the hon. Member for Stroud about the Government's role. He will hopefully have seen as I have been outlining the process that our role is to receive proposals developed locally in a particular area; it is not to enforce or dictate from on high the organisation of any local area's affairs. It is for local councils and local people to develop those proposals. However, as he said in alluding to the new Secretary of State's remarks, the Government remain open and willing to engage with areas that want to embark on this journey and will willingly receive proposals and adjudicate on them in due course.

Dr Drew: For Northamptonshire—thankfully, we are not quite in that situation—the Government came up with solutions, seemingly with the support of Northamptonshire's MPs. Whatever the Minister means by “receiving” a particular idea, when do the Government intervene to say, “This is right and proper, and we need to get on with it”?

Rishi Sunak: To differentiate, there was a statutory intervention in Northamptonshire because of the situation that council found itself in. A statutory inspection was carried out and, after careful consideration, the Secretary of State appointed commissioners to go into the authority. However, Max Caller, who carried out the inspection, recommended that unitarisation might be part of the solution, which prompted the Secretary of State to issue an invitation. It is important to note that those proposals are being developed locally by the authorities in Northamptonshire. That remains a fundamental point: proposals come directly from councils, in consultation with local people. The process in Northamptonshire originated from a situation that no one would want to see in Gloucestershire—no one is suggesting that it is close to that, as the hon. Gentleman said. In that sense, the two counties are not directly comparable.

Turning to Gloucestershire, all councils should plan for and embrace the future and ensure that they can provide for their communities. I was heartened to see “Gloucestershire 2050 vision”, the extensive consultative exercise on which the county is embarking. The hon. Member for Warwick and Leamington (Matt Western) alluded to the need for councils to consult the public, and that is what Gloucestershire County Council is doing. More than 600 members of the public and 30 exhibitors attended the “big conversation”, the launch of the exercise in February at Cheltenham racecourse, where the council discussed its plans for the future to ensure that Gloucestershire remains a vibrant place to live, raise a family, grow old and, indeed, work and start a business.

Dr Drew: The Minister is being most generous in giving way. Of course, one of the proposals was for unitary local government, but sadly that was not one of the preferred solutions to Gloucestershire’s future needs. Will the Minister at least look at the earlier proposal and see that as a trigger for a proper discussion in Gloucestershire?

Rishi Sunak: The hon. Gentleman keeps tempting me, but I will keep saying that it is not for me to dictate to the people of Gloucestershire the appropriate way for them to organise government in their area. It is for the people, the councillors and all those involved locally to develop such proposals. Indeed, many ideas will be debated as part of that conversation, such as those I saw for a new cyber-park, a “super city”, a regional area of natural beauty and a water park to attract tourism. It may be that not everyone agrees on them, but the point of the exercise is to think about the best way to serve the people of Gloucestershire and ensure that their area remains a vibrant, prosperous, safe and healthy place to live. I am delighted to see Gloucestershire carrying out that exercise and wish it every success.

The hon. Member for Warwick and Leamington touched on the financial situation, and it would be remiss of me not to respond. I pay tribute to councils up and down the country, which have done an extraordinary job of maintaining a high level of public services in the face of a difficult financial climate in the past few years as the Government embraced the difficult task of ensuring that the country lives within its means again. I am pleased to say that, in both this financial year and the next, the county of Gloucestershire will see a significant real-terms increase in core spending power, which is the total amount of money available to spend on its residents.

I am grateful to the hon. Member for Stroud for alluding to the fact that Gloucestershire is one of the 10 or so 100% business rates retention pilot areas. That programme, which will ensure that many millions of pounds in extra revenue will flow to Gloucestershire this year, was not available to everyone, and I know that the county is delighted to have access to it. Although there have been challenges in children’s services—it is right that those receive urgent attention—I am pleased to see a strong performance in social care in reducing delayed transfers of care. The latest statistics show that Gloucestershire reduced delayed transfers by 58%, considerably exceeding the national average of 35%. Indeed, its performance is now 20% better than the national average. I pay tribute to the county council for that excellent performance in tackling a difficult social care challenge.

First and foremost, it is imperative that the councils of Gloucestershire and those elsewhere in the country consider how best they might serve their residents, deliver high-quality services and ensure financial sustainability. Of course, the creation of unitary councils can lead to service improvements for residents and achieve savings, which may be of interest to residents. However, it is ultimately for the councils and people of Gloucestershire to decide, having informed views locally. If they so choose, it is for them to submit a proposal to the Government, which we will consider.

I commend the hon. Member for Stroud once again for securing the debate on an issue that he has thought about long and hard. I wish Gloucestershire County Council well with its 2050 vision and hope that the conversations it has with its residents prove fruitful, ensuring a bright and prosperous future for its people.

Question put and agreed to.

11.27 am

Sitting suspended.

UK-Israel Trade

[MR NIGEL EVANS *in the Chair*]

2.30 pm

Mr Nigel Evans (in the Chair): It is quite warm, so if anybody wishes to remove an item of clothing, please feel free to do so.

Chris Green (Bolton West) (Con): I beg to move,
That this House has considered UK-Israel trade.

It is a pleasure to serve under your chairmanship, Mr Evans.

Before I came here as a Member of Parliament, I worked in the mass spectrometry industry for nearly 20 years. The great pleasure of that was travelling across the world, from Cuba to Taiwan and so many places in between. It was an absolute delight in 2001 and 2002 to do a little bit of work in Israel. A particular highlight for me was working at the Hebrew University of Jerusalem. While there, I had my first opportunity to visit a synagogue. The one I visited had the spectacular stained-glass windows designed, created and made by Marc Chagall, representing the 12 tribes of Israel. It is a spectacular vision in the synagogue, and it is particularly important to recognise the value of not only industry, universities and academia, but art and culture that we can share around the world.

Last week, His Royal Highness the Duke of Cambridge made the first ever official visit by a senior royal to Israel. Speaking in Tel Aviv, the economic heart of Israel, he proclaimed:

“The ties between our two countries have never been stronger, whether in our record levels of trade and investment, our cooperation in science and technology; or the work we do together to keep our people safe.”

The Prince’s visit to Israel last week was a strong symbolic sign that the relationship between our two great nations is better than ever. One can also point to the remarkable record levels of trade to see how tangible this flourishing relationship truly is. In his words and actions, I believe His Royal Highness the Duke of Cambridge captured what today’s debate is about.

Many people, as I did before my visits to Israel nearly 20 years ago, think of the country through the prism of its biblical narrative. They think of deserts, mountains and the Sea of Galilee, but the reality for many Israelis is very different. The Israelis have created a country that is every bit as advanced as Britain and the United States of America, which shows what can be done with talent and an immense amount of hard work. That entrepreneurial culture has resulted in what many now describe as a start-up nation. Every day Israel hosts delegations from across the world, looking to understand the secrets of the country’s success—a country that, we must not forget, is the size of Wales with a population of less than 9 million people.

The UK-Israel friendship runs deep, from our shared democratic values to our extensive co-operation in the fields of intelligence, defence and cyber-security. Prince William was right to point out our record levels of bilateral trade, which reached £6.9 billion last year. In the first five months of 2018 alone, UK-Israel trade reached £3.3 billion—a 22% increase compared with

the same time last year. This year-on-year increase in the value of bilateral trade has been happening now for almost a decade.

James Morris (Halesowen and Rowley Regis) (Con): I should declare to the House my entry in the Register of Members’ Financial Interests, following my recent trip to Israel to discuss trade matters. Does my hon. Friend agree that Israel has become a global powerhouse for research and development, with quite a lot of the big software houses and companies such as Google and Facebook, but that the level of research and development co-operation between the UK and Israel is probably not as high as it could be? Does he think there are further opportunities there for British companies to take advantage of the R&D powerhouse being created in Israel?

Chris Green: I agree entirely. Israel has attracted talent and is creating its own talent within the country. That relationship is improving around the world and it is yet to do so, and we ought to be taking advantage of that as we look to the future.

Trade has been increasing and improving for almost a decade and there are no signs of it stopping or slowing down. Britain is, after all, Israel’s second largest export destination after the United States of America and its principal trading destination in Europe. About 30 Israeli companies are registered on the London stock exchange and about 300 Israeli companies operate in the UK, employing thousands of Britons.

Dr Matthew Offord (Hendon) (Con): I congratulate my hon. Friend on securing the debate. If necessary, I will certainly declare my interest, having recently visited Israel. Is he aware that Israel has the highest density of start-up companies in the world? There is one start-up company for every 1,600 people within the population. That is the basis of the economic success in the country and internationally.

Chris Green: Those are incredible statistics and they show the innovative and entrepreneurial nature that so many Israelis have and the culture that the wider society embraces. As I mentioned and as has been highlighted, Israel is renowned as the start-up nation—a true high-tech start-up powerhouse. Israel is widely viewed as a desert country with few natural resources, which is perhaps one of the drivers behind that, although there have been discoveries of natural gas off the coast. Despite the geographical challenges and some security threats, an enormous number of innovations and inventions have emerged from the country. Israel has gone from being a desert to the land of milk and honey, and now the land of Apple and Microsoft. Indeed, most of the world’s leading tech companies now have a research and development presence in the country, which is testament to the character and qualities of the people, which my hon. Friend highlighted.

The country’s prowess in the fields of high-tech, energy, medical science and FinTech is in large part due to the need to adapt as challenges arise.

Stephen Crabb (Preseli Pembrokeshire) (Con): My hon. Friend is making an extremely important point. Does he agree that the extraordinary levels of inward investment into Israel by high-end, high-value companies

[Stephen Crabb]

in the tech space and pharmaceutical space demonstrate that when British companies do business with Israel they are plugging themselves into some of the highest-value sectors of the global economy, which is exactly what we need to do to make Brexit a success?

Chris Green: I agree entirely; my right hon. Friend is absolutely right. That highlights the connectivity and relationships that underpin so much of high tech, culture and the arts.

The necessity of adapting and developing solutions to the challenges Israel faces is a key part of its impressive start-up ecosystem. The culture of entrepreneurship and striving to achieve is reflected in the fact that there have been 12 Israeli Nobel prize winners in the fields of peace, literature, physics, chemistry, medicines and economics; I think that is a 100% record across all the different fields in which they could achieve Nobel recognition. Israelis will be the first to tell you that the Israeli autonomous driving company Mobileye was sold to Intel for a remarkable £12.5 billion and is just one of many success stories, including Waze, the USB storage device and internet firewalls.

As we debate here, dozens of Israeli scale-up founders are in London sharing their experience as part of Innovate Israel 2018. The event, co-ordinated by UK Israel Business, has become a major event in the UK high-tech calendar and is another example of how British and Israeli businesspeople work together every day.

Israel's cultural exports are no less significant. Netta famously captured the hearts of a continent this year when she won the Eurovision song contest. Hers was an amazing performance that delighted all those who watched it on the evening and on YouTube or other sources afterwards.

Iain Stewart (Milton Keynes South) (Con): Will my hon. Friend demonstrate that performance?

Chris Green: I have been practising, but I understand that there is a convention against singing during debates.

Mr Nigel Evans (in the Chair): I am not sure that I would enforce that.

Chris Green: As a traditionalist, I will adhere to the convention.

It is no surprise that the first bilateral tech hub was launched by the British embassy in Israel in 2011. The UK-Israel tech hub is one of the first of its kind to promote partnerships in technology and innovation between the two countries. It has generated 175 tech partnerships in deals worth £85 million since it was established, and it has helped to boost the UK economy by an estimated £800 million. I have been to Israel to hear about this excellent initiative, and as we prepare for Brexit it is heartening to hear that this model will be replicated in other countries across the world, ensuring that Britain is well placed in the ongoing tech revolution.

Nigel Dodds (Belfast North) (DUP): I congratulate the hon. Gentleman on securing the debate. Does he agree that it is gratifying to hear that the UK has prioritised a free trade agreement and trade links with

Israel post Brexit? The whole UK—all its countries and regions—should be actively involved in seeking the opportunities that will exist through better UK-Israel trade.

Chris Green: I wholeheartedly agree. As a Greater Manchester and Lancashire MP, I certainly want the north-west of England to participate in this tech revolution, and Northern Ireland certainly should as well. I was born in Ballymena, so I have a personal interest in that.

Other success stories that spring to mind include the landmark £1 billion agreement between Rolls-Royce and El Al in 2016, and I recently heard that the fastest growing Aston Martin dealership in the world is based in Israel.

The UK has signed countless agreements with Israel in science and innovation, and Israeli and British scientists work together every day on cutting-edge research. The Britain Israel Research and Academic Exchange Partnership is a significant part of that, bringing researchers from both countries together to tackle some of the world's most challenging medical conditions and diseases, including cardiovascular and liver disease, diabetes and Parkinson's. Each of these research programmes stands to benefit Israeli and British citizens, and no doubt many other people right across the world. That ought to be celebrated.

We should also consider that some 74% of Israeli exports to Britain in 2017 were in the medical equipment and pharma sector. It is undeniable that this relationship keeps Britons healthier, so will the Minister join me in restating the importance of this sector of trade, and will he provide assurances that it will be uninterrupted as we leave the EU?

Israel was one of the first countries that we began discussions with following our vote to leave the European Union. Last year we created the UK-Israel trade working group, which will ensure a smooth post-Brexit transition and is exploring opportunities to maximise further trade.

Richard Burden (Birmingham, Northfield) (Lab): The hon. Gentleman talks about Britain's post-Brexit trading relationship with Israel. Does he agree that the definitions in the EU-Israel association agreement, particularly in relation to the settlements, should carry through into any bilateral trading relationship that Britain has with Israel? The trade preferences available under the EU-Israel association agreement do not extend to illegal settlements in the west bank.

Chris Green: I think we ought not to bind ourselves. Any trading relationship or ongoing process evolves over time, and we need to keep an open mind in any ongoing negotiations. Both sides of that divide here should seek an ongoing negotiation because, for example, there might be the possibility of land swaps. We in the United Kingdom ought not to put down lines in the sand. The Minister may develop that further.

Andy Slaughter (Hammersmith) (Lab): For clarity, any new agreement will clearly have to be negotiated on its own terms, for better or for worse. I think the point that my hon. Friend the Member for Birmingham, Northfield (Richard Burden) was making related to issues of illegality, and it is unquestionably the Foreign Office's view that the settlements are illegal under international law. Article 2 of the EU-Israel association

agreement provides that human rights considerations should be instrumental. Surely he would want that to carry through, irrespective of any other terms?

Chris Green: I did not quite catch all of the hon. Gentleman's question. However, I would not want, in this room, to set in stone anything that will evolve over time.

Mr Mark Harper (Forest of Dean) (Con): We have to recognise that strengthening businesses, businesspeople and the economies on both sides—in Israel and the occupied territories—is how we will achieve a viable two-state solution. Doing as the Boycott, Divestment, Sanctions movement wants, which is to discriminate against businesses in Israel without distinguishing where they are, will damage the economy and the interests of not only Israelis, but Palestinians seeking to earn a living.

