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**HOUSE OF COMMONS**  
**OFFICIAL REPORT**

**PARLIAMENTARY**  
**DEBATES**  
**(HANSARD)**

**Monday 12 November 2018**

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# HER MAJESTY'S GOVERNMENT

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

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# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

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

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

SIXTH SERIES

VOLUME 649

TWENTY-FOURTH VOLUME OF SESSION 2017-2019

### House of Commons

*Monday 12 November 2018*

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

#### PRAYERS

[MR SPEAKER *in the Chair*]

### Oral Answers to Questions

#### EDUCATION

*The Secretary of State was asked—  
West Anglia College*

1. **John Mann** (Bassetlaw) (Lab): What discussions he has had with West Anglia College on his Department's document "Investigation Report: the College of West Anglia", published in August 2018. [907536]

**The Minister for Apprenticeships and Skills (Anne Milton):** The Education and Skills Funding Agency has been clear that West Anglia College cannot undertake any further subcontracting until the ESFA is satisfied that all the proper procedures highlighted in the report are in place. Frequent dialogue with the college continues, and I will keep the hon. Gentleman informed. I praise him for his tenacity in highlighting this issue.

**John Mann:** West Anglia College is avoiding me. Some £160,000-worth of taxpayers' money, yet not a single student—all from my constituency—is fulfilling and passing the course. The college did not even know that the course was taking place 50 miles away from where it thought it was taking place. Is it not incumbent on the college now to attend a meeting and to pay back the money that has been lost by some of my constituents, in terms of facilities and expenses, because of the shambles delivered by West Anglia College?

**Anne Milton:** The hon. Gentleman's term "shambles" is not inappropriate. This has been a shocking case, and it is from such cases that we learn lessons to make sure that it does not happen again. He talks about paying the money back, and I am sure the ESFA is looking at all possible options to make sure that his constituents are well served.

**Mr Speaker:** I have a feeling the hon. Member for Bassetlaw (John Mann) might seek an Adjournment debate on the matter. Who knows, he might be successful.

#### Apprenticeships

2. **Kevin Hollinrake** (Thirsk and Malton) (Con): What steps his Department is taking to improve the quality of apprenticeships. [907537]

11. **Rachel Maclean** (Redditch) (Con): What steps his Department is taking to improve the quality of apprenticeships. [907547]

22. **Damian Green** (Ashford) (Con): What steps his Department is taking to improve the quality of apprenticeships. [907559]

**The Minister for Apprenticeships and Skills (Anne Milton):** Apprenticeships are now of high quality, with more off-the-job training and holistic end-point assessment. This ensures that, at the completion of an apprenticeship, the apprentice can demonstrate that they have the skills, knowledge and behaviours for their existing employer or a new employer in the future. Forty-four apprenticeships are now at the new higher-quality standard, and training is up from 540 hours to 670 hours, which is a 20% increase—well ahead of where we thought we would be on quality.<sup>1</sup>

**Kevin Hollinrake:** Derwent Training Association in Malton in my constituency offers very high-quality precision engineering apprenticeships, but too often it comes up against headteachers who would rather see

1. [Official Report, 19 November 2018, Vol. 649, c. 6MC.]

their students go to university. What more can we do to make sure that schools promote high-quality apprenticeships?

**Anne Milton:** We have a lot more to do; there is no doubt about it. Wherever I go, I often hear from student apprentices who say that they had very little support from their school. Since January 2018 schools are required to allow technical education and apprenticeship training providers to come in to talk to pupils, and our apprenticeship support and knowledge project provides schools with resources to help them promote apprenticeships. The apprenticeship ambassador network also visits schools so that pupils can hear at first hand about the fantastic opportunities that an apprenticeship can bring.

**Mr Speaker:** I call Rachel Maclean. *[Interruption.]* Beetle in, beetle in. It is very good of the hon. Lady to drop in on us. I hope she was advised of the grouping by the Government—I am sure she was. I hope she is now ready, as I have given her a bit of injury time.

**Rachel Maclean:** I thank the Minister for her response—*[Laughter.]*

**Mr Speaker:** I am doing my best to help the hon. Lady. While I am burbling on, she has an opportunity to prepare her question, which I feel sure is now fermenting satisfactorily in her mind.

**Rachel Maclean:** What steps is the Department taking to improve the quality of apprenticeships?

**Anne Milton:** I do not want to fluster my hon. Friend. The Department is doing a great deal to improve apprenticeships. It is important to make sure that apprenticeships offer high-quality education that rivals that of our universities, so we are doing exactly that. There is no doubt that apprenticeships are already offering such education. We have a £10 million development fund available to develop degrees at a high level, and apprenticeship starts at high levels continue to grow—up almost 30% on last year.

**Damian Green:** Many large firms in my constituency, notably Premier Foods, have great apprenticeship schemes and are using the new system very creatively to improve the quality of those apprenticeships, but it is often more difficult for small companies to do the same. What steps is my right hon. Friend taking to ensure that small businesses can benefit from apprenticeships as much as large businesses do?

**Anne Milton:** I congratulate Premier Foods on what it is doing in my right hon. Friend's constituency. Levy payers can already transfer up to 10% of their funds to other employers, including SMEs, and we are increasing that to 25% from next year. SMEs have taken longer to put in place their apprenticeship programmes, although many have already grabbed the opportunity.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): May I apologise to the Minister for not being able to welcome her on her visit to Huddersfield and to Kirklees College? It was a very good visit and was well received, but did she talk to the principal about what is happening up

and down the country, where so many people want to get on quality apprenticeships but cannot get the GCSE in English or in maths? Surely there should be a practical maths and practical English so that these kids can get the education they deserve.

**Anne Milton:** I had a wonderful visit to Kirklees College and I was impressed with all I saw there. It is important that young people have a grounding in English and maths. I know this is difficult for some young people, and we are doing a great deal to improve the teaching of maths. Where people have failed after all those years in school, we cannot just go on doing the same thing. We have the opportunity to offer functional skills, which offers those young people an alternative way of getting a good qualification in maths.

**Sir Vince Cable** (Twickenham) (LD): A very successful Queen's award-winning company in my constituency provides examinations and training standards throughout the world in contemporary music, but it cannot provide these apprenticeship standards in the UK because of the Government's rigidity in not allowing them or providing them in industries with a lot of freelance workers. Can the Minister address that problem?

**Anne Milton:** Yes, I can. The right hon. Gentleman perhaps ought to know that I have continued contact with my fellow Ministers in the Department for Digital, Culture, Media and Sport, because this issue is important. We are not being rigid. There are ways around this, and I had a recent meeting to discuss exactly this point. It is important for the industry to get together and talk to the Institute for Apprenticeships, because there are ways around this.

**Mr Jim Cunningham** (Coventry South) (Lab): How can we improve the quality of apprenticeships when further education—or certainly Coventry College—has had a 30% cut? What is the Minister going to do about it?

**Anne Milton:** By 2020, there will be £2.5 billion available for apprenticeships. In fact, a lot of apprenticeship training is done by independent training providers, so I urge all further education colleges to make sure they get involved and take up the opportunity that the levy money makes available.

**Mr Edward Vaizey** (Wantage) (Con): Surprisingly, my question is a segue to that asked by my old boss, the right hon. Member for Twickenham (Sir Vince Cable). Apprenticeships are a great success story for this Government, although they are being terribly undermined by the clunking fist that is the apprenticeship levy. Will the Minister look specifically at the position in the film industry, where apprenticeships do not last the standard length of time? When people are apprentices on a film production, it might last only three months. There needs to be some flexibility in order to support apprenticeships in our award-winning creative industries.

**Anne Milton:** Although I often agree with my right hon. Friend, I disagree entirely with his description of the apprenticeship levy as a clunking fist. It is what has driven all the improvements and is part of the reason we have the £2.5 billion available. I am very aware of the

issues in the film industry. I have had several meetings with people from the industry and we are working with it to make sure that where people are working on a contract, or are not on a permanent contract, apprenticeships may be available.

### Social Mobility

3. **Maggie Throup** (Erewash) (Con): What steps his Department is taking to improve social mobility. [907539]

10. **Adam Afriye** (Windsor) (Con): What steps his Department is taking to improve social mobility. [907546]

20. **Dr Matthew Offord** (Hendon) (Con): What steps his Department is taking to improve social mobility. [907556]

**The Secretary of State for Education (Damian Hinds):** Social mobility is a top priority right across the Department, from the early years at school to supporting disadvantaged students into university and improving technical education.

**Maggie Throup:** I thank the Secretary of State for that answer. However, as the party of aspiration, what more are our Government doing to help our young people achieve their dreams? Specifically, what are we doing through the secondary school system, which is formative in developing their future roles?

**Damian Hinds:** I thank my hon. Friend for that. Of course, the attainment gap has narrowed by 10% at secondary school, but she is right to say that we need constantly to be thinking about aspiration, which is why our careers strategy and the work of the Careers & Enterprise Company are so important.

**Mr Speaker:** I call Adam Afriye.

**Adam Afriye:** No. 10, Mr Speaker.

**Mr Speaker:** No, no.

**Adam Afriye:** Grouped—I understand, Mr Speaker. I was slightly wrong-footed, as ever.

Irrespective of political persuasion or ideology, everyone in this House will agree that the state has a special responsibility towards vulnerable children in care. Only 6% or 7% of them get to university, and 60% of them have behavioural and mental health challenges. We must congratulate the Royal National Children's SpringBoard Foundation and Buttle UK on their work in providing bursaries for university. Does the Minister agree that we must look to expand work in this area?

**Damian Hinds:** I do agree with my hon. Friend that we need to expand work in that area, and I commend the charities that he mentioned, including for their work to inform local authorities about how to make placements in boarding schools. It is true that for the right child at the right time and at the right school, boarding can create a life-changing opportunity. Encouragement into university is also vital, of course.

**Dr Offord:** A recent OECD report stated that the children of poor families are likely to take five generations to start to earn an average income, compared with two generations for families in Denmark and three in Sweden. Why has it taken the United Kingdom so long to bridge this gap?

**Damian Hinds:** These are big topics and, indeed, stubborn statistics that take quite some time to move. As anybody who has compared the 1970 cohort with the 1958 cohort will attest, it is a problem that goes back through multiple Governments, but we need to keep working on it. The most recent OECD statistics show a more encouraging picture than there was previously thought to be. *[Interruption.]*

**Mr Speaker:** There is an enormous amount of rather noisy chuntering from a sedentary position, principally emanating from a senior statesman in the House—namely the hon. Member for Huddersfield (Mr Sheerman). His colleague the hon. Member for Manchester Central (Lucy Powell) is trying to encourage him in good behaviour; I urge her to redouble her efforts, as she has some way to travel.

**Lucy Powell** (Manchester Central) (Lab/Co-op): Given the Government's apparent commitment to social mobility, would it not be a good idea to introduce a social mobility impact assessment for all Government policies and budget plans? That way, we might avoid stories such as the one that appears today in *Nursery World*, which details how across the country 27 schemes targeted at the most disadvantaged children in the early years have had to be scrapped because of changes to the early years funding formula.

**Damian Hinds:** I apply social mobility considerations right across the work of the Department for Education, and I also work with Ministers across Government to make sure that we are doing the same in all that we do.

23. [907560] **Kerry McCarthy** (Bristol East) (Lab): What assessment has the Secretary of State made of the effect that the reintroduction of higher education student number controls would have on the number of young students from more disadvantaged backgrounds who make it to university?

**Damian Hinds:** We believe that any young person who has the potential to benefit from university should be able to do so, and the existing system helps to facilitate exactly that. More than £800 million is being spent on access encouragement from universities. We need to make sure that that is spent as well as it can be, to make sure that any young person from any background has an equal opportunity to benefit.

**Tim Farron** (Westmorland and Lonsdale) (LD): A huge block to social mobility is the Government's policy of forcing schools to pay the first £6,000 of costs to support children with special needs. Does the Secretary of State accept that that penalises schools for taking students with additional needs, incentivises doing the wrong thing, impoverishes those schools that do the right thing and, most of all, hurts children with special needs and their families? Will he agree fully to fund education healthcare plans?



**Damian Hinds:** The hon. Gentleman is right to look at things such as the incentives that are inherent in the system. Of course, schools have a notional special educational needs budget, which is what the first £6,000 is supposed to be linked to, but we keep all these matters under review right across the system—in mainstream schools and special schools.

**Several hon. Members** *rose*—

**Mr Speaker:** If the hon. Members for Ipswich (Sandy Martin) and for Hitchin and Harpenden (Bim Afolami) were listening to what the hon. Member for Westmorland and Lonsdale (Tim Farron) had to say, they will have observed that references to SEN are perfectly orderly in the context of this question. That is a hint; whether they take the hint is up to them, but the Speaker is trying to be helpful to Back Benchers, which is what I have spent nine and a half years doing.

**Justine Greening** (Putney) (Con): An independent review of higher education funding is under way. Does the Secretary of State agree that any proposals in that review that are regressive in nature, that would reintroduce a student number cap or that would act in effect as a brake on social mobility are not recommendations that this Government should accept?

**Damian Hinds:** It goes without saying that my right hon. Friend has very considerable expertise in this area and I take what she says extremely seriously. The review that she mentions is informed by an independent panel. That independent panel has not yet completed its work and the Government have not yet considered what recommendations may come forward, but, of course, social mobility must be at the heart.

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): Nursery schools play a crucial role in promoting social mobility, and that includes the outstanding Ellergreen and East Prescott Road nursery schools in my constituency. The Secretary of State will know that there is widespread concern about the long-term funding for nursery schools. Will he announce today that we will shortly hear about long-term sustainable funding for nursery schools?

**Damian Hinds:** I think the hon. Gentleman refers to maintained nursery schools.

**Stephen Twigg** *indicated assent*.

**Damian Hinds:** We do, of course, appreciate the particular and special role that maintained nurseries play in the system. We have funding up to 2020, as he knows, and we need to look at what happens thereafter.

19. [907555] **Bim Afolami** (Hitchin and Harpenden) (Con): The Secretary of State will be fully aware that the high-needs budget affects certain areas more than others. In Hertfordshire in particular there is concern among many teachers and parents that the system just is not working well enough for them. What comfort can he give to my parents and teachers who feel that the provision for children with special needs is not working well enough at the moment?

**Damian Hinds:** I thank my hon. Friend for his question. The funding for high needs has been going up, and will reach just under £6 billion. In Hertfordshire, it has risen by 4.3% this year. Our reforms from 2014 were the most significant reforms in this area for a generation, but obviously we need to continue to strive more.

16. [907552] **Sandy Martin** (Ipswich) (Lab): Suffolk has been criticised for a particularly poor range of special educational needs and disability provision. Given the fragmentation of local education decision making in this country now, how would the Minister advise that that could be addressed?

**Damian Hinds:** I know that local authorities work with each other to share best practice and to look at what happens. A whole range of things needs to be considered from, of course, training provision for teachers in mainstream schools, to the availability of places in special schools and so on. I have no doubt that the hon. Gentleman's local authority will look at all those areas as well.

**Amber Rudd** (Hastings and Rye) (Con): Hastings is one of the opportunity areas supported and funded by the Government, which will be the biggest driver of social mobility for those of us in it in a generation. Although we celebrate the success and work closely with the Department for Education to make sure that it delivers on those changes, such is the success that we are now concerned about the end of the opportunity area funding. May I urge the Secretary of State to think carefully about how that end might be smoothed so that areas such as Hastings, which will get such extraordinary change from the opportunity area, do not suddenly find themselves cut off?

**Damian Hinds:** I am thinking carefully about that. It was always the intention that it would be a three-year programme and that we would then take learnings from the opportunity areas both to continue that programme in those areas, and also to look at what could work elsewhere, and we continue to look at that. May I commend my right hon. Friend for her personal leadership in the Hastings opportunity area, which I had the chance to visit recently?

**Nic Dakin** (Scunthorpe) (Lab): Successive Conservative Education Secretaries of State have rightly identified sixth-form colleges as engines of social mobility, yet the rate for 16-to-18 funding has not changed for many, many years under this and the predecessor Government. Is it not time to raise the rate?

**Damian Hinds:** It is. As someone who has a long passion for and personal professional experience in the sixth-form sector, the hon. Gentleman is right to identify that 16-to-18 funding is tight. That is, of course, something that we need to keep under review and have in mind as we come up to the spending review. There are, of course, things such as the maths premium. For some colleges, the T-levels funding will also be relevant.

**Tracy Brabin** (Batley and Spen) (Lab/Co-op): The Minister knows that key to closing the social mobility gap is access to high-quality early years education for those who need it most. Therefore, he will be as concerned

as I was to see a report by PACEY—the Professional Association for Childcare and Early Years—released today, finding a downward trend in qualification levels for childminders while the number of nursery workers in training is dropping too. His own Department's figures show that only one in four families earning under £20,000 is accessing 30 hours of free childcare a week, which might be because the same report shows that more than half of private nurseries have put up their fees in the past 12 months. Can he tell us how less well-off families unable to access more expensive childcare with less qualified staff closes the social mobility gap?

**Mr Speaker:** That was so good that one would think the hon. Lady had experience of acting.

**Damian Hinds:** The hon. Lady is right to identify the centrality of the hundreds of thousands of dedicated people who work in nurseries and early years settings. She mentioned the 30-hours offer and the differences in different income groups. A lone parent has to earn just over £6,500 to be able to access the 30-hours offer. That is one of five extensions of early years and childcare support that have been made available by our Governments since 2010. Overall, by the end of the decade, we will be investing an extra £1 billion, rising to £6 billion in total, on early years in childhood.

### Relationships and Sex Education

4. **Alex Norris** (Nottingham North) (Lab/Co-op): What funding he plans to allocate to schools to enable them to provide relationships education and relationships and sex education lessons. [907540]

**The Minister for School Standards (Nick Gibb):** We want all schools to deliver high-quality teaching and curriculums in this important area, as many schools already do. The public consultation on the content of relationships and sex education closed last week, and we will use those findings to develop the right support package to complement the content set out in the draft guidance.

**Alex Norris:** The Government's impact assessment of the roll-out of relationships and sex education suggests that there will be no need for funding support from the second year onwards—that the investment at the beginning will last for ever. This, of course, ignores changes in teachers and the need to change the curriculum in future years. Will Ministers commit today that when they do come up with the final policy, they will accept the need for annual support?

**Nick Gibb:** The kind of support we have in mind is support in terms of materials and training, rather than funding, but we will look very carefully at this once we have examined all the responses to the consultation, to which 40,000 individuals responded.

**Michael Fabricant** (Lichfield) (Con): The Scottish Parliament has recently decided to embed in the school curriculum LGBT issues so that LGBT children can integrate well and, more importantly, that other children treat them well. What thought has my right hon. Friend given to doing the same in England?

**Nick Gibb:** We have certainly given this a great deal of thought in the context of relationships and sex education. We believe that all schools should ensure that young people, whatever their developing sexuality or identity, feel that relationships education and RSE is relevant to them and sensitive to their needs. The purpose of the new provisions includes ensuring that young people learn that there are different types of relationships in modern Britain. Schools should therefore ensure that RSE is inclusive and meets the needs of all young people.

**Layla Moran** (Oxford West and Abingdon) (LD): As I am sure we are all aware from our experiences of this House, the issues that surround relationships and sex education at any age can be incredibly sensitive. My question is therefore about training. At this moment in time, how much training will the Government provide? Will the Minister ensure that every teacher who is going to teach this will be able to “get it”?

**Nick Gibb:** Of course, it is the responsibility of schools to provide the relevant training for their teachers in all curriculum subjects. We are looking at the response to the consultation—which, as I said, closed last week—to determine what support and resources schools will need to be able to deliver this far-reaching reform of the curriculum in our schools.

### Tuition Fees: Social Mobility

5. **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): What recent assessment he has made of the effect of tuition fees on levels of social mobility. [907541]

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** The proportion of 18-year-olds from disadvantaged backgrounds entering full-time higher education is up from 13.6% in 2009 to 20.4% in 2017, so disadvantaged 18-year-olds were 50% more likely to enter HE than in 2009. That is a record that this Government can be proud of.

**Drew Hendry:** A recent study by Universities UK and the CBI showed that about 60% of respondents were put off applying for part-time study courses because of the cost of tuition fees. Does the Minister have any plans to reduce tuition fee costs, or, even better, will he follow the example of the Scottish Government in scrapping them altogether?

**Mr Gyimah:** The example of the Scottish Government is not one that is worth copying. We know that in Scotland, because tuition is free, resource per student is lower, and therefore disadvantaged students in Scotland have to wait for English students ahead of them in clearing because they pay more money. That is not an example we will be copying.

**Sir Desmond Swayne** (New Forest West) (Con): At St Andrews University, Scottish students go free, and as a consequence their numbers are capped at 20% of the university's population. Cut tuition fees, and we cut opportunities for students. It is that simple, isn't it?

**Mr Gyimah:** My right hon. Friend is, as ever, absolutely right. In Scotland, the opportunity for disadvantaged students is capped, but that for international students is uncapped. That is not a record worth copying.

**Wes Streeting** (Ilford North) (Lab): Given the importance of science, technology, engineering and maths subjects for the future of higher education and the economy and given the importance of social mobility in those subjects, will the Minister rule out, as a result of the Augar review, a future where STEM fees are higher than fees for arts and humanities courses, because that is apparently under consideration?

**Mr Gyimah:** The hon. Gentleman is asking me to comment on leaks, and it will be no surprise to him that I will not comment on any leaks about an independent review. However, I will say that ensuring there is opportunity for everyone and creating opportunities that satisfy the skills our country needs is at the heart of the review. It is in the terms of reference, and that is what I will be looking for in the recommendations.

**Andrew Bridgen** (North West Leicestershire) (Con): The latest report by the Education Committee suggests that some students are not getting value for money from their university courses. Does the Minister agree that only degrees that enhance employability and earning potential by more than the cost of the course can possibly improve social mobility, and what more can the Government do to make sure that young people make the right decisions about which course to go on?

**Mr Gyimah:** I take slight issue with the point my hon. Friend makes in the sense that there are degrees that do not lead to higher earnings but are of incredible value—for example, for people who go into social work or nursing—but we need to ensure that every degree is of the right quality and gives students the best opportunity. That is why the new regulator, the Office for Students, which has the interests of students at its heart, is looking at value for money for students, and it is why we have introduced the teaching and excellence framework to focus on the quality of teaching. We are also backing the launch of new information to empower students to make the right choices.

### Higher Education: Overseas Collaboration

6. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What recent discussions he has had with the Home Secretary on the effect of immigration law on the ability of higher education establishments to engage effectively in work with their counterparts overseas. [907542]

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** I have had conversations with the Home Secretary about the Migration Advisory Committee review and its implications for the higher education sector. We of course want to ensure that academics and researchers can come to the UK and collaborate with the brightest and the best.

**Martyn Day:** Large-scale collaborative research projects take up to about two years to plan, so universities already need to be thinking beyond 2020. What assurance can the Minister give them today about funding levels after this date, and where will such funding come from?

**Mr Gyimah:** I assume the hon. Gentleman is referring to the Horizon 2020 research programme. The UK has made it very clear that we want to fully associate with the successor programme to Horizon 2020—Horizon Europe—to ensure that our researchers can continue to collaborate with the brightest and the best in Europe.

**Carol Monaghan** (Glasgow North West) (SNP): Despite spending nearly £2,000 on visa fees, Dr Mohamed Alnor, a professor from the Sudan International University, was denied entry to the UK to attend a conference in Glasgow last month. This is becoming a common situation for academics from the middle east, Africa and India. What assurances can the Minister give our academic community that this issue will be addressed immediately?

**Mr Gyimah:** The Prime Minister made it clear in her Jodrell Bank speech earlier this year that we welcome all international researchers. In fact, at least 30% of the researchers in the UK are from abroad. On the new immigration system that is being considered, we will make sure that we facilitate the brightest and the best being able to come here, work here and collaborate with our researchers.

**Carol Monaghan:** But the Glasgow conference is not unique. In Liverpool last month, 10 delegates were refused entry, including one from India whose research has been sponsored by the UK Government. Professor McKee from the London School of Hygiene and Tropical Medicine has said:

“Academic collaboration is yet another consequence of the government’s ‘hostile environment’ policy, denying visas to those working on the ground to improve the health of some of the poorest people in the world”.

How will the Minister ensure that the UK continues to be open for international collaborations and conferences?

**Mr Gyimah:** The hon. Lady is referring to a specific case, and I cannot comment in detail about it. Needless to say, we are open and welcoming. Just in July, the Government introduced the new tier 5 visa regime to allow academics to come here on short-term visas to collaborate with researchers here. We are genuinely open to sectoral research and sectoral collaboration. If there is a specific instance where someone was disappointed, I would be happy to look at it.

### Teacher Recruitment and Retention

7. **Julie Elliott** (Sunderland Central) (Lab): What recent assessment his Department has made of trends in the level of teacher recruitment and retention. [907543]

**The Minister for School Standards (Nick Gibb):** The number of teachers remains high, with more than 450,000 in schools across the country—that is over 10,000 more than in 2010. With a strong economy and the lowest unemployment for over 40 years, competition with other professions, industry and commerce for the best graduates is fierce. That is why we have generous tax-free bursaries of up to £26,000 in certain subjects to attract high-performing graduates into teacher training and into the profession.



**Julie Elliott:** I thank the Minister for that answer, but teachers are leaving the profession in droves. In the north-east, over 500 teachers left last year. In real terms, teachers are thousands of pounds worse off than in 2010. Why is the Minister still imposing a real-terms pay cut on the majority of teachers?

**Nick Gibb:** We agreed the School Teachers Review Body recommendations for a 3.5% rise in the pay ranges for the main scale of teachers, a 2% rise in the upper pay scale and a 1.5% rise for the leadership range. We are funding that to schools through a teachers' pay grant over and above the 1% they will already have budgeted. Earlier this year, we announced the new recruitment and retention strategy, building on existing work to boost marketing and support to applicants. The strategy seeks to increase retention rates by streamlining accountability and stripping away unnecessary workload, which the evidence suggests does not improve children's outcomes.

**Sir David Evennett** (Bexleyheath and Crayford) (Con): What action is my right hon. Friend taking to cut down the time teachers spend doing unnecessary data-driven tasks, to help recruitment and retention?

**Nick Gibb:** My right hon. Friend is absolutely right: dealing with workload has been a key objective of this Government. In July, we published the workload reduction toolkit, which provides material, practical advice and case studies that headteachers and other staff can use to address workload issues in their schools.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): Obviously, the pay award that will go to teachers will also go to teachers in sixth-form colleges, but the Government are not funding that pay rise, so what assessment has the Minister made of the impact of the teachers' pay award on college budgets?

**Nick Gibb:** As my right hon. Friend the Secretary of State has said, we acknowledge that funding in the 16-to-18 sector has not been protected in the same way that we have protected school funding since 2010, because since 2010 our priority has been to ensure that basic education between the ages of five and 16 is given the priority it needs.

**Mr Philip Hollobone** (Kettering) (Con): Servicemen and women in Her Majesty's armed forces represent the very best of British, so what progress is being made with the Troops to Teachers scheme to encourage veterans to become teaching professionals?

**Nick Gibb:** The Troops to Teachers scheme has resulted in a number of high-qualified ex-military coming into our schools. It has been slow to start, but it is a good programme, and I am determined that it will continue.

### Further Education Funding

8. **Scott Mann** (North Cornwall) (Con): What recent discussions his Department has had with the Treasury on funding for further education. [907544]

15. **Karin Smyth** (Bristol South) (Lab): What recent assessment he has made of the adequacy of funding for further education. [907551]

**The Minister for Apprenticeships and Skills (Anne Milton):** We are working closely with the Treasury, as finance has been challenging for further education colleges, and this work will continue in preparation for the spending review. We are also undertaking a look at the resilience of the sector to make sure that the regulatory structures and funding give us the high-quality provision that we want to see. I have mentioned the £2.5 billion that will be available by 2020 for apprenticeship training. When T-levels are fully rolled out in 2020, there will be an additional £500 million a year.

**Scott Mann:** I thank the Minister for that response. As we approach the spending review, may I emphasise, particularly from North Cornwall, the passion and drive that we need to make sure that this money does go into further education? In the post-Brexit world we will be living in, it is more important than ever that our young people have the skills to benefit, so can we make sure that we push the Treasury hard on this?

**Anne Milton:** My hon. Friend is a doughty champion for those in his constituency. Education is crucial, and we need to help young people to acquire the skills to thrive in life and work. For many, further education offers a second, third or even fourth chance, so it is important that we make sure they have the resources they need. Sadly, further education often gets squashed between the discussion about schools and that about university. I know my hon. Friend will be making his own representations to the Treasury.

**Karin Smyth:** We have had an interesting half hour. We are being told that funding in this sector is tight and not protected. We have just been told that this is the second, third or fourth chance for people in this sector. Given that young people have to stay on until 18, what assessment has been made of the impact of the reduction in income to the further education sector on their outcomes under this Government?

**Anne Milton:** As the hon. Lady will have heard, we are looking at the resilience of the sector. I mentioned the £2.5 billion by 2020 and the £500 million for T-levels. There is a lot of work going on to ensure the sector has the resources it needs. Colleges are delivering extraordinarily high-quality training and education—three-quarters of colleges are good or outstanding—and they have high-quality financial management. We put a huge amount of money into restructuring, with exceptional financial support for this sector. A number of pots of money are now being made available to increase the number of teachers in further education.

**Gordon Marsden** (Blackpool South) (Lab): The Minister says she has been working very closely with the Treasury, but it seems as though they are close encounters of the failed kind. FE's financial woes are now at crisis. She knows that the Institute for Fiscal Studies says that spending is down by £3.3 billion since 2011. She knows that a stream of departing principals highlight the problem: 37 colleges on notice to improve their financial health. Now, Ofsted's chief inspector says funding cuts

are affecting FE's sustainability. Before the Budget, the Minister urged everybody in FE to speak up for funding. They did with one voice through the brilliant Love our Colleges campaign, but the Chancellor ignored them. How is she going to address the crisis now that the Treasury has cold-shouldered FE?

**Anne Milton:** I will not attempt to compete with the hon. Gentleman's jokes about close encounters. I do not agree that we have been given the cold shoulder. We are looking at the resilience of the sector. I made it quite clear that I am fully aware of the challenges that FE faces. We have been putting in a lot of money, but I know that in the longer term we have to ensure that the core funding allows FE to deliver the high quality education that young people and, indeed, older people need.

### New Schools

9. **Greg Hands** (Chelsea and Fulham) (Con): What steps his Department is taking to increase the number of new schools in (a) London and (b) England. [907545]

**The Secretary of State for Education (Damian Hinds):** As well as those already open, we have approved a further 266 free schools and university technical college applications, including 69 in London. What we now need to know from the Opposition is what would happen to the programme in the unfortunate event of their getting into government.

**Greg Hands:** My two boroughs have seen an astonishing five new secondary schools opened under this Government: the Kensington Aldridge Academy, the Chelsea Academy, the West London Free School, the Hammersmith Academy and the Fulham Boys School. The fifth one, however, needs to move to a new site as soon as possible. I thank my right hon. Friend for meeting me in the summer, when we talked about the new site. Will he give us an update on progress on moving to the new site?

**Damian Hinds:** First, let me thank my right hon. Friend for his personal involvement with these programmes. Of course we always endeavour to minimise the amount of time that any open free school needs to stay in temporary accommodation before moving to a permanent site. As he will know, there have been complexities in this case. I am very happy to meet him to discuss them.

**Chris Bryant** (Rhondda) (Lab): Rather than spending time, energy and money on new schools in London or in England, would it not make far more sense to spend more time, energy and money on Alaw Primary School, whose children are in the Public Gallery? In fact, they have just left.

**Mr Speaker:** That was the end of your peroration? We are grateful.

**Chris Bryant:** It was short.

**Mr Speaker:** It was very short. I am sure they did not leave because of you. Do not worry—don't be too sensitive about it.

**Damian Hinds:** To be fair to the hon. Gentleman, these things happen at a quarter past three. It is an occupational hazard.

Free schools are one part of our expansion. This decade will have the largest expansion in school capacity for at least two generations, with 1 million new school places added and £7 billion of investment committed over the period.

**Angela Rayner** (Ashton-under-Lyne) (Lab): I am really pleased that the Secretary of State eagerly anticipates the next Labour Government, just like so many parents and teachers, but let me be clear: our policy is no threat to any new or existing school, unlike the Government's cuts. His Department's accounts show that the academies sector ran a £2 billion operating deficit last year. Their net financial position is down overall and more trusts closed last year than ever before. He admitted last week that education needs billions more, so will he be asking the Chancellor to reverse all his cuts in full and in real terms?

**Damian Hinds:** We are investing in the school system, both through the additional £1.3 billion we found last year and through the capital moneys, to which I just referred, to fund the large expansion in the school system. Although these are questions to the Government, I think that everybody would be keen to hear more from the hon. Lady about how no school would be under threat from Labour party policy.

**Mr Speaker:** I call Gill Furniss—not here. Oh dear.

### Asbestos Management Assurance Process

13. **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): When he plans to publish the results of the asbestos management assurance process survey of schools and academies. [907549]

**The Minister for School Standards (Nick Gibb):** The results of the asbestos management assurance process will be published in spring next year. Seventy-seven per cent. of schools have responded so far, but we expect all state-funded schools and academies to participate, so we have reopened the assurance process from today until February 2019 to give them a further opportunity to do so.

**Meg Hillier:** The problem with publishing this long-awaited information in the spring is that that is likely to be too late to properly influence the spending review. Given that 85% of schools have asbestos and the risks are getting greater as those buildings age, will the Minister make a serious commitment to providing the funding to schools to tackle that asbestos? Otherwise, there is no real incentive for them to come up with a plan, given the pinch on their budgets.

**Nick Gibb:** So far, 17,000 state-funded schools have responded to the survey; of those, 68% were assured by the appropriate responsible body. Since 2015, we have allocated £5.6 billion to those responsible for school building for essential maintenance, including removing or encapsulating asbestos when that is the safest course of action. In addition, through the £4.4 billion priority school building programme, we are rebuilding or refurbishing buildings in the worst condition, and asbestos is a factor in choosing which schools to rebuild.



### Education Funding

**14. Rosie Cooper** (West Lancashire) (Lab): What assessment he has made of the effect of the additional funding for education announced in Budget 2018 on education funding in real terms. [907550]

**The Secretary of State for Education (Damian Hinds):** In the Budget, the Government invested more than £1 billion of new funding for the Department for Education, including £695 million to improve the number and quality of apprenticeships, £400 million capital for schools, £100 million for the national retraining scheme and £84 million to improve children's social care.

**Rosie Cooper:** The Secretary of State makes reference to all sorts of streams except revenue funding, so will he confirm that the Budget offered no additional revenue funding for schools and that means that, in real terms, per pupil funding will fall yet again next year, as the Institute for Fiscal Studies has found?

**Damian Hinds:** No, Mr Speaker. Of course revenue funding is determined periodically at spending reviews. Since the last spending review, we have found an additional £1.3 billion to hold per pupil real terms funding constant on a nationwide level.

**Nigel Huddleston** (Mid Worcestershire) (Con): Does the Secretary of State agree that it is not just the total amount of funding, but where and how it is spent? The implementation of the fairer funding formula is certainly welcome in Worcestershire.

**Damian Hinds:** Yes, my hon. Friend is right. Through the national funding formula—the fairer formula—we are taking on something that successive Governments have dodged to make sure that funding is based on need and the characteristics of pupils, rather than accidents of history.

**Angela Rayner** (Ashton-under-Lyne) (Lab): No wonder the Secretary of State has been slapped down by his own stats watchdog four times since he took office. The IFS found that per pupil funding is hundreds of pounds lower in real terms than it was in 2015 and is set to fall again next year without new funding, so I ask him again: will he be asking the Chancellor to reverse all his cuts in full and in real terms?

**Damian Hinds:** I have not been slapped down four times by anybody, to the best of my recollection. I appreciate the difficulties in managing school budgets, and I appreciate that those budgets are tight, but it is also true that we spend a great deal more on schools than we used to and that, by international standards, on multiple measures, we spend a relatively high amount on state education in this country.

**Angela Rayner:** I am really pleased that the Secretary of State has since clarified that the Chancellor's "little extras" should in fact be called "small additional capital projects". Perhaps he can also clarify that school capital spending has already been cut by nearly £4 billion a year. So the Budget offered very little and no extra. Now that the Prime Minister has promised austerity is over, will the Secretary of State ask the Chancellor to fully restore the education capital budget in real terms?

**Damian Hinds:** We are investing a great deal of capital both on expanding the school estate to create more high-quality places and in terms of its condition. The £400 million for additional small capital projects is on top of the £1.4 billion already allocated.

### Maintained Nursery School Funding

**17. Matthew Pennycook** (Greenwich and Woolwich) (Lab): What recent assessment he has made of the adequacy of funding for maintained nursery schools. [907553]

**Mr Speaker:** Minister Zahawi.

**The Parliamentary Under-Secretary of State for Education (Nadhim Zahawi):** Thank you, Mr Speaker—I will clear my throat. Maintained nursery schools support some of our most disadvantaged children, and they do experience higher costs than other providers. We will therefore be providing local authorities with supplementary funding of about £60 million a year up to 2020.

**Matthew Pennycook:** With the two-year transitional funding ending soon and the comprehensive spending review not expected until the summer, maintained nursery schools in my constituency are desperately struggling to plan and budget for the future. Until secure and sustainable funding arrangements are put in place, will the Minister at least commit to further additional transitional funding to protect maintained nurseries across England?

**Nadhim Zahawi:** The early years national funding formula for Greenwich has increased from £4.86 in 2016-17 to a provisional £6.17 in 2018-19. On top of this, in 2018-19, Greenwich will receive about £690,000 for its three maintained nurseries. My message to all local authorities is: do not do anything premature but wait for the spending review.

### T-levels

**18. Mr Marcus Jones** (Nuneaton) (Con): What progress his Department has made on the introduction of T-levels. [907554]

**The Secretary of State for Education (Damian Hinds):** We have made excellent progress and recently reached a significant milestone when we launched the procurement for the development of the first three T-levels for 2020. We are working closely with the selected providers that will deliver them from 2020, including several in the midlands, to make sure they have the right support in place.

**Mr Jones:** I very much welcome the introduction of T-levels. What funding and resources will be provided, particularly for facilities and other resources required to deliver T-levels successfully?

**Damian Hinds:** Over time, we are committing hundreds of millions of pounds in additional resourcing for T-levels. My hon. Friend is right to identify facilities and equipment, which is why we have committed £38 million in the first tranche of capital funding to support the initial roll-out.

### Ofsted: Inspection of Outstanding Schools

21. **Clive Efford** (Eltham) (Lab): What plans he has to introduce routine Ofsted inspections for outstanding schools; and if he will make a statement. [907557]

**The Minister for School Standards (Nick Gibb):** We are considering the Public Account Committee's recent recommendation that we review the exemption and will respond formally in December. Ofsted assesses the risks in all schools, including outstanding schools, and has the power to inspect any school if it has concerns.

**Clive Efford:** What confidence can parents in my constituency and others have in the Minister's claim that 86% of schools are either outstanding or good when many have not been inspected for six years and some for as long as 11?

**Nick Gibb:** Ofsted assesses the triggers that will cause an inspection to happen even where a school is judged as outstanding and exempt from inspection—for example, if a school's results fall, complaints are received from parents or there are safeguarding concerns. All those are triggers that will cause an inspection to happen even in an outstanding school. The hon. Gentleman can be confident, therefore, that a school that is judged good or outstanding is good or outstanding.

### Topical Questions

T2. [907562] **Lucy Powell** (Manchester Central) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Education (Damian Hinds):** My Department continues its work to ensure that young people get the best start in life whatever their background. We are widening opportunity with our school reforms, reinforced through new programmes such as Opportunity North East; in the latest Budget, funding was provided for T-levels and apprenticeships to improve the quality of our technical education, so that we can rival productivity leaders such as Germany; and last week, our consultation on relationships, sex and health education closed with over 11,000 responses. These new subjects can help young people growing up in an ever more complex world.

**Lucy Powell:** I was pleased to see the Secretary of State arguing in the media recently for education funding to be a special case. Perhaps it was a shame that that came a week after the Budget rather than before it but, given that the Secretary of State recognises the very tight constraints on school budgets, does he share my regret, and the regret of many other people, about the phraseology used by the Chancellor when he talked of "little extras"?

**Damian Hinds:** I think it was a good thing that we were able to find hundreds of millions of pounds—£400 million—for additional capital spending in-year, on top of the £1.4 billion in capital already allocated.

T6. [907566] **Lucy Allan** (Telford) (Con): Statutory child protection interventions are continuing to rise at record levels. What can the Minister do to ensure that such interventions are used only for high-risk cases, and not as an alternative to family support?

**The Parliamentary Under-Secretary of State for Education (Nadhim Zahawi):** The law is clear: only children who are suffering, or at risk of suffering, significant harm receive child protection interventions. When it comes to support for children and families with wider needs, the statutory safeguarding guidance is also clear: local authorities should make a range of services available, including early help.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): Looked-after children in secure accommodation have been subjected to more than 30,000 hours in solitary confinement over the past five years, in some cases for up to 23 hours a day. Leading medical experts have called for the Government to cease the practice immediately. Will the new secure academy schools be adopting it, and why is the Minister allowing such a contravention of children's human rights to continue apace?

**Nadhim Zahawi:** The hon. Lady has raised an important issue, which my right hon. Friend the Secretary of State for Health and Social Care has also sought to address, and of which there has been some media coverage. Looked-after children are our responsibility: we are, ultimately, their parents. This is wrong, and should not be happening.

T3. [907563] **John Mann** (Bassetlaw) (Lab): The national child abuse inquiry looked in detail at what happened to kids who behaved badly and were then put in children's homes by magistrates courts. Today, the same children are excluded from schools and left to their own devices. What assessment has been made of the root causes of the behaviour that led to their exclusion?

**Damian Hinds:** The hon. Gentleman has raised very important points about a subject in which he has considerable expertise. This is one of the reasons that we asked Edward Timpson to conduct a thorough review of exclusions policy. It is done better in some places than others, and it is important for us to learn from that. It is also important that, when children are excluded, alternative provision should be the start of something positive and new, rather than the end of positive education.

T7. [907567] **Scott Mann** (North Cornwall) (Con): How many secondary schools offer Mandarin as a language choice, and what can we do to increase the number of schools that offer it?

**The Minister for School Standards (Nick Gibb):** My hon. Friend has raised an important point. In 2017, approximately 91 state-maintained schools entered students for Chinese GCSE. There were 3,654 GCSE entries in that year, and 2,800 A-level entries in 2018. Maintained secondary schools must teach a foreign language at key stage 3, and we fund 64 schools for the Mandarin excellence programme, which is intended to put 5,000 students on track towards becoming fluent in Mandarin.

T4. [907564] **Peter Grant** (Glenrothes) (SNP): The University and College Union has described the Chancellor's Budget as a "missed opportunity to...address the urgent financial challenges facing our education system".

Will the Minister agree to make representations to the Chancellor and ask him to follow the example of the Scottish Government by delivering a 5.1% real-terms increase in the next spending review?

**The Minister for Universities, Science, Research and Innovation (Mr Sam Gyimah):** Matters relating to our university lecturers and staff and how they are paid are matters for universities, as they are autonomous institutions. As for the new pension arrangements and their potential impact on universities, there will be a consultation to which they can contribute.

T8. [907568] **Jeremy Lefroy** (Stafford) (Con): Last year's adjustment to the funding formula was a welcome first step towards fairer funding for counties such as my county of Staffordshire, but it was only a first step. Will the Minister please explain what more will be done in the coming years to ensure that that gap is narrowed?

**Nick Gibb:** My hon. Friend is right to point out that we made a decisive and historic move towards fairer funding by introducing the national funding formula—something avoided by previous Governments. That was backed by an extra £1.3 billion, in addition to the money allocated at the 2015 spending review. Staffordshire will gain 3.2% per pupil for its schools by 2019-20, compared with 2017-18 funding levels.

T5. [907565] **Joan Ryan** (Enfield North) (Lab): At the weekend, Ofsted warned that gangs are slipping knives into children's bags to get them expelled from school so that they can be recruited to carry drugs. Today, headteachers in London are told not to exclude too readily pupils with weapons, making them easy prey. The warning from Ofsted comes as the Children's Commissioner, Anne Longfield, calls for the Government to fine schools that expel children. What is the Government's response?

**Nick Gibb:** All schools need to be safe and disciplined environments in which pupils feel happy and able to fulfil their potential. We continue to work with the Home Office to consider how best to get the message of its serious violence strategy into schools, and we have ensured that its #knifefree anti-knife campaign has been disseminated to all schools in England.

**Rebecca Pow** (Taunton Deane) (Con): The second Bercow report, "Ten Years On", highlights that there is a very strong correlation between poor speech, language and communication skills, and children who are excluded from schools. Tackling this issue early on can make an enormous difference to children's life chances. Does my right hon. Friend agree that focusing on this area in the early years is more important than ever, and can he assure us that we can still deliver these services given the pressures on many local authorities that provide these services?

**Damian Hinds:** I agree with my hon. Friend about the importance of early language and literacy. I have set an ambition that we halve, from 28% to 14%, the percentage of children who reach the end of reception year without the level that they require to get the most out of primary school. This is one of the reasons that we are investing so much in the early years, including the two-year-old

offer, which was not available under any previous Government, but we need to go further and we will have more to say in due course.

T9. [907569] **Wes Streeting** (Ilford North) (Lab): I was not happy with the Minister's answer earlier, so maybe the Secretary of State can do better. Will the Government rule out charging higher tuition fees for STEM than for non-STEM subjects once the Augar review is complete?

**Mr Gyimah:** I am afraid to disappoint the hon. Gentleman; as I said in my earlier answer, I cannot comment on leaks of a review that has not been published, and my answer has not changed.

**Justine Greening** (Putney) (Con): Every year, we rightly celebrate the achievement of students getting their A-level results. Will the Secretary of State set out a plan to bring forward a similar celebration for young people and their achievements in vocational qualifications as well?

**The Minister for Apprenticeships and Skills (Anne Milton):** I thank my right hon. Friend for that question. She is absolutely right that a lot of coverage is given to A-level and GCSE results, and that very little is given to all the other vocational qualifications. We must ensure that we do everything to encourage the media to do more to highlight those achievements as well.

T10. [907570] **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): Children in Hackney with special educational needs have had their support protected because Hackney Council found funding from other sources to backfill the cuts in Government funding, but after cuts of 40% to the borough's budget, and with £30 million-worth of cuts still to come in the next four years, that is now being stretched. Will the Secretary of State commit to ensuring that children with special educational needs get the full support that they need for the rest of their lives?

**Nadhim Zahawi:** I echo the Secretary of State's words; he has put on the record that every school should be a special educational needs and disability school. Investment in SEND has risen by £1 billion since 2013 to £6 billion. We have opened 34 new special free schools and 55 special free schools are due to open. In July, we gave local authorities the opportunity to bid for new special alternative provision schools in their areas.

**Eddie Hughes** (Walsall North) (Con): Sixty-four per cent. of maintained nursery schools are in deprived areas, such as Sandbank in my constituency. Will the Minister give special consideration to this fact when deciding future funding?

**Nadhim Zahawi:** We will certainly give that point special consideration. We are working with the sector to look at the additional value that it provides, and I thank all local authorities who are helping us with the work to look at the economic model before the SR.

**Paula Sherriff** (Dewsbury) (Lab): There was not a single penny in the Budget for further education—a sector that has lost a quarter of its funding since 2010.



What does the Minister say to Greenhead College, which serves my constituency and has written to me to say that it fears it will not be able to provide the education that our young people deserve if cuts continue?

**Anne Milton:** We have protected the base rate of funding for FE colleges. I have said before that we are looking at the resilience of the sector. I would be happy for the college to contact me, so that we can discuss what steps might be taken. The strategic college improvement fund and a number of other funds are available to help colleges to improve.

**Robert Neill** (Bromley and Chislehurst) (Con): We have excellent academy schools in Bromley, but we have been badly let down by the failings, unveiled by the Education and Skills Funding Agency, in the Education for the 21st Century trust. Will my right hon. Friend meet me urgently to discuss the findings of the ESFA report, and in particular the extraordinary circumstances where the chief executive who presided over and profited from these failures has been allowed to remain in post as headteacher of one of the largest schools?

**Damian Hinds:** Where there are issues and where problems emerge, we must act on them quickly. I should say that the vast majority of academies and multi-academy trusts have been a great force for good in our education, but of course I would be happy, as always, to meet my hon. Friend.

**Rachael Maskell** (York Central) (Lab/Co-op): Can the Secretary of State explain why York has the worst funded schools in the country, why Westfield Primary Community School and Tang Hall Primary School have had the greatest cuts and yet are in the most economically and socially deprived areas of my constituency, and why York therefore has the highest attainment gap in the country?

**Nick Gibb:** The national funding formula introduces a fairer system, so that every pupil in every part of the country is funded on the same basis. A child in York with special educational needs, with low prior attainment

or from a disadvantaged background will receive precisely the same amount of money as a similar pupil elsewhere in the country.

**Mark Pawsey** (Rugby) (Con): Was the Minister as concerned as I was when Warwickshire County Council recently brought forward a strategy document stating that dyslexia would not constitute a special educational need? Is he as pleased as I am that that document has now been withdrawn?

**Nadhim Zahawi:** Yes, I am.

**Ruth George** (High Peak) (Lab): Does the Secretary of State share my concern and that of Members across the House that *The Observer* identified a £195 million overspend by councils on high needs in the last year? Will he actually respond to my request that he agreed to in the summer to meet me to discuss special educational needs and problems in Derbyshire?

**Nadhim Zahawi:** We recognise that local authorities are facing cost pressures on high needs, and I assure the hon. Lady that we are monitoring the impact of our high needs national funding formula on local authority spending decisions. We are also keeping our overall level of funding under review in the context of the next spending review.

**Sir Mike Penning** (Hemel Hempstead) (Con): Will the Secretary of State join me in congratulating our schools, rather than running them down, on the excellent work they did around Remembrance Day parades this weekend? Across the country, schools did fantastic exhibitions. I do not know about other Members, but I saw more children on Remembrance Day parades this year than I have ever seen before, and I am sure that that has a lot to do with the schools.

**Damian Hinds:** I concur entirely with my right hon. Friend. Many schools have used the centenary as an opportunity for learning across a whole range of aspects connected to the first world war, but particularly Remembrance Sunday. The powerful and evocative commemorations that many schools have taken part in is a great example to us all.

## Stop and Search

3.38 pm

**Afzal Khan** (Manchester, Gorton) (Lab) (*Urgent Question*): To ask the Secretary of State for the Home Department to make a statement on proposed changes to police stop-and-search powers.

**The Minister for Policing and the Fire Service (Mr Nick Hurd)**: The Government fully support the police in using their stop-and-search powers when they have lawful grounds to do so. This is a vital policing tool when used correctly. We will always ensure that police have the necessary powers to keep people safe, and that is why we work very closely with the National Police Chiefs' Council to keep under review the stop-and-search powers that the police need to help keep the public safe. This House should be clear that we have no plans to change the requirement that reasonable grounds for suspicion are needed before a routine stop and search is carried out.

We are, however, working with the police, including the national police lead for stop and search, to see how we can reduce bureaucracy and increase efficiency in the use of stop and search. The Home Secretary has been clear that that is something we are looking at, and that he will say more on this in due course.

The House will be aware that the Government introduced a comprehensive reform package for stop and search in 2014 in response to evidence that the power was not used fairly, effectively or, in some cases, lawfully. Since introducing those reforms, the arrest rate following a stop and search has risen to 17%—the highest since records began. As the Home Secretary has said, he wants police officers to feel confident, trusted and supported when they are using stop-and-search powers lawfully. If there are things getting in the way of them using those powers, these need to be looked at.

The Government are determined to do all they can to break the deadly and dreadful cycle of violence that devastates the lives of individuals, families and communities. That is why we will always look to ensure that the police have the powers they need and our support to use them lawfully.

**Afzal Khan**: We have all read the reports that suggest that the Home Secretary is pressing for greater use of stop-and-search powers and amending the grounds of reasonable suspicion that currently govern stop and search. Does the Minister agree that that is, in effect, a move to random stop and search not based on evidence? [HON. MEMBERS: "No!"] Okay. Is the Minister aware that the current policy, which he wants to remove, was introduced by one of the Home Secretary's predecessors, who is now Prime Minister, and that she made that reform of police stop-and-search powers based on evidence, not on chasing easy headlines? Has the Home Secretary bothered to examine that evidence?

The use of the stop-and-search scheme was announced by the then Home Secretary in a statement to Parliament on 30 April 2014. She stated that the principal aims of the scheme were to achieve greater transparency and community involvement in the use of stop-and-search powers, and to support a more intelligence-led approach, leading to better outcomes.

Is the Home Secretary aware of the very poor outcomes of the previous implementation of stop and search, and that the Home Office itself and the College of Policing, as well as Her Majesty's inspector of constabulary, found that there were only 9% or 10% arrest rates from random stop and search? Does the Minister accept that this was a colossal waste of police resources? As a former police officer, I can tell him that that is the case. Is he aware that, according to his Department's own research, black people are eight times more likely than white people to be stopped and searched, and Asian people are twice as likely?

Finally, intelligence-led stop and search does work. It is an important tool in the police arsenal. I am in favour of it. The Labour party is in favour of it. Random stop and search does not work, and the Minister has no evidence that it will. We do know, however, that it can poison community-police relations. Is he not trying to distract from the fact that knife crime is soaring under his Government, while they have cut 21,000 police officers?

**Mr Hurd**: I thank the hon. Gentleman for his questions. Unfortunately, this all starts from a false premise, which is newspaper speculation that is entirely wrong. I go back to my statement: this House should be clear that we have no plans to change the requirement that reasonable grounds for suspicion are needed before a routine stop and search is carried out. We are not going back to random stop and search, to use his words.

The hon. Gentleman set out eloquently the case for reform that this Government made on stop and search, which means that stop and search is now conducted in a totally transformed environment in terms of the transparency and accountability around it. We are now at record levels for the ratio between stop and arrest, so we are not going back to the bad old days when over 1.4 million people were stopped with only 8% or 9% of them arrested. That is not what this is about. This is about recognising that we now have a million fewer stops and searches than we did in 2009-10, and that we are—I think on a cross-party basis—absolutely determined to bear down on this horrendous spike in violent crime. We need to be sure that the police have the confidence to use the tools at their disposal, and stop and search is one of those tools. There is evidence that the police have lost some confidence in using it, and what the Home Secretary is setting out in his interviews and articles is his determination to restore that confidence and give the police confidence in the powers that they have. We can look at ways of reducing the bureaucracy and anything else that is getting in the way of that, but this is about trying to save lives.

**Mr Iain Duncan Smith** (Chingford and Woodford Green) (Con): I accept fully that the previous way in which stop and search was used was often too random, but there is no question but that it should play a part in the reduction of violence and the use of drugs in some areas. There has been a large increase in gang warfare and the use of guns and pistols in areas such as mine, where many of the people who are moving weapons and drugs around know that they can, for the most part, do so with impunity because they are unlikely to be stopped and searched. We therefore need to get the police to apply the process much better, so that we make it clear to those people moving guns and weapons around that there is a high likelihood of their being stopped and searched.



**Mr Hurd:** I absolutely agree with my right hon. Friend, who speaks with a great deal of experience from his constituency and with passion and expertise in this area. Stop and search is one tool in a box that has to combine robust police law enforcement with superb prevention and early intervention work in the community, as he knows. The evidence is that although the police have improved their practice, as is reflected in improved arrest outcomes, they have lost some confidence in using the stop-and-search tool. The Home Secretary is saying that we as a Government want to send a signal that we expect the police to use these powers lawfully and in an intelligence-led, targeted way. There is no room for stopping anyone on the basis of race or ethnicity. This is about sending a message to the communities about the increased risk of getting caught.

**Joanna Cherry** (Edinburgh South West) (SNP): As in England at present, the police in Scotland can stop and search only when they have reasonable grounds to do so. Violent crime in Scotland is down 44% since 2007-08, and offensive weapons offences have been reduced by almost two thirds. However, my colleagues in the Scottish Government accept that there is no room for complacency. In Scotland, treating knife crime as a public health issue is widely recognised as having been highly effective. Can the Minister confirm that his Department is looking carefully at the lessons to be learned from Scotland? Can he also tell us when the Offensive Weapons Bill will come back to the Floor of the House?

**Mr Hurd:** I can certainly say to the hon. and learned Lady that there is a great deal to learn from Glasgow, as there was from London 10 years ago and as there has been from Boston, Cincinnati and other places that have borne down successfully on violence. The key lesson is about the balance between robust law enforcement and good prevention, and about the multi-agency public health approach, which is exactly what we are doing through the serious violence taskforce. That is exactly what is happening in London now. It is this effective partnership between all stakeholders, including in health and education, who are involved in tackling the drivers of serious violence that will ultimately lead to success.

**Sir Mike Penning** (Hemel Hempstead) (Con): As the Policing Minister, I was part of the implementation to ensure that no matter what colour someone was, or what race or religion they were, they would not be disproportionately stopped and searched. I completely agreed with decision by the then Home Secretary, now the Prime Minister, on this. What worries me now is that, although the Home Secretary is saying the right things from the Dispatch Box and on the radio, if the police chiefs and the College of Policing do not make sure that this message filters down, there will continue to be fear among officers about doing intelligence-led stop and search. The best intelligence is the bobby who thinks he needs to do stop and search, and that is what we need to see more of.

**Mr Hurd:** I congratulate my right hon. Friend on his work on this ground-breaking reform. It was necessary, and it has had a powerful impact in terms of focusing the minds of the police on the right approach and the best use of stop and search. Almost all the forces are now signed up to the framework. However, he has

highlighted the critical issue of confidence to use this tool on the frontline. I have heard, on patrol in Liverpool and elsewhere, that that lack of confidence exists, and that is what we now need to address. The powers are there, and we want the police to use them lawfully.

**Clive Efford** (Eltham) (Lab) *rose*—

**Mr Speaker:** I am sorry to see that the hon. Member for Eltham appears to be experiencing some pain, but he is a brave fellow and I am sure he will bear up stoically and with fortitude. Let us hear what he has to say.

**Clive Efford:** Thank you, Mr Speaker. I have pulled a muscle in my back.

Intelligence-led policing starts at community level, so is it not therefore a shame that there was no money in the Budget to increase investment in community-led policing? They are the people who know who to stop and search at local level, and we need to see a return to effective local policing and more police in local neighbourhood teams.

**Mr Hurd:** I sympathise with the hon. Gentleman's back pain. I fully understand the point he is making and he will have much support for those sentiments on the Benches behind me. There was new money in the Budget for counter-terrorism and for mental health services, which is extremely important for local policing. In terms of budgets for local forces, I ask him to have a little patience and wait for the police funding settlement in early December.

**Richard Drax** (South Dorset) (Con): Having served on three operational tours in Northern Ireland, I can tell the Minister that stop and search was an effective weapon against the terrorist. It was so effective because we had soldiers on the street picking up intelligence, so that when patrols went out they knew exactly who was doing what. I support the request by my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) for more bobbies on the beat, to get the intelligence that we need to make stop and search far more effective.

**Mr Hurd:** I fully understand the point that my hon. Friend makes and he knows from our conversations that I have a lot of sympathy with it. The steps I took last year with the funding settlement have resulted in almost every single police force in England and Wales beginning to recruit again. I also welcome the steps taken by the police leadership to create a more consistent model of neighbourhood policing across the country. That is what the public we serve want to see, and—as I have said—I hope to take further steps in the 2019-20 funding settlement in early December.

**Sir Edward Davey** (Kingston and Surbiton) (LD): I welcome the Minister's clear statement that the Government will not remove the requirement of reasonable grounds for stop and search. The Minister talked about future reforms: can he make a commitment to the House today that any reforms will be based on evidence, and that that evidence will be published to the House?

**Mr Hurd:** I can certainly assure the right hon. Gentleman—and former colleague—that policy making in Government will, as ever, be evidence led. As and when we have taken decisions on what we would like to do, we will engage fully on that, including with Parliament.

**Greg Hands** (Chelsea and Fulham) (Con): One way to make more officers available for stop and search would be to bear down on bureaucracy in policing, especially in London. Does my right hon. Friend share my concern about the expansion of Mayor Khan's Mayor's Office for Policing and Crime—MOPAC—from £36 million in its last year under my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) to £61 million today? That is a 70% increase in just two years on police bureaucracy, which would pay for 233 extra officers in London able to carry out stop and search.

**Mr Hurd:** As a fellow London MP, representing constituents in Ruislip, Northwood and Pinner, I have a personal view on this which I think is reflected by my constituents. Given a choice between £1 of their money being spent on more bureaucracy in the centre and £1 being spent on local police officers, we both know what their priority would be. It is for the Mayor and his office to explain to the public they serve their decisions and the allocation of their budgets at this time.

**Mr David Lammy** (Tottenham) (Lab): I was first stopped and searched in the wake of the Scarman report aged 12, and it was so scary that I wet myself. We got to a place where the Home Office did a review that found there was no discernible, significant decrease in crime with the use of stop and search, and the current Prime Minister reached a cross-party consensus on the issue in the House. I caution the Minister against his party breaking that consensus, which would damage relations with Britain's ethnic minorities once again. It is finding the drug dealers and gangsters, and dealing with cocaine, that will reduce the knife crime on our streets, as the Minister knows. Why have we cut the Border Force and what are we doing about the drug market in this country?

**Mr Hurd:** I understand where the right hon. Gentleman's passion comes from. I have a great deal of respect for his passion, and I also have a great deal of respect for the fact that he has stood up and offered to serve on the serious violence taskforce because of his passion and his insight into the problem and the drivers that underlie it, not least the drugs market. He and I have sat in on presentations on the subject.

To give some reassurance, I meant what I said at the Dispatch Box. There is no appetite or desire to go back to the bad old days of stop and search, but we have gone from a situation where over 1.4 million people were stopped in 2009-10 to one where 1 million fewer people were stopped last year. In the context of the problem we face—this scourge, this terrible spike in serious violence—we have to make sure that all the tools in the box are being used.

The reality is that stop and search is an effective tool. I will give one brief example. In one week in January, during Operation Engulf, 27 people were arrested outside Stratford station, and 10 highly offensive, dangerous,

scary weapons were seized. Stop and search has its place, but it must be used lawfully and it must be targeted. Nothing about the Government's approach to the reform has changed.

**Matt Warman** (Boston and Skegness) (Con): It is vital that stop and search is intelligence-led, but I think the Minister agrees that the nature of the current funding formula curtails the ability of some forces to be intelligence-led. Will he do what he can when it comes to December to make sure that the funding formula is fairer and that we can have fair stop and search across this country?

**Mr Hurd:** I congratulate my hon. Friend on his ingenuity in introducing the fair funding formula into an urgent question on stop and search. The short answer to his question is yes.

**Janet Daby** (Lewisham East) (Lab): I thank the Minister for confirming, or clarifying, that the Government have no plan to remove reasonable grounds for stop and search. However, I find it difficult to believe what he says that the police feel less confident about stop and search; the information I have is that they feel more confident because of body-worn cameras. What more will he do to reduce the negative impact of stop and search on young people, especially where they feel shame or embarrassment that they are perceived to be criminals? What more is he doing to build trust between the community and the police?

**Mr Hurd:** The hon. Lady raises an extremely important point, and I thank her for mentioning body-worn cameras, which are a game changer in transparently managing the context of a stop and search. We are now on track for 80,000-odd of these body-worn cameras to be deployed across the country, which underpins our confidence in encouraging the police to do more stop and search in a legal, targeted way.

The hon. Lady talks about trust, and it is incumbent on the police, and on the police and crime commissioners, to be highly proactive in engaging with communities, particularly after a section 60 notice, in explaining the reasons for the section 60 notice and its consequences. People need to understand the motivation for a section 60 notice or for the deployment of stop and search, and they need to see how that connects with the results. People want to see action against violent crime, but they need the evidence that stop and search is contributing.

**Mr Marcus Jones** (Nuneaton) (Con): Most knife crime in provincial towns is predicated on organised crime gangs running drugs from city areas by involving young people and making them carry knives. What more can my right hon. Friend do about the organised crime gangs that are running drugs along county lines? What is he doing to try to steer young people away from getting involved in this activity and potentially committing these offences?

**Mr Hurd:** My hon. Friend raises an incredibly important point, because county lines are rapidly emerging as a scourge of many market towns and areas that have absolutely no history of this crime. It is deeply unsettling for people so, through him, I reassure the public that the Government take it extremely seriously. There is more

[Mr Hurd]

money going in to support the police in better co-ordinating their efforts, because crime that crosses borders is a challenge.

There is also considerable effort going in to try to target, identify, steer and protect vulnerable people, particularly vulnerable young people, from getting caught up in this activity. A combination of robust policing and really good prevention and early intervention work will hopefully protect these youngsters and stop this crime.

**Kate Green** (Stretford and Urmston) (Lab): Greater Manchester police have stated that they have no numeric targets for stop and search or for an overall crime reduction that could be attributed to stop and search, because they believe that such targets, if they existed, could distort officer behaviour. Does the Minister agree? Will he confirm that perceived concerns about a reduced use of stop and search will not lead to a focus on quantity over quality in the future?

**Mr Hurd:** The hon. Lady makes an important point. One of the most important things we did as a Government, and the then Home Secretary—now Prime Minister—did, was to scrap a lot of targets, because she knows, with her experience, that targets can distort behaviour. There is no interest among Government Members in this being a numbers game; we are responding to some evidence that the police have lost some confidence in stop and search. We want them to feel that confidence, not least with the advent and prevalence of body-worn video. We want them to use their existing powers and to continue to use them lawfully.

**Sir Desmond Swayne** (New Forest West) (Con): It may have been intelligence-led when I was recently stopped and searched outside 1 Parliament Street, but I do not complain—I want to see more use of it made. But that does imply more police officers to do it, does it not?

**Mr Hurd:** I cannot comment on what intelligence the police had that led them to that decision—obviously they got the memo! My right hon. Friend's main point is right, and I have made it clear from the Dispatch Box that, as we approach the end of austerity, this Government are determined to make sure that our police system has the resources needed. That is why we took the steps last year that have resulted in an additional £460 million of public investment in our police system and almost every police force in the country recruiting again.

**Conor McGinn** (St Helens North) (Lab): I am not being flippant when I say that people with my accent understand sensitivities relating to the use of police powers, but our chief constable and police and crime commissioner on Merseyside tell me that stop and search is a vital tool to combat serious crime. Its use by police officers has increased on Merseyside. Does the Minister agree that if it is intelligence-led, community-focused and proportionate, it should be encouraged, not least to combat knife crime in places such as St Helens?

**Mr Hurd:** I do, and the hon. Gentleman is echoing exactly the argument I have made at this Dispatch Box. Stop and search is a vital tool and we want to see it used; we continue to want to see it used lawfully, in a targeted, intelligence-led way, but we want to see it used.

**Andrew Bridgen** (North West Leicestershire) (Con): Will my right hon. Friend remind the House as to which community's members are predominantly the victims of the violent crime that these measures are designed to address?

**Mr Hurd:** My hon. Friend makes an important point, one that has been echoed by people such as Trevor Phillips. It is clear to us—I speak as a London MP—that the tragic faces staring at us out of the pages of London's *Evening Standard* are almost overwhelmingly those of young black boys.

**Mr Jim Cunningham** (Coventry South) (Lab): Surely the Minister must recognise that the only way we are going to deal adequately with violent crime, particularly in the west midlands, is by having an adequate number of police. We have lost 3,000 policemen over the past two or three years, and surely they have to be restored. More importantly, the police rely on intelligence, which is why we need more community policemen, as that is the best way to deal with crime.

**Mr Hurd:** Last year's funding settlement did put more money into west midlands policing, and it was a settlement the hon. Gentleman voted against. I will be coming to the House in early December with our plans for 2019-20. He is right about the need for a robust law enforcement response to this scourge of serious violence on our streets, but it also needs to be balanced, as I am sure he knows, with excellent work on prevention and early intervention. This Government have committed almost a quarter of a billion pounds of taxpayers' money to that prevention and intervention work in communities up and down the country. It is that balance that will give us the success we all want.

**Vicky Ford** (Chelmsford) (Con): When out on patrol with my local police, I have seen how the reasonable use of stop and search helps them to target drugs and disrupt the gangs, and has led to a drop in serious harmful violence, so I fully support it. Will the Minister look again at extending the powers so that "smelling cannabis" could be reasonable grounds for a stop and search?

**Mr Hurd:** My hon. Friend is a great champion of her local police, so it is no surprise that she has been out with them, and I know that she welcomes the fact that they are currently recruiting 150-odd officers. Our consultation on the extension of stop-and-search powers in relation to corrosive substances, drones and laser pens has just finished. I will take on board my hon. Friend's point about cannabis.

**Bob Stewart** (Beckenham) (Con): The Minister said that a million fewer people are stopped and searched than in 2010 and that the success rate then was around 10%. What are the results under the new regime—are we getting more convictions?



**Mr Hurd:** Yes. The number of stops and searches has fallen and the proportion of them that result in arrest has risen from around 9% to 17%.

**Mr Nigel Evans** (Ribble Valley) (Con): Nobody wants to go back to the old stop and search, which was deemed racist, but there have been 259 knife deaths in the country so far this year, and there were recently five in London over a nine-day period. Whatever our policy is now, it is clearly not working.

**Mr Hurd:** My hon. Friend is entirely right that the losses are terrible and the statistics are awful and unacceptable to us. We have been here before, 10 years ago, in London. We beat it then and we will beat it again, through the combination of robust policing and really effective prevention and early intervention. The robust policing will change the numbers in the short term and the prevention and early-intervention work will change the numbers in the long term. Everything we have learned from London, Glasgow, Boston and Cincinnati tells us that it is that combination that works, so we will stick to that plan.

**Eddie Hughes** (Walsall North) (Con): In Walsall, four people were stabbed and killed in a 12-month period. Does my right hon. Friend agree that stop and search is an essential tool for the police tackling this heinous crime?

**Mr Hurd:** It is a vital tool. It leads to arrests and the seizure of weapons and it reduces the risk of violence, crime and death. It is a vital tool in our police's armoury, yet all the evidence suggests that although the reform has clearly delivered an improvement in terms of the arrest ratio and stop and search's integrity, numbers have fallen to a low level. The Government would like to see the increased use of stop and search, while making sure that it remains lawful, legal, targeted and intelligence led.

**Rebecca Pow** (Taunton Deane) (Con): Does my right hon. Friend agree that the issue is about not only what the police do but educating our young people? In my constituency, we have an excellent charity called Stand Against Violence that goes into schools to deliver workshops and education to young people on how to deal with these issues and prevent crime. Will the Minister meet me to learn about the charity's work, because there are definitely lessons to learn?

**Mr Hurd:** As a former Minister for Civil Society, I am absolutely persuaded about the critical role that the voluntary sector is going to play in the battle against violent crime. I am more than happy to meet my hon. Friend and stand against violence. Public money is available to support organisations that intervene to prevent and divert young people from crime. In fact, just this weekend we announced £18 million of funding for organisations up and down the country to do just that.

**Nigel Huddleston** (Mid Worcestershire) (Con): I agree with the Minister that the use of body-worn cameras can significantly increase public confidence in stop and search and other police activities. How extensive are the plans for the roll-out of body-worn cameras?

**Mr Hurd:** I completely agree with my hon. Friend that the use of body-worn cameras is a game-changer. When I talk to police officers, they tell me that it absolutely changes their levels of confidence in being in those situations. It is also, of course, of huge benefit to the people the police stop, search and question. It changes the dynamic of the conversation. The most recent figures I saw showed that 65,000 cameras had been deployed across 41 forces, and from memory I think we are on track to get to 80,000 in short order. We are proud to have supported that.

**Mr Philip Hollobone** (Kettering) (Con): As someone who, in the past, has stopped and searched suspects when serving as a special constable, may I say to the police Minister that the reasonable grounds available to police officers are enhanced by the deployment of drug-sniffer dogs and knife arches? Can we have more of both, please?