Chris Green: Absolutely. The impoverishment of people, whether in the Palestinian territories or in Israel, is one of the drivers of violence. People who do not believe that they have a future sometimes turn to violence. We ought to ensure that, so far as possible, the whole region becomes increasingly economically successful.

Dr Offord: Is my hon. Friend aware that more than 500 Palestinians lost their jobs after the SodaStream factory in the west bank was forced to close after the campaign by the BDS movement? Those people will now not have livelihoods, but they will certainly have families to provide for. Does he agree that that was a disgraceful campaign against people in the west bank?

Chris Green: I think it is a disgrace. Forcing people to be unemployed and kicking them out of their jobs is appalling and damaging to them, their families and the wider communities.

Richard Burden: Will the hon. Gentleman give way?

Chris Green: I will move on from this particular point; hon. Members from both sides of the House have had an opportunity to explore it.

I understand that the existing EU-Israel association agreement will form the basis of a future trade deal, but that there are great opportunities for further collaboration, particularly in the agriculture sector, in which Israel excels.

Iain Stewart: The House will shortly consider the remaining stages of the Trade Bill, which seeks to convert from EU law into UK law all the EU's existing third-country trade deals. That will apply to the EU-Israel deal, which, as my hon. Friend says, will give businesses both continuity and the flexibility to enact the changes that he refers to.

Chris Green: I agree. We need in our ongoing relationships a sense of bringing down barriers, enhancing agreements that we already have and creating new and much more comprehensive agreements. Is the Minister able to clarify whether the association agreement will indeed form the basis of a future trade deal with Israel, and is he able to provide an update on discussions regarding agricultural trade?

I had a particular interest in science and industry before my election to Parliament, and I have a particular interest in Israel's relationship with Horizon 2020. It was the first non-European country to have such a relationship, and in that sense the United Kingdom has something to look up to, to respect and to admire in Israel's collaboration with European scientists on Horizon 2020. As we look forward to the opportunities presented by our leaving the European Union, we may look forward to framework programme 9—the successor to Horizon 2020—and wish to participate in that. Israel, by already having that kind of relationship, shows us what could happen.

When we look to the United States of America, we get a sense that the world is creating new barriers against trade and people. We ought, especially when looking at the European Union, to have the sense that right across Europe, the United States and the wider world, we are trying to bring down those barriers. In particular, we ought not to be promoting or increasing barriers with the state of Israel. We need to create ever stronger cultural, academic and social ties and, with trade being so important, to have the freedom to trade with countries around the world. We may wish to buy oranges from Spain or other countries, but I look forward to buying my first Jaffa orange post Brexit.

Several hon. Members *rose*—

Mr Nigel Evans (in the Chair): Order. As Members can see, there is considerable interest in taking part in this debate. I will not impose a time limit at this moment, but I ask hon. Members to show restraint and stick to four to five minutes in order that everyone is able to speak.

2.50 pm

Dame Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I draw attention to my entry in the Register of Members' Financial Interests. I congratulate the hon. Member for Bolton West (Chris Green) on securing this important debate and providing an opportunity to show the strength of the trading ties between Israel and the United Kingdom, and the benefits that those trading links bring.

Israel is a vibrant start-up country with a strong business sector, a strong trade union sector, through the Histadrut, and a strong co-operative sector. It also has a strong welfare state and excellent universal healthcare. The value of bilateral trade between the UK and Israel soared to £6.9 billion in 2017—up 25% on the previous year and still rising. Trading links bring mutual benefit. Thousands of people in this country manufacture products and goods that are sold in Israel, and more than 300 Israeli companies employ thousands of people in the UK, in areas such as high tech, finance and pharmaceuticals. There are very strong educational links between our two countries.

I will focus on one area that benefits people in this country: Israeli medical technology. PillCam is the first pill that can be swallowed to record images of the digestive tract. It was invented and developed in Israel. Babysense is a system that protects babies from sudden infant death syndrome. It was invented in Israel. I could also mention cancer probes, heart catheters, the bedside blood count device developed by PixCell Medical Technologies and the artificial cornea developed by

[*Dame Louise Ellman*]

CorNeat Vision. All are positive developments that help people to lead a better life. Reference has already been made to the Boycott, Divestment, Sanctions campaign, which advocates boycotts between the UK and Israel—it is against UK-Israel trade. I wonder whether it has dared to campaign against the use of those lifesaving products. I suspect not.

Richard Burden: I will not ask my hon. Friend about the BDS campaign, but could I ask her at least to endorse the statement in the Foreign Office's own advice to UK businesses? It states:

“Settlements are illegal under international law, constitute an obstacle to peace and threaten to make a two-state solution to the Israeli-Palestinian conflict impossible. We will not recognise any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties.”

There are therefore clear risks related to economic and financial activities in the settlements, and we do not encourage or offer support to such activity.”

Will my hon. Friend endorse that statement from the Foreign Office advice?

Dame Louise Ellman: Settlements are one barrier to peace, but they are not insuperable and not the only barrier to peace. The most fundamental barrier to a peaceful solution of this tragic conflict, and the key factor that prevents the setting up of two states, Israel and Palestine, is the Palestinians' refusal explicitly to recognise the legitimacy of Israel as a national Jewish home.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): The hon. Lady is, as always, making a very well informed speech on this subject. Does she agree that the benefit of the technologies that she is talking about, particularly the medical technologies, is that they benefit both Israelis and Palestinians and people in Britain, and it is wrong to see investment in trading links in the field of medical tech, research and life sciences through the prism of an historical conflict? We should be looking forward and considering the potential benefits of future academic and research links, rather than looking at things through that historical prism, which is to the detriment of both Israelis and Palestinians, and patients generally around the world.

Dame Louise Ellman: I agree with the hon. Gentleman. Inventions and improvements in the human condition are about all of humanity and should benefit everyone; they are not about conflict. Trade is constructive; boycotts are negative. The BDS movement is fundamentally opposed to the state of Israel, and partial boycott campaigns, however presented, are part of the same movement. BDS has not affected Israel adversely. Israel's trade is rising, both with the UK and with the rest of the world.

Mary Robison (Cheadle) (Con): I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing the debate. The hon. Lady is entirely right to focus on pharma and on our trade links with Israel. I understand that in seven of the past 10 years the UK has had a trade surplus with Israel. Does she

agree that we can build on that, and that it shows the strength of our trading relationship both now and for the future?

Dame Louise Ellman: I agree with the hon. Lady. Trade is beneficial, and it is beneficial to both countries; indeed, it should be international as well. I look forward to the day when the state of Israel and the state of Palestine establish good trading relationships with each other and with the UK, in accordance with the late Shimon Peres's vision of a new middle east.

2.56 pm

Mr Mark Harper (Forest of Dean) (Con): It is a great pleasure to serve under your chairmanship, Mr Evans. I should first refer to my entry in the Register of Members' Financial Interests, which I will spell out a little more fully in the debate.

I was recently on a trip to Israel with a number of Conservative colleagues, and it was specifically focused on trade and investment. I particularly wanted the trip to be focused on trade and investment, for two reasons. One is obviously the context of Brexit and Britain looking outwards to a more global future. My hon. Friend the Member for Bolton West (Chris Green), who very ably opened the debate, focused on the growth in trade between Britain and Israel and the fact that Britain is Israel's largest trading partner. Also, I wanted to understand the extent to which economic growth and development could at some point, when the political conditions are right, contribute to strengthening and enabling the two-state solution that I think we all want to see.

In the limited time I have—I will try to obey your injunction to be relatively brief, Mr Evans—I will focus on just two areas. First, when we were in Israel we saw a number of examples of its strength in cyber-security. The Prime Minister of Israel spoke at a science gala taking place on the first full day of our visit. He talked specifically about IT and cyber. I come from Gloucestershire, where GCHQ is based, but there are also a number of companies in the cyber sector. The work that Britain and Israel, and their companies, do together does not just develop business relationships; it helps keep both countries safer in a very dangerous world. Those companies work together to keep businesses and consumers safe from the threats from organised crime, but they also help our Governments and security agencies keep us safe from those who would do us harm. That partnership working is therefore very valuable.

Secondly, I want to focus on the specific example of a company that provides a good illustration of how business can help bring communities together. As my hon. Friend the Member for Bolton West said, we visited the SodaStream factory. He mentioned that it had been forced to move from the west bank and that a number of Palestinians were unable to continue working there. When we visited the factory, we saw a company that employs Israeli Jews, Israeli Arabs, Bedouins and Palestinians. We met a Palestinian manager who travels there from the west bank. He manages a team of employees, including Israelis. I thought it was a very powerful symbol. There are people coming together, from a range of different communities, and working together to make their business successful.

One of the things that struck me about how business can be powerful was something that one of the Israeli managers at SodaStream mentioned. They had recently had a day when they could bring their sons or daughters to work, as we do in the UK. When his son came to that business, meeting his father's colleagues and their children, it was one of the first times he had met Palestinians in an environment that was conducive to sharing ideas and furthering understanding between those two communities.

During the week, we spoke to a number of business people from individual companies, but also from some business organisations, such as those that further business development between Israel and the Palestinian territories. All of those business people were up for, and encouraging of, growing the Israeli economy and the Palestinian economy. I hope that the Minister will take away the message that Britain should encourage economic development in the Palestinian territories as well as growing our trade with Israel, so that when the political conditions are right—I know that they are challenging—we will have a thriving economy to underpin the success of a two-state solution.

I came away from our visit optimistic about the future trade relationship between Britain and Israel, and the prospects for growing our trade in the parts of the economy that will make both countries prosperous. I also came away more hopeful about the prospects for Israeli civil and business society to help create the conditions that will allow politicians on both sides to achieve the two-state solution that the hon. Member for Liverpool, Riverside (Dame Louise Ellman) talked about. That was summed up well by the Duke of Cambridge's visit, during which he visited both communities and spoke powerfully about the opportunities and hope for the future. I hope that we have more such visits, to help bring Britain and Israel closer together and to heal some of the divisions within Israeli society. I think that business can contribute to that, and I hope that we will see more of that.

3.2 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate the hon. Member for Bolton West (Chris Green) on securing the debate. I declare an interest: I, like many other Members here today, am a friend of Israel and have been involved in the all-party parliamentary groups, both here and in Northern Ireland. I am an unashamed friend of Israel, by nature, choice and conviction. Therefore, when debates like this one come up, it is always a pleasure to contribute.

We have forged deep ties with Israel in cyber-security, which is vital not only for our national security, but for the private and public sectors. Israel is at the cutting edge of that industry, with Israeli start-ups receiving around 20% of global investment in the cyber market. I believe that we must continue our staunch partnership in that area. Israel has strong historical links with Northern Ireland and the rest of the United Kingdom. Some people joke that perhaps we in Northern Ireland are the 13th tribe. I am not sure whether that is true, but many people might look at us and say, "Yes, perhaps we are." The main thing is that we have a very strong relationship with Israel.

Paul Girvan (South Antrim) (DUP): During one of our recent visits to Israel we saw how a university there had made links with cyber aspects. Is there not a great opportunity for UK universities to become joint partners on the world-leading technologies that are being brought forward?

Jim Shannon: My hon. Friend is absolutely right. I was going to mention education and universities, but he has done it, so I can relax on that. We can do something strong. Queen's University in Belfast and Ulster University can be part of that partnership. Maybe the Government should be looking at how they do that with other universities across the United Kingdom of Great Britain and Northern Ireland.

Israelis see the UK as an ideal country to trade with. They are attracted by our culture, language and institutions, and by our honesty, integrity and business acumen. Those are all qualities that business people like to see, and we have them in abundance in the United Kingdom. I welcome the Duke of Cambridge's historic visit to Israel last week and share the view that it was fitting for him to meet Israeli high-tech companies ReWalk and AlgoBrix, which have developed innovative medical solutions. They epitomise the start-up nation and we want to be part of that, as other hon. Members have said. I am also glad that he took the opportunity to visit the Palestinian territories, because it is good to reach out to both sides and try to bridge that gap. He did that in such a good way.

In the light of the Duke's visit to Israel last week, during which he saw a showcase of Israeli technology at the British embassy in Tel Aviv, what steps are the Government taking to increase the sharing of innovation between our two countries? There are many things that we can do, and I believe that this is one of them. I welcome the growing collaboration between our two countries and recent agreements signed to increase co-operation in the field of science. How is the Minister working to strengthen that relationship?

Israel has become renowned for its high-tech capability and innovative technological solutions. The UK and Israel share a close relationship in research and development, yet there is still more that can be done. What are the Government doing to unlock that potential? The UK and Israel have a strong and growing partnership in R&D with British companies such as Barclays and HSBC—the latter launched a cyber-hub in Tel Aviv last September—but we still lie behind Canada, China and the US in utilising Israeli expertise. Does the Minister share my concern, and that of many other Members, that further co-operation on R&D should be a priority? Whether it is pre-Brexit or post-Brexit, let us get ourselves into a position in which we can take advantage of the opportunities to create jobs.

Mr Gregory Campbell (East Londonderry) (DUP): Does my hon. Friend agree that the converse of what he has just eloquently described is the regrettable and reprehensible actions by a small number of people who advocate disincentives and actions against Israeli businesses, which disadvantages not only Israelis but Palestinians?

Jim Shannon: My hon. Friend succinctly reminds us of the negatives of not supporting Israel-UK trade links, which can achieve much. There are opportunities, jobs, expertise and a chance to move forward.

[Jim Shannon]

In conclusion, Israel spends 4.27% of GDP on R&D, which is more than any other developed country. There remains large untapped potential in the form of British investment in R&D in Israel. Does the Minister agree that there is more to do in this area, and how will his Department ensure that happens?

Mr Nigel Evans (in the Chair): I ask hon. Members to keep their speeches closer to four minutes now, in order to get everybody in.

3.8 pm

Iain Stewart (Milton Keynes South) (Con): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing the debate. I, too, was part of the recent trade delegation to Israel, and I draw attention to my entry in the Register of Members' Financial Interests.

For many years Israel has had a reputation for developing the technology solutions to many of the world's challenges. For many years it has had an effective irrigation system to water a very dry part of the world. That technology is exported, particularly to developing countries that face similar challenges—if this heatwave continues, we might want to deploy that technology here. That technology was developed many years ago. Today Israel is addressing some of the new challenges in the world. We visited Gigawatt Global, which is providing solar energy solutions to many developing countries around the world and making their communities energy-sustainable.

As other colleagues have mentioned, research into cyber technology and security is now a key part of the Israeli economy, and we spotted many opportunities for deepening trade links between the United Kingdom and Israel. I will give three brief examples to illustrate the point. We visited a start-up company called CommonSense Robotics, which is innovating with a very efficient packing system for food distribution within a particular factory or unit, but at the moment it uses traditional delivery methods. There are companies in the United Kingdom piloting robotic delivery systems. In my constituency we have the Starship delivery robot, which is a fancy robot that goes around the streets delivering packages to people's homes. I have put the two companies in contact with each other, as they potentially have a synergy of interests.