**Mr Hurd:** May I, through you, Mr Speaker, congratulate my hon. Friend on his service and experience? We are absolutely determined to make sure that the police have the resources and the powers that they need. The Home Secretary keeps this matter under constant review, and I am sure that he will take his comments extremely seriously.

**Mr Speaker:** I do not know whether the hon. Member for Kettering (Mr Hollobone) ever stopped and searched his own constituents. Further and better particulars on that important matter should be vouchsafed to the House at an appropriate time. It is always good to be reminded of his service as a special constable as well as a member of the Kettering Borough Council.



## Nuclear Power: Toshiba

4.10 pm

**John Woodcock** (Barrow and Furness) (Ind) (*Urgent Question*): To ask the Secretary of State for Business, Energy and Industrial Strategy if he will make a statement on Toshiba's decision to withdraw from the development of a nuclear power plant at Moorside in Cumbria.

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark)**: At its board meeting last Thursday, the Japanese company Toshiba confirmed that it proposed to wind up its subsidiary NuGen following an earlier decision to exit the overseas nuclear power business. This followed the well known financial difficulties of Toshiba's US subsidiary, Westinghouse. Following that, Toshiba considered the sale of NuGen, but, having failed to agree terms, the Toshiba board decided that the company will instead be wound up. I met board members of Toshiba in Tokyo on Wednesday, and they confirmed that the board's decision was a commercial one. The decision is ultimately a matter for Toshiba and we fully understand the challenging circumstances that that company has faced over the past 18 months.

The Moorside site in west Cumbria is owned by the Nuclear Decommissioning Authority and the land will revert to the NDA. It remains a potential site for nuclear new build and the NDA will consider a range of options for its future. The Government are fully committed to new nuclear being part of a diverse supply of energy. The EDF-led Hinkley Point C is under construction and future potential projects include Wylfa, Sizewell C, Bradwell and Oldbury. All projects are developer-led and can proceed if, and only if, they satisfy the most stringent safety and regulatory approvals process and if, at the point of a contract being issued, they demonstrate value for money compared with alternative sources of electricity generation available at the time.

I recognise that last week's announcement will be a disappointing but not an unexpected one to the people of west Cumbria. One thing is certain: west Cumbria will continue to be a centre for excellence in civil nuclear. It is of huge strategic importance to the UK and a source of large numbers of highly skilled and well-paid jobs and will be for many decades to come.

**John Woodcock**: And so the people of Cumbria are thrown under a bus. I thank the Secretary of State for that statement, but I have to say that it is extraordinary that he has had to be dragged to the Chamber to make it rather than offering it proactively on a project that will affect up to 21,000 jobs in the constituency of the hon. Member for Copeland (Trudy Harrison) and many, many in my constituency and across Cumbria.

In his initial statement, the Secretary of State did not even commit to a new civil nuclear power plant in the Cumbrian area. It is just not good enough. It is not good enough for the Government to hide behind the idea that this is simply a commercial decision, because he knows that if the Government had offered terms to NuGen, to Kepco, to Toshiba that were on a par with those that they have offered on other sites in the country, this deal could have been salvaged.

I would like to hear from the Secretary of State this afternoon. Surely this is not the end. Will he commit to working with the people of Cumbria, their MPs, their

council, and their local enterprise partnership to salvage the prospect of new civil nuclear in Cumbria? Does he recognise the hole that losing Moorside will create for the UK's ability to generate low-carbon energy, and does he see the potentially irreversible decline in absolutely essential nuclear skills in Cumbria for the nation if civil nuclear is not allowed to go ahead on the site?

**Greg Clark**: I am grateful to the hon. Gentleman for his question. I know that the nuclear industry is very important to his constituents, as it is to those of my hon. Friend the Member for Copeland (Trudy Harrison).

The hon. Gentleman knows that no one is more committed than I am to the future of nuclear power in this country. It is this Government who have revived nuclear power following more than 25 years in which no new nuclear power station was inaugurated. He knows that the approach that we have taken to new nuclear power stations is that they should be developer-led. That has always been the case since the right hon. Member for Kingston and Surbiton (Sir Edward Davey) was Secretary of State and established this approach and this policy.

The hon. Gentleman knows very well, because he talks to the executives himself, that the problems that Toshiba has encountered during the past 18 months, since the entry into chapter 11 bankruptcy proceedings of its Westinghouse subsidiary, have made for a fundamental review of its strategy. It has decided, for commercial reasons, which the board of Toshiba told me, in person, on Wednesday, that it wants to concentrate on its activities away from international nuclear. The announcement is a consequence of that. Obviously, it is not possible to enter into negotiations with a counter-party that is exiting the business and does not have the financial opportunity to be able to take on this project. That has been clear, as he knows, for some time.

I was certainly very clear in my response to the hon. Gentleman that I regard the site, when it returns to the NDA, as available for further projects, and I will work very closely with those in the industry, including his predecessor. Of course I will meet the hon. Gentleman, my hon. Friend the Member for Copeland, and other people who take the same interest that I do in the future of nuclear in this country, and particularly in west Cumbria.

**Trudy Harrison** (Copeland) (Con): Will the Secretary of State reassure my community that this Government do back nuclear through the nuclear sector deal, that he recognises the strategic importance of nuclear to meet our energy and our environmental requirements, and that he values the highly skilled workforce in my constituency and, indeed, across Cumbria, who stand ready to design, build, commission and operate Moorside in Copeland?

**Greg Clark**: I pay tribute to the workforce and the community that my hon. Friend represents, and indeed to her leadership and her advocacy for the case for recognising the strategic importance of that, as well as to that of her neighbouring MPs. I enjoyed spending time with her during the summer visiting Sellafield, as I have done before, and in particular looking at the opportunities in the supply chain for new nuclear, in which Cumbria has clearly a lot to offer, given not just the heritage but the actuality of the skills there.

We continue our programme of new nuclear builds; it is important that they should be developer-led. As I said, there is a pipeline of proposed new projects, but it is important in every case that the regulatory conditions are met and that each proposal offers value for money. There is a very bright future for the highly skilled workforce in my hon. Friend's constituency, now and in the future. Through the sector deal that was agreed enthusiastically between the industry, the Government and local partners, we are investing in the future, including in those skills.

**Rebecca Long Bailey** (Salford and Eccles) (Lab): Toshiba's decision to withdraw from Moorside is a blow to the UK's energy security, its decarbonisation goals, and the economy of Cumbria. But let us be clear where the real responsibility lies. The Cumbrian chamber of commerce, and the GMB and Prospect trade unions, among others, have all laid the blame with this Government for their lack of clarity over funding and their ultimate failure to take a direct stake in Moorside—something that Labour has repeatedly committed to do.

So, first, will the Secretary of State reaffirm a promise made to the people of Copeland during last year's by-election when they were told that voting Conservative would ensure a new nuclear plant at Moorside, and will he describe his plan for salvaging the development? Secondly, Moorside was projected to provide about 7% of the UK's electricity. If the Secretary of State cannot commit to the future of Moorside, can he describe the contingency plans the Government have in place to guarantee the UK's energy security?

Thirdly, the electricity produced by Moorside would be low-carbon, which is key to meeting the UK's future carbon budgets, so if the Secretary of State cannot commit to the future of Moorside, can he describe what additional measures the Government will take to reduce the UK's greenhouse gas emissions? Finally, what contingency plans does the Secretary of State have in place for the economic development of west Cumbria, to which Moorside would have brought a reported 6,000 jobs in the construction phase and 1,000 permanent jobs thereafter?

**Greg Clark:** I am rather surprised by the statement and questions of the hon. Member for Salford and Eccles (Rebecca Long Bailey). First, it is widely known that Toshiba has had to engage in a corporate restructuring because its major nuclear subsidiary, Westinghouse, had to enter bankruptcy proceedings. That is what has happened. When I met the board of Toshiba last week, it was clear that that was the reason it is retreating. That is the central fact and the reason it is moving out of NuGen.

The hon. Lady asked about the Government's approach to new nuclear. The policy of this Government is clear: we are in favour of new nuclear as part of a diverse and low-carbon energy mix. We are the first Government for 25 years actually to deliver a new nuclear power station. As my hon. Friend the Member for Copeland mentioned, the sector deal we have struck with the industry has been very widely supported. For the first time, we are training a new generation of nuclear engineers through the nuclear apprenticeship programme. It is an important industry now, and it will be an important industry in the future.

One of the things I find when I talk to investors in the nuclear industry is some concern at the complete absence of a united policy on nuclear on behalf of the Labour party. We would think from hearing the hon. Member for Salford and Eccles that the Labour party was in favour of nuclear power, whereas the leader of her party, who I assume has some influence on policy, has said:

"I stand here as somebody who is passionately opposed to nuclear power and nuclear weapons in equal measure."—[*Official Report*, 13 December 2011; Vol. 537, c. 699.]

The shadow Chancellor has said that he would end nuclear power

"in the first 100 days of a Labour Government".

It is no wonder that the trade unions the hon. Lady refers to have said that her own party's energy plans would not leave the lights on.

Our approach is to continue with the programme of nuclear new build that we have. It is subject to being developer-led and, as is strictly necessary, to the safety case being made in each example, as well as to establishing value for money. It is, after all, the taxpayers or consumers who pay the bills, and we will always have that in mind as we continue our programme.

**Several hon. Members rose—**

**Mr Speaker:** The Secretary of State is a most cerebral fellow, and also unfailingly courteous, but there is a bit of pressure on time, so if he can zip through it, with that rapier-like brain of his, that would be greatly appreciated by the House.

**Sir Michael Fallon** (Sevenoaks) (Con): Does my right hon. Friend agree that if we are to develop a nuclear industry with the skills and the supply chain necessary to deliver baseload electricity that is reliable and cost-effective, it really is essential to avoid the kind of long gaps in procurement—for example, between Sizewell B and Hinkley C—that we saw under Labour? Will he intensify his work to find a financing model that is equally attractive to our long-term funds as it could be to overseas investors?

**Greg Clark:** I pay tribute to my right hon. Friend for his important work in re-establishing the civil nuclear industry in this country. He is absolutely right: it is not just investment gaps that cause problems; we lose the ability to train workers in that industry, and we are having to restart training nuclear engineers. In previous statements to this House, I have said that we have accepted the recommendations of the Public Accounts Committee about looking at new models for financing new nuclear. It is right that we should do so, and in so doing we will proceed with deploying new nuclear power in this country.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Secretary of State should indeed have come to the House with a statement on this matter, because it demonstrates clearly that nuclear plants are not economically viable. Will this failure finally lead the UK Government to realise that they must scrap plans to set up new plants for the declining, dangerous nuclear sector? Will the Secretary of State now commit to ruling out increased subsidies to other nuclear developments?

[Drew Hendry]

With the inevitable impact on the UK's ability to meet its carbon reduction targets, does the Secretary of State regret his Government's decision three years ago to cut investment in green technologies vastly, for ideological reasons, including the infamous betrayal of the £1 billion Peterhead carbon capture and storage project? The latest failure of nuclear is yet more evidence that renewables, growing cheaper and more reliable, are the future of low-carbon energy. Will the Secretary of State now finally properly commit to investing in renewables, including carbon capture and storage, to avoid falling even further behind the rest of the world?

**Greg Clark:** There is no one more committed than I am to the role of renewables in decarbonising our electricity supply. In fact, I am proud that the UK has delivered the fastest rate of decarbonisation in the G20 in the last years. We have created more than 400,000 jobs—many of them in Scotland—in low-carbon businesses and the supply chain. Renewable capacity in this country has quadrupled since 2010, and 30% of our electricity comes from renewables. Our record on renewables stands comparison with that of anyone else in the world.

However, my belief is that we should have a mix of low-carbon energy sources, and it is important that we should have low-carbon power from nuclear as part of that mix. I am surprised that the hon. Gentleman does not recognise and pay tribute to Scotland's proud nuclear tradition. Many people are employed now, and have been employed in the past, in nuclear—at Chapelcross, Dounreay, Hunterston and Torness. The former leader of the hon. Gentleman's party actually wrote to EDF to request and support the extension of the life of Hunterston and Torness well into the 2020s, so that they could continue to provide those jobs and that power. The hon. Gentleman talks a different game from his party's correspondence.

**John Stevenson** (Carlisle) (Con): From where I am standing, it appears the Government do not have a coherent energy policy, particularly with regard to nuclear, and that has clearly had an impact on the Cumbrian economy. Given what has happened at Moorside, what does the Minister intend to do to support the Cumbrian economy?

**Greg Clark:** My hon. Friend is a great champion of the nuclear sector in Cumbria. It has a bright future. As he knows from the sector deal, there is investment in the supply chain and in reducing the cost of new nuclear, which will be essential if it is to compete with other sources of power. There are also great opportunities through decommissioning, not just in this country, but in selling expertise around the world. Cumbria is the centre of that expertise; it has a strong strategic role in our economy; and we will back it all the way.

**Rachel Reeves** (Leeds West) (Lab): We are now entirely reliant on foreign investment to support new nuclear build in our country. If businesses abandon their plans, as Toshiba has done, that will affect the generation of new electricity supply and the costs borne ultimately by consumers. What is the Government's alternative plan if foreign investors do not support the new nuclear build we need in the UK?

**Greg Clark:** I am grateful for the comments from the Chair of the Business, Energy and Industrial Strategy Committee. She will know that it is only very recently that it has been possible to invest in new nuclear. The Labour Government she supported had no future new nuclear build programme. She will know from her visits to Sellafield and other nuclear installations that we are taking forward the recommendations of the Public Accounts Committee, including at Wylfa in north Wales, to look, where we do have a counterparty with which we can negotiate, at new financial models, and it is right that we should do so. However, as the hon. Lady would expect, that depends on being able to demonstrate value for money for bill payers and taxpayers.

**John Redwood** (Wokingham) (Con): How likely is it that the Secretary of State will find an alternative developer for a nuclear project in Cumbria? If we do not, how will we generate the power we are missing?

**Greg Clark:** We have a substantial pipeline of new energy projects, as a number of hon. Members have made clear. When it comes to the Moorside site in Cumbria, it was always available to developers to leave it. It will now revert to the Nuclear Decommissioning Authority. It will be open to developers to come forward to make proposals. However, whether with nuclear or other sources of clean power, we have a substantial pipeline of new projects coming forward to add to our energy supplies.

**Sir Edward Davey** (Kingston and Surbiton) (LD): When I was doing the Secretary of State's job, there were plenty of such setbacks and delays to new nuclear, and they really worried me. I was worried about how we would keep the lights on in the 2020s and 2030s, given that the forecasts were reliant on so much new nuclear, so I looked at contingencies, particularly tidal lagoon power. Will he now reverse his views on tidal lagoon power and look at it quickly, because it can provide the firm reliable power that new nuclear offers and be built much more quickly than a new nuclear power station?

**Greg Clark:** The right hon. Gentleman is correct in noting that the scale of such projects means the companies proposing them need to have a plan that is financeable and, in this case, a source of technology that is available. I repeat what I said at the beginning, which is that the Westinghouse subsidiary of Toshiba went into chapter 11 bankruptcy. On the tidal lagoon project, I am in favour of diverse sources of energy—that is clear—but we have to recognise value for money for taxpayers and consumers. The Swansea tidal lagoon proposal was so far off being able to be financed that it was not value for money for either the taxpayer or bill payers.

**Rachel Maclean** (Redditch) (Con): Does my right hon. Friend agree that smaller nuclear reactors can be an innovative heart of the mix to provide the country's future energy needs?

**Greg Clark:** I do indeed. The sector deal to which I referred emphasises the role that small modular reactors can play, including on some sites of decommissioned nuclear power stations. That is an important area for the future.



**Mike Gapes** (Ilford South) (Lab/Co-op): This decision means that this country will be more dependent on co-operation with France and our European Union partnership. Does the Secretary of State agree that it is important we sustain that?

**Greg Clark:** I think the hon. Gentleman knows very well that I think we should have a good trading relationship, including in energy, with the rest of the European Union, as we have had in recent years.

**Paul Masterton** (East Renfrewshire) (Con): The UK is the home of civil nuclear technology. One reason for that is the thousands of very highly skilled apprenticeships the nuclear sector provides. What is the Secretary of State doing to ensure that that legacy continues, so we can continue to bring through very highly skilled well-paid jobs?

**Greg Clark:** My hon. Friend makes an excellent point. We have established the new nuclear college to ensure that the gap in skills, to which my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon) referred, can be filled. Apprentices are now being trained for the first time in new nuclear build—an important way our historical strength in new nuclear can be projected forward into the future.

**Martin Whitfield** (East Lothian) (Lab): I thank the Secretary of State. What consideration has been made of the wider impact of Toshiba's decision on the UK nuclear industry and its supply chain? Does Toshiba's decision put in doubt any other projects coming down the line?

**Greg Clark:** I was very clear and Toshiba was very clear that there were particular circumstances relating to the financial difficulties of its Westinghouse subsidiary. All these projects are promoted by a particular investor. It has made a decision. It is one that I think was widely expected, given those financial difficulties, but it has no implications for any other promoter.

**Vicky Ford** (Chelmsford) (Con): I understand that the shadow Chancellor said last year that he would end all nuclear power within 100 days of a Labour Government. Given that nuclear energy accounts for about 20% of our energy production, how would they keep the lights on?

**Greg Clark:** This is the point the trade unions have made. The failure of the Labour party even to support the policy described at the Opposition Dispatch Box by the hon. Member for Salford and Eccles (Rebecca Long Bailey) concerns investors in new nuclear. In the past, we have been able to establish a common approach in this area so that investors can take a long-term approach with certainty. It would be helpful if we returned to that.

**Jim Shannon** (Strangford) (DUP): I thank the Secretary of State for his replies so far. Toshiba's decision to withdraw from the nuclear plant leaves a clear gap in the energy market. It has been stated today that there will be a 7% deficit in energy provision as a result; how will that deficit be filled and by whom?

**Greg Clark:** There will not be a deficit. We have a substantial—in fact, increasing—pipeline of new investment. One of the features of the energy industry in the UK is that we have not only a pipeline of proposed new nuclear power stations—as I said, they need to meet the value for money threshold—but a substantially increasing volume of investment in renewable energy coming from and reflecting the fact that the price of offshore renewables has halved in the past two years.

**Mr Nigel Evans** (Ribble Valley) (Con): The northern powerhouse has just taken a huge dent to its power generation for the future. The Secretary of State knows how important those jobs would be to the north-west of England, including in the Ribble Valley, which I represent. Where Toshiba has failed, will his Department not re-energise its efforts to ensure that the nuclear experts that he relies on can work with embassies and high commissions throughout the world, where some of this expertise lies, to give at least some hope that, where Toshiba has now pulled out, somebody else can come in within a short time?

**Greg Clark:** My officials and I, and my ministerial team, talk regularly to countries and companies across the world. When I was in Japan last week, I had discussions with Hitachi, which is actively engaged in negotiations on the Wylfa project. Now that Toshiba has taken its decision, for reasons that everyone understands, and I make no criticism of it—it has been very transparent in the reasons for this—that site is now available. Other developers will know that and be able to engage.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): Despite losing £100 million on this venture, Toshiba's share price went up when it pulled out, yet the Secretary of State stands there and tells us that nobody is more committed to nuclear than he is. It is quite obvious that renewables are the future, yet this Government are blocking onshore wind development in Scotland. They are looking at pulling the export tariff, and as my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) said, they have already pulled CCS funding. When will they provide proper investment in renewables and end this nuclear obsession?

**Greg Clark:** The first part of the hon. Gentleman's question makes my point for me. The reason that Toshiba took the decision that it did was to restore robustness to the financing of the company following the chapter 11 bankruptcy proceedings that Westinghouse went into. It has grasped that nettle. On the deployment of renewables, he will know that when it comes, for example, to wind in the remote islands of Scotland, I made sure that we were able to take that opportunity, and as a result, investment is going into those communities. *[Interruption.]* He says that it is small, but the performance of offshore wind is creating jobs all around Scotland and the United Kingdom and is a reflection of the commitment that this Government have given to it.

**Mark Menzies** (Fylde) (Con): This decision is not just about west Cumbria. Springfields nuclear fuel, which is based in my constituency and employs 1,200 people, was hoping to make the nuclear fuel for this plant, as the Secretary of State knows, because he visited it. What assurances can he give that workforce, and what



[Mark Menzies]

measures are the Government taking to make sure that Springfields can make nuclear fuel for some of the other plants that he has outlined this afternoon?

**Greg Clark:** Springfields is very successful and has an active programme of supplying the nuclear industry generally. It will be one of the beneficiaries of the fact that we have restarted the build programme for civil nuclear power in this country. My hon. Friend knows that I will work closely with it and him to make sure that it can bid into those projects when they mature.

**Neil Coyle** (Bermondsey and Old Southwark) (Lab): The Secretary of State says that he is talking to other investors in UK nuclear. Will he name which alternative companies he and the Department have approached since Toshiba's decision, and will he follow up on the exploration by my hon. Friend the Member for Workington (Sue Hayman) of a positive intervention by CGN—China General Nuclear Power Group—to prevent the loss of skills, jobs and equities at Moorside?

**Greg Clark:** We have regular discussions with investors in nuclear. The decision was taken only last Thursday and has some way to go to be implemented, but the hon. Gentleman has my assurance that prospective investors in this site and others will be able to talk, in the first instance, to the NDA, which owns the land, but are also free to discuss these matters with my officials.

**James Heappey** (Wells) (Con): The Secretary of State has championed the development of battery technologies, through the Faraday challenge, and his Department is also looking closely at demand response technologies. Can he say whether these renewables plus storage/flexibility options are quickly replacing the need for centralised thermal plant, and whether we should be looking at those options alongside the new nuclear programme as a priority for our future energy mix?

**Greg Clark:** My view is that we should have a mix of energy sources. It is true that storage, and the progress being made in storage, plus renewables is increasing the possible contribution to our electricity generating system, but, as I say, we are always wise to have a diversity of sources, which is why nuclear has an important role to play.

**Bob Stewart** (Beckenham) (Con): When NuGen hands back the Moorside site to the NDA in January, will it be the taxpayer who pays for the clean-up, or—I hope—its preparation for a new tenant?

**Greg Clark:** If my hon. Friend visits the Moorside site, he will see that it is pretty clean already. The site was available for development but has not had substantial work on it that would require any remediation.

**Mr Philip Hollobone** (Kettering) (Con): As foreign energy companies look to develop new nuclear build around the world, with Her Majesty's Government's nuclear sector deal, how attractive is the UK electricity market compared to those of other countries?

**Greg Clark:** It is an attractive market. That is one reason there is interest from several companies in the new nuclear opportunities available. Our market has always been open to overseas investment, and our commitments have attracted interest, not least in the next in the pipeline, which is Hitachi's proposed investment in Wylfa in north Wales.

**Matt Warman** (Boston and Skegness) (Con): Small nuclear reactors have already been mentioned briefly today. May I invite the Secretary of State to go fractionally further than he did in his previous answer and say that when it comes to these smaller, cheaper, more efficient reactors, we should be looking not just at existing nuclear sites, but at other sites being decommissioned in the near future?

**Greg Clark:** My hon. Friend is absolutely right. One of the advantages of small modular reactors is that they can be deployed in a wider range of locations than the larger traditional reactors, and that is part of the attraction recognised in the sector deal.

**Andrew Bridgen** (North West Leicestershire) (Con): I have considerable sympathy for the Secretary of State's position in this matter. Does he agree that Toshiba's much-publicised problems in this area are not of his making and that had Toshiba been willing to keep open its troubled subsidiary on the basis of this one contract, he could have been accused of getting poor value for money for the taxpayer?

**Greg Clark:** It is up to the company, as a commercial investor, to decide its future strategy. It has had a major financial problem as a result of the problems experienced by Westinghouse. We have always been clear that these projects need to be commercially backed, and Toshiba has taken a commercial decision to exit from overseas nuclear. That is a matter for it.

## Appointment of Sir Roger Scruton

4.43 pm

**Andrew Gwynne** (Denton and Reddish) (Lab) (*Urgent Question*): To ask the Secretary of State for Housing, Communities and Local Government if he will make a statement on the appointment of Sir Roger Scruton as the chair of the Building Better, Building Beautiful Commission.

**The Secretary of State for Housing, Communities and Local Government (James Brokenshire)**: On 3 November I announced that I would convene a Building Better, Building Beautiful commission. The aim of the commission will be to champion beauty in the built environment, as an integral part of the drive to build the homes that our communities need.

Building more homes to address the housing shortage is one of the central challenges that we face as a country. As sources such as the British Social Attitudes Survey show us, most people now accept the need for new homes, but we must ensure that we are building homes in the right places, and homes of high quality, in order to gain the support of local people.

Part of making the housing market work for everyone is ensuring that what we build is built to last, and that it respects the integrity of our existing towns, villages and cities. That will become increasingly important as we look to create new settlements across the country, and invest in the infrastructure and technology needed to ensure that they are thriving and successful places. The commission will make practical recommendations for the Government to consider, to help to ensure that new developments meet the needs and expectations of communities, making them more likely to welcome rather than resist new development.

In the selection of commissioners, my priority is to assemble experts who can provide real expertise and challenge on design quality, and a commitment to building places that communities value and support. Professor Sir Roger Scruton is a global authority on aesthetics, and was knighted for services to philosophy, teaching and public education in 2016. He is one of the country's leading living philosophers. His commitment to promoting beauty in the built environment is well known, and he has published extensively on the subject. He was an adviser on design to the coalition Government.

As this was an advisory appointment, due diligence checks were carried out and considered prior to Sir Roger Scruton's selection as unpaid chair. With his experience and commitment to this important agenda, Sir Roger is the right person to chair the Building Better, Building Beautiful Commission.

**Andrew Gwynne**: Thank you for granting the urgent question, Mr Speaker.

Across the country and in the House, there have been considerable concerns about the appointment of Sir Roger Scruton, especially as his views have become more widely known. Can the Secretary of State confirm that, as part of the appointment process, he was made aware of Sir Roger's previously expressed views? If he was, what consideration did he give to those views in relation to Sir Roger's suitability for such an important post? If he was not, is he not just a bit embarrassed that due process was not followed?

**Mr Richard Bacon** (South Norfolk) (Con): What are you talking about?

**Mr Speaker**: Order. Mr Bacon, you are normally a most civilised and urbane fellow. I cannot imagine what has got into you. I know that you know all about building and houses, and that you can dilate on those matters with great eloquence and at any length specified. We will hear from you ere long—

**Mr Bacon**: Excellent!

**Mr Speaker**: Of course it is excellent—excellent for you and, no doubt, excellent for the House, excellent for Norfolk and excellent for the nation—but in the meantime, you should exercise just a degree of patience, and entertain the possibility that someone might express a view, legitimately, that differs from your own.

**Andrew Gwynne**: Will the Secretary of State tell us whether the Nolan principles apply to this post? Does he consider the views that Sir Roger has expressed to be appropriate for the post of chair of the commission? The primary focus of the Building Better, Building Beautiful Commission is to seek to address “how new settlements can be developed with greater community consent”.

We support that aim, which is why we have launched our own planning commission, but communities are more than just bricks and mortar and planning processes. They are about people—people from diverse backgrounds—and good planning should foster good community cohesion.

When was the Secretary of State made aware of Sir Roger's comment that homosexuality is “not normal”, and his comparison of homosexuality to incest? When was he aware that Sir Roger had complained that gay men have an obsession with the young? Will he now apologise to the LGBTQ+ community for appointing a man who holds those views?

When was the Secretary of State made aware of Sir Roger's links to far-right organisations, and his propagation of their antisemitic conspiracy theories? Was he aware that his new chair spoke out against the disbanding of Vlaams Blok by Belgian courts after it was found to have incited racial discrimination, dismissing it as a conspiracy by the “liberal establishment”? Is that acceptable, in the Secretary of State's view?

When was the Secretary of State made aware that Sir Roger heaped praise on Hungary's Viktor Orbán at the height of his truly hateful, state-orchestrated, antisemitic campaign against George Soros, and that he stated in a lecture in Hungary that Jewish intelligentsia “form part of the...Soros empire”?

We also know from reports in the *Huffington Post* today that Sir Roger Scruton spoke favourably of the National Front, calling it an “egalitarian” movement. Is this acceptable in the Secretary of State's eyes?

Given this, is the Secretary of State still prepared to speak alongside Sir Roger at an event on Wednesday? If we are going to have a society that welcomes free speech, we should also hold those people to account for what they use this privilege to say. We should consider the views of the people who are left silent by the propagation of hateful rhetoric and views that should have no place in the 21st century, let alone be rewarded by a senior Government appointment.

[Andrew Gwynne]

I want the Secretary of State to confirm to this House that he has confidence in Sir Roger and the views that he holds, so that we can go forwards knowing that this Secretary of State thinks that these views are acceptable for the chair of this commission.

**James Brokenshire:** I have to say that it saddens me that someone who has done so much to champion freedom of speech, freedom of expression and freedom of thought should be subject to the kind of misinformed, ill-judged and very personal attacks that we have seen over the last few days, some of which, sadly, the hon. Gentleman has just repeated. It is all because Sir Roger has agreed to chair a commission to advise the Government on beauty in the built environment—something that he is eminently qualified to do and that he has done in the past.

The hon. Gentleman made a number of points. I would say to him that Sir Roger Scruton is a leading expert on aesthetics, who was asked to take on an unpaid role as chair of a commission looking into beauty in the built environment. He is one of the most qualified people in this particular field, so I am pleased that he has accepted that role. As a public intellectual of renown and author of over 50 books, as well as countless articles and public lectures, Sir Roger is engaged in a variety of topics, often expressing—yes—strong and controversial views.

**Andrew Gwynne:** Racist.

**James Brokenshire:** I am not going to repeat the word that the hon. Gentleman used and read it into the record, but I think he should consider his terms. As Sir Roger has made very clear, he has been offended and hurt by suggestions that he is in any way antisemitic or Islamophobic. Most of what has been reported is highly selective, taken completely out of context and distorted to paint an inaccurate picture. I do not have to agree with Sir Roger to acknowledge this, nor do I have to agree with his views on a number of different issues. However, we live in a free society where people can hold different opinions. I am proud that we do still live in a society where that remains possible.

I ask the hon. Gentleman to reflect further on some of the points he made. He made some points regarding Prime Minister Orbán's regime. If, in fact, he read the speech that was given, he would see that Roger Scruton actually took a very firm line against antisemitism—quite the opposite of the situation that has been presented by the hon. Gentleman today. I continue to believe that Sir Roger is the right person to lead this important work.

I welcome the hon. Gentleman's point about the need to take this work forward, but I hope that he will recognise the huge contribution that Sir Roger Scruton has made to public debate in so many different ways. This is about freedom of speech and freedom of expression, and although we do not necessarily agree with all that Sir Roger has to say, he is uniquely qualified to provide support to our work on the built environment and aesthetics. We should support him and get on with that job.

**Several hon. Members** *rose*—

**Mr Speaker:** Now, Mr Bacon, your moment has arrived.

**Mr Bacon:** Thank you very much indeed, Mr Speaker. It is a great fact that we live in a free country and speak in a free Parliament where we can say what we want, and it is only for that reason that I defend the right of the hon. Member for Denton and Reddish (Andrew Gwynne) to issue forth the crass and oafish comments that he did, which would be refuted quite easily by reading the books and articles of Sir Roger Scruton.

I congratulate my right hon. Friend on appointing Sir Roger Scruton. Does he agree that Sir Roger is eminently qualified to do this, and that it is about time we had somebody speaking up at the top for people who want to take notice of beauty in this country?

**James Brokenshire:** I profoundly do. The point is that, if we are to gain that consent and the support of the public on ensuring that we have communities that are built to last and that reflect a sense of community at their heart, it is right that we challenge and have this debate. I think that Sir Roger Scruton is uniquely placed to support that.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Mr Speaker, you will not be surprised to hear that I disagree profoundly with many of the views of Sir Roger Scruton, which seem to be designed to bring the bigotry of the 19th century into the 21st. The Secretary of State implied that Sir Roger Scruton has been consistently taken out of context. Does he think that for a professional and public intellectual, as he describes him, to be so generally misrepresented shows a lack of professionalism and expertise, or does he think that offering Sir Roger Scruton a platform on the built environment of the communities of our country is in some way not connected with his views on race, multiculturalism, homophobia, sexual orientation and Islamophobia?

**James Brokenshire:** We have the right to speak our minds in this House, as the hon. Lady has done, and my respect for the hon. Member for Denton and Reddish, even if I may disagree with his views, ensures that this place is the place that it is. We live in a world where people communicate in 140 characters. We are talking about someone who delivers long lectures and has written extensively in many different books and some controversial articles. It is important to see that context. Sir Roger has accepted in the past that he has got it wrong—for example, he acknowledged in 2010 that he had changed his position on homophobia and was wrong. It is part of that public debate that leading intellectuals are entitled to explore ideas and change their minds where necessary.

**Several hon. Members** *rose*—

**Mr Speaker:** What a rich galaxy. I call Mr Jacob Rees-Mogg.

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): Thank you, Mr Speaker. May I congratulate my right hon. Friend on his inspired decision to make beauty an important part of the planning process and his equally inspired decision to appoint Sir Roger Scruton? Sir Roger is a very brave defender of free speech who used to go behind the iron curtain when some people on the other side of this House might have been rather more sympathetic and fellow traveller-ish than they might like now to admit. Any philosopher must be able to discuss issues and is bound to say things in his works that are



controversial, because otherwise, discussion and debate cannot be advanced. That is an inevitable consequence of appointing a philosopher.

**James Brokenshire:** My hon. Friend makes a point in relation to freedom of expression and freedom of speech. I point him to an interesting lecture that Sir Roger supported by the Syrian architect and author Marwa al-Sabouni. In the midst of the bombardment of Homs, Marwa emailed Sir Roger about his book on aesthetics and how architectural issues were as relevant there, and she has maintained that contact. That freedom of speech and openness is so important.

**Wera Hobhouse (Bath) (LD):** I studied art, and I totally agree that beauty and aesthetics are important, but building homes for our diverse communities is not just about beauty; it is about the right homes for them. If these controversial remarks have been made, the Government should think twice. They seem to be making a habit of appointing people who are not appropriate for Government advisory roles. Does the Secretary of State agree that the vetting process should be more transparent, to guarantee public faith in such public advisory roles?

**James Brokenshire:** All I would say to the hon. Lady—I appreciate that she might not have been in the House at the time—is that Sir Roger previously served as an adviser to the coalition Government on issues of design, with both Conservative and Liberal Democrat Ministers. He has served before, and I think it is appropriate for him to provide that support again.

**Sir Edward Leigh (Gainsborough) (Con):** Is not the only truly illiberal thing to use student union smear tactics to deliberately attack a distinguished philosopher who has written hundreds of thousands of words and do what the Opposition spokesman has done today, which is to take one sentence and then claim that the philosopher is antisemitic? We should read the rest of the sentence, in which this philosopher says:

“People in these networks include many who are rightly suspicious of nationalism, regard nationalism as the major cause of the tragedy of Central Europe”.

Here is a man who has defended George Soros. Why are the Opposition stooping so low as to do this? Why can they not defend freedom of speech?

**James Brokenshire:** I certainly cannot answer for the Opposition in relation to this. All I would say is that Sir Roger is a distinguished philosopher. He is a distinguished author on aesthetics—I think uniquely qualified to support our work in designing better, more beautiful communities. Therefore, I look forward to working with him and getting on with that important work.

**Clive Efford (Eltham) (Lab):** This is not about freedom of speech; it is about whether someone is suitable to be appointed to public office who holds extreme views. There is a difference between dealing with controversial issues and expressing specific views on issues such as Islamophobia, antisemitism and racism in general, and links with right-wing organisations. Did the Secretary

of State satisfy himself that those views had never been expressed—those links did not exist—before he made this appointment?

**James Brokenshire:** Again, I am sorry that the hon. Gentleman has taken the view that he has. I remind him that Sir Roger was obviously knighted, back in 2016, for his eminent work and his eminent service. Indeed, he served the coalition Government before, and I believe that he remains the right person to lead the work of this commission. It saddens me that his views have been so misrepresented and that his character has been smeared.

**James Gray (North Wiltshire) (Con):** Anyone who has taken the trouble to study any of the 70-odd books on the subject which Sir Roger has written, or read his extensive lectures and articles, will know that, quite contrary to how he is being painted by the Opposition, he is one of the most compassionate and even-handed men that I have ever met. He is my constituent and a good friend, and I know his works extraordinarily well. He is nothing like an antisemite, nor an Islamophobe. Nothing could be further from the truth, and it is an outrage to describe him as such.

Does my right hon. Friend the Secretary of State not agree that someone who has written so well on the aesthetics of architecture—that is one book, and the classical vernacular another—is the most ideal person there could possibly be for this appointment? Rather than traducing him, which is what Opposition Members are doing for their own purposes, we should be congratulating my right hon. Friend on making an outstandingly good appointment.

**James Brokenshire:** I do, and Sir Roger has been an important champion of this work. I believe he is the right person to chair this commission to enable us, yes, to have the debate that we want to have on this important issue and to see that we build the homes and the communities that our country needs.

**Mr Edward Vaizey (Wantage) (Con):** The Opposition never raised a peep when Sir Roger Scruton was appointed as an adviser, nor indeed when he got his knighthood, but they learned from the bully-boy smear tactics that ousted my good friend Toby Young that this kind of smear campaign works. How much more impressive it would be if the Opposition shared my concern about Sir Roger Scruton's appointment, which is that I do not want him to lead a commission that simply advocates for neo-Georgian pastiche as a definition of beauty. I hope that the commission will include contemporary architects, women and people with BAME backgrounds as well. As far as Sir Roger's character is concerned, and his views, it is impeccable; he just has a slightly dodgy neo-Georgian pastiche thing going on.

**James Brokenshire:** I note my right hon. Friend's personal thoughts on aesthetics. I certainly will be looking carefully at further appointments to the commission, because it is important that we have a good reflection of views there so that we are challenging, thinking and making the case for building beautiful places that are designed to last and to reflect a sense of community and identity with the places in which we live and of which we should be proud.



**Mr Speaker:** The Clerk at the Table advises me that I am under no obligation to say anything about Sir Roger, because of course one meets all sorts of people in the course of one's work and one's life, but in the light of what the Secretary of State and the hon. Member for North Wiltshire (James Gray) have just said, I simply inform the House that I have of course met Roger Scruton many times over the years. I express no view about the appointment—that is not for me to do—but I did read his book “The Meaning of Conservatism” in 1982 and I have read many of his articles over the years, and I simply took the view that this issue should be aired in the Chamber. That is what is happening, and Members are very properly expressing their views on the subject.

**Mr Bob Seely** (Isle of Wight) (Con): Does the Secretary of State agree that Sir Roger Scruton is respected throughout the world, not necessarily because of all his opinions but because he is a profound and distinguished thinker? Will my right hon. Friend accept my congratulations on the fact that the Government are not allowing themselves to be bullied by the thought police rent-a-mob, and that they are going to stand by this decision?

**James Brokenshire:** I appreciate the support that my hon. Friend is giving to the work of the commission. I believe that our focus should firmly remain on how we build communities for the future, how we build a sense of community at their heart, how our built environment is key to all that and how Sir Roger has been a champion of freedom and liberalism, which is something that we should not forget.

**Mr John Hayes** (South Holland and The Deepings) (Con) *rose*—

**Mr Speaker:** I am sure that the right hon. Member for South Holland and The Deepings (Mr Hayes) was here earlier, and that I just failed to notice his presence.

**Mr Hayes:** I am extremely grateful, Mr Speaker. As has already been said, Sir Roger Scruton is an extremely distinguished academic with a long pedigree in these subjects. He has made the case—in direct contrast to that made by my right hon. Friend the Member for Wantage (Mr Vaizey)—for a gentle, generous and harmonious built environment, and it does the Secretary of State great credit that he has appointed Sir Roger as chair of this commission. As you have implied, Mr Speaker—although not said, because you would never breach the proper terms of your office—Roger Scruton will bring a lively, imaginative, well-researched report that will inform all of our thinking, and my goodness we need that after years of dull, egalitarian modernism.

**James Brokenshire:** I will not comment on my right hon. Friend's last point, because I want the commission itself to come to some of those conclusions, but I know that he is a passionate advocate of this debate and that he has shown himself to be so on previous occasions. His comments on the contribution that Sir Roger will make are well made, as his comments always are.

**Bob Stewart** (Beckenham) (Con): Does my right hon. Friend agree that Sir Roger Scruton has shown true

courage and humanity through some of his journeys, particularly to the east, and that his writings and speeches are actually pretty good—

**Sir Edward Leigh:** They are better than yours, Bob, anyway!

**Bob Stewart:** I have to say that my hon. Friend is absolutely right: they are better than mine. But I will finish my question. Does the Secretary of State agree that Sir Roger Scruton continues to have massive respect for all sectors of our society?

**James Brokenshire:** Sir Roger is a leading philosopher, and his extensive work clearly provokes responses and debate, as it is intended to do. However, my focus is on the core skills that he brings to his work on beauty in the built environment, which is why he is so well placed to do this work.

**Kevin Foster** (Torbay) (Con): I am sure that, like me, the Secretary of State noted the contrast between the claims of widespread outrage from the shadow Secretary of State and the fact of the virtually deserted Labour Benches behind him when he made those claims. Does my right hon. Friend agree that many of those accusations are easily refuted by actually reading what Sir Roger Scruton has written and said, rather than by selectively quoting him?

**James Brokenshire:** I agree with what my hon. Friend has said. Many of the allegations, claims and smears have been highly selective and taken out of context. I would certainly encourage people to read all the articles that they have sought to point at, and they will see that their claims are misjudged.

**Jeremy Lefroy** (Stafford) (Con): If the qualification for such an appointment is that someone should not have said anything offensive or controversial to anyone during their life, how many Members of the House—with the exception of course of you, Mr Speaker—does my right hon. Friend think would qualify?

**Mr Speaker:** The hon. Gentleman's generosity of spirit knows no bounds.

**James Brokenshire:** The short answer is probably very few, which is the point my hon. Friend is making. We need people who are prepared to come forward to advise Government and provide support. It is important that we continue to attract skilled, talented people to do that, and the Government will continue to champion freedom of expression and speech.

**Mr Philip Hollobone** (Kettering) (Con): I congratulate the Government on attracting a world-leading expert in architectural aesthetics to this position, and I thank Sir Roger for accepting unpaid public service. Will the Secretary of State join me in deploring the Opposition's tactics which seem to be based on soundbite misquotations generated on social media?

**James Brokenshire:** As I said in my initial response, this has been misjudged. Professor Sir Roger Scruton is one of the most qualified people in this field to do this job, and that is why I am so grateful that he has said yes. I look forward to working with him.

## Points of Order

5.11 pm

**Marsha De Cordova** (Battersea) (Lab): On a point of order, Mr Speaker. In her statement on Monday 5 November 2018, the Secretary of State for Work and Pensions listed a number of organisations, including Mind and Gingerbread, that had welcomed changes to universal credit, saying that they believed the Department was now listening, but the charities were forced to set the record straight. Instead of welcoming the changes as the Secretary of State suggested, Mind has said that it needs MPs to vote against the regulations, which will create a real risk for people living with mental health issues. How can it be that the same charities that the Government claim to have listened to on the regulations are asking MPs to vote them down?

Can you advise me on how to ensure that the Secretary of State corrects her statement to accurately represent the views of the charities that she mentioned?

**Mr Speaker:** I thank the hon. Member for giving me notice that she wished to raise this matter on a point of order, and I trust that she also informed the Secretary of State of her intention to do so. The hon. Lady has made her view clear and it is on the record. If the Secretary of State believes that she has inadvertently misled the House she can, and in those circumstances should, take steps to correct the record. It may be—I put it no more strongly—that she takes a different view of the matter.

Perhaps I can say, without fear of contradiction by any Member of the House, that it is not uncommon for Members to interpret the facts of a matter in different ways. I am grateful to the hon. Lady.

**Mike Kane** (Wythenshawe and Sale East) (Lab): On a point of order, Mr Speaker. As you will be aware, Asia Bibi, a Christian, has been on death row for eight years after a conviction for blasphemy that was recently quashed by the High Court in Pakistan. Weekend press reports have suggested that Asia and her husband applied to the UK for asylum but were turned down because of security fears if she were to come here. If that is true, it is an astonishing admission to be given to the press, not to the House. Have you had any indication that the Home Office or the Foreign and Commonwealth Office will make a statement to the House about this matter this week?

**Mr Speaker:** It is open for a Minister to do so.

In response to the hon. Gentleman, I take the opportunity to observe that I am not aware that a Minister plans to come to the House to make a statement on this matter. However, I believe this matter has crossed my desk before, and Members have expressed interest in it. He will know that there are means open to him to ensure that the matter is discussed in the Chamber. I offer him no guarantee of that, but in lieu of and, if you will, as a backstop against the unwillingness to volunteer a ministerial statement—yes, I know we do not want to talk too much about backstops—it is perfectly open to him to deploy that device, and the same goes for other Members.

## Finance (No. 3) Bill

### *Second Reading*

**Mr Speaker:** I inform the House that I have certified clause 3 of the Bill as relating exclusively to England, Wales and Northern Ireland on matters within devolved legislative competence.

I inform the House, moreover, that I have selected the amendment in the name of the official Opposition.

5.16 pm

**The Financial Secretary to the Treasury (Mel Stride):** I beg to move, That the Bill be now read a Second time.

When our party first came to office after the great crash, after the years of borrow and spend, our country was close to the abyss. We inherited then the greatest deficit in our peacetime history, a deficit of a magnitude that posed a real and present danger to every one of us, to every man, woman and child in our country and, indeed, to generations yet to come.

This was a deficit greater even than that created by another profligate Labour Government decades before that party reduced our country to scampering cap in hand to the International Monetary Fund for a bail-out, because they had brought us to the point of bankruptcy. It is the Conservative party that has once again—just as we did then—brought our country back from the brink and into better times.

**Sir Edward Leigh** (Gainsborough) (Con): Will my right hon. Friend give way?

**Mel Stride:** I will make a little progress.

What does this history teach us? Is it that that Marxism provides the answers, as the Labour leadership would have us believe; that fomenting the overthrow of capitalism, as the shadow Chancellor put it, can lead to prosperity; or that high taxation, nationalisation, the blatant sequestration of private capital and borrowing on a scale hitherto unimagined might provide us with the answers or some easy way out? No, the lesson is rather more prosaic but, none the less, noble: that living within our means matters; that those who work hard for their money should get to keep more of it; that the taxman should be held back from the pay packets of those who create and strive; that those parts of our country that have, for too long, felt neglected and left behind should once again be included and heard; and that economies, our communities and our very liberty thrive if we are freed from the burdens of the excessive state interference advocated by the Labour party.

**Leo Docherty** (Aldershot) (Con): My right hon. Friend may not have read “Economics for the Many” by the shadow Chancellor, but he will not be surprised to learn that in that book the shadow Chancellor says that the fact that Labour’s figures do not add up is “largely irrelevant.” Does he agree that that shows a shocking disregard for the economic future of our great country?

**Mel Stride:** My hon. Friend is entirely right. Of course, it is easy to make pledges when in opposition. Indeed, in the run-up to the last general election the Leader of the Opposition appeared to pledge the abolition of student fees, only to discover that the measure would cost around £100 billion and is totally unaffordable.

**Karen Lee** (Lincoln) (Lab): Will the Minister confirm the total cost to the Exchequer of corporate tax reliefs in the last financial year?

**Mel Stride:** What I can confirm to the House is that in reducing corporation tax from 28% to 19% since 2010, we have increased the yield from corporations, not just by a few per cent. but by 50% over that period. We are now talking about taxation, so let us ask: what is Labour's plan? It is to put taxes up to 26% for large companies and to 21% for small businesses, which would be a full 50% increase in tax bills for large companies and a 25% increase in tax bills for smaller companies.

**Charlie Elphicke** (Dover) (Ind): I thank my right hon. Friend for making that important point. Does it not underline the fact that if we cut the rate, we up the take? Does it not also show that Labour's plans would result in reduced revenues, meaning more spending, more borrowing and more debt, which would take us back to the brink once again?

**Mel Stride:** My hon. Friend is entirely right; there is no doubt that if you keep on putting up taxes, as Labour says it will do and would be forced to do if, heaven forbid, it was ever to form a future Government, because its numbers do not add up, you end up killing the goose that lays the golden egg.

**Sir Edward Leigh:** My right hon. Friend is an excellent Minister, knocking on the door of the Cabinet, so I am sure he will agree with everything—[*Interruption.*] I know he is one of us, too. Is he slightly concerned that we are increasing spending by £30 billion a year up to 2023 and that we are taking out of the state the same proportion as Gordon Brown took out? As a fellow traveller in the Conservative cause, can he convince me that he is committed, as I am and those on our Benches are, to reducing government debt?

**Mel Stride:** I can assure my hon. Friend that we are indeed reducing government debt. The Office for Budget Responsibility has forecast that in each year of the coming period we will be reducing debt as a percentage of GDP. We have of course met our two intermediate targets a full three years early. We are fiscally responsible, which is why we are in a position to be able to support our public services in the very significant way that we are doing.

**Ruth George** (High Peak) (Lab): The Conservative party came to power in 2010 promising to eliminate the deficit by 2015. Not only has it not done that, but it has doubled this country's debt and brought public services to their knees. Is the Minister claiming that this project has been a success?

**Mel Stride:** The hon. Lady will know that the deficit was up at about 10%—£150 billion a year—at the time we inherited the mess that her party left us with. That deficit has now reduced by a full 80%, to below 2% of GDP, and will go down further as we move forward. Now, let me make some progress.

As I was saying, these are the economic facts of life and, as a great lady once said:

“The facts of life are conservative.”

Under this Conservative Government, sound finances are being restored. The future is brighter, bringing with it our increased commitment to our public services, most notably to our highest priority of all, our national health service. Thanks to the commitment of this Government and the hard work of the British people, we are now entering a new era. The deficit is fading, real wages are rising, the debt is declining and better times are returning. We now have a near record level of employment, with unemployment at a 40-year low, and we have halved youth unemployment since 2010. Central to this progress is my right hon. Friend the Chancellor's Budget and this Bill.

This Bill introduces a tax cut for 32 million people, through bringing forward by a year our manifesto commitment to increase the personal allowance to £12,500 and the higher rate threshold to £50,000.

**Vicky Ford** (Chelmsford) (Con): Will my right hon. Friend confirm that this means there will be a tax cut for the lowest earners in our society?

**Mel Stride:** My hon. Friend is absolutely right; a large proportion of the tax cut that has been delivered is in the form of a significant increase in the personal allowance—that amount someone can earn before they pay any tax—and that of course has benefited the low paid very significantly and will continue to do so.

**Rebecca Pow** (Taunton Deane) (Con): Will the Minister also confirm that this Government are raising the living wage—the national living wage—and that that really is giving people more money? Although that might be difficult for businesses, it is really beneficial for our constituents.

**Mel Stride:** My hon. Friend characteristically makes an important and insightful point. The national living wage, which this Government brought into being, was raised by 4.4% last year and will be raised by a full 4.9% in the coming year. That is well ahead of inflation, which is why in respect of net income those in the lower deciles of the income distribution have benefited disproportionately compared with those at the top end. I remind the House that the wealthiest 1% pay some 28% of all income tax that the Exchequer receives.

**Chris Philp** (Croydon South) (Con): Perhaps I can amplify the Financial Secretary's point about the minimum wage. Since 2010, the national minimum wage, or living wage, has gone up by 38%. When that is combined with the increase in the personal allowance, somebody who works full time on the minimum wage is 44% better off post tax, and inflation over that period was around 25%. Is that not delivering for those on the lowest incomes?

**Mel Stride:** My hon. Friend is absolutely right. The Labour party will tax and tax, borrow and borrow and spend and spend. The Conservative party is reducing the tax burden. Collectively, we have now taken more than 4 million people out of tax altogether, which has disproportionately helped those on lower incomes.

**John Redwood** (Wokingham) (Con): In the third quarter, the UK rate of growth was three times the rate of growth in the eurozone. Is that the wonders of the Brexit vote, or something else?



**Mel Stride:** That is the wonders of the management and proper stewardship of the economy. It is about taking a balanced approach to our economy, which is getting the debt and the deficit down and restoring our country's reputation for financial stability and confidence. That is now coming through to the point where we can start to take away some of the pressures of tax and of public expenditure as we move forward to more positive times.

**Charlie Elphicke:** Does that not underline the fact that we can have strong public services and strong investment in the NHS only if we have a strong economy? It is because of the difficult decisions that the Government have taken over the past few years that the economy and the job market are so strong that we are able to make the investment in the NHS that the Labour party would not have been able to make.

**Mel Stride:** My hon. Friend is entirely right. Let us take employment: in this country we have a near record level of employment, we have a near record number of women employed, and we have the lowest level of unemployment since the 1970s. What is Labour's record? Every single Labour Government in history have left office with unemployment higher than when they started. That is a simple fact. *[Interruption.]* It may be an inconvenient one, but it is a simple fact none the less.

The tax cut in the Bill is worth £9.5 billion. That means more money in people's pockets. Since 2015, some 1.7 million more people have been taken out of tax altogether. The saving to the average taxpayer has been more than £1,200 since 2010.

**Wes Streeting** (Ilford North) (Lab): What the Financial Secretary has neglected to mention but the Treasury Committee has heard clearly is that in respect of the long-run impact of the tax and benefit changes under this Government since 2015 alone—putting the coalition to one side—it is clear that their successive policies have left the wealthy better off and the very poorest worse off. That is deeply regressive and unjustifiable and it is why the Bill should not be supported.

**Mel Stride:** Hopefully, the hon. Gentleman will welcome the announcement that the Chancellor made in the Budget that we will provide a £1,000 uplift to the universal credit work allowance, which will be worth, when we reach full roll-out, a total of £630 million for 2.4 million recipients of that benefit.

**Alex Chalk** (Cheltenham) (Con): Does the Financial Secretary agree that were we to go back to the situation in 2010, when people had to start to pay tax after their first £6,750-odd, that would mean that ordinary, hard-working taxpayers would have to pay an additional £1,000 in tax and would therefore have less money to meet their day-to-day priorities?

**Mel Stride:** My hon. Friend is right. The problem with Labour's approach to taxation, and to personal taxation in particular, is that it is a huge discouragement to going out and creating wealth and jobs and the kind of economy that supports the vital public services that Members from all parties wish to see prosper.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Will my right hon. Friend confirm that, for somebody on the minimum wage, if we combine the increases in the national living wage with the increased personal tax threshold, somebody in full-time work is £3,955 a year better off in cash terms than in 2010?

**Mel Stride:** My hon. Friend, as usual, makes a very significant point, which is that by increasing the national living wage by, as I said earlier, 4.4% last year, and by 4.9% coming up in April next year, and by raising that personal allowance to take more and more people out of tax altogether, we are supporting the lowest paid in our country.

**Rachel Maclean** (Redditch) (Con): Does the Minister agree that, as well as taking people out of tax, with a whole raft of policies this Government are helping wages increase? In Redditch, for example, there has been a 35% increase in median weekly payments to full-time employees, which means that Redditch workers have more money in their pockets.

**Mel Stride:** My hon. Friend is right. For the past six months, we have seen rising real wages, and the latest data show that they have been rising faster than at any time in the past 10 years, so we are the party that is fixing the economy and improving living standards.

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I thank the Minister for giving way. Does he agree that abolition of certain restrictions in the labour market, such as payment between assignment contracts, would also increase people's wages? Will he be making a statement on the Taylor review and its contribution to this debate?

**Mel Stride:** This debate is not the place to make pronouncements about the Taylor review. The Government are considering the Taylor review and the way in which people are working. There are a number of aspects in the Budget that relate to the taxation elements of the way that people work, but we will come back in the fullness of time with a full response to the Taylor review.

**Chris Stephens** (Glasgow South West) (SNP): Just on wages, there was a lack of clarity in the Budget in relation to the public sector pay cap. Can the Minister confirm that every Department is budgeting for 1.5% this year?

**Mel Stride:** As the hon. Gentleman will know, we have made, within this year, more finance available to various Departments, and the Chancellor was very clear about that in the Budget. He was equally clear that there will be a number of decisions to be made in the spending review next year relating to all the Departments across Government.

**Jonathan Edwards** (Carmarthen East and Dinefwr) (PC): I am sorry to burst the Minister's balloon, but if things are as rosy as he says, why is the UK economy not only at the bottom of the G7 for growth forecasts, but at the bottom of all EU countries for projected growth?



**Mel Stride:** I do not think that the hon. Gentleman is entirely right. I do not think that we are at the bottom of the G7 growth table at this precise moment—I think that we are some way off the bottom. He mentioned the important element of growth, and the forecast from the Office for Budget Responsibility is that our economy will continue to grow for the next five years and, of course, we come into this period on the back of five years of continuous growth.

**Charlie Elphicke** *rose*—

**Mel Stride:** If there are no other interventions, I will take one from my hon. Friend for the third time.

**Charlie Elphicke:** I thank the Minister for my hat trick of interventions and for being so generous. I was looking at the amendment in the name of the Scottish National party in relation to VAT and the policing situation in Scotland. Can he confirm to the House that this VAT muck-up is entirely the responsibility and fault of the SNP? It should take responsibility and apologise for it.

**Mel Stride:** My hon. Friend is right: the Scottish National party will know that when it took the decision to reorganise fire and police in Scotland, it was fully aware and cognisant of the fact that that would mean that VAT was not recoverable. It really is thanks to the Members on the Conservative Benches who represent Scottish constituencies who have made the case so strongly to the Treasury that we were able to change that situation going forward. Perhaps I may now be able to make a little progress.

We have, of course, also announced that we are freezing fuel duty for a ninth year in succession and increasing the living wage by 4.9% from April. In this Bill, we deliver a freeze on the duty on beer and spirits, keeping living costs down and supporting our pubs. Our freezing duty on spirits comes as a direct consequence of Conservative Members representing their constituency interests in the industry.

**Mr Bob Seely** (Isle of Wight) (Con): I support so much of this Budget, which was superb, with the cut in business rates and, especially, the beer duty freeze. Will the Minister agree to meet me and pub owners from the Isle of Wight, because there is still a problem with the way that publicans—small business owners—are being treated by the big pub companies, especially Enterprise Inns, which has quite an aggressive business style that is pushing many of my local pubs into bankruptcy? Is there more that we can do on the pubs code?

**Mel Stride:** I thank my hon. Friend for that important intervention. I know what a doughty supporter he is of the high street, and pubs in particular. We do of course, as a Government, support and have frequent conversations with organisations such as the British Beer and Pub Association. However, I would be very happy to meet him, as he requests, to have that discussion.

This Bill will provide additional relief from stamp duty for first-time buyers who enter into a shared ownership arrangement, and will back-date this relief to benefit those who entered into their purchase on or before the date of the Budget. We will continue to champion home ownership, as well as backing hard-working people and bearing down on the cost of living.

For every Member of this House, the high street lies right at the heart of the communities that we serve. High streets hold within them the very essence of the best of the human spirit—community, creativity, individuality and a collective purpose. They are the places we come together to work, to shop, to socialise, to support, to celebrate, and to invent and create, and this Government wish to see them thrive. That is why we have announced a two-year reduction in business rates of one third for smaller retailers, meaning that up to 90% of high street retailers will benefit. It is also why, in this Bill, we will legislate to allow for the further reduction of corporation tax from 19% to 17% in 2020, helping businesses both large and small. As tax rates have declined—as we have discussed—the corporation tax yield has increased by 50% since 2010. Backing our high streets means backing Britain, and this Government will play their part in this great endeavour.

This Bill will support businesses through the introduction of key allowances and enhancements to important tax reliefs. The structures and buildings allowance will provide a vital tax break for those businesses investing in new commercial property. The annual investment allowance will be increased from £200,000 to £1 million for the next two years, ensuring that companies have a critical additional incentive to invest.

For businesses concerned with deep-sea oil extraction, we will allow for the transfer of their historical tax history, ensuring that jobs, expertise and businesses involved in the North sea are preserved—a measure that the shadow Treasury Minister, the hon. Member for Norwich South (Clive Lewis), described as “corporate welfare” and said should be voted down. That position should be evidence enough that Labour has truly given up on Scotland, something that the Conservative and Unionist party will never do. On the Opposition Benches we have Labour Members who have given up on hard-working people, SNP Members who have given up on our precious Union, and Liberal Democrat Members who have just given up.

This Bill is also about fairness. It introduces a number of important measures that will further clamp down on tax avoidance and evasion. The House will know that this Government have an outstanding record with regard to the collection of tax. We have one of the lowest tax gaps in the world—far lower than was the case under Labour. In fact, the additional revenue raised by having our tax gap at its current level, compared with that in 2005-06 under the last Labour Government, is enough to pay for every policeman and policewoman in England and Wales.

Collecting tax also matters because where taxation goes uncollected, others who do the right thing are required to pay still more, our vital public services go without, or we have to increase borrowing and the burden is passed on to our children. Tax avoiders, whether the largest corporates or the wealthiest best-advised individuals, diminish us all. This Government will continue to clamp down on avoidance, evasion and non-compliance. Specifically, this Bill brings in measures further to address corporate profit fragmentation, whereby companies reduce their tax burden by artificially shifting around their revenues. In the Bill, we will ensure that non-residents pay tax on the capital gains they make on UK commercial property. The Bill also strengthens our diverted profits tax, which has already brought in and protected £700 million since 2015.

This House will know that we have announced a digital services tax, so that large multinational businesses such as search engines, social media platforms and online marketplaces pay their fair share in tax—right here in the United Kingdom.

**Stewart Hosie** (Dundee East) (SNP): I want to ask the Minister a technical question. Given that the digital companies' turnover and, indeed, profits are substantial, why have the Government been so modest in seeking to achieve only a £400 million tax take from those companies?

**Mel Stride:** As the hon. Gentleman will know, the scope of this tax is very clearly targeted on businesses that make substantial value in the United Kingdom as a consequence of the interaction of UK users and the digital platforms they trade across. He will know that there is a small number—relative to the size of the UK economy—of important businesses that are therefore within the scope of the measure. A figure of 2% is very much in line with the kind of figures that the EU was looking at or is continuing to look at—*[Interruption.]* From a sedentary position, the hon. Member for Oxford East (Anneliese Dodds) is talking about 3%, but she is not actually comparing like with like, because different revenues would be in scope under the two different approaches. The short answer is that this has to be proportionate: it is about levelling the playing field. Along with this particular measure, we have also announced that, for our high streets, we will be reducing business rates by a full one third for 90% of smaller retailers.

**Mr Alister Jack** (Dumfries and Galloway) (Con): Does my right hon. Friend agree with me that the growing tax gap between Scotland and the rest of the UK is in fact a tax on aspiration and that it discourages higher earners from wanting to work north of the border?

**Mel Stride:** My hon. Friend is right. If we look at some of the relieving measures on tax that have been provided to Scottish taxpayers, we can see that they come by way of the increases in the personal allowance that this UK Government have made. He is absolutely right to highlight the fact that Scotland is becoming more of a high tax jurisdiction.

**David Linden** (Glasgow East) (SNP): The Minister's colleagues in the Scottish Parliament stand up week in and week out to ask for more money for public services, so if the Conservatives will not put up tax, where does the money come from or do they cut services?

**Mel Stride:** I will tell the hon. Gentleman where some of the money comes from. I will tell him where £700 million has just come from, and that is the Barnett consequential following from the recent Budget.

**Mary Creagh** (Wakefield) (Lab): If the Minister is serious about introducing a digital services tax, why did he not just introduce it overnight? When we look at the Red Book, we see it says that the income and the delivery of this policy are both high risk. If he is serious about taxing the digital giants that are offshoring their money, why is he giving them a couple of years to make provision elsewhere? *[Interruption.]*

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. Can we not have these conversations across the Chamber at the other end of the Chamber? It really is distracting.

**Mel Stride:** The hon. Lady will know that we are a first mover: we are one of the first countries in the world to take this approach. She will also know that this is a complicated tax and a tax that we absolutely have to get right. I have already spoken about the restricted scope of this tax. We want to make absolutely certain that it works and that it does not discourage technology companies from coming to this country, as they do in their droves under the economic policies of this Government.

**Vicky Ford:** Given that digital companies know no borders, does the Minister agree that, while we take this first step to introduce taxes on international digital companies, it is important to continue to work with our neighbours and others across the world on an international effort to do so?

**Mel Stride:** My hon. Friend is totally right. We have been in the vanguard of efforts conducted through the European Union, the OECD and the G20 to come up with a multilateral approach on this matter. That is the preferred option of the Government, and rightly so, because it obviates the problems that one would otherwise have with aspects of double taxation. It is helpful if we all move together, and that is still our aspiration, but we have said that if we do not get that multilateral agreement within the next year or so, we will move ahead with our measure.

**Mr Jim Cunningham** (Coventry South) (Lab): The Financial Secretary may be going to touch on this, but I will ask him the question anyway. He has not said much about investment in climate change technology. There is a lot of concern among scientists about the effect of climate change. Can he give us any indication of how the Government are investing in this technology?

**Mel Stride:** We are investing hugely, and the evidence is there that we are succeeding. We have had a 43% reduction in carbon emissions since 1990. We are still pursuing, committed to and confident that we will meet our 80% reduction target by 2050. There are measures in the Bill, for example, to provide a tax relief for those who charge their cars through the businesses for which they work. We will continue to be very forward-leaning on the issue of the environment.

**Mary Creagh:** On that point, the Government's failure to introduce a latte levy on single-use disposable coffee cups and bottles or to introduce a tax on virgin plastic until 2022 means that 700,000 tonnes of plastic packaging will be thrown away before 2022. Is that what the Financial Secretary means by making sure that the polluter pays in tackling climate change?

**Mel Stride:** What I mean by our environmental credentials in that area is that we are consulting, as the hon. Lady will know, on the amount of packaging that contains recyclable plastics. We see that not only as informing what we will subsequently do but as helping to change behaviour, much as the sugar levy changed

[*Mel Stride*]

behaviour in the sugar-based drinks sector. We have a very strong record in this area. We have already done a number of things in the public health area, and we will also make progress on the environment.

**Rebecca Pow:** On that point, I was pleased to see in the Budget that there is money for the planting of millions of trees. That will have a huge impact not only on ameliorating the effects of flooding and on health and wellbeing, but in terms of the carbon that those trees will take in, which will affect climate change.

**Mel Stride:** My hon. Friend is right to highlight that commitment, which will see 11 million trees planted as a direct consequence.

Our country faces the great challenge and opportunity of leaving the European Union. Some say that Brexit has been so all-consuming that we are not capable of seeing beyond it—that we are not able to lift our eyes to the future because we are too fixated with the challenges delivered by the past. However, Conservatives are better than that. On the eve of the D-day landings one of the greatest pieces of legislation passed by this House—Rab Butler's Education Bill—received Royal Assent. Even war did not stop us then.

As we take our country forward to a world beyond austerity, beyond the toughest of times, beyond the sacrifices that have been endured and, indeed, beyond Brexit itself, our country will show that we are capable of not just enduring but thriving, and that no challenge is too great for us and no opportunity is beyond our reach. This Bill, following this Budget, sets us firmly on that path. I commend it to the House.

5.48 pm

**Peter Dowd (Bootle) (Lab):** I beg to move an amendment, to leave out from “That” to the end of the Question and add:

“this House declines to give the Finance (No. 3) Bill a Second Reading because it derives from the 2018 Budget which confirmed the continuation of austerity and tax cuts for the wealthiest, failed to introduce a fair taxation system which protects middle and low earners but requires a greater contribution from the top 5 per cent of highest income earners, implied real terms per capita cuts for unprotected departments between 2019-20 and 2023-24, failed to halt roll-out of Universal Credit with planned social security cuts still to come, failed to raise the funding needed for mental health services, failed to provide the long-term funding needed for long-term adult social care, failed to provide adequate school funding, failed to address the funding gap that local councils face, failed to end the funding crisis facing public services, with police, teachers, nurses and doctors having no reassurances that the public sector pay squeeze will end in 2019, failed to tackle child poverty and growing inequality across our country, failed to tackle the fact that 87 per cent of the impact of the Government's tax and benefit changes since 2010 has fallen on the shoulders of women, failed adequately to address climate change and delayed the much-needed reduction in the maximum stake for fixed-odds betting terminals until October 2019, and because the Bill is not based on an amendment of the law resolution, thus restricting the House's ability to properly scrutinise and improve the Bill.

I have to give credit to the Financial Secretary to the Treasury: he managed to keep his face straight throughout his delivery. We had lots of flowery words from him, and I am surprised that we did not have phrases in his cliché-ridden speech such as “sunny uplands”, “green shoots of recovery” and “the end of the rainbow”. Why were those clichés not in his speech as well?

We have been asked to scrutinise a Finance Bill under the most difficult circumstances the Government could create, short of barring the Opposition from actually attending the House. The timetable set for the Bill meant we were expected to table amendments on Second Reading before the Bill had even been published—an abuse of power. To add insult to injury, printed copies of the explanatory notes to the Bill only arrived in the Vote Office earlier today. How busy Members are expected to provide proper scrutiny under these conditions is beyond me. It is an abuse of power. Worse still, the Government's refusal to table an amendment to the law for the third Finance Bill in a row means that we will be unable to meaningfully amend this proposed legislation following Second Reading. As I said in my speech on the Budget resolutions, that is unprecedented. It is another abuse of power.

Last week, the President of the United States fired his Attorney General to undermine an investigation against him. Mr Trump also barred a journalist asking legitimate questions from the White House. Perhaps he gave the Prime Minister the odd tip on how to side-step conventions and constitutional process. Stitching up Committees with a false majority, obstructing scrutiny of the Finance Bill and giving a £1 billion bung to a minority party to keep the Prime Minister's Government alive are further abuses of power. In any other country, we would use a word for this behaviour: malfeasance, plain and simple.

This is a desperate state of affairs, especially given how much the Bill is in need of change. The Government's policies announced in the Budget fail to tackle a single one of the great challenges now facing this country after eight years of austerity. Most notably, this Bill of broken promises fails to end austerity, as the Prime Minister said it would during her conference speech—once she had finished gyrating. As our reasoned amendment points out, this promise has been broken: £4 billion of Tory social security cuts are still on their way. Only half the money cut from universal credit work allowances was returned to the programme. There was nothing on the social security freeze or the two-child limit.

**Kevin Hollinrake:** The hon. Gentleman mentions the reasoned amendment, which refers to the long-term funding of adult social care. Two Select Committees, the Health and Social Care Committee and the Housing, Communities and Local Government Committee, recommended a social insurance system in their inquiry's report. Is he willing to support that cross-party recommendation as a solution to the future funding of adult social care?

**Peter Dowd:** The hon. Gentleman needs to speak to his own Government about cross-party support. My party cannot discuss these issues in this Chamber, let alone outside it. He would be better off engaging with his own Government on these matters.

What we have in the Budget is more spent on potholes than on our schools, not a penny more for everyday policing or fire services and nothing to begin to unravel the 40% budget cuts that have taken place across local authorities.

**Michael Tomlinson (Mid Dorset and North Poole) (Con):** My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) asked a very straightforward



question, and I am going to give the hon. Gentleman another chance to answer it. Will he, as suggested by my hon. Friend, engage in cross-party support—yes or no?

**Peter Dowd:** It is not in the Finance Bill. Frankly, the hon. Gentleman should worry more about the 8% cut to per pupil school funding in his constituency than trying to get me to answer questions that the Government should be answering.

**Vicky Ford:** On police funding, when the Government proposed hundreds of millions of pounds of additional funding for the police by raising the police precept, why did the Labour party vote against it? *[Interruption.]*

**Peter Dowd:** From a sedentary position my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) says that one in four policemen have gone from his constituency. That is similar to what has happened in my constituency and, I suspect, in the hon. Lady's constituency. There is not one penny more of day-to-day spending in the Budget. She should be asking her Government why the police are still being underfunded.

**Ruth George:** Does my hon. Friend agree that the huge rise in council tax for council tax payers on every level of income is a highly regressive form of tax? In my Derbyshire constituency, people are having to pay more council tax for fewer police.