We also visited the Israeli aerospace industries. One of the most exciting ideas that they are developing is an autonomous electric taxiing system at airports, so that aircraft can move from the stand to the runway without having to switch on their engines. Cumulatively, that will save a considerable amount of emissions at airports, which is very pertinent to current debates on air quality.

My final point is more general. We discovered a sophisticated ecosystem in the new technology space where academic and commercial bodies and the Israeli Defence Force could combine their knowledge for innovative new solutions. They have developed a powerful ecosystem of co-operation, which is something that this country, and indeed all countries, will have to take notice of. Individual sectors on their own will not deliver the solutions we need. Israel is already having

that cross-fertilisation of ideas and solutions. I chair the all-party group on the Oxford-Milton Keynes-Cambridge corridor, and our ambition is to have the United Kingdom's creative centre. I am already putting different bodies in touch with their Israeli counterparts to see what lessons we can learn from them. Israel has a long tradition of providing solutions and will do so in future. I very much hope that will be part of a deepening of UK-Israel relationships.

3.12 pm

Andy Slaughter (Hammersmith) (Lab): It is a pleasure to serve under your chairmanship, Mr Evans. I refer to my declaration in the Register of Members' Financial Interests. I travelled to the Occupied Palestinian Territories, including the village of Khan al-Ahmar, last November. I appreciate being given a few minutes of the debate, and I apologise to the Minister if I am not here when he comes to reply. For that reason I will be brief and will make just three points that relate to the elephant in the room: relations with the Occupied Palestinian Territories. I wondered until the interventions whether we would hear anything about that from the hon. Member for Bolton West (Chris Green), who secured this important debate.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) read out the Foreign Office position, which I am sure the Minister will adhere to, even if the Foreign Secretary sometimes does not. The position is straightforward, if somewhat illogical: settlements are illegal under international law, but buying settlement products should be a matter for consumer choice. There seems to be an illogicality in that. I do not know whether the Minister, the shadow Minister or the Scottish National party spokesperson will wish to comment on that. The situation is unique: a 50-year occupation of territory and Israeli settlements.

The principal governing treaty at present is the EU-Israel association agreement, which came into force in 2000. As I referred to earlier in an intervention, article 2 of that agreement makes it clear that all the trade preferences it bestows are conditional upon respect for human rights by both sides. What is meant by that? I can give three quick examples. First, the settlements are a transfer of population to occupied territory and are therefore considered a war crime under the fourth Geneva convention. Secondly, I referred to Khan al-Ahmar, a village that is under imminent threat of demolition. It is a Bedouin village on the west bank, which Israelis visited at the weekend preparatory to its demolition. I know that the Minister made representations, along with many other people, but that demolition would constitute forcible transfer and a war crime under international law, and demolitions are increasing across the west bank.

Thirdly, there are the disgraceful events that we saw on the Gaza border last month in which more than 130 Palestinians, including children and medics, were killed. Such use of lethal force constitutes wilful killing and, again, is a grave breach of the fourth Geneva convention. The EU trade association agreement could be criticised in that article 2 is not being enforced, but it is there at the moment, so my third point is addressed directly to the Minister. If we are in a post-Brexit situation—if we are—and an agreement is being negotiated, will those terms be carried across?

Alex Sobel (Leeds North West) (Lab/Co-op): On that point, is not one of the issues with the agreement, as pointed out to us earlier by the European Council on Foreign Relations, the fact that Israel defines the borders? We have the issues of the green line, the blue line, the purple line and the status of Jerusalem. If we are to negotiate ourselves, should there not be international recognition of what the borders are, not Israeli definitions?

Andy Slaughter: Absolutely. We are dealing with matters of law here, and there is a lot of picking and choosing. It is all very well for Members to say, “Well, there was a business in the occupied territories.” How would Members here like it if foreign entities were operating in this country without our consent, which is what happens to the Palestinians? The demands placed on business could equally be placed on the Government in negotiating a new treaty.

Dame Louise Ellman: Will my hon. Friend give way?

Andy Slaughter: I am sorry, I do not have much time.

Companies should not carry on business activities in the settlements or with individuals in the settlements. They should not trade in goods originally from the settlements, nor provide goods or services that are used for the benefit of settlements. They should not engage in any business activity that contributes directly or indirectly to the maintenance, development or expansion of the settlements. Those are the criteria and standards we should set. Once we have done that, we can perhaps go on to talk about trade. This matter is not about BDS. It is about international law and our treaty obligations as a democracy that believes in the rule of law.

3.17 pm

John Howell (Henley) (Con): I refer to my entry in the Register of Members’ Financial Interests. I am just about to make what is my seventh or eighth visit to Israel in the past four or five years. I hope that I will see some more change; I have seen a lot over the past few years.

Like you, Mr Evans, I am a member of the Parliamentary Assembly of the Council of Europe. That is an important organisation in Europe, because it contains both the Israelis and the Palestinian Authority and is unique in being able to tackle the issues that they both present. I want to organise an exhibition in the foyer of this Chamber that looks at projects that are done jointly between the Israelis and the Palestinians. The problem is that there are so many projects to call on.

We have heard today that Israel is renowned for its high-tech capability. That is still growing. There is still an enormous amount of research and development to do, and we still need to move that on, but that development has not happened by accident. It has happened because there has been a growing self-confidence in Israel and a growing confidence among British businesses that have found a willing partner. From my constituency perspective, I want to concentrate on water management and the excellent approach to water conservation in Israel.

I have been to a desalination plant on the coast of Israel. Sadly, the technology that was envisaged for the plant had been offered to the people who live in Gaza, but had been rejected. I think that is a great shame. Israel recycles some 90% of its domestic waste water, which is mostly used in agricultural production. By way

of comparison, in Spain, the next biggest user of recycled water, only 20% is used for agriculture. Israel’s drip irrigation technology is exported throughout the world.

I agree with the hon. Member for Liverpool, Riverside (Dame Louise Ellman) about the boycott, divestment and sanctions regime. It affects the livelihoods of Palestinians as much as those of Israelis and prejudices the outcome of the debate; it is an issue to be tackled in the debate, but it does not define the whole debate. Where are the similar boycott, divestment and sanctions calls in relation to the Turkish occupation of northern Cyprus, or the Moroccan occupation of the controlled Western Sahara? We have a blinkered view of Israel in some sections of this country, and we need to overcome it by encouraging more companies to do business there.

3.21 pm

Mark Garnier (Wyre Forest) (Con): Like just about everyone else in the Chamber I want to draw my attention to my entry in the Register of Members’ Financial Interests. I, too, have been to Israel on many occasions. One of the last couple of times was as an International Trade Minister—it is good to see my successor in his place—and the other was as a member of the trade delegation.

We have heard a great deal about Israel, including a lot of statistics, but we need to note the vibrant atmosphere there, which has led to its becoming one of the greatest countries for technology start-ups in the world. The combination of an extremely energetic population, national service that seeks out elite individuals for elite units, a willingness to support innovative technology and the ability to network results in Israel having the greatest density of technology company start-ups. There is one start-up for every 1,600 people, 4.25% of GDP is invested in research and development, and it has one of the best start-up company success rates. As a result, extraordinary things are done in areas such as telecoms, cyber-security, information technology, biomed, environmental sciences and FinTech. All those are things that this country wants to take advantage of. They are the cutting edge of technology, and where we trade with Israel in those areas we will improve our productivity and intelligence. We welcome those companies coming to invest in the UK, and we need to do as much as we can to help them.

As to comments that have been made about problems in Israel, only someone with a completely tin ear would not understand that there are worries, but, as we heard from the hon. Member for Liverpool, Riverside (Dame Louise Ellman), the best way to get positive outcomes for populations is by trading with the countries in question, doing as much as we can to bring wealth and prosperity to Israel, the occupied territories, the west bank and the Gaza strip. We need to do as much trade as we can.

My hon. Friend the Minister has one of the best jobs in the world and works with some of the best civil servants that the Government have to offer. It is a great pleasure to see some of my former colleagues from my private office here. They work extraordinarily hard. My hon. Friend’s job is to go out and make companies and businesses wealthy. By creating wealth through the Department we can generate more tax revenue and, as a result, we can have more hospitals, police on the streets, schools and all the good things that taxation brings.

[Mark Garnier]

I shall not let the Minister off without a task: will he share with us the budgeting decisions that have been made about our Department for International Trade friends in Tel Aviv? As his predecessor I am worried to see that there has been a 9% budget cut for the DIT in Israel. The Government are under a certain amount of pressure, but is it not right to increase the budget for a wealth-creating Department such as DIT, rather than decreasing it, particularly in a country such as Israel?

3.24 pm

Alan Mak (Havant) (Con): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing the debate. I, too, draw the attention of the House to my entry in the Register of Members' Financial Interests, which shows that in May I joined other colleagues on a visit to Israel, to meet Jews, Palestinians and Bedouins, strengthen the trade relationship between the UK and Israel, and promote my constituency as a destination for inward investment by Israeli businesses. As the House will know, Havant is a centre of excellence for technology, trade, investment and science, and I am pleased to say that, following my visit, a number of Israeli businesses are in discussions with me about opening offices there. I look forward to continuing those discussions.

The debate is timely, as trade between the UK and Israel is at a record high level. Obviously I welcome the visit to Israel made by His Royal Highness the Duke of Cambridge last month. Israel is the original start-up nation and a global powerhouse for science, technology and innovation. It is a key driver of the fourth industrial revolution. It has the highest density of start-ups in the world, and has earned its title as the start-up nation by, amazingly, having the equivalent of one start-up for every 1,600 people.

As the fourth industrial revolution accelerates, our two economies will increasingly be powered by artificial intelligence, big data, robotics, advanced manufacturing, precision medicine and other advanced sciences. I hope that the Minister will join me in championing Israel as one of the UK's leading partners and will make sure that both countries benefit from the present exciting period of technological innovation. There has never been a more important time to strengthen our links with Israel, a beacon of democracy in the middle east with which we share strong values, and with which we can partner as the new technological revolution accelerates. It is vital, in particular, as we leave the European Union, that we take the opportunity to secure our prosperity by strengthening links with our most important trading partners.

As I have mentioned, last month I had the opportunity to visit Israel on a trade-focused trip with several other colleagues who have spoken in the debate, to see and maximise opportunities for developing our trading relationship. At SodaStream I saw Palestinians, Jews and Bedouins working together to manufacture products for export—something that will not only drive prosperity and increase trade but is also a good model for the peace process in the future. I also visited cyber-security firms that do vital work helping to safeguard both our countries. Israel is second only to the US in its number

of cyber-security firms, and has a 20% share of the global market in that important sector—a truly astonishing figure, on which I hope the UK can capitalise.

I also visited the Gav-Yam Negev advanced technologies park in Be'er Sheva, which gave us an insight into the spill-over effects in the Israeli economy, utilising leverage between the military, universities, civil society and the corporate world. Such collaboration was key to the cyber-park's success, and I hope we can replicate that in parks in this country as well. On our visit we also had a glimpse of some of the medical innovations that the hon. Member for Liverpool, Riverside (Dame Louise Ellman) mentioned. As precision medicine becomes an increasingly important part of the fourth industrial revolution, that is an area for expansion in both the UK and Israel. I hope that we can deepen our collaboration in that area.

This is an exciting time for our two countries, and as the UK leaves the European Union and the fourth industrial revolution accelerates, I hope that the Government will do all that they can to strengthen the trade relationship between the UK and Israel for the years ahead.

3.28 pm

Damien Moore (Southport) (Con): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Bolton West (Chris Green) on securing the debate. I draw Members' attention to my entry in the Register of Members' Financial Interests, as I recently made a trip to Israel with colleagues.

As has been mentioned, trade between the UK and Israel is at a record high, and the UK is Israel's second largest trading partner. It is often said of trade, particularly now that we are leaving the EU, that it should be as free and frictionless as possible. How do we apply that idea? I believe that the answer is through technology, with partner countries that appreciate the same idea. Israel is certainly one of those. It spends about 4.27% of its GDP on research and development—more than any other developed country. I am sure that we in the UK can admire that, and of course we shall be only too keen to emulate it in the coming years, as I expect the Minister will agree.

There are many types of technology that can facilitate trade between our two nations as we lead digital disruption across the world. One of the key examples is distributed ledger technologies. Some Members may have heard of blockchain, which is one type of DLT. For those who have not, DLTs are the building blocks of the internet of value and can record interactions of peer-to-peer value without the need for a centrally co-ordinating entity. In that sense, value can refer to any record of ownership of an asset, be it money, land, commodities, or even music industry ownership rights. Its decentralised nature makes that data safer from hackers who could try to compromise it. As hon. Members can see, DLT could be something big that could enhance every industry, and if we seek to use it we will need partner countries that are as technologically advanced as we are. Israel is pioneering DLT with world-class projects in Tel Aviv.

It is important that we prepare the UK for its future trade beyond Brexit, and we must follow in Israel's footsteps and put technology and digital innovation at the forefront of our trade strategy. I commend the efforts of one UK organisation, FinTech Central, which is working hard to promote the UK's financial technology

industry and ensure that it benefits trade across borders. UK-Israel trade is strong, and by harnessing the potential of distributed ledger technology, I believe it could be stronger still.

3.30 pm

Peter Grant (Glenrothes) (SNP): It is a pleasure to sum up this debate on behalf of the Scottish National party, and I commend the hon. Member for Bolton West (Chris Green) for securing it and for the measured and well-informed way in which he introduced his remarks. I cannot say I agree with everything he said, but I compliment him on the eloquence with which he presented his case.

I have always thought that Israel is something of an enigma in the world. As we have heard from a number of Members, there is no doubt that the advances in knowledge and research that Israel helps to promote have the potential, and sometimes the actuality, to benefit humankind well beyond that country's borders. At the same time, however, Israel is almost an outlaw; it is a criminal, and it is acting against international law every day of the week. There have been a number of serious, lethal attacks on civilians for which nobody in Israel has yet been held to account. Just as it would be wrong to completely demonise Israel and treat it as a pariah state, and wrong to ignore the atrocities committed by some on the Palestinian side, so it is wrong to talk about Israel only as a place from which Britons may get rich, and to ignore some of the human rights issues that perhaps do not affect many people living within Israel's borders, but that certainly affect many who live within the borders of Palestine.

James Morris: I visited Israel recently and met the Israeli-Palestinian Chamber of Commerce. Does the hon. Gentleman agree that, irrespective of some of the obviously complex issues in that region, trade between Britain and Israel, and between Israel and Palestine, is a key lever for creating the conditions for a two-state solution?

Peter Grant: I will come on to that in a minute. There is no doubt that trade relationships can lead to wider relationships and be used as a way of influencing—for good or sometimes for ill—the actions of other countries and Governments. Today's debate, presumably not by accident, is not about trade with Palestine; it is about trade with Israel. If someone applied for a debate on UK-Palestine trade, and enhancing and expanding fair trade networks between the United Kingdom and Palestine, I wonder how many of the people who were so desperate to speak in this debate would be as desperate to speak in that one.