**Peter Dowd:** “Regressive” and “Conservative Government” go in the same sentence pretty easily.

The Budget does not move us towards parity for mental health services. It does nothing to end the crisis in social care, to which the hon. Member for Thirsk and Malton (Kevin Hollinrake) referred, or in children's services. It gets worse as the days go on. The Budget was a continuation of austerity under anyone's definition, and the Bill is a written testament to that broken promise.

**Charlie Elphicke:** As ever, the hon. Gentleman is very passionate. May I just take him back to the question put by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake)? Will he support that generous and very sensible proposal? Does he think that that is the right way to go about things?

**Peter Dowd:** Look, we are always prepared to look at any idea, but we are trying to deal with the problem today. We are trying to deal now with the hundreds of thousands of elderly people who are not getting the service they are entitled to.

**Alex Chalk:** Back in 2010, at the height of the crisis the hon. Gentleman's party left us with, it was a Labour Chancellor, Alistair Darling, who said that Labour would close the deficit by 2020. That will not now happen until 2025. How can the hon. Gentleman credibly suggest that this is an austerity Budget?

**Peter Dowd:** That is remarkable coming from an hon. Member who is a member of the party that promised us all that the deficit would be gone by 2015.

**Mr Jim Cunningham:** The Government have apparently suggested that we should have a cross-party talk to resolve the issue of social care. They were offered that chance by the Labour Government before the 2010 election

and they turned that opportunity down. Let us set the record straight. Tory Members talk about Labour Governments leaving office with high unemployment, but the Major Government left 3 million people unemployed. We introduced the minimum wage, and they said it would lead to 3 million people unemployed.

**Peter Dowd:** National living wage—the clue is in the title—but what the Government have proposed is not a living wage.

The Chancellor did not use the phrase “climate change” once during his hour-long speech—it felt longer than an hour, I'll grant you that—despite the recent Intergovernmental Panel on Climate Change report, which warned that we only have 12 years to avert climate catastrophe. The Government cling to their woeful plastic straws initiative, but the only measure in the Bill addressed to the 100 corporations that produce 71% of our global emissions was yet another tax break. That is the sort of stuff that the Government should be tackling. This is for the oil industry. The Government have really got to get to grips with its approach to climate change. This oversight is catastrophic. History will remember the Government's failure to tackle the greatest threat to humanity—that does not overstate it.

Meanwhile, the vulnerable suffer. The Government reneged on their promise to tackle the social devastation wreaked on our communities by fixed odds betting terminals, causing the resignation of yet another Minister. It has since become apparent that they reneged after lobbying by the gambling industry, in spite of the known link between these machines and people taking their own life. Here we have it: the Chancellor of big business pays little regard to the tragedy of lives lost to this awful addiction, as long as the gambling industry can keep making a return and continue its donations to the Conservative party—a fact.

So what remains in the Bill when all these pressing issues have been left out? There has been much discussion about the Government's change to tax thresholds in clause 5. Let me make our argument clearly: after eight years of austerity, we will not stand in the way of any change that will put additional income into the pockets of low and middle earners, regardless of how that is brought about—*[Interruption.]* We have said that time after time. However, Labour's policy remains that we believe we should be taxing the wealthiest more to deliver the end of the austerity that the Tories have failed to provide. We will therefore table an amendment to clause 5 setting out our tax proposals. These proposals would protect everyone earning below £80,000 a year—95% of the population—from any further tax increases, while ensuring that the top 5% of our society pay their fair share. We call on the House to support our amendment in the Committee of the whole House.

**Colin Clark (Gordon) (Con):** Will the hon. Gentleman concede that 1 million people will be lifted out of the higher rate of taxation and that many of them are consultants working in hospitals, GPs, senior police officers and senior council officers? Does he not recognise that that is a good thing?

**Peter Dowd:** The hon. Gentleman really must listen more—*[Interruption.]* I will send him a signed copy of my speech; he might learn a thing or two.



[Peter Dowd]

We believe in building a coalition of the many—a broad, democratic movement of 95% of the public—to spread prosperity across the furthest reaches of our country. We cannot in good faith increase taxes on those who have struggled for eight long years while the richest continue to accrue even more wealth.

**Vicky Ford:** I thank the hon. Gentleman for giving way—I was listening. What does he intend to do to individuals earning over £80,000 a year?

**Peter Dowd:** Actually, we set out our tax policies in “Funding Britain’s Future”, and I will send a signed copy to the hon. Lady for her to have a look at. Perhaps Government Members can have a tutorial with Sir Roger Scruton and tease out some of the issues.

On Brexit, yet again, we have seen the Government using our exit to hand themselves broad powers, indefinitely. This is a continuation of the theme that I described—of a Government’s demand for power, even though they are clueless about how to exercise it.

**Charlie Elphicke:** The whole House understands that the hon. Gentleman is very enthusiastic about raising the rates of taxes for richer people, but does he not remember that the experience of reducing the top rate of tax from 80% to 60%, and then from 60% to 40%, was that more money was brought into the Treasury on each occasion? Labour’s plans to increase taxes will mean less money for the Treasury and less money for the NHS.

**Peter Dowd:** International evidence does not show that, but let me give the hon. Gentleman a figure. The top 1% have received an increase in share of total income—from 5.7% in 1990 to 7.8% in 2016-17. That was identified by the Institute for Fiscal Studies.

**Nigel Huddleston** (Mid Worcestershire) (Con): What I do not understand—if the hon. Gentleman really believes this—is why, for 99.3% of the time that the last Labour Government were in power, the top rate of income tax was 40%, whereas for the duration of this Government, it has been either 45% or 50%. Does Labour say one thing in power and a completely different thing in opposition for purely opportunistic, party political and vote-winning purposes?

**Peter Dowd:** A Conservative Member of Parliament talking about opportunism! It is not quite as bad as the Liberal Democrats talking about opportunism, I grant you, but there we are—[*Interruption.*] I think the hon. Gentleman should worry about working people in his constituency who, overall, are £800 a year worse off after the longest fall in wages since the Napoleonic era—I suspect that one or two Government Members were here at the time. The Prime Minister has stood staring at the Brexit menu for two years while her Cabinet devours itself in the queue behind her.

**Kevin Hollinrake:** According to the economist David Smith, if Labour policies at the last election had been implemented, people who were earning between £100,000 and £120,000 a year would have been paying, on that element of their earnings, a marginal rate of taxation of 72%. Does the hon. Gentleman feel that that is a fair burden of taxation on earners at that level?

**Peter Dowd:** In the context of a fair taxation system, as set out in “Funding Britain’s Future”—which, again, I exhort the hon. Gentleman to look at—we look at everything, and we will look at everything, unlike the Government.

The indecisiveness that I referred to means that the Government have to try to amass as much power as possible so that, if the Prime Minister cannot make her mind up, our hands are tied in a constitutional sense. It seems that, when Tory Brexit theocrats talked about wanting to take back control, they wanted us to give it to them. We cannot allow such a vast power grab to take place from a Government who have shown such disregard for our constitution already.

Turning to another issue, I draw the House’s attention to the measures that are supposed to address tax avoidance—hope springs eternal. Once again, these are simply inadequate. They are a series of half-measures that leave so much room to wriggle, they must have been written by the Prime Minister. The Government promised us a full public register of beneficial owners. Where is it? I have looked through the Bill numerous times—I have to admit, it was painful—and I can see no reference to it. It is yet another broken promise.

We have been waiting for two years for the Government to act to tackle burning injustices, yet they seem more focused on fanning the flames. Again, we find ourselves being forced to debate a Bill that is heavy on rhetoric, as evidenced in the speech from the Minister, and light on content. No wonder the Government will not let us amend it. They are scared that we would put something useful in it and add some policy to the lacuna that is there now.

**Siobhain McDonagh:** Does my hon. Friend agree that a response to the Taylor review would be the start of something real and possible and the abolition of payment between assignment contracts?

**Peter Dowd:** I refer my hon. Friend to the response given by the Minister earlier. We are prepared to look at all proposals.

**Vicky Ford:** The shadow Minister just said that the Bill is light on content, but it is 315 pages long. I have just read his Labour party document “Funding Britain’s Future”, which is eight pages long, three of which are footnotes. What am I missing, sir?

**Peter Dowd:** What is the hon. Lady missing? A great deal, I would contend.

**Rachel Maclean:** The hon. Gentleman talks about the policy on tax collection, so surely he will welcome the Government’s innovative approach to unexplained wealth orders. These measures have already been implemented. They are an innovative approach to capturing people who seek to avoid our tax system, and they are bringing wealth into the Treasury. Surely he can find something to welcome in that.

**Peter Dowd:** They have been so successful that the Government have only used them once.

**Mr Jim Cunningham:** The Bill might be thick, but it is low on content when it comes to public sector funding for public sector pay—we notice that that is for the

spending review—and it is very light on content in relation to the Taylor review and people on zero-hours contracts.

**Peter Dowd:** My hon. Friend, who is a great advocate for his constituency, is spot on. Some 4.5 million children—7,000 per constituency—are living in poverty in the UK. Conservative Members should concentrate on sorting out that kind of problem. That is what the Government should be focusing on.

**Rebecca Pow:** The hon. Gentleman just talked about spurious rhetoric, but I want to take him back to what he said about climate change, because he completely misses the point. The Government are doing more on climate change than any before them. A great deal of it is being done by the Department for Business, Energy and Industrial Strategy, the Department for Environment, Food and Rural Affairs and the Foreign and Commonwealth Office—it is about joined-up thinking. We have the 25-year plan, the Agriculture Bill, the green growth strategy and the electric car strategy, and measures in the Budget draw this together. The plastics tax is one very good example of how seriously we take the issue.

**Peter Dowd:** Investment in renewables is down. The idea that the Government are green is itself green—it is a pathetic claim.

The Government promised us a public register of beneficial ownership. I have asked before: where is it? It is another broken promise. I call on the House to support the amendment to give the people of the United Kingdom action on the great challenges facing our nation, which the Government appear incapable of addressing and which have been ignored for too long.

I end on the note I started on: the abuse of power. It was once said that:

“Worse than a corrupt government is an incompetent one, not least because having the second characteristic does not exclude the first”.

Given the way the Government have behaved over the ability of Parliament to do its job, that notion is becoming closer and closer as the days progress. It should be deeply worrying to any democrat.

6.12 pm

**John Redwood** (Wokingham) (Con): I have declared my business interests in the Register of Members' Financial Interests.

In the third quarter of this year, the United Kingdom economy grew considerably faster than the euroland economy, which is very welcome. It is a timely reminder that since 2010, under first the coalition and then the Conservative Governments, we have seen conditions created in which there has been rapid jobs growth, a general expansion and improvement in profitability and investment, and some return to the better growth rates we saw before the crash at the end of the last decade.

We also see, however, that in the third quarter the United States economy grew considerably faster than the United Kingdom economy, and the reason is simple. The US has decided on a bold tax reform and reduction programme, which has injected a large amount of extra money into the economy, allowing families and individuals to spend more of their own money without having to give so much to the state, and allowing companies to keep more of their profits. As a result, more American

corporations have repatriated their profits to the US, where they then pay the reduced tax rates and either invest that money, give wage rises or better remunerate their shareholders to encourage yet more investment. That model is clearly working. The tax reductions are the main reason the US has experienced much better growth this year than either the EU or the UK.

The Government should not be complacent. While we have so far had a long-lasting and moderate-paced recovery, which is welcome, and a very good jobs recovery, which is extremely welcome, although it gets little credit from the Opposition, policy now is too restrictive. We have an exceptionally tight monetary policy—the tightest of anywhere in the advanced world. We have had two interest rate rises; the ending of all new quantitative easing; the removal of all special facilities from the Bank of England to the clearing banks to lend more money for enterprise and good purposes; much stricter rules to commercial banks that have been very effective in leading to big reductions in new car loans and mortgages for the higher-priced properties; and of course the attack on the buy-to-let sector in the 2016 Budget. This is quite a big monetary tightening.

At the same time, there is still a tough fiscal tightening. What worries me—and clearly the Chancellor, too, given some of the actions in the Budget—is that the fiscal tightening was even tighter this year than was planned. Between the March figures and those in this Budget, an extra £12 billion was taken out of the economy and put into the public sector, mainly through extra tax revenues, but also a bit through the shortfall in the planned spending increases. That is quite a severe extra negative adjustment to impose on an economy that we are already trying to throttle with a very tight monetary policy. I fear that the relatively good growth figures of the third quarter will be slowed by these twin actions.

Now let me praise the Chancellor. He is absolutely right to say that the fiscal squeeze was getting too tight and to take action to try to relax the involuntary fiscal squeeze next year, but he is not doing anything much this year. I would like to see something over the winter as well, because the involuntary tightening is unreasonable. That said, the measures he has introduced to relax the fiscal position a bit are very welcome. With my colleagues on these Benches, I strongly welcome the early fulfilment of the promise on tax thresholds. It was a bold promise, and it is good to see it met, as it is a good way of allowing many more hard-working individuals and families to keep more of the money they earn.

**Julian Knight** (Solihull) (Con): Does my right hon. Friend also recognise that the idea that people on the higher rate of tax are somehow storing their money away in the Cayman Islands is an absolute nonsense. These are hard-working people—often people such as locum GPs and deputy headmasters. Normal working people are being caught in this tax trap.

**John Redwood:** That is right. Many people who have been relatively successful and got to more senior positions are now being caught by quite penal taxes. I would like to see, in either this or a future Budget, more progressive work done to cut the tax rates to raise more revenue. That has come out very well so far on the Government Benches. We all strongly support what the Government have done on corporation tax rates, which have come down a long way and are coming down further.

[John Redwood]

That boldness has been rewarded with a 50% increase in revenue—an increase that the Opposition do not want. They want to put the rate back up to avoid that increase in revenue. [Interruption.] They nod and say it would not happen, but it does happen. It happens every time they get into office: they put the rates up, tax revenue falls, and we have to come in and lower rates again, but we also have the problem of dealing with the extra borrowing.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): I cannot wait until half-past nine when I get to wind up the debate. I say again: causation and correlation are not the same thing. Every independent assessment of what has happened to corporation tax over the last few years, such as that by the Institute for Fiscal Studies, very clearly shows that the reductions in corporation tax have been very expensive and cost this country a great deal of revenue.

**John Redwood:** We disagree.

Let us take another tax where very clearly a lower rate has produced a lot more revenue: the higher rate of income tax. Labour wisely kept the highest rate of income tax at 40% throughout most of its time in government, knowing it was the way to attract people with money into the country, to attract investors and entrepreneurs, and to encourage people to take more risks. It set a more penal rate just as it left office, as a kind of tax trap for the Conservatives. When the Conservative Chancellor eventually summoned up the courage to lower the rate from 50% to 45%, there was a big surge in revenue.

As one of my colleagues has already pointed out, there was an even bigger surge in revenue when a previous Conservative Government cut the rate from 80% in two stages to 40%. The amount of tax went up in cash terms and in real terms, and the amount of tax paid as a proportion of the total by those on the top rate went up. It was a win, win, win. I would urge the Chancellor to reconsider reducing it back down to 40% because he would collect more revenue and provide that stimulus to enterprise.

I hope that the Government will think again about a couple of tax rises that have been deeply damaging to our economy. The first is the rise in car tax, or vehicle excise duty. The graph showing car sales and output in the UK was increasing progressively between the Brexit vote and the spring Budget of 2017, but it then fell very sharply, and we now have a serious problem. The tax attack on diesel cars, allied to the threat of more controls on diesels, has been particularly damaging. Governments of both persuasions have gone out of their way to attract a lot of inward investment, and new investment, in diesel output and diesel vehicles. They encouraged that, only then to kick the props away and make such investment very difficult.

**Julian Knight:** Germany has started to row back and introduce “clean diesel”.

**John Redwood:** Indeed. Modern diesel engines are much cleaner, and are comparable to petrol engines. The Government have damaged our industry needlessly, and that, along with the squeeze on car loans, has led to a sharp drop in car output, which is not welcome.

The other issue is stamp duty. The Government have cut it for many people, which is extremely welcome, and I am pleased that they are continuing the trend so that houses can become more affordable for those who do not own them. However, we need to think about people who are trying to buy a different house, perhaps to move up the property ladder in expensive parts of the country; we need to think about the impact of transactions at the dearer end on chains and on people buying cheaper houses; and we need to think about the workloads of removal firms, estate agents, decorators and so forth.

I think that the Government have overdone the tax attack at the top. The market has become ossified, and they must be losing quite a lot of revenue. As the Red Book shows, they are having to scale back the stamp duty revenue forecast, and I am sure that that is to do with the damage that the tax attack has done in relation to the more expensive properties.

**Bob Stewart** (Beckenham) (Con): Personally, I consider stamp duty to be daylight robbery. The Government do nothing for it; they just take money from people who are trying to get a home.

**John Redwood:** I agree. I do not think we will reach the happy position that my hon. Friend and I would like to see, with no stamp duty at all, but I think we could make a great deal of progress by introducing a more realistic stamp duty rate so that people could fulfil their dream of moving up in the world on the housing ladder, or go the other way and buy a smaller home or one in a cheaper location. At present, those penal stamp duties are getting in the way of all kinds of mobility and the fulfilment of aspiration. Surely we should be helping people to fulfil their aspirations, and the wish to live in the right home in the right place is an important part of that.

I strongly welcome the relaxation of austerity in the public sector. We did need more money for health services—I certainly needed it for the hospitals and surgeries in my part of the world—and for social care. More needs to be done, but there has been a bit of progress. I also strongly welcome the extra money for road improvement and maintenance, although, again, more needs to be done.

**Karen Lee:** The right hon. Gentleman has referred to “the right home in the right place”. Does he not agree that some people would be grateful for any home?

**John Redwood:** We want more housing for more people. There are people who need homes, and I am very much in favour of helping to provide them. The Government have many programmes relating to house building and more affordable housing, and that is all very welcome.

However, we need to continue the progress. We need to look at the defence budget, the social care budget, and the schools budget. Certainly, in both the West Berkshire Council and the Wokingham Borough Council areas—parts of which are in my constituency—we need more for our local schools. They are at the back of the queue for funds nationally, and the amounts that we are receiving are simply not enough to sustain the quality of service that we need to supply.



There is one big issue overhanging this debate that few people ever seem to mention. I would like us to have access to the £39 billion that some people want to spend on the European Union withdrawal agreement. We do not owe that money, and I do not think we will get anything out of a 21-month additional period for an argument with the EU about the future relationship. If we cannot secure a good future relationship by March, I do not think it will be easier to do so once we have given all the money away, and signed and sealed a deal on it.

I urge the Government to regard the £39 billion as something that we Leave voters voted to take back control over, and to spend on our priorities. What a transformation we would see both in our public services and our economy if, instead of signing that money away in a withdrawal agreement in the naive hope that it will produce something better—which it will not—we spent it on our priorities. We could have tax cuts with a tax cost, not just tax cuts to raise more revenue in the instances that I have described; and we could have quite a lot of extra money for our schools, hospitals and defence, and our other priorities, much more quickly. We know we have access to that £39 billion over a two to three-year period, because we know the Chancellor has costed it all and made provision for it. Most of it would be spent during the period, which, over that time, would provide a 2% boost for our GDP. That would be an extremely welcome addition, and it would be rather like what the United States of America is trying to do through easier monetary and fiscal policies than those that we are following.

I want a true end to austerity. I am with the Prime Minister in saying that we must end austerity, because ending it means more money for our schools, hospitals and other priorities. As I have explained, we can afford that, if only we do not keep on giving all this money to rich countries that do not want a free trade agreement with us. However, I also want to end austerity for all the people who work in the private sector, and that is about more tax cuts.

So, Government, well done so far; but be bolder, show more courage, and then you will create a much more prosperous country.

6.26 pm

**Kirsty Blackman** (Aberdeen North) (SNP): It is great to be back here, speaking in another Finance Bill debate—especially when we know that yet another is likely to be just around the corner, in March, if there is a no-deal Brexit and there then has to be what the Chancellor euphemistically calls “a fiscal event”.

As we heard from the hon. Member for Bootle (Peter Dowd), this Budget was a continuation of austerity. We continue to have the benefits freeze, we continue to have the rape clause, and we continue to have cuts in Government Departments. The Scottish Government fiscal resource block grant allocation will have been cut by 6.9% in real terms between 2010-11 and next year, and the Barnett allocation for health has not been passed on in full, despite repeated assurances from the Government that it would be.

Next week we will get into the nitty-gritty of the Finance Bill. Breaking with the tradition so far in the debate, I am going to talk a lot about the measures that are in the Bill, and about some of the aspects that concern me. I shall talk a fair bit about process as well.

As the hon. Member for Bootle said, there have been real issues in relation to process, in this Bill more than in previous Finance Bills.

Paper copies of the Bill were not made available until Wednesday, when the House was in recess and those of us who do not live in London were mostly not in London. I had to go to the people in the Vote Office and ask them to post a copy to me. They did post it to me, which was terribly kind of them. However, I had already had to ensure that the Scottish National party's reasoned amendment was tabled before I had seen any copy of the Bill, let alone a paper copy. The process was not fit for purpose. It is not right that we should have to table amendments before seeing a Bill, and I implore the Minister to ensure that it does not happen again. If it does, we will protest even more vociferously.

There are other issues relating to process. The Chartered Institute of Taxation has said:

“Just 37 of the 90 substantive clauses in the Bill, and 12 of the 19 lengthy schedules, were included in the draft bill published for consultation over the summer.”

It is unusual for so few measures to be consulted on, but what is even more unusual is the timescale. The Government are expecting external organisations to digest clauses that they have never seen before and then to comment on them, in advance of the Committee of the whole House, which we expect to be on Monday and Tuesday next week. Having had the Bill in their hands for less than a week and a half, they will be expected to make serious suggestions for improving it. Let us not forget that the purpose of the scrutiny is to try to make the legislation better. In fact, the Government have pointed out that two measures in the Finance Bill exist to correct errors made in previous years. The Government made errors in previous years when there was a more lengthy consultation process for most of the measures, so I contend that there are likely to be even more errors in this Finance Bill, given that it has not had external scrutiny due to tight timescales.

On that point—the Minister probably knows what I am going to say now—we need to have evidence sessions in the Public Bill Committee. If we are not going to have enough time for appropriate scrutiny in writing that is provided to MPs in advance, it is even more important, especially this year, that external organisations give evidence in the Public Bill Committee. I will move an amendment to that effect when we come to the programme motion. Members across the House have voiced support for the Committee taking public evidence. The problems raised by the Government regarding the fact that we will already have had Committee of the whole House by that point are realistic ones when it comes to the measures going before a Committee of the whole House, but we would still benefit from scrutiny of the measures that are going to Public Bill Committee. If the Minister could find a way, through the programme motion, for the Public Bill Committee to begin with an evidence session including organisations such as the Chartered Institute of Taxation and the Association of Accounting Technicians, it would be incredibly appropriate and even more necessary than usual this year.

As is noted in the Opposition amendment, there is no amendment of the law resolution, which means that any amendments to the Budget have to be tight in relation to the Budget resolutions. That means that we table an awful lot of amendments saying, “We're calling for a



[Kirsty Blackman]

review into this”, and then the Government stand up in the Public Bill Committee and say, “Why would we do a review? You’re only calling for a review. You’re not calling for anything tangible.” But we cannot call for anything tangible because the Government have tied our hands. I have made this point before and I will make it again: the Government must remember that they will not be in government forever. When they are in opposition and the same thing is being done to them, they will be standing up and complaining about it. They have caused this problem and opened these floodgates, and it is really bad for transparency and scrutiny if they keep behaving like this.

Clause 5 is about the personal allowance and the basic rate allowance, and the Government have chosen not to separate out the reserved and devolved matters in this clause. Now, I get that we have not had this devolved situation for particularly long, so this may be an oversight by the Government, but I implore them to ensure that in future years these matters are dealt with in separate clauses. It would be easy for them to do that. Indeed, it would also be easier for Mr Speaker, because he would be able to certify one part as English votes for English laws and not the other part, which is a reserved competency in relation to the personal allowance. This would make scrutiny and read-across better. It would just be a better process of making tax law if these two things were separated out. I ask that these points are taken into account the next time we have a Finance Bill, whether that is in March, October or November next year.

I sit on the European Statutory Instruments Committee, which is currently looking at the proposed negative instruments—it is riveting, honestly. As with lots of the legislation that is coming through just now, the Brexit clauses in the Bill allow the Minister further delegated powers. In fact, one of these clauses allows the Government to set spend for a new tax in relation to current pricing, without saying what that spend would be—I think that is around clause 80. The right hon. Member for Wokingham (John Redwood) talked about taking back control, but parts of this legislation allow the Government more control and more unfettered power. It would actually be more sensible for this House to take decisions over how much spending should be allocated in this regard, rather than giving Ministers more control.

As hon. Members would expect, I am going to mention fixed odds betting terminals. The Government say that they cannot lower the stakes from April next year because it would not give companies enough time to prepare adequately for the changes required, yet they expect companies to prepare adequately for Brexit by April next year, despite not actually having told companies what Brexit will involve. If the Government are serious about making changes to fixed odds betting terminals, they need to stop listening to the lobby on this and start taking into account the public health benefits of the changes.

**Karen Lee:** Does the hon. Lady agree that the delay in introducing the cut to the maximum stake on fixed odds betting terminals will lead to an increased number of people developing gambling addictions, getting into debt and, in the case of problem gamblers, even taking their own lives?

**Kirsty Blackman:** I agree with the hon. Lady. There is a clear health impact to lowering the stakes. Making the changes in April, rather than next October, will have a genuine impact on the health of a huge number of individuals.

**Richard Graham (Gloucester) (Con):** I am very clearly on the record as having supported changing the tariff that people can spend on fixed odds betting terminals from £100 to £2; it is absolutely the right thing to do. Let me be clear that it is quite extraordinary for a Labour Member to stand up and start lecturing the Government on having made an incredibly important and valuable change to legislation that rights the wrong of this fixed odds betting terminals—

**Mr Deputy Speaker (Sir Lindsay Hoyle):** Order. Mr Graham, you have been here long enough to know that we have short interventions; you do not need me to tell you that. If you want to speak, I will put you on the list, but we must have short interventions.

**Kirsty Blackman:** I should say that I am not from the Labour party. The Government’s reasoning for the delay is what concerns me, especially when it is completely the opposite of the reasoning they are using about Brexit, where they are saying, “It’s fine. Everybody has heaps of time to prepare—loads of time.”

I thank the Government for the changes to transferable tax history. They have worked very well with the industry to ensure that late-life oil and gas assets can be exploited for longer. I first raised this issue in March 2016, so I am very glad that the Government are now moving on it. However, this is not the whole picture. It is appreciated that this change has been made, as it will have a small but positive effect. I am pleased that this measure has come through, but we still have not seen the oil and gas sector deal, nor have we seen proper unequivocal support for carbon capture and storage. I want the Government to make louder noises about carbon capture and storage, and they need to after pulling the rug from under the feet of the industry three years ago. They need to be even louder and more vociferous in their support because the industry has been stung. The companies that were keen to take part in carbon capture and storage have been stung by the decisions of the previous Chancellor, so the Government need to be as clear as possible about support for carbon capture, utilisation and storage, which is a real industry for the future.

**Alan Brown (Kilmarnock and Loudoun) (SNP):** My hon. Friend correctly said that we have not seen an oil and gas sector deal. Is that not disgraceful considering that the Red Book shows that, over the lifetime of this Parliament, the industry is going to bring in an extra £6 billion of tax revenue. Instead, the Chancellor stood up and bragged that he is holding the tax at the current level for the oil and gas industry, instead of actually working to get an oil and gas sector deal?

**Kirsty Blackman:** The sooner that deal can be announced and that commitment can be made by the UK Government, the better for the industry. Confidence is still shoogly just now, and although that confidence is rebuilding, we need clear commitments for the industry and the clear support of the UK Government so that the industry feels more secure and takes decisions on investment and exploration. That is why signing a sector deal as soon as possible would be hugely appreciated.

More generally, one of the things that infuriates and frustrates me about this UK Government particularly is that they think that if they stand up and invent a new definition for something, it will immediately become true. They have decided that if they say “living wage” instead of “minimum wage”, people will actually be able to live on it. That is not how it works. People still cannot live on it, even if the Government call it a living wage, and that is especially the case for the under-25s, who are not eligible for the living wage. It does not cost someone who is 24 less to live than someone who is 25. The Government need to get rid of those differential rates.

The UK Government say that they have ended austerity. By anyone else’s definition, they have not ended austerity. Just because they say, “We’ve ended austerity,” it does not mean that they have actually ended austerity. There are still cuts to Government Departments. There is still the benefits freeze. We still have all those issues.

**Leo Docherty:** Will the hon. Lady give way?

**Kirsty Blackman:** Not just now. In terms of the economic growth forecasts that the OBR has apparently made—

**Chris Philp:** Will the hon. Lady give way?

**Kirsty Blackman:** I am not taking any more interventions.

The OBR has made economic growth forecasts on the basis of a smooth and orderly Brexit. It has not made economic growth forecasts on the basis of us crashing out in a no-deal scenario, so its forecasts are only worth anything if the Government can strike a deal, as the Chancellor knows, which is why he has spoken about another fiscal event coming.

Frictionless trade is not frictionless just because the Government call it frictionless. If a good has to be stopped at the border, if somebody has to fill in an additional form or if there is any delay, that is not frictionless trade. Just because the Government say, “This is frictionless trade,” it does not mean that it is actually frictionless trade.

The Government need to improve their processes around the Finance Bill. This year has been the worst in terms of those processes, and they have to improve. The Government could do that by ensuring that we take evidence at the Public Bill Committee.

The Government have to actually do the things they say they are doing. If they say they are going to give Scotland the Barnett consequential for health, they should give it the Barnett consequential for health. If they say they are ending austerity, they should end austerity. If they say they are putting in place a living wage, they should put in place a living wage.

Lastly, if the Government are talking about tax cuts, they need to look at the situation in Scotland. The figures I have from the Library say that around half of taxpayers in England pay more than they would if they lived in Scotland, and that half of taxpayers are the people who earn the least, not the most. The UK Government should look at what the Scottish Government are doing and learn some lessons.

**Several hon. Members** *rose—*

**Mr Deputy Speaker:** Order. We have 29 Members wishing to speak. There is no time limit, but Members should remember that we want to get everybody in.

6.42 pm

**Alan Mak (Havant) (Con):** It is a pleasure to follow the hon. Member for Aberdeen North (Kirsty Blackman).

I welcome the Bill, which implements a Budget that helps individuals and families in my constituency and across the whole country to keep more of the money they earn and helps the businesses in my constituency and across the rest of the UK to invest and grow. This is a Budget that secures the public finances and helps us to repair the damage caused by the Labour party. More importantly, it helps us to prepare for the challenges ahead. As the fourth industrial revolution accelerates, it is important that we help our start-ups and our scale-ups and our engineers, innovators and entrepreneurs. This Budget does all those things.

Ultimately, this Budget will improve our productivity, so that as we leave the European Union, this country is fit for the future and in the best possible position to seize the opportunities presented by new technologies, new industries and new sectors and to support the entrepreneurs who create so much of the wealth that drives our growth and funds our public services.

This Budget builds on the financial and economic stability that we have built over the past eight years. It is a Budget that builds on rising wages, rising employment, a growing jobs market and the rising productivity that has allowed this country to maintain its top 10 position in the World Economic Forum’s competitiveness index. It is a Budget that allows us to seize on our strengths and improve our productivity as we leave the European Union.

This Budget contains measures that will help individual taxpayers in my Havant constituency. It increases the personal allowance to £12,500, allowing us to meet an important manifesto commitment one year early. It raises the higher rate threshold to £50,000, which helps not only the entrepreneurs and small business owners who are prevalent in my constituency but many of our senior public servants to keep more of the money they earn and have more disposable income, so that they can make choices for their families and their own future. That is important to Government Members at least, so despite the pressure in our public services, I welcome the tax cuts in this Budget.

**Alan Brown:** The hon. Gentleman mentions entrepreneurs. He will be aware that universal credit ends after one year for self-employed people. Can he tell me how that helps entrepreneurs?

**Alan Mak:** In 2017, we had a record number of start-ups in this country, with 660,000 new businesses, up from just under 600,000 in 2015. This Budget, along with the package of measures being introduced, helps entrepreneurs across the piece. I look forward to more entrepreneurs starting their own business in this country, as I and other Members have done across the country. The work allowance measure helps those who want to get off benefits and into work, and I welcome it.

**James Cartledge (South Suffolk) (Con):** My hon. Friend is making an excellent point. Does he agree that the whole point about being an entrepreneur is not to be reliant on benefits, but to invest in a business, grow it and succeed, so that people can stand on their own two feet and support others, including those they employ?

**Alan Mak:** My hon. Friend makes a characteristically powerful point. I know that he is an entrepreneur who has started his own business, as I have.

Measures such as the cut to corporation tax will make our country even more competitive. When we started cutting corporation tax in 2010, we embarked on a journey that will allow this country to become one of the most competitive in the G20, with the lowest possible rate of corporation tax. I welcome that measure.

**Karen Lee:** When the hon. Gentleman says, “despite the pressure in our public services,” does that mean he thinks it is acceptable that we have lost 21,000 police staff and so many nurses and that people wait in ambulances outside A&E for four hours or more? Is that acceptable?

**Alan Mak:** I thank the hon. Lady for her intervention. I actually said that it was despite the pressures on our public finances, rather than our public services. We have to get the balance right between cutting taxes for our hard-working taxpayers and investing in our public services. She will know that the Government have announced an increase of £20 billion a year for our NHS—a step that I welcome—but we can only invest that money in our NHS and our public services if we are creating the wealth in the first place. It is the measures in the Budget, including those that cut corporation tax, that will allow us to generate that wealth. It is the measures we have implemented since 2010 that allow us to cut corporation tax.

**Leo Docherty:** Does my hon. Friend agree that the slashing by one third of business rates for small businesses, which are the backbone of our economy, is further good news for business and is to be welcomed?

**Alan Mak:** I welcome my hon. Friend’s intervention. He is absolutely right that small businesses in his Aldershot constituency and in my constituency are the backbone of our economy. We want more of those small businesses. That is why we had a record number of start-ups in 2017, which I very much welcome.

The changes to corporation tax in the Budget will increase the take-up of entrepreneurship, increase entrepreneurs’ ability to start a business and ensure that the marginal rate on them is much lower. We will have the lowest rate of corporation tax in the G20, and we will maintain that ultra-competitive edge as we leave the European Union. The OECD’s evidence suggests that the more we cut corporation tax, the higher the rate of revenue we get for our economy. This is a welcome step that will turbo-charge our economy as we leave the European Union.

Finally, Havant is known for its engineering and manufacturing prowess. Manufacturers such as Dunham-Bush, Lewmar and Kenwood export from Havant to countries all around the world. The reforms to the capital allowance rate and the increase in the annual investment allowance will allow them to buy the machinery, plants and technology they need to expand and grow. I welcome the Bill, because this Budget helps taxpayers to keep more of the money they earn, it helps our businesses to grow and it prepares our country to seize the opportunities of the new technologies of the future.

6.48 pm

**Emma Dent Coad** (Kensington) (Lab): I am glad to see that those on the Government Benches have stopped making fun of our SNP colleagues’ accents. Of course, as a Londoner, I do not have an accent, do I?

I will address finance for housing in London, where many of the problems we experience are common across the nation, and I will begin by giving a little history. In 1966, leading modern movement architect Richard Seifert completed his iconic Centre Point commercial building on Tottenham Court Road. There were no takers for office space at the asking rate, and Harry Hyams, the developer, refused to lower it. This is an important historical point and it was very much debated at the time. It was empty until 1975—the developer got it wrong.

In an area near Soho where homeless people gather, it was inevitable that the building would be occupied for a period. The charity Centrepoin—ironically named after the building—was set up in a nearby church to tackle the problem of street homeless young people. Recently, a huge redevelopment of this building has been completed, with a change of use to residential.

Centre Point Residences is prime residential property next to a Crossrail station. The conversion is magnificent—if you like that kind of thing. However, it was reported two weeks ago that the developer had been unable to sell half the flats at the price he wanted, so he has taken them off the market completely, saying that he had already covered construction costs and leased the retail spaces at ground level—there was “no point” trying to sell. He got his timing wrong. Half the flats will remain empty long term, and there is no incentive to sell or rent them out.

This is the ultimate irony: homeless people line the streets in their hundreds—many, as we know, are servicemen—and they are ever more visible and desperate as winter approaches. Meanwhile, there are a recorded 20,000 empty homes in dark buildings across the capital, and 15,000 high-end properties on the market, and that does not count those taken off the market. Centre Point Residences is a monument to developer greed, and its empty homes distort the market further. It is obscene.

Meanwhile, the chief executive of Persimmon has been able to make a hasty retreat from his job to save the company embarrassment, with a £75 million bonus. Persimmon—which has a very mixed reputation, to put it politely—benefits hugely from Government grants via Help to Buy—another alarming example of the trickle-up economy.

What has the Chancellor done to address these issues in the Budget? He has given a few small inducements for new shared-ownership buyers, including no stamp duty; an extension of Help to Buy; further inducements to convert retail to residential; removal of the borrowing cap for council building programmes; and funding for housing associations. Most of, if not all, those schemes have problems: some inflate housing prices, and a majority still rely upon developers for delivery. The housing revenue account housing cap will apply only to council housing not already transferred to housing associations. That is about half.

In Kensington, in London and in other areas where property is expensive, the delivery of social rented housing still relies upon selling private high-value property, but this market has failed spectacularly. If we leave the provision of housing to the vagaries of the market, with



no inducements to ensure people will ever live in the homes built, we will never house our homeless. If we leave disposal of new homes to the conscience of developers, we will never house our homeless.

Let us look briefly at the tax breaks that encourage people into private home ownership, for better or worse, all at the taxpayer's expense. Council tax, based on 1991 values, is effectively a subsidy to landlords. Capital gains tax relief costs the country about £6 billion a year. The lack of property tax costs, apparently, £11 billion a year. The right-to-buy subsidy costs £2 billion a year. We also have shared-ownership subsidy, tax relief for buy to let, and Help to Buy, which pushes prices up, and indeed even subsidises second homes for those earning six-figure sums.

We need a thorough and honest review and a frank discussion about these subsidies—who in reality they are helping—and whether there are better ways to spend taxpayers' money to provide stable homes for our families, not embarrassing pay-outs to chief executives.

We need a thorough review and a frank discussion of the role and practice of housing associations, now self-styled “developers with social purpose”, and their management of existing and new buildings. We need to get a grip on construction companies offering apprenticeships, for which many quite simply do not have the capacity, let alone the will. A billion pounds in apprenticeship levy lies unspent. We cannot build without builders. We need a nationwide needs assessment to inform our house building. Evidence is a better guide to housing need than developer greed.

On matters of concern in relation to work being carried out, or not, post Grenfell, the Chancellor's Budget speech mentioned tax 34 times and housing 10 times, but there was not a single mention of Grenfell—not one. Now, residents are very anxious about the possible effects of toxic soil, after a report in *The Guardian* some weeks ago.

**Karen Lee:** My hon. Friend has mentioned empty homes. Does she agree that it is a national disgrace that there are still victims of the fire at Grenfell who still do not have permanent housing?

**Emma Dent Coad:** I do agree. There are 151 households, many of whom I see, and many of them are experiencing deteriorating mental and physical health, so it does not help that, throughout all this, the council has continued its—shall we say?—reputation-covering exercise.

I was present at a council meeting in mid-October, when the council denied knowing about the report on toxic soil, which had been made in February. Two weeks later, the council admitted it did know about the report. That is eight months of inaction, followed by its usual opaque practice, misrepresentation or, some would say, lies. Now there will be soil toxicity tests, but no funding for this, and it will not happen straight away. The council is going to “think about” screening tests on affected residents, but not straight away. Why is this failing and untrustworthy council still in control of Grenfell-affected people and services? My neighbours want an answer, as do I.

I also live there. I have a veg plot within the radius of the soil tested and have been enjoying it all year. Public Health England's advice is to wash and peel home-grown vegetables, but how do you peel lettuce? We were told

the “Grenfell cough” could be caused by anxiety. Five people I know are coughing blood. Now we are told the “Grenfell cough” is real, but we knew that.

The council stated publicly that no housing blocks in Kensington and Chelsea had combustible cladding, but the truth is that we have two with combustible render. The council is trying to minimise bad publicity, while deciding to strip the combustible envelope, as winter approaches. Residents are scared, upset and angry. Communication is appalling. Last week, the council said that there was no start date to this work. Today, it has said Wednesday.

The council applied to the Government for £50 million for the Grenfell recovery plan, including a lot of this work, but there has been not a penny from the Chancellor. If the Government do not trust the council, why would my constituents?

I have been working with fire safety specialists to try to get a grip on the spectrum of issues related to our current situation. The £400 million announced earlier this year for cladding replacement in council buildings was welcome, but it is not enough. Who will pay for the shortfall? Residents who have bought flats in new developments, some under Government schemes, face bills of tens of thousands of pounds. They do not have it. Who will pay for that?

Around London and nationwide, there are social tenants whose buildings have been unclad. Some are in for a second freezing winter. Who will pay their fuel bills? How many elderly and frail people will we lose this winter because they are too afraid to turn up the heating? Not a penny more has been allocated for this. Is that what the end of austerity looks like? I commend the work of Fuel Poverty Action and various local groups that are campaigning hard on the matter. Money must be found. This is a public health emergency. Cold kills.

That brings me to the work of updating or reinstating fire safety and building regulations. I spend a lot of time with specialists in these fields, too. I will be frank: I heard the policing, fire and Grenfell Minister speaking last week on this issue, and it seems that there is no action now. The Government are thinking about it, but we desperately need some movement on this, and there is no commitment even to upgrade building regulations long term. We are instead informed that the industry will deal with this; the industry will pay. I think the industry will pay itself. I am not convinced we are getting anywhere anytime soon on this, and that is completely unacceptable.

In this midst of this housing crisis, the Secretary of State for Housing, Communities and Local Government has decided to reinstate the much discredited architectural style wars of the 1980s. This is my period; I started as a journalist at that time and I went through that battle. Pitching neo-classical pastiche against the modern movement will not solve our housing crisis. That is a battle of style over substance, and it is based on snobbery and elitism. I have written a dissertation and a half on this very subject. This is a thinly disguised class war. I sincerely hope that the Secretary of State realises that this is based on fallacy, before we start to see poorly constructed Noddy's Toy Towns such as Poundbury dumped on our green belt. I would be happy to give Members a full lecture on this one day—just let me know.

[Emma Dent Coad]

Architectural style wars are a distraction from the real issue of providing well-designed, well-constructed homes to suit the needs of desperate families, single people, our elderly and people with specific physical needs. There is nothing in the Budget to fix the unholy mess that we are in, post Grenfell. There is nothing in the Budget to address the dishonesty and greed that have been allowed to flourish in the housing and construction industry, and without such provision we cannot tackle the serious housing crisis that we are facing. Distraction techniques and platitudes will not save lives. Shame on you all.

7 pm

**Chris Philp** (Croydon South) (Con): It is a great pleasure to speak in this debate. The Financial Secretary to the Treasury got it right in his introduction—I can see he agrees with that—when he set the financial scene and reminded us of the history of the past eight or so years. When this Government came into office in 2010, we faced an economic crisis of almost unprecedented scale. At around 10% of GDP, the deficit was running out of control and unemployment was at a record high. Over the past eight years, the coalition and then the Conservative Government have worked hard and tirelessly to get our public finances back under control. It has not been an easy task. Had we listened to Labour Members, who frequently challenge our agenda, the deficit would still be extremely high and the debt would be a great deal higher than it is now—[*Interruption.*] The shadow Minister says from a sedentary position, “You’re joking”, but I have lost count of the number of measures of fiscal responsibility that the Opposition have voted against over the past eight years. Had Labour’s programme been adopted, the deficit and the debt would both be far higher than they are today.

Next year, borrowing is going to be down to about 1.4% of GDP, and it will be down to 0.8% by 2023. Critically, the debt as a proportion of GDP has been falling since 2016. The consequence of not getting our deficit and debt under control is that we pay far more in interest payments. Even today, we are paying around £45 billion a year in interest payments, but if the debt were any higher, as it would have been under Labour’s programme, those debt payments would be higher and the interest rates on that Government debt would be a great deal higher as well. That would mean having much less money to fund vital public services.

Hand in hand with the deficit reduction programme goes the Government’s track record on jobs. The unemployment rate has decreased from around 8% in 2010 to around 4% today, and it is now at a 43-year record low. It has never been lower in my lifetime. To those who say that the jobs that are being created are not high-quality jobs, I would say that 80% of them are full time, and I would remind those who say that they are all zero-hours jobs that only 3% of the jobs in the UK economy involve zero-hours contracts.

This track record of financial responsibility over the past eight years has now enabled a certain amount of fiscal loosening, providing extra money to be spent on public services. Both Opposition Front-Bench spokesmen said that austerity was continuing, but let us look at the Red Book. The cumulative effect of all the Budget

measures being announced will result, in 2023 alone—the final year of the forecast period—in a £27 billion fiscal loosening relative to the measures that were in place before. There is no way that anyone can describe a £27 billion a year fiscal loosening as a continuation of austerity. In any case, it is not austerity. Austerity implies that it was a choice. It was not a choice; it was a necessity—

**Chris Stephens:** It was a choice.

**Chris Philp:** The hon. Gentleman says that it was a choice, but it was not. We simply cannot go on spending way more every year than we raise in tax revenue, because we would eventually lose the confidence of the bond market, as this country did in 1976. At best, we would end up saddling the next generation with a gigantic bill that they would have to pay off. There is nothing noble, ethical or moral about spending more than we can afford and sending the bill to the next generation.

If we look at the fiscal loosening in the Budget, we can see that the NHS is the principal beneficiary, to the tune of £20 billion a year by the end of the forecast period. More immediately, the Ministry of Defence gets an extra £1 billion and the universal credit system gets an extra £1.7 billion. The shadow Chief Secretary to the Treasury specifically mentioned universal credit in his characteristically lively speech earlier. I remind him that the universal credit system massively strengthens work incentives. Before, we had a system in which effective marginal tax rates were often running at 90% and in which there were cliff edges at 16 and 32 hours, after which people would actually get less money for working more hours.

The Resolution Foundation has carried out research on this. I understand that its chief executive is the former economic adviser to the right hon. Member for Doncaster North (Edward Miliband), and even he says that the total fiscal cost of the universal credit system, with these changes, will be higher than the cost of the old benefits system that it is replacing. So it is going to cost more public money than was being spent before. Universal credit’s track record of getting people off benefits and into work is better than the track record of the benefits system it is replacing. I think that universal credit has been properly funded. It might need a bit of fine tuning in some areas to do with the way in which some of the dates work, and I have spoken to Ministers about some technical changes that could be made. As a whole, however, I believe that the system is fully funded and that it will work.

**Chris Stephens:** The hon. Gentleman believes that universal credit is fully funded, but has he seen the evidence from DWP staff who are saying that they are spending so much time answering telephone calls that they cannot go through and answer the online journals from claimants? Does he not think that there is a problem there?

**Chris Philp:** When we introduce any new system that involves 5 million recipients, there will inevitably be some level of operational teething problems. These teething problems are on nothing like the scale of those we saw in the early 2000s when Gordon Brown rolled out tax credits and there was unmitigated chaos for some years.

I have had direct experience of universal credit in my own constituency. Croydon South is the joint highest constituency in the country—with Great Yarmouth, I think—for universal credit roll-out, with 43% of claimants now on universal credit. I estimate that around 4,000 Croydon South constituents are now in receipt of universal credit, and in the past six months I have had 21 complaints or problems raised by constituents. That is obviously 21 too many, but viewed in the context of about 4,000 recipients, it would appear that the teething problems are limited in their extent.

**Karen Lee:** Does the hon. Gentleman agree that the people on universal credit in my constituency who are having to use food banks really cannot be described as having teething problems?

**Chris Philp:** The growth in the use of food banks is of course a phenomenon that we have seen across western Europe. After the Budget, people on universal credit will be £630 a year better off than they were before—*[Interruption.]* The hon. Lady shakes her head, but that is a simple fact: the allowance has been increased. As I was saying a moment ago, the Resolution Foundation has found that the Government will be spending more money on universal credit following the Budget changes than would have been the case under the old benefits system. I would further point out that the track record of getting people off benefits and into work is better under universal credit than it was under the old benefits system. The way to combat poverty and create prosperity is to get people into work.

**Anneliese Dodds (Oxford East) (Lab/Co-op):** I am listening carefully to the hon. Gentleman, but he does not seem to be aware that many of the people on universal credit are working.

**Chris Philp:** I realise that many people on universal credit are working. It is, by definition, an in-work benefit. The point I am making is that it is encouraging more people to take more hours, and it is encouraging people who are not working at all—*[Interruption.]* I would be happy to take another intervention from the hon. Lady, but perhaps she would like to listen to the answer to her first one. Universal credit is encouraging people who are not working at all to get into work, which is why unemployment is at a 43-year low. A legitimate question that she might ask is whether work is paying enough. This Government have successively increased the level of the minimum wage. This Budget increases it to £8.21 as of next April. That is up from £5.93 in 2010, which is a 38% increase. As I said in my intervention on the Financial Secretary, when we combine that with the increase in the personal allowance, from some £6,500 to £12,500 from next April, the post-tax income of someone on the minimum wage working full time—40 hours a week—has gone up by 44% over that eight-year period. Over the same time, inflation was 25%. So the personal allowance changes and the minimum wage increase have helped people on low incomes more than any other group. That is why income inequality is at a significantly lower level today than it was in 2010.

I turn for a moment to Labour's plans. Inevitably, they involve spending a great deal of money—more money than contemplated even in the Budget. There is no great merit in spending more than we can afford today if we send the bill to our children and our

grandchildren, saddling them with debt and burdening the Exchequer with very high interest charges, which are already high, at some £45 billion a year. As for Labour's mass nationalisation programme, which it says is fiscally neutral, I point out that the last time we had mass nationalised industries—up to the 1980s—they tended to be grossly loss-making and required taxpayer subsidy, rather than generating revenue for the Exchequer. To assume that a mass nationalisation programme would be fiscally neutral is a dangerous assumption.

It seems to be assumed that the only measure of a Government's effectiveness—or compassion—is the total amount that they spend. Of course it is important to fund public services properly, but it is the outcomes that matter, rather than the amount of money spent. Gordon Brown's mistake was always to confuse spending money with success, when what actually matters is outcomes.

In education, for example, 86% of pupils are now in schools rated good or outstanding, compared with 68% in 2010. Notwithstanding any points that may be made about the funding levels in schools—and finding room to spend more is always welcome—the fact is that children are getting a better education today than they were eight years ago, according to Ofsted, which we can agree is an impartial observer. To the extent that the opportunity to loosen fiscally allows us to spend a little more, especially on services such as the police, it will of course be extremely welcome.

When the SNP leader replied to the Budget, he made some points about Brexit and the risks it poses. Some 61% of Scotland's exports go to the rest of the UK, and only 17% go to the European Union. The single market that is of the most importance to Scotland, by a factor of about 4, is the United Kingdom single market—*[Hon. MEMBERS: "Hear, hear."]* I see that view has support from my colleagues. That is the single market that the SNP should focus on most, because it is the one on which their prosperity most depends.

As many hon. Members wish to speak, I shall conclude shortly—*[Interruption.]* However, I would not want to disappoint Opposition Front Benchers by concluding too soon, so before doing so I wish to thank the Chancellor for the business rate change that he announced in the Budget. Cutting business rates for 90% of the high street—any business with a rateable value of less than £52,000—is a welcome move, and will do something to level the tax playing field. High street stores, which use real estate intensively, suffer a tax disadvantage relative to online companies. Online multinational companies also use lawful, but creative mechanisms so that they do not pay as much corporation tax as our high street shops. The business rate cut for smaller shops will really help them and I strongly welcome it.

One measure on entrepreneurship that I commend to the Chancellor for future Budgets is something that is close to my heart. Before being elected, I set up and ran businesses for 15 years. I set up the first one when I was 24 and floated it on AIM four years later—*[Interruption.]* I thank Opposition Front Benchers for promoting my career, but I am happy where I am. In setting up and growing that business and others, we benefited from all kinds of relief, including the enterprise investment scheme and entrepreneurs relief. I particularly commend the seed enterprise investment scheme, which is very effective in getting money into complete start-ups—companies being started from scratch. It is a very effective tax



[Chris Philp]

break for getting individuals to invest in greenfield start-up companies. I should declare an interest as my wife recently set up a company that used SEIS to raise capital. The limit is low—£150,000 per company—but it is very effective in getting individuals to make investments. The fiscal cost is quite low: according to Treasury figures it is about £110 million a year. I suggest that future Budgets may have scope to increase the £150,000 per company limit to encourage further significant investment in start-ups at relatively low fiscal costs—I can see the shadow Chief Secretary getting his pen out to write this down. I commend that idea to the Chancellor for future budgets.

I thank the Chancellor for the welcome business rate cut. I commend him and the Financial Secretary for delivering record high employment, record low unemployment and getting our public finances firmly back under control. Had we listened to the Opposition Front-Bench team, we would still be facing financially ruinous debt bills. It will be my pleasure to vote for the Second Reading later tonight.

7.16 pm

**Sir Vince Cable** (Twickenham) (LD): I wish to say a few words in support of the amendment in my name, about the economic context and specifically on some of the tax measures. Everything we are talking about, whether on the tax side or the spending side, depends on the overall performance of the economy and economic growth. This year, we have had fluctuations from one quarter to another, but the assumption is that growth is about 1.5%. According to the independent OBR, it will continue at about that rate for the next five years. As the hon. Member for Aberdeen North (Kirsty Blackman) reminded us, that not terribly optimistic picture is based on optimistic assumptions about the outturn of the Brexit negotiations that may of course not be realised.

There are two underlying reasons why the British economy is growing at just over what it was for the whole of the post-war period up to the financial crisis. One is the serious problem of productivity—a problem that has existed since the financial crisis. A paper was published this morning by analysts from Stanford and Nottingham who looked at why productivity performance is so poor at the moment. After an exhaustive survey, they found that the problem was that high-performing companies in the UK, in productivity terms, had fallen back very badly. The main reason is that those high-performing companies do a lot of a trade, in particular with the single market, and uncertainty has caused their performance to deteriorate. That is reinforced by the second element in the slowing of growth, which is poor business investment—less than half of 1% in terms of fixed business investment last year, and that is clearly a function of the uncertainty that is hanging over the economy because of the Brexit exercise.

I suspect that quite a lot of Members thought that the Finance Bill would be some light relief from the Brexit debate, but unfortunately it hangs over everything. It is the elephant in the room and it explains the economic problems that we face. There was an interesting debate between Conservative Members that, because of the adversarial way we discuss things, was rather glossed over. The hon. Member for Gainsborough

(Sir Edward Leigh) and, in the Budget debate, the right hon. and learned Member for Rushcliffe (Mr Clarke) expressed the strong view that the Chancellor was taking too many risks and the Budget should have been a good deal tighter than it was. Today we heard the exact opposite argument from the right hon. Member for Wokingham (John Redwood)—that it was far too tight and should have been more relaxed. It was an important debate, and it would be interesting to know how Ministers will combat the arguments from those formidable people.

I will highlight one particular aspect of that debate. This is not a party political point—it happened in the coalition—but the Government continue to refer to the deficit as if it is the same as Government borrowing. Well, of course it is not. The Government borrow for different reasons. They borrow to cover the current deficit and they borrow for investment. Just as companies borrow to invest, the Government sensibly do so. The problem with the current trajectory, as I understand from the Red Book, is that we are potentially heading for yet another squeeze in capital spending. Perhaps the Paymaster General can correct this, but my understanding is that CDEL, which is awful Treasury speak for capital spending, is due to fall next year, 2019-20, as a consequence of the attempt to maintain borrowing at moderate levels while at the same time expanding the current Budget. Perhaps he will enlighten us, because if it is true we are doing potentially serious damage to infrastructure that has been starved of capital for many years, as well as to public sector housing and much else.

I would also like clarification on the overall tax burden of the economy. There is a sleight of hand in this Budget. On the one hand, the Government have given tax cuts, but on the other hand—as a consequence of the squeeze on local government spending, which continues unabated and is having a severe impact on local services—council tax will almost certainly have to rise because councils are severely stretched and are providing inadequate services. In some cases, they are approaching bankruptcy and cannot meet their legal obligations. It is not restricted to any one party but, by and large, Conservative county councils are in this position.

Council tax will have to rise, and, in some cases, it probably should have risen earlier. There is nothing in the Red Book that tells us how much revenue local authorities actually get from council tax. That is rather an important figure, and it is important that we see a future projection, which would give us a much clearer picture of what is happening to taxation. On the one hand, the Government are offering direct tax cuts, and on the other they are offering increases in council tax, which at least in income terms is one of the most regressive taxes of all.

The Government have provided substantial additional funding for the national health service for several years ahead, and rightly so, but there is no such guarantee for personal care beyond next year. That matters, because the shortfall in care will fall on the NHS.

Several Conservative Members have been bobbing up and down to ask why we do not take a cross-party approach to this problem. Of course we should—this is a long-term problem—but memories are short, or maybe they are recent Conservative Members, because there have been repeated attempts at cross-party agreement on personal care financing. There was an attempt

before 2010, which the then Conservative spokesman, Andrew Lansley, pulled out of on the grounds that it constituted a death tax. We then had another attempt in the coalition, when Andrew Dilnot did an authoritative piece of work for us. We reached a consensus and both sides of the coalition agreed to it, and then, come 2015, the key implementation measures were not introduced, so we are back where we were before. Ten years later, and after several attempts at cross-party consultation, there has been no progress, which is why care funding is in such terrible difficulty.

**Chris Philp:** I have been looking at the Red Book while the right hon. Gentleman has been speaking. He asked two questions. First, he asked about council tax receipts, which will be £34 billion this year and are forecast to rise to £40 billion in 2023-24. Secondly, he asked about CDEL, which is £50.2 billion in the current financial year and is forecast to rise to £65.5 billion by 2020-21.

**Sir Vince Cable:** I think there are separate sets of figures, but I thank the hon. Gentleman for his clarification. His first point is particularly interesting, and I thank him for his rapid desktop research. His figures suggest there is potentially a very big tax increase in the pipeline, which is one of the assumptions in the Budget that was not spelled out on Budget day.

**Kirsty Blackman:** Last year's Red Book explicitly mentioned the impact of immigration and population change on public sector borrowing, and it said that, as the population increased with net migration increasing, public sector net debt would fall. Does the right hon. Gentleman share my concerns about the likely impact of a future immigration Bill on the public finances?

**Sir Vince Cable:** Yes. All the evidence we have shows that net migration has had a positive effect not only on the economy, in per capita terms, but on Government revenue because, by and large, these are young people who work and pay tax revenue to the Government. I totally share the hon. Lady's concerns about future immigration legislation.

**Kevin Hollinrake:** The right hon. Gentleman spoke earlier about cross-party consensus on social care. Is he aware of the joint report of the Health and Social Care Committee and the Housing, Communities and Local Government Committee? One of its recommendations was for a social care premium—social insurance of the type used in Germany—to solve this problem. There are no Liberal Democrats on those Committees but will his party nevertheless support such a cross-party approach?

**Sir Vince Cable:** That was at the heart of the Dilnot proposals that Lib Dem Ministers sponsored and supported in government. If that is the idea, we do not have any problem.

On the income tax changes, and particularly the lifting of the higher-rate threshold at a cost of about £1.3 billion, I certainly do not regard people on £50,000 a year as rich—they have a lower income than we do, among other things—and, in an ideal world in which there was plenty of tax revenue and the economy was booming, lifting the threshold would be perfectly

reasonable, but given other priorities it is a bad choice. As it happens, that £1.3 billion is equal to the shortfall between the amount of money the previous Chancellor took from universal credit two years ago and the amount that was reinstated this year. Filling that shortfall would be a much better use of the funding.

**Julian Knight:** Has the right hon. Gentleman thought about the effect of fiscal drag on productivity? The fact is that, as more people get into the higher-rate tax bracket, the less productive they may become, which lowers tax receipts and lowers productivity in the economy.

**Sir Vince Cable:** It is a good policy, in general, to eliminate fiscal drag, and the Government should do that. But it is a question of priorities, and the disparity between standard-rate taxpayers, who stand to gain £130 a year from this measure, and upper-rate taxpayers, who stand to get £800 a year, reflects the Government's priorities, which are completely wrong.

It would be less bad if the Chancellor had been willing to tackle something that he acknowledges is a problem, which is the expense of the reliefs given to higher-rate taxpayers through the pension system. He described the pension tax relief, which costs the Treasury £25 billion a year, as “eye-wateringly expensive”. We started to approach it in coalition, and, in a difficult fiscal situation, this is something that the Government should be addressing here, but they are not. However fair-minded we want to be to all groups of taxpayers, it is very clear that this is a political gesture. The social priorities are completely wrong.

It is very welcome that there has been a big relief for shopkeepers and others through the business rates system, but it does not address the underlying problem that business rates are a bad tax—they tax improvement in property. The Liberal Democrats and some of the think-tanks have been associated with another proposal, and it would not be difficult to replace the business rates system with a tax on commercial landowners. That would be a much simpler system, as there are far fewer landowners than there are people who pay commercial rates. It would be much more equitable, and it would not discourage business improvement. Currently if a factory installs machinery, it makes itself eligible for higher commercial rates. This is a thoroughly bad system, and extreme Treasury conservatism is why the problem is not being addressed.

One thing the Government have done, which is positive, is attempt to deal with the digital sector, but I reinforce the point made by the hon. Member for Dundee East (Stewart Hosie) that the magnitudes involved are very small. We are talking about £5 million next year, rising to £440 million, in a context where the National Audit Office, not a political body, has estimated that the retail sector in the UK had lost £9 billion of revenue as a result of competition from internet platform companies—in essence, we are talking about eBay and Amazon. The disproportion is enormous and the measure, although welcome, is very weak.

To conclude, there are a lot of small, sensible things in this Budget—I do not want to be grudging about them—but the big picture is dire, and the big Budget judgment, which is about giving priority to reducing income tax, is fundamentally wrong.

7.30 pm

**Colin Clark** (Gordon) (Con): It is an honour to follow the right hon. Member for Twickenham (Sir Vince Cable), who had government experience at the Department for Business, Energy and Industrial Strategy and therefore will support what is clearly a Finance Bill supporting business and the economy.

I rise to support the Bill and to recognise that this Government are focused on the economy. I declare an interest, as a business investor and business person. Hon. Members have applauded growth forecasts; employment has been revised up and wages are set to rise. I think we can all recognise that these are obviously good things. The OBR can give us all comfort that the estimates are independent and therefore scrutinised. Economic growth is vital to our public services and for household incomes, and it is what delivers living standards for all our citizens.

I wish to focus on income tax. The Chancellor has fulfilled our promise to raise the personal allowance to £12,500 and increase the higher rate threshold to £50,000. Nearly 1 million fewer people will pay the higher rate of income tax. We have a responsibility to ensure that the tax burden is fair and that the economy grows—surely that is what the purpose of government is. Conservative Members want to see the whole cake grow; we do not want to see just bigger and bigger slices taken of a smaller cake. We should not demonise the wealth creators, the job creators and those who drive the economy.

The £50,000 threshold benefits many public sector employees, such as headteachers, consultants, GPs, senior council officers, senior police officers and senior nurses. The threshold lifts 1 million people out, including middle management, engineers and pilots—the list goes on and on. As the right hon. Member for Twickenham said, these are not the fabled rich, who are condemned. How this measure is not progressive is beyond me.

**Karen Lee:** The hon. Gentleman just referred to senior nurses. I was a nurse some 18 months ago. I was part-time, because I was a councillor, but had I been full-time I would have been on about £29,000. So can he explain where the figure he gave comes from?

**Colin Clark:** I thank the hon. Lady for the intervention. I think she will be well aware that many people in the public sector, including those in hospital management, and those who may go on from being nurses to being in hospital management, are paid substantially more than £50,000.

The OBR is concerned about this next issue. My hon. Friend the Member for Dumfries and Galloway (Mr Jack) asked the Financial Secretary about tax divergence, which is very much the crunch, as it has the potential to affect my constituency. The Financial Secretary mentioned that 1% of the population are paying 28% of tax—in Scotland, that constitutes 19,500 taxpayers. The OBR recently reported to the Treasury Committee that the number of higher taxpayers is lower in Scotland than it estimated, and this has actually cost Scotland between £550 million and £700 million in respect of the original estimate. The OBR said:

“It implies that a much lower share of UK-wide income tax is coming from Scottish taxpayers.”

That means the Scottish economy is more vulnerable to losing higher rate taxpayers, which is a serious consideration, because it affects the growth of the Scottish economy. As Scotland is part of the United Kingdom, it should concern us all. The Scottish economy is clearly vulnerable to the loss of these higher rate taxpayers, and it would look as though they are already beginning to move; they are already beginning to react to the divergence.

The OBR gave evidence on how people, for tax purposes, could change their behaviour. It talked about “a relatively high income individual with a property in Scotland and one elsewhere in the UK, writing to HMRC to say, ‘I live more than half the year’”

somewhere else. That would mean that their tax would be paid elsewhere in the UK. Here is the absolute proof that cutting tax rates increases the tax take. As was said by my right hon. Friend the Member for Wokingham (John Redwood), who is no longer in his place, if there is tax divergence, people will vote with their feet. They are already doing that, as we are seeing the tax take falling in Scotland. *[Interruption.]* Would the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) like to intervene? No, he would not. Labour should look closely at Scotland and it should be a lesson on why not to raise taxes.

**Chris Stephens:** The hon. Gentleman needs to be careful with this argument, which I have heard expressed before. Is he seriously encouraging people to engage in tax avoidance?

**Colin Clark:** It is interesting that the hon. Gentleman talks about “tax avoidance” because there is no tax avoidance in this. If we are losing people who would be paying higher tax rates in Scotland because they are choosing not to move to Scotland or they are registering their addresses in England because they spend a lot of their time in England, that is a loss to Scotland, because Scotland is getting greater tax independence. It is interesting that Scottish National party Members will talk about tax avoidance, because this is the demonisation of people who are paying a higher rate of tax. They are not the enemy; they are the friends of the Scottish economy.

**Chris Stephens:** Is the hon. Gentleman seriously suggesting that people in Scotland should register themselves in England in order to pay less tax? With all due respect to him, I would have to say that many of us would view that as tax avoidance. *[Interruption.]*

**Colin Clark:** As my colleagues are saying from a sedentary position, these people are being driven away. The actions of the Scottish Government are leading to divergence in tax rates between Scotland and England, and that is damaging the Scottish economy.

**Stephen Kerr** (Stirling) (Con): Why does my hon. Friend feel that the SNP Government in Scotland are so against aspiration?

**Colin Clark:** I do not know and I really cannot understand it. Now that the Scottish Government are getting tax independence, one would think that they would want to grow the entire economy, instead of damaging parts of it. This should be a salient lesson that tax divergence is damaging; making your country uncompetitive will hurt services. It will cost higher rate taxpayers in Scotland £2,000 to £3,000 more per £100,000 of income. That means that a consultant in Newcastle



may not choose to come to Aberdeen Royal Infirmary, which supports my constituency, and that would be very damaging for the public services.

The Finance Bill stimulates the economy; lower taxes will grow the economy. The hon. Member for Aberdeen North (Kirsty Blackman) is no longer in her seat, but she mentioned a transferable tax history, which is estimated to stimulate the oil and gas industry by £30 billion of investment. I consider that an enormous figure, not a small change. Fiscal stability will benefit the oil and gas industry, and we are grateful to the Chancellor that that is still the target of this Government. Slashing business rates, as the Chancellor has promised, will benefit businesses. However, of course, slashing business rates is not going to happen in Scotland, because that is a devolved matter; the north-east of Scotland got half of the increase in tax, which is damaging businesses in my constituency and other north-east constituencies. Buildings in the north-east of Scotland are being demolished because empty building rates—

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): Am I hearing the hon. Gentleman right? Is he completely ignoring the some 100,000 small businesses that have benefited from paying no business rates at all because of the Scottish Government's small business bonus?

**Colin Clark:** I remind the hon. Gentleman that businesses in the north-east of Scotland—large employers there—are considering knocking down warehouses and large offices, which are not redundant, as they are still fresh and good buildings. That is happening in the north-east of Scotland. One such building in my constituency, which had 2,500 office workers, may well be lost very soon.

**Drew Hendry:** Evidence it—

**Colin Clark:** I shall carry on speaking to you, Mr Deputy Speaker, rather than to the hon. Gentleman, who speaks from a sedentary position. I would welcome the Chancellor's business rates commitments—

**Drew Hendry** *rose*—

**Colin Clark:** I will give way, as the hon. Gentleman has got back up again.

**Drew Hendry:** I am keen to see how the hon. Gentleman provides evidence to support these accusations that people are knocking down buildings and fleeing their country.

**Colin Clark:** I could recommend to the hon. Gentleman that he reads the famous *The Press and Journal*, which I was in just under a year ago, standing in front of a building that had just been knocked down and which used to house 500 people in an office—I shall send him a signed copy of it. Buildings are being demolished in the north-east of Scotland.

**Mr Jack:** Opposition Members ask for evidence; the evidence is the Michelin factory in Dundee, which has had its rates increased by some £300,000.

**Colin Clark:** That must be of enormous importance to the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry).

I shall support the Bill and the UK economy. Most importantly, I shall support a Finance Bill that supports jobs.

7.40 pm

**Faisal Rashid** (Warrington South) (Lab): I wish to focus on two main issues that have already been mentioned by quite a few Members. The centrepiece of the Budget and, in turn, the Bill is the Chancellor's decision to bring forward the increases to the income-tax thresholds, which has been praised by many Members today. From April 2019, the income tax personal allowance will increase to £12,500 and the higher-rate threshold will increase to £50,000. These increases will come a year earlier than planned, and the thresholds will then be frozen for a year.

Since his announcement, the Chancellor has been basking in praise from Conservative Members for his generosity, when in reality it is a relatively meagre giveaway. In its post-Budget analysis, the Institute for Fiscal Studies highlighted the fact that had the Chancellor allowed the thresholds to increase in line with inflation, as they do by default, they would have reached £12,390 and £48,590 respectively by 2020. That clearly shows that the Chancellor's income tax commitment is little more than a tokenistic attempt to sustain the myth that the Government are ending austerity. He would have us believe that these policy changes are designed to benefit the low and middle-earners in this country, but once the empty rhetoric is stripped away, the reality is quite different.

Extensive post-Budget analysis from a variety of organisations all comes to the same clear conclusion: the raising of the income tax thresholds will disproportionately benefit the wealthiest individuals and families. Resolution Foundation analysis clearly shows that 84% of gains from the income tax cut will flow into the top half of the income distribution, and almost half will go to the top 10% of households alone. Although both basic-rate and higher-rate taxpayers will benefit from the increases in some way, the scale of the benefit is drastically different. According to the IFS, the typical basic-rate taxpayer will gain £21 per year in 2020-21, while in the same timeframe the typical higher-rate taxpayer will gain £156 per year. That sum is the only meagre offering in the Budget for those people who have borne the brunt of eight years of benefit cuts and pay freezes.

To make matters worse, for some the increase in the personal allowance, coupled with the Government's inaction on pension tax relief, will mean that they will lose out on the tax relief on their pension contributions. Ahead of the Budget, campaigners including Age UK, Now: Pensions and two former Pensions Ministers, Steve Webb and Ros Altmann, wrote to the Chancellor to urge him to use the Budget and Finance Bill to take action to set straight an inconsistency in the tax rules. According to the Low Incomes Tax Reform Group, together the higher personal allowance and increased contribution rate will mean that the minimum pension contribution for someone earning £12,500 will now cost them £323.40—an increase of £64, or a week's food shopping for a family or a tank of petrol for the family car. The inconsistency already affected more than 1 million people; with the Budget changes, it will now impact many more.