Mary Robinson: Will the hon. Gentleman give way?

Peter Grant: No, I am afraid I do not have a great deal of time.

Although trade in general between the UK and Israel is to be welcomed and promoted, we should not get things out of context. Israel accounts for less than 0.5% of UK exports—it will not fix the huge absence of trade that we will have if discussions with the European Union go wrong. We could increase exports to Israel by a factor of 10 and it would still be only a relatively minor trading partner compared with the European Union and a number of others.

We must try to negotiate an equivalent of 40 trade deals in just a couple of years, if we are lucky—possibly not even that long. I must take to task the hon. Member for Milton Keynes South (Iain Stewart), who said that the Trade Bill will replicate all the current trade deals in British legislation. No, it will not. The Trade Bill will convert EU legislation into UK law, but the only way that the UK can replicate its trade deals with the 40 countries in question is if those 40 countries agree to that. This Parliament cannot unilaterally agree to extend a trade deal after we have left the European Union, and the European Union cannot do that on our behalf.

Although we can speak positively about trade with Israel in general, there are two aspects of that trade about which I cannot speak positively. As the hon. Member for Hammersmith (Andy Slaughter) mentioned—I was very disappointed by the response he received—trade with the Occupied Palestinian Territories should not be treated as if it were trade with Israel. Indeed, at the moment, under the EU agreement with Israel that cannot happen, and when Gordon Brown was in office, he said that it would be an offence to take goods from the occupied territories and sell them marked as produce of Israel. I want the Minister to give an absolute assurance that after we leave the European Union, nothing will be done to land a deal with Israel that will make it easier for goods that have been produced illegally in the illegally occupied territories to be exported here. We should regard those goods as the proceeds of crime.

Mr Harper: On that specific point, the hon. Gentleman seems to be mashing two things together. The hon. Member for Hammersmith (Andy Slaughter) was talking about settlements, which is one issue, but the hon. Gentleman seems to be saying that we should not trade with any businesses based anywhere in the occupied territories. That sounds like a recipe for putting out of business every Palestinian-owned business, and subjecting them all to economic devastation. Is that really what he is saying?

Peter Grant: To clarify, I am talking about trade with areas that are under illegal occupation by Israel, and where Israel has illegally occupied parts of Palestine. I do not think that “settlements” is the correct term; this is an illegal occupation, and we should not be looking to trade with any business carried out under the illegal Israeli settlement or occupation—call it what you will. Plenty of other Palestinian businesses in Gaza and the rest of Palestine would welcome our trade, if only the Israelis would let that trade get through to Gaza.

Another area that has not yet been touched on but must be mentioned is the UK's massively increasing weapons sales to Israel. UK arms sales licences to Israel have increased by 1,100% in two years, and in 2017 the value of licences awarded was £220 million. Israel is about our 45th biggest export customer, but it is our eighth biggest arms export customer. Consider what the Israel defence forces have been using some of those small arms to do over the past two or three months—it is time for those arms sales to stop.

I do not deny, and I would never argue about, the right of Israel to exist or defend itself against aggressors, and I would never argue about the fact that Israel faces an aggressor in some of the more militant elements within Palestine. However, children being shot with

[Peter Grant]

high velocity sniper rifles; medics whose only weapon is a first-aid box being shot from a distance with high-velocity precision rifles by highly trained and skilled snipers—those are not acts of self-defence, those are acts of unlawful killing and should be called out as that. The United Kingdom should not be selling weapons to anybody who is still under investigation for such crimes.

Dr Offord: Will the hon. Gentleman give way?

Peter Grant: No, I will not give way. As I have said, I am not against trade with Israel—I know that some of my colleagues might be, but I am not. [Interruption.] No, it does not sound like that at all. Perhaps hon. Members should bother to listen, instead of just spouting forth their own prejudices.

Dr Offord: Will the hon. Gentleman give way?

Peter Grant: As I have said a number of times, I cannot keep giving way. Perhaps Members should listen to what I am saying, then they would not have to intervene and lay bare their misinterpretations of what is being said. The SNP does not support an all-out boycott of Israel.

Mr Nigel Evans (in the Chair): Order. You are into your last minute now.

Peter Grant: Thank you, Mr Evans. We do not support an all-out boycott of Israel, and I do not think that would work. I have good friends who believe that that is the right thing to do, but I think they are mistaken. I do not think they are being dishonest or disingenuous, but I think they are simply mistaken about what is the best tactic to use.

I will return to the point that I made before: if we had a debate this afternoon about expanding the opportunity for Palestinian producers with fair trade products to export those products to the United Kingdom, how many hon. Members would be desperate to come here and speak in that debate? Perhaps that is part of the problem. When we talk about our relationship with Israel, the debate is always oversubscribed. When we talk about trade with Palestine, which has the potential to ease significantly the poverty of people there, we do not get the same level of interest from Members of this Parliament. That unfortunate imbalance should be addressed.

3.40 pm

Bill Esterson (Sefton Central) (Lab): It is a pleasure, as always, to serve under your chairmanship, Mr Evans.

I congratulate the hon. Member for Bolton West (Chris Green) on securing the debate and I welcome the hon. Member for Beverley and Holderness (Graham Stuart), who is responding to his first debate as a Minister after his enforced Trappist-monk silence in the Whips Office in preceding years—I will not go into what happened before that. I welcome the Duke of Cambridge's comments on his timely visit. He was right to speak about the importance of economic and trade ties between the UK and Israel, but it is also right to debate where we agree and where we have reservations about our relationship.

The EU-Israel association agreement has governed trade relations between Israel and the UK since it came into force in June 2000. It grants Israeli exports preferential access to the UK market, along with the markets of other EU member states. It was supplemented by an agreement on agriculture that came into force at the beginning of 2010, and by a mutual recognition agreement on pharmaceutical products that came into effect in January 2013. Labour would welcome a new trade agreement with Israel to maintain the same market access opportunities for goods, and to deepen a potential relationship in the trade of services, where the UK has an obvious comparative advantage.

As we argued in the Trade Bill Committee, however, no Government should have a blank cheque to introduce new terms of trade without first undergoing a process of external consultation with business and other stakeholders, as well as a proper process of parliamentary scrutiny. The Government's delegated powers memorandum to the Trade Bill makes it explicit that all the UK trade agreements needed to replace the 40 existing EU trade agreements with countries such as Israel will be legally distinct treaties. Moreover, the same memorandum acknowledges that the powers afforded to the Government under the Bill would allow the

"implementation of substantial amendments, including new obligations."

Business representatives giving evidence to the Trade Bill Committee expressed considerable concern.

Mr Harper: Will the hon. Gentleman give way?

Bill Esterson: I will not give way, because we have been given so little time.

Mr Harper: But the hon. Gentleman said he was interested in parliamentary scrutiny.

Bill Esterson: This is relevant, because the Israeli trade agreement will roll over, which is covered by the Trade Bill.

However, the Government have so far failed to confirm that they would inform business of any substantive changes to the terms of trade between the UK and its trading partners in the trade deals being negotiated to replace the existing EU ones. Will the Minister take this opportunity to reassure business that the Government will let it know in advance about any proposed changes to the terms of trade under which companies will be required to conduct their operations, so that they can have the required input into those negotiations before it is too late?

The existing EU trading relationship with Israel is predicated on an understanding that export preferences are available to goods produced in Israel only, and not to any goods produced in the occupied territories. Furthermore, Gordon Brown's Government introduced labelling guidelines to ensure that consumers are properly informed as to the origin of the produce that they see in the shops and as to whether goods are from settlements in the illegally occupied territories. I trust that the Minister will confirm that that crucial distinction will be honoured in any future UK-Israel agreement. I look forward to hearing what further measures the Government are proposing to take to reinforce clarity on that point.

Mr Harper: Will the hon. Gentleman give way?

Bill Esterson: I will not give way; I have told the right hon. Gentleman that already.

Will the Minister confirm that any UK-Israel trade agreement will maintain the existing clarity about the fact that market access preferences offered to Israeli exports into the UK do not extend to goods produced in settlements in the illegally occupied Palestinian territories? It is extremely important that we maintain cross-party recognition of the status of the settlements in the west bank.

The Government have consistently reiterated that the UK considers those settlements illegal under international law, and they have continued to speak out forcefully against Israel's expansion of settlements. Last October, the Foreign Secretary expressed his concern at Israel's approval of settlement construction permits in Hebron for the first time in 15 years:

“Settlements are illegal under international law and undermine both the physical viability of the two-state solution and perceptions of Israel's commitment to it.”

We agree with those concerns about the occupied territories.

From the Trade Bill Committee, we know that Ministers intend to replicate the existing EU-Israel trade agreement exactly. Will the Minister confirm that that will also apply to the human rights clauses and that the Government intend to enforce those clauses once we have left the European Union? Will he confirm that the Government fully support the human rights of all those who will come under the ambit of any future trade agreement between the UK and Israel? The trade preferences granted under the EU-Israel association agreement are conditional on respect for human rights by both sides. Article 2 of the agreement reads:

“Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect for human rights and democratic principles, which guides their internal and international policy and constitutes an essential element of this Agreement.”

I trust that the Minister will confirm that respect for human rights and democratic principles will be an essential element of any new UK-Israel agreement.

Last year, Labour's manifesto said that trade policy should prioritise human rights through our agreements with other countries. We reiterated the importance of human rights in trade agreements during the Trade Bill Committee proceedings in January. They are particularly important in the light of ongoing human rights concerns in Israel and Palestine, yet in February, in a written answer in the House of Lords, the Government stated that they had as yet made no assessment as to Israel's compliance with the condition in article 2 of the EU-Israel association agreement that it respect human rights and democracy. Will the Minister assure us that the Government will undertake such an assessment as part of a due diligence process when they move towards a new UK-Israel agreement?

Concerns about human rights can dominate the public debate, and if we had longer, we could go into arms sales as well. Perhaps the Minister will comment on the Government's commitment to the consolidated criteria on arms export controls and the review of whether UK-produced equipment was involved in the use of lethal force by Israeli forces in the last few months.

It is important, however, to recognise the potential for successful trade with Israel. Together, pharmaceuticals and motor vehicles account for almost 30% of our exports to Israel, so supporting those sectors is important. The jobs that they and their supply chains bring are vital to supporting communities, but if the broader trade picture is botched, both sectors will be at risk from the non-tariff barriers that affect their supply chains, due to the just-in-time nature of vehicle components and the risk of drugs degrading in transit.

Our relationship with Israel does not exist in a vacuum; it is directly affected by our relationships with third countries and the wider world. Trade with Israel currently benefits from the fact that we are part of the EU and from the application of rules of origin and regulatory alignment. This weekend, the Cabinet needs to resolve its differences and produce a third way that delivers the certainty needed by business about border arrangements and non-tariff barriers.

Any trade deal that the UK makes with Israel must include strong guarantees that democratic principles and a fundamental respect for human rights will form a large component of that deal. Our policy on trade with Israel is to support a progressive trading relationship that brings jobs and prosperity at home and that also delivers benefits to the Israeli and Palestinian peoples. Any future UK-Israel trade deal must be judged against those goals—

Mr Nigel Evans (in the Chair): Order. I call the Minister.

3.50 pm

The Parliamentary Under-Secretary of State for International Trade (Graham Stuart): It is a great pleasure, Mr Evans, to serve under your chairmanship on the first outing for this ingénue Minister.

I congratulate and thank my hon. Friend the Member for Bolton West (Chris Green) for raising this important topic. It is a pleasure to follow the hon. Member for Sefton Central (Bill Esterson), who served with me on the Education Committee for many years.

It is now 70 years since Israel was founded, and the UK-Israeli relationship is firm. In the last month alone, the Prime Minister has met Prime Minister Netanyahu, and Prince William, as has been discussed, has made the first ever official visit to Israel by a senior royal—one that was very well received.

That relationship is also backed by a strong trade and investment relationship, which many Members have discussed this afternoon. As of 2016, our total trade with Israel was worth £3.6 billion per year, with a £570 million surplus for the UK, according to our figures. We are Israel's largest goods export market in the European Union and its second largest in the whole world. We are also a significant destination for Israeli investment. I will give just a few examples. British brands, from Superdry to Jo Malone London, are continuing to expand in Israel, and Israel's largest investment house, Psagot, is now owned by a UK private equity firm.

British brands that are already in Israel are going from strength to strength. For instance, easyJet is now Israel's second most popular airline for international flights after El Al, and 2016 saw the signing of our biggest ever trade deal—Rolls-Royce will provide £1 billion worth of engines for El Al's new planes. The strength of

[Graham Stuart]

British exports to Israel is felt across the UK. For example, sales of Scotch whisky have increased by 245% since 2012. UK-Israeli trade is a vital component of the UK's economic growth and we hope to strengthen it further in the coming years, including as we leave the European Union.

Last December, we signed a new aviation agreement, to make sure that travel between the UK and Israel remains open after Brexit. In March 2017, we launched the UK-Israel trade working group, which is designed both to maximise existing trade opportunities and to ensure a smooth transition of our existing relationship as we leave the EU.

As members will be aware, the draft withdrawal agreement text provides that, during the implementation period, the UK will continue to benefit from the EU's third-party trade agreements, including those with Israel. We are committed to ensuring continuity for our existing EU trade agreements—that issue came up several times in the debate—and are working to transition the existing EU-Israel association agreement as it stands.

Mr Harper: First of all, it is a great pleasure to see the Minister in his place and, frankly, I congratulate him on taking an intervention and on giving us a lesson in how debate is conducted, unlike the hon. Member for Sefton Central (Bill Esterson), who speaks for the Opposition.

As we think about our relationships with Israel, may I just ask the Minister to ensure that we look for opportunities, notwithstanding the complexities around settlement, and that we give every opportunity to the Palestinian economy to grow and to thrive? That matters, because if we do not generate wealth and successful businesses in the occupied territories, we will have no hope of achieving a successful two-state solution, which needs that strong economic partnership between the two future states.

Graham Stuart: My right hon. Friend is absolutely right. The Department for International Trade was set up precisely to promote trade around the world, not only to enrich this country but in the sure knowledge that trade and an open, liberal, rules-based system enriches everybody, and most of all the poorest. In places such as Palestine, which are on a developmental path, it is absolutely essential that we engage with business, and it was inspiring to hear stories of businesses acting as a facilitator to bring different communities together. I am sure he is right that, through the building of prosperity, security and development go hand in hand.

Mark Garnier *rose*—

Graham Stuart: I give way to my predecessor.

Mark Garnier: This is just a very quick intervention. May I gently press the Minister to make a comment about the budget for the excellent—indeed fantastic—Department for International Trade staff in Tel Aviv?

Graham Stuart: I thank my hon. Friend for that intervention. Of course, it is always a pleasure to take a job and have one's predecessor giving instructions on how to carry out that job.

Any decision about the resourcing in Israel is subject to a decision by Her Majesty's trade commissioner for Europe, and that will come about in due course. However, I will take this intervention as strong lobbying by someone with a clear knowledge of the importance of DIT that it needs to be resourced appropriately in the future.

I will turn, if I may, to the effect of the trade agreements on the Occupied Palestinian Territories. I want to be absolutely clear that we believe that the level of control that Israel has over the west bank, East Jerusalem and the Gaza strip amounts to occupation under international law. As has been said, the existing EU-Israeli agreements do not extend to Israeli settlements in the Palestinian territories, and we intend there to be a technical transfer of those agreements as they stand.

A particularly strong area of co-operation is science and technology, which is another subject that came up in so many speeches, not least that of my hon. Friend the Member for Bolton West who secured the debate and began it. The respective strengths of Israel and the UK complement each other. The UK has one of the world's strongest science bases, with four of the world's top 10 universities, and we are ranked third worldwide for academic citations.

Meanwhile, Israel—as has been said—is the start-up nation, and it spends 4.3% of GDP on research and development, which is the highest figure in the OECD. We are seeing UK-Israel business-to-business links grow and grow. For example, Israel's Orbotech, a micro-electronics company that has had a Welsh-based subsidiary since 2014, last year won the Queen's award for enterprise in international trade.

Mary Robinson *rose*—

Graham Stuart: I really have very little time, so if my hon. Friend will allow me, I will not take any more interventions.

We are seeing our links grow on an institution-to-institution basis, such as the Royal Society's co-operation agreement with the Israeli Academy of Sciences and Humanities, which was signed in 2015. We are also seeing growing co-operation between our Governments. In May, we signed a £4 million science agreement to strengthen joint research in artificial intelligence, ageing and other priority areas. In response to the hon. Member for Strangford (Jim Shannon), that is an example of what we are doing, and that comes on top of the existing UK-Israel tech hub—

Mary Robinson: Will the Minister give way?

Graham Stuart: I am afraid that I will not give way. As I was saying, that comes on top of the existing UK-Israel tech hub at our embassy in Tel Aviv—the first country ever to establish a tech hub at an embassy. That kind of co-operation, as the hon. Member for Strangford and others have said, will not only help our trade; it will have a real effect on our nation's health.

I have very little time left, Mr Evans, so I will just say something briefly on the subject of arms, which was mentioned, including the specific case of sniper rifles. Only four licences were granted last year for targeting equipment: two were temporary licences for demonstration purposes; one was to return an item to its Israeli manufacturer after tests in the UK; and one was for laser illuminators for end use by the Israeli Prime Minister's Office. On the subject of sniper rifles, the UK has not

licensed the export of sniper rifles to the Israeli defence forces. We have granted only two licences in the last decade for a total of six sniper rifles and magazines, and they were for an Israeli defence company to test ammunition on its own firing range.

With that, I will cease.

3.58 pm

Chris Green: I thank the Minister for such a positive speech and for dealing with so many of the issues that came out during the debate.

It has been an incredibly positive debate about the relationship between the United Kingdom and Israel, and about our trade, covering everything from agriculture to medical technology, and on to the fourth industrial revolution.

I will highlight something the hon. Member for Liverpool, Riverside (Dame Louise Ellman) said, which I myself might not have picked up on: the importance of trade for the trade union movement and the co-operative movement. It is so important that we have strong trade, because good trade is good for workers and I am therefore delighted to see the level of UK-Israel solidarity.

Question put and agreed to.

Resolved,

That this House has considered UK-Israel trade.

Uncontrolled Shark Fishing in the Atlantic

[MR PHILIP HOLLOBONE *in the Chair*]

4 pm

Ross Thomson (Aberdeen South) (Con): I beg to move,

That this House has considered uncontrolled shark fishing in the Atlantic high seas.

It is a great pleasure to serve under your chairmanship, Mr Hollobone. When I secured this debate, it raised a few eyebrows. Colleagues asked why I had chosen this issue. I might already have a bit of a reputation in this place for campaigning on things that are cute and cuddly, such as domestic pets, so why on earth sharks? Since first seeing the movie “Jaws” at the age of four, I have genuinely been inspired and fascinated by sharks. By the way, that movie celebrates its 43rd anniversary this year.

I am not sure whether this counts as declaring an interest, but I should state that after a birthday present from my office last year, I adopted a shiver of great white sharks through the Shark Trust. The Shark Trust is one of many organisations based in the UK and beyond that do excellent work on shark conservation all over the world. The adoption certificate scheme, which is helping to fund vital research and population monitoring around the Farallon Islands off the coast of California, is just one example of that.

Sharks are not just found in far-flung waters. In fact, 21 species of shark live in British waters, and at least 11 species of deep-water shark can be found here, too. Lest that discourage anyone from spending this glorious summer at the British seaside, I stress that very few species of shark are potentially dangerous to humans, and none of them has ever been reported in British waters. In fact, there has not been a fatal shark attack in British waters in more than 80 years. The truth is that sharks are not the aggressive, man-eating monsters of movies such as “Jaws”, “Open Water” or “Sharknado”. Sharks are essential to the health of our oceanic ecosystems, and they are a valuable part of our marine life. We must not allow the Hollywood stereotype that seeks to stir up misplaced fear to get in the way of necessary conservation efforts securing the long-term future of these remarkable and wonderful animals.

Sharks play a crucial role in the ecosystems of every ocean on Earth. They are key, for example, to maintaining coral reefs. Without sharks keeping the predatory fish population in check, there would be fewer smaller fish eating the algae that would otherwise compete with and kill the coral reef. Studies have shown that declining shark populations are already having a disastrous effect on coral reefs, which themselves are deeply important to the global ecosystem. Further effects of shark extinction would include algae suffocating the ocean, population collapse among species such as scallops, whose predators are normally the sharks’ prey, and disruption to the planet’s carbon cycle.

Sadly, more than 50% of shark species in British waters are now under threat. Take the angel shark, which was once common but is now critically endangered. It is only thanks to the tireless work of groups such as the Shark Trust that the angel shark is now one of the best protected sharks in the north-east Atlantic.

[*Ross Thomson*]

Let there be no doubt that this is an international issue, as well as a domestic one. All over the world, in every ocean, various species of sharks face a serious existential threat. The biggest contributor to that threat is overfishing. Every year, millions of sharks are caught and landed, even as shark numbers continue to dwindle across a range of species. Overfishing is fuelled by demand for a whole host of shark products, including, perhaps most infamously, their fins, which are used in parts of Asia for shark fin soup. The practice of shark finning—cutting the fins off a live shark, which is often then left to suffocate to death—is truly barbaric, and I am glad that action to change attitudes in China has led to sales of shark fin dropping by up to 70% in that country in recent years.

That progress is just one glimmer of light amid a wider and growing problem. Demand for shark meat already far outstrips demand for fins and is continuing to grow. Other shark products in demand include: shark liver oil, which is widely used in the cosmetics industry; shark cartilage, which is used as a so-called alternative medicine; and shark teeth, which are used as jewellery. The overfishing of sharks is not just about demand for shark products. Shortfin mako sharks can be found in British waters and are believed to be the fastest species of shark in the world. Bycatch of these sharks is leading to a serious decline in their population. It is believed to be necessary to reduce the north Atlantic mako catch to zero if we are to have even half a chance of allowing the population in those waters to recover over the next two decades. The International Commission for the Conservation of Atlantic Tunas has thus far failed to grant prohibited status to shortfin makos, even though that species has been found to be exceptionally vulnerable to ICCAT fisheries.

Bill Grant (Ayr, Carrick and Cumnock) (Con): I understand that the International Union for Conservation of Nature classes sharks simply as “vulnerable”. Does my hon. Friend agree that, as a result of the demand he is clearly pointing out, further action is required to afford greater protection to all the shark species that inhabit UK and Scottish waters and beyond?

Ross Thomson: I am grateful to my hon. Friend for that intervention, and I wholeheartedly agree. Sharks are not just vulnerable; as I have tried to articulate, they face an existential threat. From the movies we watch, the programmes we see and popular culture, we have a misplaced fear of sharks, but it has been clear over the decades that sharks have more to fear from us than we do from them. It is the same story all over the world.

The protections that are in place are inadequate, poorly enforced and nowhere near what is needed to guarantee sustainability. ICCAT’s ban on shark finning, for example, which is based on a fin-to-carcass ratio limit, is weak and difficult to enforce. Its replacement with a wider ban on removing shark fins at sea, which was supported by the vast majority of ICCAT parties in attendance in 2016, would be more than welcome. I therefore hope that the UK Government will redouble their efforts to promote sustainable fisheries at an international level and make the conservation of shark species a key priority. I am thankful that the UK Government were a strong advocate of prohibiting

shortfin mako landings ahead of the annual ICCAT meeting in 2017, for example. I hope that they keep the pressure up in that area.

As the UK becomes an independent coastal nation with a large exclusive economic zone, we have a great opportunity to become a global voice for a precautionary approach to international fisheries regulations. We have seen the devastating effects of overfishing on ecosystems and human communities. It should be clear that the risks of more robust regulations are greatly outweighed by the risks of allowing overfishing, especially of sharks, to continue unabated.

Dr Matthew Offord (Hendon) (Con): I am delighted that my hon. Friend has brought forward this issue for discussion, particularly as someone who has swum with sharks around the world, including off the Minister’s coast in Cornwall, where I have swum with larger sharks. Is my hon. Friend aware that 86% of all the sharks landed in the EU are landed in the Atlantic? Brexit offers us a great opportunity not only to ensure that the species continue to survive, but to create an environment in which they will prosper.

Ross Thomson: I am grateful to my hon. Friend for that important intervention. I am hugely jealous of his having been able to swim with sharks off the coast of Cornwall—it is still on my bucket list to go cage diving with a great white. I know that many campaigners, including the Shark Trust, have been actively trying to engage with the European Union, often to no avail. He is right that when we take back those powers we will be able to do things on our own terms, and do more for conservation, not less.

I hope that the UK Government will press for common-sense reforms that eliminate the loopholes and, most importantly, make the regulations enforceable. On paper, a regulation can be as strict as we want it to be, but the important thing is putting it into practice. It is a matter of regulating smarter as much as regulating harder. I hope that after we leave the common fisheries policy and take back control of our waters, the UK Government will practise what they preach and act to preserve shark populations around the British coastline. We know that the EU’s record in this area has been less than stellar on occasion. After all, Spain and Portugal account for around three fifths of all shortfin mako catches, and Spain, Portugal and France are all among the top 20 shark fishing nations. We should take Brexit as a chance to examine what we can do better.

Overfishing might be the largest threat to shark populations, but it is not the only threat. Sharks need a healthy habitat to thrive in, so ocean pollution and habitat destruction are also significant contributors to the decline in shark populations. Microplastics, for example, are especially dangerous to sharks that are filter feeders, such as whale sharks, megamouth sharks and basking sharks. I am therefore really glad that the UK Government have introduced a ban on the manufacture of products containing microbeads, and I hope that will set an example to the rest of the world to follow as soon as possible.

The need for the UK Government not only to legislate domestically but to use their diplomatic voice for action on microplastics and ocean pollution in general cannot be overstated. Our ocean environments are interconnected all over the world, and plastic waste does not respect

borders. The same goes for action to curb climate change and preserve the temperature of our ocean waters from damaging, radical change. Both the UK and Scottish Governments have been world leaders on reducing emissions, but more global action is needed if we are to see real progress in conserving shark populations, even here in our own waters.

I hope that I have helped to generate some more sympathy for sharks today. I hope that I have demonstrated their vital role in the marine environment, both in British waters and in all the world's oceans, and have explained why we are all invested in securing their future. "Blue Planet II" has contributed greatly to putting marine conservation at the top of the agenda in this country. I hope that the UK Government will now act to ensure that it is at the top of the agenda all around the world, and that that leads to positive and lasting change for the planet's many endangered shark species.

4.13 pm

The Minister for Agriculture, Fisheries and Food (George Eustice): I congratulate my hon. Friend the Member for Aberdeen South (Ross Thomson) on securing this timely debate. I note that he has had a busy couple of days; earlier today he was in the Chamber introducing his ten-minute rule Bill on pet theft, and he was in the debate when I was in Westminster Hall yesterday.

This is an important debate. My hon. Friend is right that it is wrong to vilify sharks. The truth is that these are wonderful species, and the UK Government have always been a leading and vocal voice for the conservation and protection of our oceans and seas, and of sharks. Whether on fighting to protect whales and dolphins from commercial hunting, safeguarding the world's coral reefs, or driving through new rules to tackle shark finning by requiring all sharks to be landed with their fins still naturally attached to their body, the UK has an impressive track record.

Sharks are one of the most iconic and captivating animals in our seas. They have been on our planet for at least 400 million years, making them one of the oldest vertebrate groups alive. They are a vital part of our ecosystem. They play an important role in maintaining marine biodiversity, and support the livelihoods of millions of people around the world. Yet sharks face a number of threats globally, from loss of habitat to climate change. However, as my hon. Friend pointed out—this is the focus of today's debate—there is no bigger threat than that of unsustainable and poorly regulated fisheries. That is why the UK Government have continued to champion the conservation and management of sharks wherever they are fished.

We do not oppose the capture of sharks in commercial fisheries, but we want to ensure that those fisheries are sustainable, that trade is controlled and that effective conservation measures are in place. That is why the UK focuses its efforts within the international arena, driving forward global improvements through the regional fisheries management organisations, the convention on international trade in endangered species of wild fauna and flora, and the convention on the conservation of migratory species of wild animals.

Data on global catches of sharks is poor, meaning that we simply do not know enough about the magnitude of fishing. It is estimated that between 63 million and 273 million sharks are killed each year in the world's

commercial fisheries. In 2014, the UN Food and Agriculture Organisation reported that, on average, 520,000 tonnes of sharks are landed globally each year, but some experts believe that landings could be three to four times higher.

Looking closer to home, EU member state vessels are responsible for a significant proportion of the catch of pelagic sharks globally each year, mainly blue shark and the shortfin mako shark taken in the high seas. The majority of those are taken by longliners targeting tuna and swordfish in the Atlantic ocean. Although not their target catch, those species represent an important and profitable by-catch to those industries.

The UK is not a big player in those fisheries at all. We have a very small longline fishing fleet operating in the Atlantic ocean that, in 2016, represented less than 1% of the total catch of the sharks. However, that does not stop us having a voice in the matter. We are a strong and vocal proponent for bringing an end to uncontrolled shark fishing through the establishment of scientifically justified catch limits, which are essential in preventing overfishing and avoiding stock collapse.

I want to say a little about the regional fisheries management organisations, because it is through these RFMOs that we are trying to introduce catch limits. One of the most important RFMOs operating in the Atlantic ocean is the International Commission for the Conservation of Atlantic Tunas. Over recent years we have worked very closely with both the EU and civil society organisations to ensure that a strong position is adopted in ICCAT. That has been challenging at times, given that several EU member states are major shark catchers in the region. However, in 2016 we were finally successful in driving through an unprecedented change that established catch limits for the north Atlantic blue shark stock. That was a milestone in managing shark fisheries in the high seas, and set a strong and important precedent. We are now working hard to extend that measure to the southern stock, where there remains some resistance.