The Chancellor's refusal to use the Budget to rectify the issues facing low earners who have fallen victim to a pension lottery is just one of many examples of inaction in the Budget. The Chancellor also failed to use the

[Faisal Rashid]

Budget to halt the roll-out of universal credit; to provide the long-term funding that is desperately needed for social care and mental health services; to end the funding crisis facing public services; and to address the funding gap facing local authorities. That is to name but a few.

Another main issue is the police cuts, with 21,000 fewer police officers. Just in Cheshire, where my constituency is, £60 million has been cut from the police, with a further £12 million to come. The police and crime commissioner and acting chief constable wrote to me a couple of weeks ago to say that it will be very difficult to sustain those cuts and provide the services. It is important that we provide security for our communities. If we do not, it will be difficult for people to come to this country and to invest, as well. It all depends not only on how we create economic activity but on how we provide a safe environment. That is absolutely key. I urge the Government to increase police funding.

Use of food banks is increasing. As the hon. Member for Aberdeen North (Kirsty Blackman) said so eloquently, just saying that austerity has ended does not mean that it has ended, unless the right action is taken and policies put in place. How can we say that austerity has ended when the use of food banks is on the rise, crime is rising, homelessness is rising, NHS waiting times are increasing and councils are struggling? We are talking about the basic services provided by councils—what can they do? Councils are going bankrupt. The Government need to look into that. Austerity has not ended.

Along with my Labour colleagues, I will continue to urge the Government to adopt a fair taxation system. This Finance Bill is nothing more than half measures and tax giveaways. It does nothing to address eight years of economic failure and it fails to include measures that would create a truly progressive tax system, address tax avoidance and close the tax gap. It is time for radical reform of our entire tax system. Only then can we truly transform our economy and ensure a fairer taxation system that shifts the emphasis on to those best able to afford it. Sadly, as it stands today under a Tory Government, we are left with a Finance Bill that will disproportionately affect those people who are already struggling to make ends meet.

7.47 pm

**Alex Chalk** (Cheltenham) (Con): What a pleasure it is to follow the hon. Member for Warrington South (Faisal Rashid), but I profoundly disagree with what he has just said. In his last point, he referred to eight years of economic failure, but nothing could be further from the truth. It is worth pausing for a moment to consider some key figures. In 2010, this country was spending a total of £700 billion or so a year and bringing in just £548 billion of tax revenue. In other words, a full £152 billion was borrowed. Fast forward eight years, and this country will spend £842 billion in the next financial year. Why? Because the economy has grown by 17% in that time. Crucially, of that £842 billion, a full £810 billion will be raised in tax revenues. In other words, that £152 billion deficit has shrunk, and shrunk dramatically. The reality is that a country that in 2010 was staring into the abyss can now look forward to a future and say, “Our best days are ahead.” Had this country not got on top of its finances over the past eight years, it would have been not the rich who would

have suffered but the poor, the needy, the vulnerable and the hungry. If we look at countries such as Greece and Venezuela that have lost control of their finances, we see that it is the poorest in society who suffer most.

It is important to note a point that increasingly seems to be lost but should not be, and that is how far we have come in respect of employment. The country risks taking it for granted. We have 3 million more jobs than in 2010. In 2010, unemployment had gone up by half a million; that is half a million people whose futures were curtailed, whose opportunities were reduced and whose dreams were eroded. Unemployment means misery, lack of self-esteem and wasted potential. It means hollowed-out communities and a corrosive sense of despair. We should reflect on the successes that have happened since 2010.

Unemployment in our country today stands at just 4%. In Cheltenham, it is under 2%, compared with the rate in France, which is 9%. It is 8% in the eurozone. In Italy, youth unemployment stands at 32%. When I speak to young people in my constituency—last week over the recess, I was speaking to young people at St Mark’s Junior School—I am able to say that, as they grow up and reach the age of 18, I want them to be in a position where they can choose whether to go to university, which is fine, or whether to have an apprenticeship, which is also fine, but, if they want to go into the world of work, driving true social mobility, there also are opportunities for them to do so.

**Danielle Rowley** (Midlothian) (Lab): The hon. Gentleman talked about success. Unemployment may be falling, but in-work poverty is rising much more quickly. Is that a success?

**Alex Chalk:** Income inequality is declining. Any poverty is, of course, something that we want to address, but the best route out of poverty is through employment. If we were to ask individuals whether we should turn the clock back to 2010 when we had half a million more people unemployed, I do not think that they would choose to do so. The reality is that there is no true economic strength without fairness.

I must take issue again with the point made by the hon. Member for Warrington South. He suggested that raising the personal allowance a year early to £12,500, resulted in only “meagre” benefits—that was his expression. For the average family in my constituency, two wage earners each earning the average wage of about £28,000, that will mean a combined addition to the family budget of £260 a year. Does he want to stand up and seriously suggest that that is a meagre benefit? Does he? It is not a meagre benefit. It is more money in people’s pockets to focus on their priorities—on support for their children, support for their futures and support for their daily lives.

Strong families and strong communities require strong healthcare. It is important to note what managing the economy—taking a balanced approach—means for healthcare. It was the Leader of the Opposition who suggested during the last election that a 2.2% increase in health spending would make the NHS the “envy of the world”. Well, it is this Government who will be spending 3.4% above inflation every year. The figures are stark: the total budget will go from about £122 billion a year today to £149 billion a year in 2023—a real-terms increase above inflation of £20.5 billion a year.

**Karen Lee:** Does the hon. Gentleman agree that, to recruit enough nurses to fill all those vacancies and all those jobs that his party is going to create, we need to reinstate the nursing bursary?

**Alex Chalk:** It is critically important that we do not have a cap for those people who want to become nurses. One thing I found very depressing when I was first elected back in 2015 was that people wrote to me saying, “I want to become a nurse, but I can’t become a nurse, and yet the trust is off taking trips to other parts of the world to recruit nurses from overseas, while I cannot do it here in the UK.” That is something that we should not allow to continue. It is important that the money is spent in the communities that require it. In Cheltenham at the moment, trust managers want to shift all general surgery facilities from Cheltenham to Gloucester, but, as 58 clinicians wrote only today, that would be a mistake. It would be unsatisfactory for care in the whole of Gloucestershire, and I am calling on the trust to think again.

There was also £400 million for potholes, which is a priority for my constituents and something that I take very seriously as well. That is an extra £8 million or so for Gloucestershire. I also welcome the measures to safeguard businesses in our high streets. We all know that they are facing increased pressures, but to take a third off the business rate bill of small businesses in my constituency is a shot in the arm for our high streets and is something of which we can be proud. When I went round high streets in Cheltenham over the weekend, the news from the Chancellor was welcomed. Businesses could look towards a future with real optimism. The scope to roll out these measures is only provided by managing the economy fairly and sensibly. We do not take measures simply because we take some pleasure in eradicating the deficit for the sake of it; we do so because we want to create opportunity in our society. We want to say to our young people, “Be brave and be bold about the future because it is an exciting future.” A country that loses control of its finances loses control of the prospects of its young people. That is why I take pride in what the Chancellor has delivered and why we can say in confidence across this House that the United Kingdom’s best days lie ahead.

7.55 pm

**Carolyn Harris** (Swansea East) (Lab): I rise to speak today to express my sheer frustration at the refusal of this Government to change the implementation date for the stake reduction on fixed odds betting terminals. A six months’ delay from April 2019 to October 2019 may appear to be a short period, but in that six months, the bookies stand to gain nearly £1 billion profit, while many families will lose a loved one.

The industry has known about the stake reduction since April this year, yet, arrogantly, it has made no plans to alter the technical capacities of the machines, and we have to ask ourselves why. Why has it refused to authorise the necessary changes? Why has it refused to accept the moral argument that these machines are dangerous? And how has it been able to use a flawed report, funded by it and structured only to support its argument, to convince this Government to stall the implementation date? Every day snippets appear in the press suggesting that things are not as they should be when it comes to this decision. Private conversations

with no opportunity for scrutiny seem to have had more influence than the evidence of the all-party group on FOBTs, the Church, the voluntary sector and, most importantly, the families of those affected and the gamblers themselves.

Unfortunately for this Government, the strength of feeling right across this House regarding this shocking decision to delay the stake reduction will have consequences that may make their position very uncomfortable. I urge the Treasury to accept that it is wrong; that the decision that it has made is immoral; and that people’s lives are more important than the bookies’ profits. However, if the Government are not prepared to do the right thing, I and 76 Members across this House are prepared to do so. We will table a new clause and an amendment after the Second Reading debate tonight to ensure that the real story behind these dreadful machines is heard on the Floor of this House.

Thank you, Mr Deputy Speaker, for giving me this brief opportunity to raise this issue about which I am passionate and to which I am committed.

7.57 pm

**Julian Knight** (Solihull) (Con): Thank you, Mr Deputy Speaker, for letting me speak a bit earlier than I expected. It is a great pleasure to be called so early and I will not abuse that generosity by speaking for too long, because I know that many colleagues want to speak in the debate. I just wish to cover a few areas that have come up in the debate and the Budget more generally: first, the higher rate tax thresholds, which have been mentioned by many hon. Members; secondly, corporation tax and small businesses; thirdly, debt, which my right hon. Friend the Member for Wokingham (John Redwood) spoke about so interestingly; and, finally, fuel duty and car taxes more generally, which is pertinent to my constituency, with its 9,500 car workers.

On the higher rate tax, I was interested in what was said by the right hon. Member for Twickenham (Sir Vince Cable), who is no longer in his place. There is an amendment in the name of all the Liberal Democrats and it is good to see them here this evening in such numbers. The amendment mentioned the

“provision for a £1.3 billion tax cut for higher earners”.

I pressed the right hon. Gentleman to explain what that would actually mean for productivity and for what we term fiscal drag, a term first used when Gordon Brown was Chancellor of the Exchequer. It happened in the early part of the Labour Government, which came to office in 1997, and was eased over time. In 2010, it was decided, as an issue of morality, that we would also freeze the higher rate of income tax at the threshold. The reality is, however, that in the long term that has quite a damaging effect on the economy. It means that people are being brought into the higher rate of tax who really should not be there. I know that in my constituency there will be, for example, deputy headteachers, locum GPs and middle managers in local government who are paying the higher rate of tax. They would not have done so within the last generation, but they do now.

When people—this applies in the private sector as well—who pay the higher rate of tax are offered any extra work or overtime, they make a calculation: “Do I take that or do I trade that off against what my tax will be as a result of this?” If people are being charged too much tax at this marginal rate, that reduces productivity,



[*Julian Knight*]

and that, in itself, has a damaging effect on the economy. As my hon. Friend the Member for Dover (Charlie Elphicke) mentioned, in 1987, the then Chancellor, Nigel Lawson, lowered the rate of tax from 60p in the pound to 40p in the pound—and guess what? We actually took more tax in as a result.

This is a fundamental point that also applies to corporation tax. Labour Members have made their views very clear in that they would like a restitution of the rate of 26% for large businesses and 21% for small businesses. However, with regard to corporation tax, the proof of the pudding is in the eating—that is, employment. As my hon. Friend the Member for Cheltenham (Alex Chalk) said, the unemployment rate in the UK is 4%. I grew up in a town in the north of England in the 1980s, when the unemployment rate was about 25%. We went through a horrendous recession in our light industrial town. We could not even dream of a rate of 4% at that time. In the EU, unemployment is 8%, on average, and it is 9% in France. My hon. Friend also mentioned Italy and Spain. Think about all those lost opportunities and lost lives through high unemployment. This beds down in communities—I have seen it for myself. The way in which we bring about a culture of work and of higher employment is fundamental to the development not just of productivity but of our society itself.

**Alex Chalk:** Does my hon. Friend agree that unemployment has such a crushing effect on self-esteem and self-worth, and that that is one of the key reasons we should celebrate increased employment—not just for the sake of statistics but because of the individuals whose life chances lie behind them?

**Julian Knight:** I thank my hon. Friend for his intervention—that is absolutely true. If someone is unemployed for 18 months, they are often unemployed for the very long term—for the rest of their life, in some instances. It ruins lives, shortens lives and makes those lives more miserable.

The way in which we have approached corporation tax is absolutely correct. On small business rate relief, my hon. Friend, again—I do not wish to just copy his speech—talked about how that had been very well received in his business community and on his high street. It is a blessed relief that will bring a much-needed boost to our small businesses and to our high streets, which we have to nurture. We cannot have the high street of just the bookmaker, the pub next door, and the charity shop—although charity shops do very valuable work. We need diversity in the high street, not just in terms of retail but living space, opportunity, health and social services.

On debt, as I said in the Budget debate, with a ratio of 82% to GDP, we really should not give ourselves a pat on the back. It is not a good place to be at all. It makes us less likely and less able to effectively withstand the winds of global recession that happen on a cyclical basis. However, we have chosen a path by which, over time, we bring that under control. There are two ways to reduce the GDP-to-debt ratio: through productivity or inflation. The choice of British Governments, for years and years, was inflation. Inflation is a fool's errand: it destroys living standards and destroys savings. The second approach is productivity. I am really pleased to see in

the Red Book that many elements of this Budget really focus and home in on productivity, but we need to keep that going. We need a step change in our economy in this respect.

I turn to what I call car taxes. As the vice-chair of the APPG on fair fuel, and the former chair of said august APPG, I am absolutely delighted to see the freeze in fuel duty. However, I want to make a point about diesel cars in this respect. That is not, obviously, just because my constituency has 9,500 workers in this sector and 93% of the engines that come off the track are diesel cars. We have seen a 45% fall in diesel sales, and that hurts the Exchequer.

This problem originated in Wolfsburg. The irony is that the Germans are now changing their approach with regard to diesel, so the originators of the difficulty within the diesel market are now looking at the market and saying, “Hold on a minute—we need to ensure that clean, modern diesels are supported.” We have a higher excise duty on modern, clean diesels. According to the AA, 270 of the diesel cars currently tested are now within tolerance in that respect. If we have this disincentive, people will hold on to their older cars for longer. These cars can run for a quarter of a million miles—I know; I have one. That means that the older EU5 and EU4 engines will stay on the road longer and pollute more. We need to get really smart about this and construct the tax system to support all modern petrol and diesel engines while, at the same time, aiding the transition towards new technologies.

On the Budget as a whole, it is quite remarkable to note, as a former personal finance journalist, how we used to have a merry time pulling Budgets apart. We could almost guarantee that, by the end of the first day, we would have something to go at the Government on. With this one, that is not the case. That is a testament to the Chancellor and the team. I will be absolutely delighted to vote for this Bill tonight.

8.6 pm

**Karen Lee** (Lincoln) (Lab): Living standards in this country are a national disgrace. The “little extras” Budget did nothing to address society's systemic issues and continued to prioritise the few over the many. Perhaps the Minister does not appreciate that the future is not brighter if you are standing in a queue at a food bank.

After eight long years of austerity, our public services are deprived of proper funding. Our fire service, NHS, police service and education services are all at breaking point, and “little extras” are simply not enough. While the taxation system continues as it is, with Conservative policies only tinkering around the edges, we will not see a substantial redress of economic inequality in this country. Put simply, the top 10% of the population own 44% of the nation's wealth. Who does this country's economy work for? Some in society have suffered eight years of austerity, and some have not. If the Government's policies are benefiting the few more than they are benefiting the many, we have a systematic issue at the heart of society. Our economic system resembles what the economist Piketty would describe as “useless for growth”. It perpetuates further inequality over time and creates low social mobility, ingraining and preserving the status quo. The rich get richer and the poor get poorer, widening economic inequality.

Labour has a different outlook that sees real value in working people and offers them a fair deal by not raising taxes for 95% of workers but instead fairly raising taxes for the 5% who prosper the most in society. It acknowledges corporations' role in society and expects them to pay their fair share, raising an estimated £19.4 billion for the public purse. It is not afraid of tackling the very wealthiest and commits to a comprehensive anti-tax avoidance plan—a plan that will work for those who are prepared to pay their fair share of tax and a society that will reap its benefits. This funding will be distributed to all the areas that all of society will benefit from: a properly funded NHS, free university education, a national education system, and a national transformation fund. Labour will rebuild Britain and make this Government's destructive austerity programme an ideological choice of the past. This is how we will radically change society; this is how we will end austerity; and this is how the Labour party, when—not if—we are in government, will offer a fair deal for everybody in our society.

8.9 pm

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): It is a great pleasure to speak in this debate not only to support the Bill, but to associate myself with the comments of my right hon. Friend the Financial Secretary to the Treasury, who unfortunately is no longer in his place. In his opening remarks, he mentioned some words by the late Baroness Thatcher, and on reflecting on that, it is clear to me that some things never change. From what we have heard this evening, it is clear that the Labour party would still have the poor poorer as long as the rich were less rich. As I say, it is a great pleasure to speak in the debate. I will keep my remarks brief, as many other colleagues—from across the House, I am sure—will want a chance to speak about the great things this Government have included in the Bill.

Just two short weeks ago, we heard a Budget from the Chancellor of the Exchequer, and the Bill delivers on a number of promises made in that Budget. Key among these is that this Conservative Government are cutting taxes for hard-working people and lifting the lowest paid in our society out of income tax altogether. Our increase in the personal allowance will mean that, in 2019-20, basic rate taxpayers will pay about £130 less tax than in 2018-9 and £1,205 less tax than in 2010-11, when the coalition Government came to power.

Unfortunately, as I pointed out in the Budget debate just two weeks ago, my constituents will be unable to benefit from the raising of the higher threshold, as the SNP Government in Edinburgh would rather punish the strivers and the grafters—the policemen, teachers, entrepreneurs and wealth creators—than reward them, as we do. Instead, the tax gap between Scotland and the rest of the UK is growing wider and wider, with the Scottish Government squeezing out every penny.

**Patrick Grady** (Glasgow North) (SNP): I am sorry the hon. Gentleman is having to get used to speaking from the Back Benches again, after his tremendous turn from the Front Bench in the UK Youth Parliament, but I am sure that, if he keeps up this line of complimenting the Government, it will not be long before he is back there. Does he not accept that the reality of the progressive tax reforms agreed by the Scottish Parliament as a

whole—not just by the SNP Government—is that most people in Scotland are actually paying slightly less tax than they were this time last year? *[Interruption.]*

**Andrew Bowie:** As is being said from a sedentary position behind me, I think the total amount of money by which somebody in Scotland will be better off, if they are below a certain level, is about £24 a year. What the SNP is doing is punishing aspiration and stopping people—*[Interruption.]* As is being shouted from behind me, it is gesture politics. The SNP is punishing the entrepreneurs and the wealth creators that we need to attract to Scotland, especially to the north-east of Scotland. I could go on, but I will not because I have a lot to get through.

We are hearing exactly what we heard two weeks ago from the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—doom and gloom. This is the politics of gripe and grievance, and SNP Members cannot even find it within themselves tonight to welcome the huge strides that we have taken in supporting the oil and gas sector since 2014. I share the frustration of the hon. Member for Aberdeen North (Kirsty Blackman) about the oil and gas sector, although I would say that that is an issue for the Department for Business, Energy and Industrial Strategy, rather than the Treasury right now. But no reference was made to the welcome given by Oil and Gas UK or indeed by individual companies in that sector for our commitment to the stable regulatory and fiscal regime that, since 2014, has made the North sea one of the most attractive basins in the world in which to invest. I think that is something all representatives from Scotland, especially from the north-east of Scotland, should celebrate and thank this Government for.

As well as slashing income tax for millions of people, the Bill will implement a number of indirect tax cuts, such as the freezing of duty rates on beer, on ciders and most of all on whisky. This is a measure that we Scottish Conservatives have lobbied on relentlessly, and it will be a great boost to our local breweries and distilleries, such as Deeside Brewery in Banchory and Royal Lochnagar at Balmoral, both of which I have the honour of representing in this place.

There are freezes to support our haulage sector—heavy goods vehicles duty will be frozen for 2019-20. I am sure the importance of this freeze to the British haulage industry will be obvious to everyone as we prepare to leave the European Union. I have a dream that one day these vehicles will be able to transport Scotch whisky, which we as a Government are supporting; Aberdeen Angus beef from farms that are championed by the Conservatives, but abandoned by the SNP; and Peterhead haddock fished from this new sea of opportunity, with us out of the common fisheries policy, being delivered by this Government, along the Aberdeen western peripheral route, if the Scottish Government ever manage to resolve the mess they have got into on that road and do so without wasting even more of Scottish taxpayers' hard-earned cash.

**Kirsty Blackman:** If we do get this wonderful Aberdeenshire produce—it is the best in the world, I would suggest—on to lorries and they drive down to Dover but are then not able to cross the channel, what does the hon. Gentleman expect will happen to the Peterhead haddock?

**Andrew Bowie:** The hon. Lady has no faith in this Government to deliver a deal that is going to result in frictionless trade, and that surprises me. It surprises me that she does not have the faith that I have in this Government to deliver the deal that I think will be coming and result in frictionless trade between ourselves and the European Union, just as we have frictionless trade right now.

The measures in this Bill are exactly what the Government should be introducing to support our economy at a time when it has its fair share of challenges to overcome, but that is also rich with opportunities. For this reason, I will be supporting the Bill tonight. We are supporting aspiration, encouraging growth and creating jobs, with unemployment at its lowest level since the 1970s. We are making Britain an attractive place in which to invest, and we are helping the lowest paid.

I was struck by what my hon. Friend the Member for Cheltenham (Alex Chalk) said about speaking to the next generation. He spoke about the huge strides we have taken and about the strength of the economy since 2010. As the hon. Member for Glasgow North (Patrick Grady) mentioned, on Friday, I was privileged to address the UK Youth Parliament and listen to its Members. This Chamber was packed with enthusiastic, passionate, committed and driven youngsters. We owe it to them to leave this economy in a better state than the one in which we found it in 2010, and to create opportunities, not lumber them with debt, as the 40 unfunded spending commitments made by the Opposition since the general election would do.

Quite frankly, Labour Members should be ashamed of themselves for the reckless way in which they trot out commitments without recognising that we have to pay for them and the damage that they would reap on the next generation. I am proud to support a Government who are refusing to do that and who, with this Bill, are committed to helping the working people of this country. This is the party of the working people of this country—all of this country—and I am proud to give the Bill my support tonight.

8.16 pm

**Chris Stephens** (Glasgow South West) (SNP): It is a pleasure to follow the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie). He has proved for me the point I came to when I was listening to the Financial Secretary and putting together my remarks for this debate. Politics is a mixture of rhetoric and reality. It was two years ago at that very Dispatch Box that the former Chancellor, George Osborne, announced that austerity was over, and now the current Chancellor tells us that austerity is coming to an end.

The rhetoric we have heard during the past two weeks has led me to conclude that many Conservative Members are modern-day Warleggans. They remind me of the scene when Captain Poldark—he is no doubt viewed by Conservative Members as some sort of Marxist-Leninist—asked the landowners to cut the price of grain, and George Warleggan said, “Well, if I cut the price of grain, then my profits will decrease, and if my profits decrease, then I won’t have enough money to give provision for the poor.” There it is: modern day Conservatism found in a period drama.

The reality is that, by any measure, this Budget and this Finance Bill benefit the rich on the backs of the very poor. The Resolution Foundation has told us in its research that those in the bottom 30% of the income distribution will on average gain less from the work allowance and income tax changes than they will lose through the benefits freeze. Indeed, a low-income family with children will lose £210 next year as a result of the benefits freeze.

Let us discuss universal credit and the broken social security system in this country. The money announced for universal credit changes is mainly to do with managed migration. Two weeks ago, the Social Security Committee in the Scottish Parliament heard evidence from the Crookston Community Group in my constituency. An eight-year-old boy in my constituency was stopped by a teacher and asked why he was taking so many tomato ketchup sachets. His answer was so he could take them home and put them in boiling water to make soup for him and his family. That makes me want to weep, but it is not a special case. Suzanne McGlone of the Crookston Community Group said:

“While this incident would shock most people, it is actually the lower end of the scale.”

That is the reality of the current social security system.

On top of the cuts, the litany of evidence about the pressures faced by beleaguered staff in the Department for Work and Pensions is coming to fruition. I tabled a parliamentary question, and I got the answer during this debate. I asked a simple question: how many workers in the Department for Work and Pensions are currently dealing with the national tier telephony service? I was advised that 400 staff are now dealing with phone calls. To put that into perspective, according to parliamentary answers, 4,504 DWP staff are chasing social security fraud. That is an unbelievable comparison. DWP staff are telling us that they are having to deal with so many telephone calls from claimants that they are unable to process online journals. What does that mean? It means payment delays, rising food bank use and more people getting into poverty.

**Stephen Kerr:** I recognise the passion with which the hon. Gentleman approaches this subject, but perhaps he can enlighten the House as to why, after it was agreed that social security powers would be devolved to the Scottish Parliament and the Scottish Government in Edinburgh, it is taking so long for the SNP Scottish Government to get to grips with the issues of social security.

**Chris Stephens:** I have just given some examples of how broken the UK social security system is. If the hon. Gentleman seriously believes that any devolved Government could address the mess of the social security system in the UK within weeks, he is kidding himself on.

**Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): The hon. Member for Stirling (Stephen Kerr) is clearly unaware that there are 4,000 people, not 400, chasing rather than helping. I heard Gaelic mentioned today, and he should know that the word “Tory” comes from the Irish Gaelic “Air an Toir”—pursuers. That is what they are doing in the DWP—pursuing people mercilessly, rather than helping them, as my hon. Friend pointed out.



**Chris Stephens:** My hon. Friend is quite right. Conservative Members try to divide people on the basis that Conservatives are for aspiration and the rest of us are not. According to the Conservative party, there are the undeserving and the deserving poor. No one deserves to be poor in this country, and that should always be the case.

**Danielle Rowley:** I held a debate recently in Westminster Hall about split payments, and I asked the Minister answering the debate what support was going to the Scottish Government and what money there was to help create a different system in Scotland. I have yet to receive an answer. I also asked the Treasury how it defines austerity, and it could not give me an answer. What does the hon. Gentleman think about that?

**Chris Stephens:** I thank the hon. Lady for that, because the point is well made. I was at the Westminster Hall debate she secured, and she gave an excellent speech on why we need split payments in universal credit. The reality is that the Scottish Government want to do split payments, but the Department for Work and Pensions is trying its best not to. That is despite the Work and Pensions Committee, of which I am a member, telling it that it should engage positively with the Scottish Government. The Department should perhaps use what is happening in Scotland as a pilot, which it could then roll out across the UK. Where individuals are subjected to domestic abuse and go through the universal credit system without split payments, the hon. Lady and I have a very real fear that that domestic abuse will become worse.

**Stephen Kerr:** Will the hon. Gentleman give way?

**Chris Stephens:** Not at the moment.

We have heard warm words about rising wages from those on the Government Benches, but there has been no mention whatever of the fact that 4 million people are in insecure work. There has been complete silence about the Taylor review and what measures the Government will introduce as a result. The reality is that low pay and poorer living standards are on the rise.

As I said, there are 400 people dealing with telephone calls in the Department for Work and Pensions, but 4,504 chasing DWP social security fraud. There are also 400 people employed across the UK by the national minimum wage compliance unit. How are we going to chase these rogue employers if there are only 400 staff chasing up compliance with the minimum wage?

That brings us nicely to the issue of public sector pay and whether there is a public sector pay cap. Earlier, I made an intervention on the Minister. I did not really get an answer, and I do not think that anyone who has raised this issue in the last few weeks has got an answer. The reality is that the public sector pay cap is still in place across UK Government Departments. Why is it still in place? Under freedom of information, we now know that the departmental permanent secretaries got together in February this year and agreed the joint position across all UK Government Departments that there would be a pay rise of 1% to 1.5% for public sector workers. I find that extraordinary, because there are 200 separate pay negotiations across UK Government Departments, so how about a bit of efficiency and small Government from those on the Conservative Benches?

Let us reduce the number of pay negotiations from 200. If the departmental permanent secretaries can agree one negotiation, there can surely be one negotiation with the trade unions.

Those on the Scottish Conservative Benches have made a number of, shall we say, interesting observations today. I was interested in the elaborate tax avoidance scheme suggested by the hon. Member for Gordon (Colin Clark): if someone is a higher rate taxpayer in Scotland, they should consider registering themselves somewhere else in the United Kingdom. That is tax avoidance by any description.

**Stephen Kerr:** On a point of order, Madam Deputy Speaker. The hon. Gentleman is making comment on the speech given by my hon. Friend the Member for Gordon (Colin Clark), who is being reported as having said something he did not say. The hon. Gentleman should not be permitted to say that. How can that be corrected?

**Madam Deputy Speaker (Dame Eleanor Laing):** I appreciate the hon. Gentleman's point, but it is a point of debate, not a point of order for the Chair. It is, I am very glad to tell the House, not my responsibility to adjudicate between Members who sit on the Government Benches and Members who sit on the Opposition Benches on particular points of fact. The hon. Member for Glasgow South West (Chris Stephens) is in order in the eloquent speech he is making.

**Chris Stephens:** Thank you very much, Madam Deputy Speaker. Hon. Members can read *Hansard* tomorrow and come to their own conclusions.

Scottish Conservatives were complaining earlier about office closures. I find that fascinating from a political party that has put a meat cleaver to the jobcentre network and a meat cleaver to HMRC offices across the UK. You really could not make it up.

**Angus Brendan MacNeil:** My hon. Friend makes an absolutely fascinating point about the Conservatives calling for the richest to relocate to avoid tax. Continuing that logic, they should say that those earning less than £33,000 in England should register in Scotland. We know that the many get the deal in Scotland, but they speak for the few, as ever.

**Chris Stephens:** My hon. Friend makes a fascinating observation, but I think he will be disappointed by the response from the Scottish Conservatives. It will not be on their crib sheet, so I am sure they will not agree.

**Stephen Kerr:** To be clear, my hon. Friend the Member for Gordon (Colin Clark) did not ever, at any time, suggest that Scottish taxpayers should relocate. He was simply pointing out the consequences that might flow from the growing tax gap between Scotland and the rest of the United Kingdom.

**Chris Stephens:** I am not sure whether that was an intervention or a point of order, Madam Deputy Speaker. Suffice to say, once again, that I will allow hon. Members to read *Hansard* tomorrow morning and reach their own conclusions.

In this centenary year of the women's vote, what is missing from the Bill and the Budget most of all is anything for women born in the 1950s. That is a disgraceful

[Chris Stephens]

omission. I am delighted that the Work and Pensions Committee has agreed to my suggestion to hold an inquiry so that we can get to the bottom of helping women born in the 1950s to get justice, to get their pensions and to get compensation.

We were told that austerity is over. It is not. We were then told it is coming to an end. It is not. For the poorest and most vulnerable in our society who have had to pay the price of austerity, austerity must end. That is why I will not be supporting a Second Reading for the Finance Bill.

8.30 pm

**Jack Brereton** (Stoke-on-Trent South) (Con): It is a pleasure to speak on Second Reading.

After all the years of hard work since 2010, and the necessary repair of the public finances after the catastrophic failures of the last Labour Government, this Budget was a turning point for our country. The Government are meeting their fiscal rules three years early and the deficit has been reduced to its lowest level since 2001. Debt has started its first sustained fall in a generation. The Bill reflects the success of that hard work and it rewards the British people for what they have achieved.

No Government have money of their own, only taxpayers' money. It is right that hardworking taxpayers be allowed to keep more of their own money now that the economy is back on track; people in Stoke-on-Trent have more money in their pockets due to the measures in the Bill. It is also right that a new path is set for the public finances that reflects the huge efficiencies and fiscal improvements that have been achieved. Combined with Brexit, the Bill means that after eight years of hard work to get out of the mess left behind by the Labour Government, those of us on the Conservative Benches can focus on the measures that will take our country forward to a global future in the decades ahead.

What a contrast in approach: a Conservative party working to take us forward to the 2070s against a Labour party scheming to take us back decades to the 1970s. In his initial remarks, the shadow Minister, who is no longer in his place, tried to say that the Conservatives are not a party of opportunity. I would like to ask him what he would say to my constituents, as well as millions across the country, who were subjected to a life of dependency and worthlessness under the last Labour Government and who are now in work thanks to Conservative policies.

At a time of momentous change as we deliver on Brexit, the Government's continuing commitment to sound economic management is to be welcomed. There are continuing efforts to make the tax system fairer, with anti-avoidance measures to ensure that legitimate reliefs are not abused. In addition, there are measures to increase the generosity of certain reliefs and exemptions where they encourage behaviours that are beneficial to the economy and to society. For example, the quintupling of the annual investment allowance, from £200,000 to £1 million, is a strong response to the very temporary uncertainty that Brexit might bring.

That measure is hugely welcomed by manufacturers in Stoke-on-Trent South, as it will be across the country. Indeed, when I visited Walkers Nonsuch Toffee last week, it was very clear that these measures will see it

invest in more new machinery to build on the great success it is experiencing. I can tell you, Madam Deputy Speaker, that I very much enjoyed tasting some of its products on my visit. A family business since 1894, it exports England's finest toffee from my constituency right around the world, with many of its largest growing markets in South Korea, Australia and China. Equally, I welcome measures such as the 60% increase in the charity small trading tax exemption limit to £8,000 and £80,000 depending on turnover, and the extension of the first-year allowance for electric car charging points for four years. While there is a case to be made for having reliefs and exemptions to encourage beneficial outcomes, there is also a clear case for increasing taxes on harmful and detrimental behaviours. That is why I welcome the action on white, high-strength ciders and continuing strong fiscal disincentives to smoking, both of which are having major impacts on the lives of individuals, public health and our NHS.

In addition, I welcome the measures for a new tax on the largest online companies to ensure that they pay a fair share. That is very important for the revival of our town centres, as is reducing taxes on smaller retailers and putting in place funding for the town centres in places such as Longton and Fenton, which I hope will benefit from the additional funding for the conversion of some of the empty units.

For areas such as Stoke-on-Trent, which is made up of six historic market towns with a strong manufacturing tradition, opportunities have arisen for a sustained revival. The Office for National Statistics last week reported that

"around half of total production growth in Quarter 3 was driven by manufacturing."

That is very good to see and suggests that the slippage in quarters one and two was anomalous to a longer-term trend of manufacturing growth under this Government. Goods exports are also back in quarter 3 to a position where they are rising faster than service exports, which is a positive sign for a country that needs to rebalance our national economy to areas where people are skilled and proud to make things. No manufacturers are more skilled and proud than the local advanced manufacturers of Stoke-on-Trent.

Moving on to trade and our global approach, we need to ensure that trade is more international as we move through Brexit. Global Britain starts from a solid economic base, underpinned, of course, by the attraction of a world-renowned, trusted, legal system and sound rules of governance. As a country that plays by the rules, the UK is a great partner to trade with and a great place to invest in. I know that the Government will rightly enter all trade negotiations in a spirit of optimism and generosity in offering free and fair rules-based trade deals. There are great opportunities ahead.

In Stoke-on-Trent, despite manufacturing making up 15% of the economy, I am afraid that we do not export enough of the fantastic products that we make, falling well behind our statistical neighbours in the rest of Staffordshire. Far too often, historical trade beyond the EU has been occurring by chance rather than from concerted efforts to promote British products. Brexit must lead to opportunities to broaden trade and especially to help smaller businesses in places such as Stoke-on-Trent to export more, and it is pleasing to see the Department for International Trade ramping up its efforts in these global markets. We can look to open up new channels

for inflows and outflows of foreign direct investment, particularly to facilitate UK direct investment in sales and distribution operations beyond the EU, and look to strengthen our presence in key markets of the USA, the Commonwealth, South America and south-east Asia, which promise many opportunities for Stoke-on-Trent's fantastic export offer.

There is much to be positive about in the Government championing free and fair trade, but it is inescapably the case that some of our competitors, in an effort to boost their state-aided, quasi-private businesses, do not always play by the rules. So, where we are rightly open to proffering carrots, we must also be pretty clear that we will keep a few sticks if the agreed rules with our new trade partners are not kept. I know from correspondence I have had with Department for International Trade Ministers and, indeed, the Prime Minister, that this is very much the case and the intention, moving forward.