At the most recent meeting of ICCAT in November 2017, we were again successful in increasing protection for sharks. Although we managed to persuade the EU to propose a limit on catches for shortfin mako—one of the species mentioned by my hon. Friend—sadly its adoption was eventually blocked by other parties. However, we did not give up. Instead, we helped to secure a compromise, introducing new rules requiring any live shortfin mako caught from the northern stock to be returned unharmed. Again, that represents an important step forward in strengthening the protection of sharks within the RFMOs, but there is much further to go, particularly when it comes to the shortfin mako, and we will not give up our position in future meetings.

We also continue to build pressure to adopt a "fins naturally attached" approach, with no exceptions, following our success to secure the adoption of that policy within the EU. As my hon. Friend the Member for Aberdeen South pointed out, one of the most shameful practices is that of cutting the fins off a shark before tossing the live shark back into the water. We have now secured almost globally the position that that is illegal. The difficulty is often around enforcement. The position that the UK has advocated for many years now, with some success, is requiring fins to be landed with the sharks so that there can be no doubt that the practice has not taken place.

[George Eustice]

We will keep working with civil society organisations to develop that policy further. My hon. Friend mentioned the work of some organisations in this area, notably the Shark Trust. I pay tribute to its work. In 2014 it launched its “No Limits? No Future!” campaign and report. I attended the launch, a year into being in post as Minister. It has continued to make the case for shark conservation and we have continued to support it. We will also continue to work with other EU member states, even after we have left the EU, and with other contracting parties, to build on our successes to date and to press home our sustainability principles, and not just within ICCAT but in all the other RFMOs where we have a presence, notably the Indian Ocean Tuna Commission—we are an active participant by virtue of our Indian ocean territories.

Looking at the wider picture, there is more to shark protection than just high seas management through the RFMOs. We need to look at some of the wider environmental implications. At the start of this year the Government published our 25-year environment plan, which sets a clear commitment to future sustainable fisheries management and our marine environment. Domestic fisheries policy provides an important framework for the protection and management of a number of commercially important shark species. The current common fisheries policy includes landing prohibitions for angel shark, basking shark, white shark, spurdog and porbeagle shark. As we consider future fisheries policy on leaving the European Union, I give the undertaking that we will continue to argue for fishing within sustainable limits and promote the protection of vulnerable shark species.

There are other regional agreements, such as the convention on migratory species and OSPAR, that provide important platforms for co-ordinated conservation action. The UK continues to support efforts within those forums to implement protection that complements fisheries management within the RFMOs. For example, in 2017 the UK was instrumental in securing the listing of blue shark, dusky shark and angel shark on the CMS.

Of course, the final part of the puzzle is trade. Demand for shark products can drive unsustainable practices, which is why we are an active participant in CITES and will continue to be after leaving the EU. On leaving the EU, the UK will become a member of all

those organisations and will be able to build coalitions of the willing in its own right. At the previous two CITES meetings in 2013 and 2016, the UK was heavily involved in successfully securing stricter trade measures for shark, including for oceanic whitetip shark, hammerhead shark, thresher shark and porbeagle shark. The UK Government are also fully committed to the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction. That is why we are committed to a new UN treaty, negotiations on which will commence in September.

Good ocean governance is vital, not only for conservation, but to ensure that the UK benefits from the blue economy. The Foreign Secretary announced that the UK Government will develop an international oceans strategy to ensure that all parts of the Government work together to deliver effective conservation and sustainable economic growth.

Looking ahead to our departure from the European Union—these days, no debate on Department for Environment, Food and Rural Affairs issues is complete without considering the impact of leaving the European Union—there is a great deal that we can be proud of in what we have achieved to date. The UK has been absolutely at the forefront of promoting improved regulation of shark fishing, both in the Atlantic and beyond, and we will continue to do that. We currently play a leading role in shaping the European Union’s approach, but there are some countries that have commercial interests in shark fishing, and that can often blunt our approach, because we have to sign up to a collective EU position.

There is still much more that we can do to end uncontrolled fishing on the high seas. Our exit from the EU, while not dispensing with the need to build coalitions with EU countries, will enable us to build coalitions with other countries, to project our voice in other parts of the world where we have overseas territories and marine protected areas, and to ensure that we can still continue to deliver wildlife conservation and the conservation of sharks.

This has been a fascinating debate. My hon. Friend has raised an important issue that is not debated enough in Parliament. I hope that I have been able to reassure him that the Government take such issues very seriously and are world leaders in promoting shark conservation.

Question put and agreed to.

Child Migration Programmes (Child Abuse)

4.26 pm

Lisa Nandy (Wigan) (Lab): I beg to move,

That this House has considered child abuse in the child migration programmes.

Thank you, Mr Hollobone, for allowing me to shine a spotlight on what I can only describe as a state-sponsored system of child abuse. The former Prime Minister, Gordon Brown, said recently that it was

“bigger in scale, bigger in geographical spread and bigger in the length of time that it went on undetected”

than possibly any other national sex abuse scandal in our history.

For five decades from the 1920s until the 1970s, more than 130,000 children were sent into care overseas in countries including Australia and what was then Southern Rhodesia. Charities, churches and the UK Government participated in the scheme, known as the child migration programmes.

Many of those children were physically and sexually abused. Children as young as 12 were subjected to backbreaking work. Many were psychologically tortured. Some of those children were as young as three years old. They were separated from parents and siblings and many were wrongly told that their families were dead. Children reported being abused in institutions in England before they were then abused again in institutions in the countries that they were migrated to. They were abused by staff, by visitors and by other children. Some were also abused in transit. I will briefly share two of their stories. It is impossible to understand the full horror of this period in our history without hearing some of what happened. I apologise in advance, because it is extremely distressing.

Marcelle O’Brien was only four years old when she was migrated to Australia by Fairbridge. She was bullied. She was locked in cupboards. She was mentally abused. She was sexually assaulted and repeatedly raped by a succession of men. Like so many others, she continued to live with the horror of what had happened until well into adulthood, suffering mental breakdown and periods of manic depression. It was only when she found the Child Migrants Trust that she felt able to talk about what had happened.

Michael O’Donoghue recounted his horrific experiences at the hands of Christian Brothers in Clontarf in Western Australia. He was beaten. He was raped. He endured electric shock treatment. Along with 15 other children, he was forced to watch their pet horse murdered in front of them on what was known as “special punishment day”—one of a series of regular collective punishment days that those children had to endure.

What has since emerged is how many warnings were overlooked, ignored and covered up. For decades, successive Governments ignored those warnings and continued to send children to harm.

John Howell (Henley) (Con): The hon. Lady is telling some very powerful stories. Has she come across the Lanzarote convention, which was produced by the Council of Europe and signed by the British Government in March, and is she aware of the work the Council of

Europe has been doing to highlight the problem of child abuse among refugees? I think that would help her case enormously.

Lisa Nandy: I am very grateful to the hon. Gentleman for attending this debate and for raising that point. One of the reasons why it was important for me to bring this issue to the House for the first time for a full debate is that many Members have a strong interest in this area and in pursuing justice for the affected families. It is important that those suggestions are heard, and I hope the Minister has heard them.

Like Marcelle O’Brien, many of those who survived that horrendous period are still living with the consequences. Four years ago, the Prime Minister—then the Home Secretary—commissioned an independent inquiry into child sexual abuse. MPs from various parties, including me, welcomed that decision. The inquiry’s first full report is on this subject, and it is damning.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on bringing this issue to Westminster Hall. It is a pity that there are not more Members here to contribute, but I commend her for leading the charge. Does she agree that, given that every child migrant was exposed to an equal level of risk due to the failings in the system she has referred to, they must all be entitled to an equal level of redress?

Lisa Nandy: I am grateful for the hon. Gentleman’s interest in this issue. Although I agree that it would be great to see more Members of Parliament in the Chamber, one of the problems is that this issue did not get the coverage or attention it deserves until relatively recently. I hope that by bringing it to the House, I will help more Members to understand what is happening and more survivors to come forward so we can start to see action, which is long overdue. The hon. Gentleman makes a very important point: the report recommends equal compensation for equal risk. I have no desire to see survivors and victims have to prove what happened to them and recount those horrific stories again. The report was absolutely right to make that recommendation, and I would be grateful if the Minister could respond to it.

I mentioned the first full report from the wide-ranging, comprehensive inquiry into child sexual abuse. It acknowledges the role of churches and charities in causing harm to children, but it concludes that the British Government were primarily to blame for the continued existence of child migration programmes after the second world war. They failed to act, even when warned about allegations of sexual abuse. The report is devastating in its conclusion that

“the main reason for HMG’s failure to act was the politics of the day, which were consistently prioritised over the welfare of children.”

The Government did not want to risk their relations with Australia or to offend the voluntary societies that participated in the scheme. Ministers in successive Governments were cowed by the patronage and power of those who were involved in the schemes.

Despite that, the children were stronger. The truth began to emerge more than 30 years ago, thanks to their determination and courage. Even in the face of their bravery, successive Governments failed to accept responsibility. As the current Government recently

[Lisa Nandy]

acknowledged, the UK Government continued to maintain that it was a matter for the Australian Government until well into the 2000s. It is only because of the Child Migrants Trust, led by Dr Margaret Humphreys, who has rightly been described as the “conscience of Britain” on this important human rights issue, and a number of brave and persistent survivors here and across the world, many of whom will be watching this debate with interest today—some have had to stay up quite late to do so—that this became a matter of public attention that is still being pursued now.

The report of the independent inquiry into child sexual abuse was published four months ago. It recognised the importance of the public apology made by Gordon Brown in one of his last acts as Prime Minister, and of the family restoration fund, for which he and Andy Burnham, the then Health Secretary, found £6 million, and which has enabled more than 1,000 people to be reunited with their families. The current Government have since announced an additional £2 million for that fund, for which I am grateful. It is very welcome. I will return to that subject in a moment.

The report made just three recommendations: that the sending institutions that have failed to apologise publicly and in person to the children abused in their care do so; that all institutions that sent children abroad put in place robust systems for retaining and preserving easily accessible records of individual child migrants; and, finally, that adequate financial redress be made to the more than 2,000 surviving former child migrants. It also made it clear that this is urgent—many have died and others are dying, and it was unequivocal that the scheme must be up and running within 12 months.

In the four months since that urgent, devastating report was published, the silence from the Government has been deafening. Confusion about which Department is responsible has reigned. The Home Office made a short statement in March, when the report was published. The Department of Health and Social Care later responded to written questions. After four weeks of back-and-forth between those two Departments, I resorted to raising a point of order in the Chamber. In response, I was told that I could seek to raise the matter with the Prime Minister, which I did. I had to resort to going to the Prime Minister a month after the report was published just to get clarity from the Government about which Department is responsible. Four months on and multiple attempts later, the Government are still no clearer about their response and have still not told us when it will be made.

I am not the only one who has hit this brick wall. The Australian law firm Hugh James, which acts for former child migrants, shared with me a letter it sent to the Health Secretary. It said:

“We hand delivered a letter concerning this matter to the FCO on 26 April 2018. We served the enclosed letter on the Prime Minister’s Office on 29 May 2018. On 5 June 2018 we were informed by the Prime Minister’s Office that both of our letters were passed to your department. We are disappointed we are yet to receive a response from you and we ask you to contact us as soon as possible.”

That was two weeks ago. I ask the Minister, when will that firm get a reply on behalf of those former child migrants?

I want to say something really serious to the Minister today. The Child Migrants Trust tells me that, in the time that the Government have sat on the report, 10 former child migrants have died. Ten people died not knowing whether the Government will now draw a line under one of the darkest periods of our history, and whether they are committed to truth, redress, justice, and learning lessons to ensure this never happens again. That is the legacy those people deserve. Still now, the state, which did so much harm to them at the beginning of their lives, continues to do harm to them all the way through until their death. That cannot go on.

Will the Minister explain the reason for the delay within Government? Will she assure us that this is now the highest priority and is being dealt with a matter of urgency? As well as being a clear question of justice, this goes to the heart of whether any of us can have confidence in the child sex abuse inquiry that the Prime Minister established. She told the House when she set up the inquiry that she believed it to be essential that the lessons that come out are not only learned but acted upon. As the Minister knows, the inquiry has been beset by problems since. It has been through four chairs and has faced serious allegations of misconduct. It has cost £64 million so far—the costs are rising—and has lost the confidence of many victims’ and survivors’ groups, which have walked away over that time. Many, however, continue to invest time and energy in the inquiry, because they hope that it will make a difference. That first report must have been a sign of encouragement to them that the inquiry would not shy away from asking the difficult questions and telling the truth.

Now the Government must show that they are serious about taking action, and get on with doing so. It has been four months, and at least 10 people have died in that time, so will the Minister tell us today, do the Government accept the report’s three clear recommendations? If she cannot tell us today, will she at least commit to a full and formal response to the report before the summer recess? That request comes directly from child migrant groups, and I would be grateful for a clear answer.

The inquiry made huge progress in ensuring that apologies were made. Many organisations, including the Children’s Society, where I once worked, took the opportunity afforded to make a welcome but long-overdue apology. Will the Minister tell us, however, what progress has been made to ensure that the records are kept and made available? I have been told that the Prince’s Trust—it took over Fairbridge, which was involved in the child migration programmes—has not yet made all its records available. Have the Government contacted the agencies listed in the report to ensure that such measures are in place? What has been the response of those agencies? If the Government have not yet done that, will she commit today to doing so?

What progress has the Minister made on the question of financial redress? Has she assessed the numbers of those who might qualify? Has she done a scoping exercise to determine potential costs? In the past four months, what discussions have the Government had with the independent inquiry into child sexual abuse and the Child Migrants Trust about implementing the recommendations? Does she accept the principle, mentioned

by the hon. Member for Strangford (Jim Shannon), of equal compensation because children were exposed to equal risk?

Let me compare the UK Government's response and their position with Australia's. In December 2017, a royal commission in Australia published the results of its five-year investigation into child abuse and recommended a national redress scheme. Within two months the Prime Minister had responded and set a deadline of 1 July. Legislation was fast-tracked through Parliament last month, and the scheme began accepting applications on Sunday, as promised. The scheme offers not only monetary payments but access to counselling and a direct personal response. Survivors who are elderly or ill will be fast-tracked but, in any case, the promise has been made that claims will be processed within weeks. Redress payments will not be taxed. The average payment is expected to be about 76,000 Australian dollars, which is about £42,000 in our money.

Surely it should shame us that the country the child migrants were sent to is responding, but not the country that sent them there—the country that was responsible for their care and welfare at the time. How can it be right that the Australian Prime Minister can respond to a report with 409 recommendations in only two months, but our Prime Minister cannot respond to a report with only three recommendations in more than double that time? Has the Minister made contact with Ministers and officials in Australia to understand how they established that scheme and to learn the lessons? Will she tell me today that the Government at least accept the principle of financial redress? Will she confirm that a scheme will be up and running by March next year, as per the IICSA's recommendation?

The Minister is aware that when Gordon Brown made a formal apology in 2010, the full extent of the abuse was not known. He and many of the survivors therefore believe that a full apology is overdue. In this matter, I have to disagree with the conclusion of the independent inquiry's report—not to recommend a further apology—because the harms caused by the migrant programmes are many and complex. That is why it matters that we recognise not simply the harm done to children by separating them from their families and countries, but the additional sexual, physical and emotional abuse laid bare so starkly by the report and the harm of our failure to confront it over successive Governments and many decades. Will the Minister commit to that today, or at the very least provide us with a date by which time the Prime Minister will respond to that specific request?

Another pressing need is a commitment to continue the family restoration fund beyond 2019. One thousand people remain to be reunited with their families, and there is a waiting list. I welcome the Government's commitment so far, and the £2 million that they made available to the fund, but its continuation is of central importance. Many of the mums and dads of the former child migrants went to their graves not knowing what had happened to their children or even whether they were dead or alive. They never found out that they had become grandparents, and they never saw or got to hold their children ever again.

The family restoration fund has enabled some of those deep wounds at least to start to heal, and important work remains to be done before it is too late. The

Minister knows, as I do—as we all do—that many of the former child migrants have died and that others are seriously ill and dying. Every day counts. The fund will enable nothing less than a restoration to families of the rights stripped away from them many decades ago. Will she give us a commitment that the fund will be continued until all the former child migrants have been able to seek to be reunited with their families?

This has been one of the most shameful episodes in British history. For 30 years we have known about the scandal but failed to act. The harm that was done then is compounded by our knowledge that it continues to cause harm to people in this country and across the world, yet still nothing is done. The secretary of the International Association of former Child Migrants and their Families, Harold Haig, put it movingly when he said on the day of the formal apology by Prime Minister Gordon Brown, that

“our thoughts are with those child migrants who have died and particularly those who ended their lives because the wounds were too deep and too painful”.

At least 10 people have died that we know of since the report was published four months ago. I hope that the Minister will tell us today that no more will die suffering harm from the British Government, and that we shall finally deal with one of the darkest periods in our history.

Mr Philip Hollobone (in the Chair): Lisa Nandy will have some minutes at the end of the debate to sum up. I call John Howell, but, in doing so, given all the blowers on in the Chamber this afternoon, I stress the need for the hon. Gentleman to raise his voice, so that I can hear and, more importantly, so that *Hansard* can record his words faithfully.

4.47 pm

John Howell (Henley) (Con): Thank you, Mr Hollobone. Am I sufficiently loud for you?

Mr Philip Hollobone (in the Chair) *indicated assent.*

John Howell: Great. Let me keep it at that level and say what a pleasure it is to serve under your chairmanship, Mr Hollobone.

I wanted to pick up on my intervention, which the hon. Member for Wigan (Lisa Nandy) kindly took, and to raise an issue that has troubled us greatly at the Council of Europe. We are members of the Council of Europe and we shall still be so after Brexit. It is an important body. The convention that I mentioned is the convention on the protection of children against sexual exploitation and sexual abuse, which is known colloquially as the Lanzarote convention.

The convention is important because the one thing that it requires above all is the criminalisation of sexual offences against children. It requires countries that have signed it to ensure that they have in law the necessary criminalisation of such sexual offences. It applies to Europe and to states beyond Europe. Its purpose is to protect child victims and to ensure that perpetrators are prosecuted. Those two things go together well. Forty-seven members of the Council of Europe have signed the convention—there are only 47 members of the Council of Europe, so all members have signed it—and 44 have ratified it. I think we ratified it in March this year.

[John Howell]

We are very concerned about the sexual abuse of child migrants. If the hon. Lady looks at the Council of Europe website, she will see a huge raft of discussions and papers that have been produced on this subject, which will contribute strongly to her case. We have approached this from a human rights position, trying to protect the human rights of the children involved. The Council of Europe is the premier human rights organisation in Europe. What came out of the production of the convention was that this should be a political priority in every country that has signed and ratified the convention.

I leave that as an explanation of my earlier intervention on the hon. Lady and of how this may help. It is also an indication to the Minister of how we are actively pursuing a line, in association with our Council of Europe colleagues, of taking this matter further.

4.51 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. I sincerely congratulate the hon. Member for Wigan (Lisa Nandy) on securing the debate.

This is a distressing and shocking subject that has not had the attention that it deserves since the IICSA report in March. She has done us and, more importantly, the victims of this appalling treatment a good service by bringing it to the House, ensuring that what happened in the child migration programmes is spoken about in Parliament and ensuring that action is taken to redress the grave injustices. I thank the hon. Member for Henley (John Howell) for highlighting the significance of the Lanzarote convention. I am not particularly au fait with it and will have to consider it further.

I agree that the IICSA report was comprehensive in its investigation of these programmes. It was thorough and thoughtful, and its conclusions entirely reasonable. I support the calls made today for the implementation of its key recommendations. Like the hon. Lady, and as a member of the Home Affairs Committee, I had considerable concerns about how the inquiry was operating in its early days. This report is a sign of encouragement for victims and it gives us an indication that the inquiry has got its act together and will be able to carry out the function that was intended for it.

Similarly, we should not forget the inquiry established by the Northern Ireland Executive into historical institutional abuse, which was chaired by Sir Anthony Hart. Its report contained a very thorough chapter on the child migrant programme that saw children from Northern Ireland sent to Australia. In Scotland, the work of the child abuse inquiry under Lady Smith is to include a specific investigation on child migrants, and work is under way to identify those who may have suffered abuse in Scotland or after being sent abroad.

The reports from the IICSA and Northern Ireland acknowledge that there must be some caution in criticising 20th-century conduct through the lens of the 21st century. Some people quite clearly did believe that migrating children was right, whether because of misguided beliefs about safeguarding the child's moral or religious wellbeing, removing the child from danger or being economically sensible, or because it was thought that there was a need—believe it or not—to populate the empire with

white British stock. As the reports make clear, even looked at by the standards of the time, the programmes were shockingly ill-conceived and the actions and supervision fell drastically short of the expected standards. Concerns about the programmes were repeatedly ignored and little effort was made to ensure that the children “exported” were safe.

The pattern that emerges in the reports is similar. Many had already suffered forms of abuse in institutions on these shores. The process of selection itself was a form of abuse. Overwhelmingly they were being separated from family and they were often lied to about what had happened to their family members or even their own identity. The views of the children and their parents were ignored. Many were abused in transit and many more were abused on arrival in Australia and other destinations. Thousands of children suffered that fate.

Both the IICSA and the Northern Ireland inquiry reports remind us that there is no substitute for the testimony of those who were put through this awful process—we have already heard that from the hon. Lady. It is only because of the courageous testimony of survivors that their reports are so thorough and comprehensive. I pay tribute to all those witnesses and to the Child Migrants Trust for supporting them through the process.

The Northern Ireland report highlighted this particular passage as typical of what all survivors of this process would say:

“We were exported to Australia like little baby convicts. It is hard to understand why they did it. I know the theory—to populate Australia. I still cannot get over the fact that I was taken away from a family I never got the chance to know. I was treated like an object, taken from one place to another. I found it very hard to show affection to my children when they were young. I have improved as the years have gone on. I have a nightmare every night of my life. I relive my past and am happy when daylight comes.”

That witness died before he could sign his witness statement, which emphasises the hon. Lady's point about the urgency of a response from the Government, especially in the light of the 10 deaths since the IICSA report.

As has been said, successive Governments were outrageously slow to respond. The hon. Lady already emphasised the IICSA's conclusion, which states:

“it is the overwhelming conclusion of the Inquiry that the institution primarily to blame for the continued existence of the child migration programmes after the Second World War was Her Majesty's Government”.

The programmes were

“allowed by successive British governments to remain in place, despite a catalogue of evidence which showed that children were suffering ill treatment and abuse, including sexual abuse.”

That continued even after the damning Ross report of 1956. It is stomach churning to read in the IICSA report that that was because, as the hon. Lady said, politics trumped child welfare. I quote it again:

“HMG was reluctant to jeopardise relations with the Australian government...and also to upset philanthropic organisations... Many such organisations enjoyed patronage from persons of influence and position, and it is clear that in some cases the avoidance of embarrassment and reputational risk was more important than the institutions' responsibilities towards migrated children.”

Lisa Nandy: One of the things that is important to many former child migrants is that this never happens to children again. The story that the hon. Gentleman

tells, of a Government cowed by the power and the patronage of those involved, is a story that quite honestly could be repeated today. We have seen it time and again throughout history. That is why it is so important that we get a full formal response to this report from the Government. The inquiry was set up to learn the lessons from history, to make sure this never happens again. I fear that we are not doing that. Does the hon. Gentleman agree that it would be really helpful for the Minister to respond specifically to that point when she replies?

Stewart Malcolm McDonald: I absolutely agree and I look forward to hearing the Minister's response.

On compensation payments, both the Northern Ireland report and the IICSA report recommend compensation for those sent abroad on the child migration programmes, over and above the compensation they might receive for other wrongs and abuse suffered. The Northern Ireland report says that would be in recognition of

"the injustice they suffered as young children by being sent to a far away land and losing their sense of identity as a result".

Similarly, the IICSA recommends a redress scheme for all surviving former child migrants, with each awarded the same sum in recognition that they were all

"exposed to the risk of sexual abuse".

Because of the age of the surviving migrants—there are 2,000 or so alive today—the IICSA report rightly suggests that the scheme be established urgently, so that payments can be made within 12 months. None of that should interfere with or affect any other forms of ongoing support that are being provided.

This was a truly appalling episode in British history and it will be until we have resolved it. The Government must do what is right by the survivors and other children, and compensation should be paid urgently as per the recommendations of the inquiries.

4.58 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank my hon. Friend the Member for Wigan (Lisa Nandy) for securing this very important but long-awaited debate, for her excellent speech and for her campaigning on this issue for many years.

I pay special tribute to Dr Margaret Humphreys for bringing this terrible issue into the public domain back in 1987—more than 30 years ago—and for her work and campaigning ever since with the Child Migrants Trust. Having been let down, it has to be said, by successive Governments, her work has changed the lives of so many families for the better. The bonds that families have made, having been reunited, are irreplaceable and she has played a huge part in that. I know that they all thank her deeply.

I also thank the hon. Members for Henley (John Howell) and for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) for taking part in the debate.

I pay tribute to those who have been affected by the child migration programmes and echo the words of the former Prime Minister, Gordon Brown, who in 2010 said:

"To all those former child migrants and their families...we are truly sorry."—[*Official Report*, 24 February 2010; Vol. 506, c. 301.]

The stories we have heard in the debate and over the years have been incredibly moving and heartbreaking. It is inconceivable that over several decades more than 130,000 British children, some as young as three years old, were deported from UK children's homes and their families without consent, and sometimes even without their parent's knowledge. That was despite concerns being raised about how those children were being treated not only while abroad but on their journey, including, as we have heard, physical, emotional and sexual abuse. They were also completely dehumanised by having their names and birth dates changed, and even by having any records they had destroyed.

These children did not have regular access to basics such as food, water, shoes and underwear. It is important to remember that they were just children and they had done absolutely nothing wrong to find themselves in that position. They were taken away from their homes to a foreign country where all around them were strangers, and almost all were perpetrators. It is no wonder they were intimidated and scared even to speak out about how they were being treated. My heart truly aches for those victims, and I am sure the Minister's does too.

It is now time for the Government to take action. There have been many opportunities for successive Governments to take action over the years, but sadly they have all been missed. In March this year, when the report of the independent inquiry into child sexual abuse was published, the Government had another opportunity to take action. Four months on, the Government risk missing yet another opportunity to make a change.

It is thought that about 2,000 former child migrants are still alive today, but they cannot afford to wait much longer. The report recommended that financial redress payments should start being made within 12 months, so the Government have only eight months left to take action. When will they publish a formal response to the report? Will the Minister ensure that that is done before the summer recess?

As has been mentioned, many of these children had their records destroyed, so how will the Government ensure that everyone who was affected receives justice and recognition? Similar to the Windrush scandal, we cannot allow victims to go without justice just because they do not have the documents to prove it, especially when those documents were destroyed by the parties involved on an industrial scale.

The victims have suffered for too long at the hands of successive Governments who made the choice to turn a blind eye. The last Labour Government recognised the victims and apologised to them, but will this Government take steps to grant financial compensation to victims and their families, as recommended by the recent inquiry report? Will they take steps to ensure that siblings and other family members who were separated because of the programme are reunited here in Great Britain?

Gordon Brown said in 2010 that

"successive governments have failed in a duty of care".

These victims have been let down all their lives. The Government now have the power to address those decades of failure, and I hope they do so very soon.

5.4 pm

The Parliamentary Under-Secretary of State for Health and Social Care (Jackie Doyle-Price): It is a pleasure to serve under your chairmanship, Mr Hollobone.

I thank the hon. Member for Wigan (Lisa Nandy) for securing the debate. It is difficult for me to disagree with anything she said. It is four months since the report came out and, dare I say it, we are all a bit distracted by the soap opera that is Brexit, which means that on some of these issues the eye has been taken off the ball. One reason I am grateful to her, therefore, is that this debate helps me to focus some of my colleagues' minds. She alluded to the fact that this issue affects not just my Department and that we need agreement across Government. I thank her for the opportunity to say where the Department of Health and Social Care is on the issue.

I am pleased to hear that some of the child migrants are watching the debate with interest. I would like to convey to them that we are taking this seriously and will respond to the issues raised in the report. I thank the hon. Lady for showing such interest and passion in speaking on their behalf, because they deserve our support.

I do not think anyone in the Chamber disagrees that the child migration policy was so misguided and harmful and caused such suffering and distress. For us as Members of Parliament in the 21st century, it beggars belief to think that any British Government could think that was a reasonable policy. It clearly caused great suffering and distress to children, who should be protected by institutions of the state. It is crucial that we learn from the mistakes of the past in order to protect and safeguard future generations of children from abuse.

We should never be complacent. We have seen with the likes of Savile how organisations can collude to protect themselves from the worst kinds of allegations, and that continues to this day. Only last week we heard about Gosport, where there was massive collusion on real harm, which causes such distress. All citizens require our support as Members of Parliament to make sure that never happens again.

The hon. Lady told the most harrowing stories, perpetrated by organisations that purport to be Christian, and we heard many examples of cover-ups of abusive behaviour towards children, which I sincerely hope will be further highlighted by the child abuse inquiry. The hon. Member for Washington and Sunderland West (Mrs Hodgson), who spoke from the Opposition Front Bench, used the term “dehumanising,” which conveys exactly what we are talking about. That is what was done to those children.

We are four months on from the publication of the report, which asked that we take action within a year, so there are eight months to take action. I would like us to give a formal response much sooner—I intend to do so before the summer recess, as everyone has asked. Perhaps in some respects it will be useful to reflect on the points made in this debate for that formal response. All the questions that hon. Members have asked deserve to be answered as part of that, so I thank them for making those points.

Lisa Nandy: I would be grateful if the Minister addressed the two additional requests I made, which former child

migrants have also made: for a full apology for the extent of the abuse we now know about; and for the further funding required for the family restoration fund.

Jackie Doyle-Price: We will indeed consider that. As the hon. Lady will be aware—she alluded to this—we are supportive of the family restoration fund and continue to work with the Child Migrants Trust to ensure that we are supporting that work as effectively as possible. Ultimately, we cannot apologise enough for what we have put these people through. We will pick that up as part of the response.

I talked about how institutions collaborated to cover up harm generally. That is why the independent inquiry into child sexual abuse is so crucial, and why we need to look at historical abuse as well as more recent events; otherwise, we will end up turning a blind eye to the same behaviours. As the whole House knows, this is very much an interest of the Prime Minister. She established the inquiry and she wants to shine a light on all such practices so that we can genuinely protect people from sexual abuse in future. Only by getting to the truth and exposing what went wrong in the past can we genuinely learn those lessons. We have now given a voice to victims and survivors. We have given them a chance to tell their stories, which will enable them to start moving on and to draw a line under the suffering that institutions of the state allowed to happen.

As we have heard, the number of children who were migrated is significant: 130,000 in total and 9,000 since the war. As the hon. Lady says, 2,000 of them are still alive today. The intention was well-meaning, but we know that, despite the good intentions, many children suffered terrible emotional, physical and sexual abuse. As she says, although it happened far from our shores, the fault does not lie entirely with overseas Governments. Having established the policy, we owed a duty of care to those people.

As has been mentioned, some children were sent from this country without their parents' knowledge or consent and without any necessary approval. The obliteration of individual rights in such circumstances is truly abhorrent, and it shocks me that Great Britain, the mother of the free, could behave in this way to any one of its subjects. It is utterly shocking. We know that some parents were even told that their children had died, when in fact their names had just been changed when they were sent abroad. That is totally unthinkable.

It is right that the child migration programme was captured by that inquiry and very important that we looked at it as a matter of urgency, given the age of some of the survivors. All hon. Members will know that the Department of Health collaborated fully with the inquiry, as it did with all other investigations. We responded to all requests for information and gave full access to our files and records, as well as giving comprehensive evidence to the inquiry hearings.

The hon. Lady will also be aware that the inquiry heard harrowing testimonies from former child migrants. She has referred to some of those stories today. Essentially, everyone turned a blind eye to allow the conditions for that abuse to flourish. It is quite right that the inquiry concluded that systematic hardship and abuse did indeed occur as part of the programmes, and that insufficient protection and safeguards meant that they were allowed to continue for far too long.

The physical and emotional damage in childhood has had a lifelong negative impact on many former child migrants. I know that those watching today will agree that some still struggle to overcome their experiences, which continue to blight their lives and those of their families—not to mention the health consequences. I hear the hon. Lady's message that since the report was published we have lost a further 10 survivors. That underlines the case for our responding to the report as soon as possible, and I give her my undertaking that I will do my level best to get that out as soon as possible.

One thing that we are grappling with within Government is whether there are issues of precedence in how we address the recommendations of the report. In particular, given the breadth of what the inquiry will be looking at, we have to be careful how we pitch it. That discussion is taking place at the highest level among Ministers. The spirit in which we established the inquiry will be ruined if we do not take those discussions seriously. I convey that message to all hon. Members. In her speech, the hon. Lady referred to a letter from solicitors pending legal action. I have seen that correspondence and it is receiving attention, so I can give her that assurance too.

I appreciate that I am not giving the answer that hon. Members would like, because they are all rightly impatient for the response. I hope that they will accept that we are carefully considering the report's recommendations and are committed to responding as soon as we can, given the advanced age and declining health of the people we are talking about. Frankly, that is the only way to avoid neglecting them further. We should not shy away from our responsibilities now and there should be no dispute about the Departments that are responsible. The Department of Health and Social Care and its predecessor Departments have led the Government on these issues since they were first identified by Margaret Humphreys in the 1980s. I add my voice to those who have paid tribute to her today. She provided the challenge that made us all face up to what went on in our name in the past.

To conclude, the work of the child sex abuse inquiry brings to our attention the need for change in our approach to child sexual abuse. We should never turn a blind eye. We should always listen. We must also acknowledge that, since the moment when Gordon Brown first apologised for the treatment of child migrants, successive Governments have ensured that we have done our best to support and do right by them. The cross-party formal national apology to child migrants in 2010 was testament to how committed we all are across the House to righting some of the wrongs of the child migration programmes in a way that is meaningful to child migrants themselves. It is what they told us they wanted.

As the hon. Lady said, we have funded the Family Restoration Fund, which has funded around 1,200 trips to reunite families and rebuild family ties. It is important that we continue to support that work and to work with the Child Migrants Trust to deliver it.

Finally, I will say some last words to the former child migrants who, despite enduring such a damaging start to their lives, have managed with great courage to overcome their past and to positively shape their future. We owe it to them to learn the lessons of the past, and the inquiry's work is designed to do that. I do not think that anyone can pay sufficient tribute to their stoicism and courage in moving on and shaping their lives—but they are quite right to remind us how we failed them.

I wish again to thank the hon. Lady for securing the debate, and I thank all hon. Members who have contributed to it. We will note the points that have been made as we develop our response to the child migration report, which I hope to share with everyone in the not-too-distant future.

5.16 pm

Lisa Nandy: I thank all hon. Members who have taken part in the debate, and I thank the Minister for her honesty in how she has approached this, given the serious delays and their impact, which we have discussed. I thank her, too, for her personal assurances on this matter; I believe they are genuine and I am encouraged by that. I hope that others listening to the debate will also be encouraged. I am particularly grateful to her for committing to a formal response before the recess and for considering the additional requests that I made during the debate.

Given the importance of this subject and the fact that it was the British state that caused this harm and continues to cause this harm, I hope that the formal response will also be made as a statement in the House, so that colleagues have the opportunity to question Ministers about it and it is given the prominence by Government that it deserves. When this matter was finally given to the Department of Health to respond to, there was a concern—and it remains—that the fact that the Department was historically responsible for child welfare but is no longer might mean there would be delays and that due expertise would not be brought to bear. I am grateful to the Minister for recognising that this is a cross-party issue that demands attention at the highest levels, from the Prime Minister and Cabinet colleagues.

We will not let this go. It was one of the darkest periods in British history, and it affected not just those former child migrants, but their families. They deserve redress; they deserve a full apology; and all of them, whether they are alive today or not, deserve a legacy of ensuring that this never happens to another child.

Question put and agreed to.

Resolved,

That this House has considered child abuse in the child migration programmes.

5.19 pm

Sitting adjourned.

Written Statements

Tuesday 3 July 2018

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Agriculture and Fisheries Council

The Minister for Agriculture, Fisheries and Food (George Eustice): The Agriculture and Fisheries Council took place in Luxembourg on 18 June. I represented the UK.

The main focus of the Council was fisheries items. The most substantive of these was a presentation by the European Commission on the implementation of the common fisheries policy (CFP). Commissioner Vella outlined the main aims for 2019: reaching maximum sustainable yield targets, fully meeting the landing obligation, and implementing the Baltic and North Sea multi-annual plans (MAPs). There was an exchange of views among member states. The UK reiterated its commitment to the landing obligation and spoke of the need for pragmatic solutions to prevent choke problems in 2019.

The Netherlands gave a presentation to highlight a recent report from the International Council for the Exploration of the Sea (ICES) about pulse beam trawling. Member states agreed that more research was needed. The UK drew attention to original research being carried out by the Centre for Environment, Fisheries, and Aquaculture Science (CEFAS), whose report is due in 2019.

There was a presentation by the Commission on a new proposal revising the control regulation. The presentation raised the possibility of increased electronic reporting and satellite control as well as greater oversight of the recreational fishing sector. Member states voiced concerns about the practicalities and costs of these changes, especially the introduction of CCTV.

The Commission also gave a presentation on a regulation on the European maritime and fisheries fund (EMFF), covering the period 2021-27, outlining its intention to give member states more flexibility in managing the fund. Member states welcomed the offer of greater flexibility but requested further discussion about the fund's budget and administration.

The most substantive item for agriculture was a presentation by the Commission on reforms of the common agricultural policy after 2020. Member states expressed a range of views, with some of them concerned about planned budgetary cuts. Member states agreed on the importance of achieving real simplification. The Commission signalled further discussion on this topic and welcomed further constructive recommendations from member states.

The Commission also gave an update on the agricultural market situation, giving a generally positive assessment of the health of EU markets.

Six further items were discussed under "any other business":

the Slovenian delegation gave a presentation on their UN initiative "World Bee Day";

the Polish delegation presented on the situation in the pig meat market;

the French delegation presented on the disposal of skimmed milk powder stocks;

the Cyprus delegation gave information about the decreasing availability of water for agriculture in Cyprus;

the Spanish delegation provided information about anti-subsidy and anti-dumping duties against Spanish table olives by the US authorities;

the Hungarian delegation delivered a joint declaration of the Visegrad, Baltic, and Balkan member states about a shared initiative in agriculture, forestry, and aquaculture research, "BIOEAST".

Until the UK leaves the European Union, the UK remains a full member of the EU and all the rights and obligations of EU membership remain in force. The outcome of our negotiations with the EU on the future partnership will determine what arrangements apply in relation to EU legislation in future.

[HCWS820]

TREASURY

ECOFIN

The Chancellor of the Exchequer (Mr Philip Hammond): A meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Luxembourg on 22 June 2018.

ECOFIN was preceded by a morning meeting of the EIB board of governors.

Annual EIB board of governors meeting

The EIB board of governors meeting included a speech by EIB President Werner Hoyer, a governors discussion on the future direction of the bank, reappointment of the board of directors, and approval of the audit report.

At ECOFIN, EU Finance Ministers discussed the following:

Early morning session

The Eurogroup President briefed the Council on the outcomes of the 21 June meeting of the Eurogroup, and the European Commission provided an update on the current economic situation in the EU. Following this, the Council discussed the next multiannual financial framework, and France and Germany reported on the outcomes of the Franco-German summit on 19 June.

VAT "quick-fixes"

The Council discussed the presidency compromise text in regards to the directive on harmonising and simplifying certain rules in the VAT system and introducing the definitive system for the taxation of trade between member states; the regulation regarding certain exemptions for intra-community transactions and the regulation regarding certified taxable persons. The Council was unable to reach agreement on a general approach.

European deposit insurance scheme

The Council took note of the presidency progress report on the European deposit insurance scheme.

Current financial services legislative proposals

The presidency provided an update on current legislative proposals in the field of financial services.

Insolvency directive

The presidency provided an update on the insolvency, restructuring and second-chance directive.

National reform programmes 2018

The Council approved the 2018 country-specific recommendations as part of the European semester process.

Implementation of the stability and growth pact

The Council adopted Council decisions and recommendations in the context of both the excessive deficit procedure and the significant deviation procedure, also part of the European semester.

Convergence reports

Also as part of the European semester, the Commission and the European Central Bank presented the annual convergence reports.

[HCWS824]

Senior Managers and Certification Regime**The Economic Secretary to the Treasury (John Glen):**

The senior managers and certification regime (SM&CR) will come into force for financial services firms regulated by the Financial Conduct Authority only (also known as solo-regulated firms) from 9 December 2019.

The SM&CR is aimed at changing behaviours and culture in the financial services sector. It ensures that senior individuals in firms are approved by the relevant regulator, have a statement of responsibilities outlining what they are accountable for, and can be held personally responsible for misconduct. It also ensures that a code of conduct is set out for all financial services staff, and that employees in roles where they could do significant harm to consumers or to the UK's financial stability are approved annually by their firm.

The SM&CR was first introduced for banks and building societies through the Financial Services (Banking Reform) Act 2013 and has applied to banks, building societies, credit unions, investment firms and UK branches of foreign banks since March 2016. The Government also legislated in the Bank of England and Financial Services Act 2016 to extend the SM&CR to all financial services firms. The Government recently announced the SM&CR would apply to insurance firms from 10 December 2018. The application to solo-regulated firms is the final stage in the extension of the SM&CR.

HM Treasury will make commencement regulations to bring the regime into force for solo-regulated firms.

[HCWS823]

EXITING THE EUROPEAN UNION**EU Withdrawal Act: Publication of Statements**

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Steve Baker): The Withdrawal Act requires statements of the "good reasons" for creation of and penalties for any criminal offences under the key powers in the Act. On 25 April the Baroness-in-waiting, Baroness Goldie, committed that these statements would be made available to Parliament before any SI which creates a criminal offence is laid before Parliament. The mechanism for ensuring this has been agreed and, in line with that commitment, I am making this statement

to inform Members that those statements will be deposited, before the SI is laid, in the Libraries of both Houses where they will form a document series deposited under the commitment in this statement.

[HCWS821]

WOMEN AND EQUALITIES**LGBT Equality Government Publication**

The Minister for Women and Equalities (Penny Mordaunt): In July last year, the Government launched a national lesbian, gay, bisexual and transgender (LGBT) survey, which asked LGBT people about their experiences of living in the UK.

I am pleased to be publishing both the Gender Recognition Act consultation and the survey findings today. I am also publishing a LGBT action plan, which sets out the Government's policy response to the survey results.

The national LGBT survey received over 108,000 responses, making it the largest national survey of LGBT people conducted in the world to date. Responses covered a range of issues, including safety, health, education and the experience of being LGBT in the UK. The findings will serve as a crucial additional to the evidence base. While there were many positives to take from the findings, they also show that there is more to do before we achieved equality for LGBT people in the UK.

The LGBT action plan contains more than 70 actions that the Government will take in order to address the survey findings. These include the appointment of a national LGBT health adviser within the NHS to tackle the health inequalities that LGBT people face, the extension of the existing anti-homophobic, biphobic and transphobic bullying programme and a commitment to end the practice of conversion therapy in the UK. This plan will be supported by the provision of £4.5 million from within existing Government Equalities Office budgets in 2018-19 and 2019-20. I want this plan to be delivered by the end of this Parliament and funding beyond 2019-20 will be agreed through the spending review process.

Finally, I am publishing a report that sets out the progress that the Government have made on delivering commitments made in two prior LGBT action plans that were published in 2011. The publication of this update meets a commitment that was made to the Women and Equalities Select Committee in 2016, following its landmark transgender equality inquiry.

Taken together, the documents that I am publishing today represent a significant milestone in this Government's commitment to building a country that works for everyone, irrespective of their sexual orientation or gender identity.

I will also be publishing, later today, the consultation on the Gender Recognition Act and supporting documents.

I have arranged for copies of the documents to be placed in the Libraries of both Houses.

[HCWS822]

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**not later than
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