Global Britain is our future and we must be prepared for that future so that we can seize the opportunities available on the world stage. The Bill certainly moves us forward to that future. Through a fairer tax system, growth deals, city deals, sector deals, local funds, transport projects, devolved funding and international trade support for local businesses on the world stage, this Government are ensuring that no part of the United Kingdom is left behind and, as part of that agenda, I am very happy to support the Bill tonight.

8.39 pm

**Bambos Charalambous** (Enfield, Southgate) (Lab): It is a pleasure to follow the hon. Member for Stoke-on-Trent South (Jack Brereton). This Finance Bill does not address the fundamental funding problems in our communities and public services. During the Chancellor's Budget speech, he told us that the era of austerity was nearly over. He told us about the money for the "little extras" for our schools and that all would be rosy as he increased tax thresholds. Perhaps he was too distracted thinking up bad jokes to fully appreciate the effect of his Budget and policies, which mean that for many people the era of austerity is far from over. The Budget did not provide the substantial funding our public services need to be reliable and decent, and failed to invest properly in our public services. This is quite clearly a continuation of austerity.

My borough of Enfield has seen its funding cut by £161 million since 2010, which is well over 50% of its government funding, with other cuts still to come, and it is not alone. Like Enfield, most councils have been cut to the bone. Demand-led pressures on areas such as children's services and adult social care will mean the council having to cut already-reduced services. Enfield has been affected by damping. The Government, having worked out what it needed, decided to take money away and move it elsewhere. I ask the Minister: when can we have that money back to fund the services that Enfield needs, and which the Government agree it needs? For such councils, austerity is not over, but will carry on for years to come. Is he pleased to see councils failing—councils such as Northampton—and going bust on the Government's watch? The Government can fix this but choose not to.

Policing remains under-resourced. Last week, a 98-year-old man was seriously assaulted in his home in my constituency and now lies seriously ill in hospital, and

today I learned there had been a stabbing near Arnos Grove station. What does the Minister have to say about the increase in crime and the cuts to policing in my constituency and across the country? Is austerity over for them? Yesterday, I spoke to the two police officers and one police community support officer charged with policing one ward of 10,000 people in my constituency. Does the Chancellor think that is sufficient? I invite him to come and listen to the concerns of local residents, victims of crime and those who live in fear. Why isn't anything being done to reverse these cuts? Is the Minister happy with the level of police funding?

Education is another area of failure for the Government. The idea that £400 million for so-called "little extras" goes anywhere near addressing the funding crisis in schools is insulting. I am a school governor at Eversley Primary School in my constituency, and I am missing a governors meeting tonight to take part in this debate to let the Government know how schools are suffering with their budget cuts. In my conversation with the headteacher earlier today, she told me that the school was facing a £500,000 budget deficit next year and was now relying on the donations of parents and staff to pay for resources. Eversley is an outstanding primary school and is not alone in my constituency in facing a funding crisis that is a direct result of the Government's policies. If the Minister does not believe me, he is welcome to meet me and headteachers in my constituency to look at their budgets for next year. He suggests there is more money for schools, but does he realise there are more children in our schools than ever before?

Even for school meals, the Government have taken no account of the increase in food prices or inflation since 2010, meaning that the budget for producing free school meals for all pupils from reception to year 2 has remained the same for more than eight years at £2.30 per meal. That makes it harder to provide a nutritious meal for children in their early school years. How is that joined up with the Government's strategy on tackling childhood obesity? If the Chancellor wants to know where to find additional funding for education, he could look at the Education and Skills Funding Agency, which last year spent £17 million re-brokering failing academies to other academy chains. Why is there no scrutiny of this shocking waste of taxpayers' money?

As my hon. Friend the Member for Swansea East (Carolyn Harris) mentioned so eloquently, in an attempt to shore up and support bookmakers, the Chancellor decided to give them more time to make more profits from fixed odds betting terminals—and thus more revenue for the Treasury—thereby condemning hundreds of people to the abject misery brought on by gambling addiction, with many suffering great personal harm and some committing suicide. What a shocking state of affairs.

There was no help in the Budget either for people on universal credit. The £1.7 billion put back in by the Government is less than a third of the £7 billion taken out. That is no help to a local resident losing £58 per week as she migrates from family tax credits to universal credit. The amount she is losing is going towards funding the tax cuts in the Budget. The Minister spoke of fairness in his opening speech. Where is the fairness for her?

The Chancellor issued a caveat in his statement, saying that the Budget would be all off if there were a no-deal Brexit. What the Bill aims to do is give the Government sweeping powers to amend tax legislation



[*Bambos Charalambous*]

in such an event. It is another attempt at a power grab, which is something that we have become used to with this Government. Once again, Parliament is being sidelined.

The Government's economic failure will continue with this Finance Bill. The Bill and the Budget are not fair. They are failing our communities by not replacing the police officers whose numbers have been cut since 2010, by not giving local authorities the funds that they need, by not providing what is needed for our schools, and by not helping the most vulnerable in our society.

A fair taxation system is for the common good, and should underpin shared prosperity through universal services. The Bill does not offer a progressive and fair tax system, and it means more austerity for the vast majority of the people. The Minister forgets at his peril that the people who benefit from tax cuts are also the people who are asked to make donations to cover the funding cuts in their children's schools, who experience the burglaries that police no longer attend, who have seen a deterioration in public services, and who are worse off under universal credit. Austerity is not over for them either.

The Bill is not fair. It does not help our communities, including the most vulnerable, and it is not fit for purpose.

8.45 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Enfield, Southgate (*Bambos Charalambous*). Although I do not agree with all his views, I thought that the way he put them across was clear and impassioned, and I congratulate him on that.

I must draw the House's attention to my entry in the Register of Members' Financial Interests, because I want to focus most of my remarks on business and I was in business for most of my life before entering Parliament, but I will begin by touching on other elements.

As the co-chair of the all-party parliamentary group on poverty, I particularly welcome the measures relating to the personal allowance and the increase in the national living wage. When combined, those measures mean that people who are in full employment and earning the minimum wage will be £3,955 a year better off in cash terms than they were in 2010, which will transform many lives. We simply could not continue with a situation in which the Government were supporting business through tax concessions and tax credits; it is right for business to stand on its own two feet. I hope that the national living wage will increase at some point, as it must if we are to reach a real living wage. The gap is narrowing, but our aspiration should be to ensure that, in a prosperous society, everyone prospers.

I also welcome the extra measures for universal credit, which were called for by many Conservative Members. The extra £2 billion a year will make a big difference to a system that is already working well in many ways. It is not without its faults, and we need to focus on the areas in which it is not right as well as those in which it is, but it, too, will make a huge difference. It was introduced in Ryedale, in my constituency, early in 2017. There were initial problems with some of the payments, but following measures that the Government introduced at the end of that year, most of them have been alleviated.

The 33% rate reduction for many businesses is welcome, as is the fund for investment in our high streets. However, the main issue affecting the retail environment is not the level of business rates, but the migration of consumers from shopping in retail premises to shopping online. We cannot simply cut business rates to deal with that problem. The Chancellor's contribution is welcome, but we need other measures, too. At some point, we will need a structural review of the business rates system for retail premises. There is no doubt that online retailers pay a much smaller proportion of their turnover in business rates than retail high street premises—about four times less.

Local authorities also need to do their bit. Too often, they are giving permission for out-of-town shopping centres. Consent has been given to four in York, all of which will offer free parking. The city centre car parks run by the local authority are charging £2.50 an hour, which is massively disadvantaging businesses in the city centre. Businesses were telling the local authority that this was going to happen many years ago, and it has had a devastating effect on many high street businesses.

I am most pleased with the Government continuing their corporation tax reductions; it is absolutely the right thing to do. I am also pleased that they are continuing provisions such as entrepreneurs' relief, the seed enterprise investment scheme and the new enterprise incentive scheme. The Opposition think, "We can simply increase corporation tax. It's a victimless crime. We'll collect all this extra money and then the corporations will pay." That is not how it is. When the Opposition speak on these issues, whether about requisitioning parts of businesses or taxing companies more, they remind me of the Churchill quotation—that some people look at private enterprise as a tiger to be shot or a cow to be milked, when it is actually

"the strong horse that pulls the whole cart."

And that is the reality.

The Opposition simply want to raise corporation tax, and they think that corporations will just pay and that will be it. Of course they will pay extra tax, but the consequence in a competitive market is that prices will go up. At the end of the day, all consumers pay all taxes. The reality is that excess returns in a competitive marketplace get competed away right down to the cost of capital. Therefore, if we put up corporation tax, the pre-tax profit has to rise to ensure the same return on a post-tax basis. All that will happen in a competitive market—most of our markets—is that prices will go up and the consumer will pay. That is the reality, so I welcome the reduction in corporation tax because it encourages inward investment in this country.

Not all our markets are competitive and not all our enterprise is in competitive markets, so I welcome the fact that we have brought forward a digital services tax for one market that is not competitive—the huge technology giants that are dominating the landscape and not paying their fair share of taxes. It cannot be right. Those companies benefit from the fact we have a well-funded education system, hospitals, welfare system, social care system and pensions system. They cannot just trade in this country, switch the profits to a foreign jurisdiction and avoid tax. It is absolutely right, historic and brave that the Chancellor has acted on this, outside an agreement with the OECD. It would clearly be better if we worked internationally, but it is right to take this first step.

There is one area where the market is not competitive and which I am heavily involved in as the co-chair of the all-party parliamentary group on fair business banking and finance—that is, the relationship between business and banks. Some 90% of business lending is dominated by the four biggest banks—Royal Bank of Scotland, Lloyds, Barclays and HSBC—but when something goes wrong, there is no way on earth a small business can compete with a bank when trying to resolve disputes. It simply cannot be right that these banks can use their financial power in order not to be held accountable when something goes wrong with their own customers. We have seen many cases and have talked about this issue before in Parliament. I know that this is not part of the Finance Bill, although I would very much have liked it to be.

The Chancellor has said that he will support the recommendations of the Financial Conduct Authority to expand the Financial Ombudsman Service from its current jurisdiction of £150,000 compensation limit to £350,000, but most cases we deal with in the all-party group are in the millions of pounds. I am delighted that the Chancellor has just walked in while I am talking about this issue. There is a very good example in an article by Jonathan Ford in today's *Financial Times*. The bank sold Arthur Holgate & Son—a company turning over £2 million—an unsuitable interest rate hedging product, sending it under; it went into administration. How on earth is Arthur Holgate & Son supposed to deal with that and take Barclays to court? The company was offered £311,000 in compensation, but it eventually managed to insure the legal fees for the court action and got a settlement off Barclays of £10 million. Most companies that have gone through this process simply do not have the funds to take a bank to court. That cannot be right.

**Stephen Kerr:** I pay tribute to my hon. Friend for the work he does in the APPG on fair business banking. Many thousands of small and medium-sized businesses were mistreated by the banks during the period that we often discuss in the Chamber. Does he agree that it is vital for capitalism in this country and the enterprise economy that justice is done and seen to be done for them?

**Kevin Hollinrake:** My hon. Friend is right. Capitalism depends on a fair and level playing field, and that is not where we are at the moment. As well as the expansion of the Financial Ombudsman Service, which we fully support, our all-party group proposes the introduction of a financial services tribunal that works in pretty much the same way as an employment tribunal. A company could take a bank to court without standing the costs of that bank, with full powers of disclosure, and justice could be seen to be done, which is critical.

**Jonathan Reynolds:** The hon. Gentleman knows that I share his view on this issue, and I commend his work as chair of the all-party group. There is considerable agreement on both sides of the House that this needs to be resolved, and it is not a satisfactory position. As we have the Chancellor in the Chamber—or we did; he has disappeared—may I ask the hon. Gentleman whether he agrees that the will of the House on this issue should not be underestimated?

**Kevin Hollinrake:** I agree with the hon. Gentleman. This will come sooner or later, and we should grasp this opportunity. It is clearly in the interests of businesses that they should be able to seek resolution fairly in the courts. The courts are all about dispute resolution. Anything else is an alternative, and it cannot be right. There is a saying that the High Court is open to everyone, just like the Ritz hotel. We cannot have that situation.

We need a fair and level playing field. We need businesses to be able to take a bank to court if they have a valid dispute. That is good for the banks; it gives them certainty about what the rules are, and they can get adjudication on key questions that they will want the answer to. It will give confidence to borrowers, and businesses will borrow more, which is good for UK plc. As well as the fine things that Treasury Ministers are doing through the Finance Bill, I urge them to look at this issue and seek to introduce a financial services tribunal at the earliest opportunity.

8.57 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I would like to raise two issues related to the Budget, one of them good news and one of them bad, and I would be grateful if the Minister responding to the debate addressed both.

For the good news, I refer to a brilliant article about a range of desperately needed changes in the gig economy by Pippa Crerar in *The Guardian* on Friday. Her article suggests that we will finally see the end of exploitative “pay between assignment” contracts. In theory, those contracts guarantee a basic level of pay when an agency worker is between assignments and out of work. The reality is that staff are often held on those contracts even if they have been working in the same job for years, without such a gap between assignments.

The Communication Workers Union has led the way, striking a deal with BT that will see thousands of employees taking home the pay packets they deserve from BT call centres. Pippa's article suggests that we will see the end of these deceitful contracts once and for all. Will the Minister confirm whether that is correct and, if so, what the timeframe for action is? When can we expect a comprehensive response to the Taylor review, which is now long overdue?

My reason for speaking today, however, relates to a different form of exploitation. Like many Members across the House, I was utterly dismayed to learn that the Government do not plan to introduce the new maximum stake of £2 for fixed odds betting terminals until October 2019, and their choosing to bow to pressure from the gambling industry, rather than listen to the legitimate concerns of one of their own Ministers, speaks volumes about just how badly misplaced their priorities are on this matter.

I do not come at this as somebody who is not used to gambling or who comes from a family that does not like to gamble. For most of my childhood, I could be seen on racecourses and dog tracks with my Irish family, who kept greyhounds, and my dad, to the last week of his life, spent his retirement with a copy of the *Daily Mirror* on the table in an attempt to spot the winners. But betting shops today are not about a fiver each way on the 3 o'clock at Cheltenham, as individuals are staking up to £300 a minute on FOBTs. That could not be further from the reality of my childhood or my dad and uncle's lives.

[*Siobhain McDonagh*]

Through FOBTs, bookmakers have facilitated a form of gambling at its most irresponsible, addictive and exploitative. With 43% of FOBT users thought to be problem or at-risk gamblers, it is no surprise that these machines have been called the “crack cocaine” of gambling. Even the Government have described them as a “social blight”.

We already know that FOBT machines can have a truly devastating impact on the lives of individuals, but they are even worse than that. In my constituency of Mitcham and Morden, they come hand in hand with a worrying range of related problems for my local area, because as FOBTs have grown more prevalent in the betting shops around the town centre, the culture of reckless gambling they promote has contributed to an epidemic of drinking, drug taking and antisocial behaviour.

In many cases, that activity now takes place inside the betting shops and bookmakers have become hubs for illicit activities and antisocial behaviour. That has seen local businesses suffer and driven customers away from a town centre that has so much to offer, but which some now worry has become less safe.

Just this week, I have had to write to one of the bookmakers in Mitcham town centre, Betfred, concerning reports of drug use, drug dealing and stolen goods being sold inside the shop. Mitcham town centre, like many town centres, faces many challenges in the retail sector, but it is not helped by the attraction of people to these bookmakers in a confined area at the same time that the number of police has fallen. No longer do we have a safer neighbourhood town centre team of police, so the behaviour gets worse and more women do not want to bring their children to the town centre, as they would see street drinking, brawling and men urinating in the street.

I am sure that my constituency is not unique in experiencing those issues. Betting shops are disproportionately clustered around some of the most deprived parts of the country, and the proliferation of FOBTs has served only to exacerbate many existing problems. That is why I must urge the Government seriously to reconsider their decision to delay the implementation of the £2 maximum stake: the longer it takes to bring an end to this horrible and exploitative form of gambling, the more unnecessary harm will be done to vulnerable individuals and to our town centres.

Implementing the new maximum stake might not bring an immediate end to the problems facing our communities, as those problems might already have gripped them too tightly, but it represents a vital step in the right direction—a step that we should not hesitate to take any longer.

9.4 pm

**Eddie Hughes** (Walsall North) (Con): It is a pleasure to follow the hon. Member for Mitcham and Morden (*Siobhain McDonagh*), not least because I shared a platform with her during the Conservative party conference. It was great that she took the opportunity to attend the party conference and I felt a bit of a convert to her cause with regard to the reassessment of some green-belt land that might not otherwise really be described as green belt.

Anyway, that is obviously a topic for another day, as is, possibly, the subject of fixed odds betting terminals. My son, Sam, used to manage a Betfred, and he would occasionally regale us with stories of the people who came in. The store would be empty all Sunday afternoon, then someone would come in for the last hour of the day and blow £400 or £500 on one of those machines in an hour. That would make keeping the shop open all day worth while. I am not making a political point here, but it was the Labour Government who introduced the legislation that gave us fixed odds betting terminals. Personally, I think it is to be celebrated that this Government are going to see their demise, or at least a reduction in the stake to £2. Whether that happens at one point or another, I am personally glad that it is happening at all.

Actually, none of that was what I wanted to talk about this evening. I want to talk about a slightly abstract topic. I understand that it was Tiberius, the second Roman emperor, who said that it was the duty of a good shepherd to shear his sheep but not to skin them. I say “his sheep”, because obviously they were not so politically correct in those days. He obviously meant “his or her sheep”. I understand that that maxim is on the wall in No. 11 Downing Street, although I have not been privileged enough to go in and see it for myself. Perhaps my hon. Friend the Member for Chichester (*Gillian Keegan*) can confirm that for me.

How do I know that to be true? I read it in an excellent textbook, “Taxation: Policy and Practice”, by Andy Lymer. Andy is professor of taxation at Birmingham University, and I went to see him recently in order to educate myself. I think it is the duty of all MPs to adopt continuing professional development and to ensure that we understand something about the topics that we are talking about, although in my case it is clearly a very small something.

Anyway, the point was well made by Tiberius: we should not overtax our people. He clearly knew what he was talking about because, when he left office in 37 AD, there were 3 billion sesterces in the Treasury. I have no idea whether that is a lot of money, but 3 billion of anything sounds like quite a lot. He was clearly a man who knew what he was doing. I understand that he achieved that by limiting his wars with neighbouring factions and ensuring that he operated a good diplomatic policy. Perhaps those are other Conservative principles that we can adopt more these days.

Now, why am I going on about this? It is because the tax-free threshold in 2010 was £6,745, and this party is now going to increase it to £12,500. I believe that I represent the most deprived constituency represented by a Conservative MP, so it is incredibly important to my constituents that they will now find themselves £1,200 a year better off. That will have a significant impact on their lives. How many of them are there? The House of Commons Library could not give me specific details, but it told me that approximately 499,000 people will be taken out of the tax bracket because of that change, and 8% of taxpayers are in the west midlands, so that translates to approximately 40,000 people in the west midlands who will not be paying tax as a result of this above-inflation increase for the year 2019-20. For the following year, 2020-21, there will be a further 12,500 people in the west midlands not paying tax. That is hugely significant.



The Mayor for the west midlands, Andy Street, welcomed the Budget as

“a £100 million vote of confidence”

in the west midlands. Why would he say that? It is because approximately £70 million is being given to transport infrastructure across the region, and a further £20 million is being given to help the region to cement its position as a global leader for connected and electric vehicles. That is the future and it is very exciting to see. This Government are making sure that they link up elements of policy. There will be taxation changes for businesses that provide electric charging points at work. Clearly, there is more to be done. In order for people to adopt the new technology, they will need to be able to charge electric vehicles very frequently, so we need to make sure that there are charging points in many convenient locations, but this is certainly a step in the right direction.

The other measure I welcome for my constituents is the stamp duty relief for first-time buyers. I understand that for the previous financial year 270 of my constituents benefited from that relief to the tune of approximately £1,100 each. Again, that is no small potatoes for my constituents. The Government are continuing to support my constituents and to leave the money in their pockets so they can choose where best to spend it.

I encourage the Treasury Front-Bench team to adopt Tiberius's maxim and continue to shear the sheep, not skin them—it is good Conservative policy.

9.10 pm

**David Linden** (Glasgow East) (SNP): It is always a pleasure to follow the hon. Member for Walsall North (Eddie Hughes), although I sometimes wonder how one can follow that. It was certainly very interesting.

I want to touch on a point made by the hon. Member for Thirsk and Malton (Kevin Hollinrake). I congratulate him on receiving Royal Assent for his private Member's Bill. It was good to see in the Red Book that the Parental Bereavement (Leave and Pay) Act 2018 is moving forward. He spoke at length about business; I know he is a doughty champion for that. He would do well to look at what the SNP Government in Scotland have done in lifting 100,000 small businesses out of business rates since 2008. They have been doing that for 10 years, so the Scottish Conservatives can come north on occasion to see that.

I rise to support the reasoned amendment in the names of my right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) and other hon. Friends from the Scottish National party. As the Bill derives from the Chancellor's recent Budget, I want to make a couple of comments more widely about the Budget—and what was missing from it—before moving on to talk specifically about clause 5.

One minor benefit of not being able to speak in the Budget debate was that I had time during the weekend that followed to take the temperature of my constituents concerning the Budget. The general feeling on Shettleston Road is that austerity is far from over, and that is something that my hon. Friends and I hear week in, week out at our Friday surgeries. The Budget in fact prolongs austerity. The Prime Minister said that austerity was coming to an end, but the Budget failed every single test when it comes to the claim that the end of austerity is now in sight.

For example, there were no transitional measures to support the WASPI women, such as Anne Dalziel from Garrowhill. Anne received no notice from the DWP about the changes to her state pension age and is one of the many women in this country who have been shafted time and again by the British Government. To give an example of just how arbitrary the changes are, Anne has friends who were also born in 1953 and they received their state pension in 2016, but because Anne was born on 23rd December, her pension age was deferred three years to 2019. There were no measures in the Budget to help Anne Dalziel, and it is little wonder that the WASPI women in the Gallery staged their protest in the way they did. They have wholehearted support on these Benches.

Likewise, there were no measures in the Budget to halt and fix the roll-out of universal credit, which is due to be unleashed on my constituency next month and will undoubtedly cause social and financial misery just in time for Christmas. The amazing work that has been done by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) on Inverness, where universal credit has already been rolled out, shows the deep damage it has caused. The fact that the Government will not listen to my hon. Friends and halt the roll-out of universal credit in Glasgow, especially at Christmas, shows how mean they are.

**Alison Thewliss** (Glasgow Central) (SNP): My hon. Friend's constituents, like mine, visit Shettleston job centre. Does it concern him as much as it concerns me that someone making a claim there on the first day universal credit rolls out—5 December—will not be entitled to any money until 9 January?

**David Linden:** My hon. Friend is absolutely right. Of course, one reason that we share that jobcentre is that the British Government, in their wisdom, closed Bridgeton jobcentre in her constituency, in addition to closing Parkhead jobcentre and another six jobcentres in the city of Glasgow. Although Conservative Members paint a rosy picture about the work they are doing in their local communities, the work we see in Glasgow shows that they are absolutely out of touch and are pulling the rug from under our constituents' feet.

Clauses 61 and 62 address gaming duty. My hon. Friend the Member for Inverclyde (Ronnie Cowan) has campaigned on fixed odds betting terminals. Like other hon. and right hon. Members, I was genuinely sorry to see the hon. Member for Chatham and Aylesford (Tracey Crouch) resign from the Government, but she was right to do so. The reality is that fixed odds betting terminals have become a massive public health issue in our constituencies. I see that in Baillieston Main Street, where we have three betting shops lined up next to each other. The proliferation of these terminals is undoubtedly one of the worst things for public health. Whether it is the knock-on effect of depression, debt or even suicide, it is clear that fixed odds betting terminals need to be considered through the prism of public health, and not Treasury revenue.

**Ronnie Cowan** (Inverclyde) (SNP): Does my hon. Friend agree that the Government moved to delay the stake reduction until October 2019 after a report by KPMG was circulated in the Treasury? KPMG has said that the report was written to meet the specific terms

[*Ronnie Cowan*]

of reference agreed with the Association of British Bookmakers. Does he agree that the Government should take this opportunity to move swiftly to implement a £2 maximum stake in April 2019?

**David Linden:** My hon. Friend has been campaigning on this far longer than I have, and he has a strong track record of pursuing the issue.

**Jim Shannon** (Strangford) (DUP): I reinforce what the hon. Member for Inverclyde (Ronnie Cowan) said. Many Members on both sides of the House, including DUP Members, want to see the change made in April 2019 because, during the six-month period proposed by the Government, as many as 300 people could commit suicide due to their addiction. The hon. Member for Glasgow East (David Linden) mentioned health and, from that point of view, the change needs to come sooner. The industry has had plenty of time to sort it out; it does not need more time.

**David Linden:** The hon. Gentleman's intervention comes before 10 o'clock, which is quite unusual. In all seriousness, he is absolutely spot on. We all know the considerable influence of the DUP when it comes to marching through the Lobby with the Government. What he has said tonight should be heard on the Treasury Bench. The Government cannot count on the support of the DUP when it comes to delaying the reduction in the maximum stake from £100 to £2, which should send a very strong message.

I believe that in the coming days and weeks we will see a groundswell of support not just among Opposition Members but among Conservative Members, too, because this is not, and should not be, a party political issue. This is an issue of public health, and hopefully the Government will see sense in the coming weeks and not try to have a fight on the Floor of the House, but do the right thing by our communities.

On the so-called national living wage, the under-25s were, yet again, mugged by this Government. They are still excluded from the national living wage, which in itself is simply a con trick. The national living wage is not a real living wage, and it falls far short of the true living wage set by the independent Living Wage Foundation.

Over the course of the debate so far, and I suspect over the course of the evening to come, we have heard Scottish Tories say how wonderful this Budget is, but I challenge those Members: whether it is in Banff and Buchan, Bannockburn or Prestwick, can they seriously go to their local high school and say to the children who will be going on to do an apprenticeship that they think they are worth only £3.90 an hour? The reality is that, by marching through the Lobby to support this Finance Bill, they are saying that is right. The fact that none of them has sprung to their feet to say that they think £3.90 an hour is an adequate rate of pay for a fair day's work sends a message.

In clause 5, somewhat predictably, the Government seek to give a handout to high earners. The Chancellor's Budget gave basic rate taxpayers an extra £21 a year, compared with £156 a year for those on the higher rate. In contrast, the SNP Government have introduced progressive taxation in Scotland, where we have the

powers to do so. Seven in 10 taxpayers in Scotland will pay less tax this year than they paid in 2017-18 on a given income, but it is right that those on higher incomes—that includes us as Members of Parliament—should pay a modest amount more in tax. I am perfectly comfortable with that as a concept because I know that investment in housing and in decent public services cannot be done on the cheap. It is right that those of us who earn higher salaries should pay a little more to support better public services for the good of everyone in society and our communities. But what is before us today gives tax cuts to high earners and that is just not right.

In essence, this Bill was about choices for the British Government. They have chosen to give tax cuts to high earners and to do nothing for the WASPI women; they have chosen not to give under-25s equality and a fair day's pay for a fair day's work; they have chosen to plough ahead with universal credit, despite it being fundamentally flawed and leading to reductions in household incomes; and they have chosen to perpetuate austerity right across these islands. But the Chancellor is not the only person with choices to make because, with each passing day, the people of Scotland are realising that they, too, will soon have a choice to make. They can choose to stay in an inherently unequal, unfair United Kingdom which is riddled with austerity and heading over the cliff edge of a hard Brexit, or they can choose an independent Scotland free from the obsession with austerity economics that so epitomises this Finance Bill. It is for that reason that I cannot support the Bill this evening.

9.20 pm

**Stephen Kerr** (Stirling) (Con): It is, as always, a pleasure to listen to the hon. Member for Glasgow East (David Linden), who treats the House to the usual rendition from the Scottish nationalists of why they stand for independence—in truth, that is all they stand for.

I rise to make a short contribution in this debate on the Second Reading of the Finance Bill, and I will restrict my comments to clause 61. I am mindful that I did not agree with my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) on the issue of safe standing at football matches, but I have nothing but admiration for the principled stand she has taken on the matter of resetting the maximum stake for fixed odds betting terminals to £2, with that measure to be effective by next April at the latest. I completely agree with her position, which is why I have been willing to attach my name to future amendments to this Bill brought forward by friends. Apparently its implementation will take so long, but I really do not believe that that stands up to scrutiny. The Government currently say that it needs to be put in place for next autumn, but I really believe it does not need to take that long.

The simple fact of the matter is that the longer we wait to implement this measure, the more damage is being inflicted on the most vulnerable people in our society. Some 43% of the people using fixed odds betting terminals are either problem or at-risk gamblers, and when we consider that 230,000 sessions on these machines in a single year resulted in losses of more than £1,000 each session, we see that any further delay in reducing the maximum stake to £2 is not justifiable in societal terms. It is also not justifiable in terms of the time that is really

needed to make this adjustment happen. It is not justifiable in terms of the ongoing social costs, with the misery that occurs when individuals lose control of their decision-making faculty to a gambling addiction. And I simply cannot accept, on the grounds of any sort of morality that I would wish to be associated with, that the special pleading of the betting firms should take any sort of a priority over the damage inflicted on society, on families and on children by those who are suffering from gambling addiction and for whom these machines are an outlet.

The startling statistic is that for every second of every day these machines cost their players £57 in losses. There are 33,000 of these fixed odds betting terminals in betting shops across the UK. A helpful live ready-reckoner on the website of the all-party group on fixed odds betting terminals calculates to the second how much has been lost on these machines since the Government first called for evidence on what the maximum stake for these terminals should be. That happened way back in October 2016, and the last time I checked, which was earlier today—so after 749 days—this figure is in excess of £3.7 billion. I am not prepared to stand by—I could not do so as a matter of conscience—and do nothing when action is required. The Government have already accepted that that action is necessary and described these machines in the most disparaging terms, so I ask simply that the measure be implemented in April, at the soonest point.

Perhaps a justification will be put forward that somehow it will cost the Treasury lost revenue, but at what price? Are we really saying that there is not a more productive use for these billions of pounds of economic activity in our country? I think that there is. We should not underestimate the devastating effects of the vice-like grip of an addiction such as gambling. The Government should act now to do what they have already resolved to do—not in 12 months' time, but by April next year at the very latest.

**Jim Shannon:** Is it not a fact that the sector and industry have had 18 months to get themselves ready for this? They knew it was coming and should have got their house in order. They do not need any more time.

**Stephen Kerr:** The hon. Gentleman is quite right. Reference has already been made to the KPMG report, which was provided at the instigation of the Association of British Bookmakers. KPMG itself advised that that report

“should not therefore be regarded as suitable to be used or relied on by any other person or for any other purpose”

because its terms and scope were determined by KPMG's client, the Association of British Bookmakers. Paddy Power Betfair wrote to the Prime Minister because it was so shocked that the report could be used as a credible source for decision making, saying that some of the assumptions in it were unrealistic.

Overcoming addiction is not simply a matter of exercising willpower. Addiction robs people of the power to decide for themselves. We in this House have the power to take the necessary measures that will protect the most vulnerable people, the most vulnerable families and the children of those families. I very much hope that the Government will take the decision to do that earlier.

9.27 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): I was accused earlier by the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) of being a bit miserable in my Budget speech—of failing to point out the good things in the Budget. Well, it is pretty easy to be miserable with a miserable Budget, but I did welcome the freeze on whisky duty and the support for electric vehicles, among other things. There were slim pickings, but I did my best to be positive wherever I possibly could. But how rich is it to hear that accusation from those on the Government Benches? They would rather turn to stone than welcome the fact that Scotland's crime level is at a 42-year low; welcome the best accident and emergency performance in the UK; or welcome that 100,000 small and medium-sized businesses pay no business rates at all, thanks to the Scottish Government's small business bonus. And what about the 70% of people in Scotland who are now paying less tax, or the lowest-paid people who are paying less tax? Or our record social house building programme, with council houses being put in place to fill the Government's deficit?

It is clear for all to see that austerity lives on for those who can least afford it. In delivering this Bill, the Government continue their attacks on the poorest in our society. In my response to the Budget, I recounted many ways in which the Government are failing to deliver for Scotland—for our workers, industry and people. My hon. Friend the Member for Aberdeen North (Kirsty Blackman) said earlier that the Chancellor admitted that the Government would need to look at “a different approach” on the economy; if and when the Prime Minister fails to secure a deal with the European Union, this Bill will not be worth the vellum it is printed on.

After a decade, Tory austerity is far from over. Scotland's block grant for 2019-20 is down £2 billion in real terms compared with 2010-2011. The paltry £2.7 billion for universal credit does nothing for people currently struggling and goes nowhere near reversing the years and billions of pounds of social security cuts that people have endured. After five and a half years of this failed experiment in the highlands, after seeing the misery that people have endured on universal credit in Inverness and the surrounding area, and after having ignored not just me but all the agencies, including the Government's own support agencies, this Government should hang their heads in shame that they are not doing something to help people instead of continuing to punish them in this way.

In contrast, the Scottish Government are helping those on low and modest incomes. This Tory Budget gives tax cuts to the richest. The Scottish Government, in the face of austerity, are building an economy of the future, with measures to unlock innovation and productivity. They do that while the Government in Westminster recklessly pursue, at the very best, a bad Brexit for the nations of the UK—actually it is looking more like a disaster that they are pursuing. The Tories should accept that the only way to minimise the damage to jobs, the economy and business is to stay in the customs union and the single market.

As my hon. Friend the Member for Aberdeen North asked earlier, where is the oil and gas sector deal? After £350 billion in tax revenues, the industry deserves better;



[Drew Hendry]

it needs the sector deal. The news of yet another nuclear failure with the withdrawal of Toshiba underlines the fix that this Government are in over their Paris climate change commitments. Having betrayed Peterhead and having pulled the rug from under the industry three years ago, incidentally wasting £100 million in the process, this Government must now make a proper serious commitment to carbon capture and storage.

**David Duguid** (Banff and Buchan) (Con): I am sure the hon. Gentleman will join me in welcoming the commitment of the Department for Business, Energy and Industrial Strategy not only in at least considering the sector deal for oil and gas, but, on the subject of carbon capture and storage, in looking at a project in St Fergus, just off the coast of Peterhead in my constituency. It looks like being part of a Scotland-wide cluster, because the system is already connected by a pipeline from St Fergus to Grangemouth.

**Drew Hendry:** I thank the hon. Gentleman for his intervention. Indeed, I do welcome the work at St Fergus. It perhaps would have been proper to point out that the Scottish Government are also driving that St Fergus development. It perhaps also would have been appropriate to point out that the funding that has been put forward by BEIS is one tenth of what was removed three years ago. Three years after the point at which it could have taken advantage of world-leading cutting-edge technology, it thinks it is good enough to put in a tenth of the funds and hope that that lip service will pay dividends. It just will not wash.

**Stephen Kerr** *rose*—

**Drew Hendry:** I will give way to the hon. Gentleman later.

This Government also continue to fail the young. [Interruption.] Thank you for that direction, Mr Speaker. I will do my best to keep the pace going.

This Government also continue to fail young people. They could have ended wage discrimination, but they chose instead to keep punishing them. Those young people deserve the same pay for the same work and they deserve a real living wage. As my colleagues pointed out earlier, there is nothing—nothing—for the women born in the 1950s who were short-changed on their pension entitlements. It is no wonder that the argument for an independent Scotland has never been stronger. The Tories' obsessions make the case for us in Scotland.

I do want to refer to the hon. Member for Stirling (Stephen Kerr), because we rarely agree on anything, but the one thing that we do agree on tonight is fixed odds betting terminals. Delaying the reduction of stakes in fixed odds betting terminals is a disgrace; it will only take more money from vulnerable addicts and put it in the pockets of the bookies and those with vested interests. It is a disgrace that is felt right across this House. Research from Landman Economics has shown that the average fixed odds betting terminal user loses £192 a month, with the average user of a machine capped at £2 a spin losing just £22 by comparison. There is no justification for delaying this action.

It is also clear, from this very debate, how the Tories want to muddy the waters on tax avoidance, as they have on the IR35 changes. If they are not pointing the

way to tax avoidance, even when they look to clamp down on it they miss the mark, as we can see with the implementation of the IR35 changes. The loopholes absolutely need to be closed. However, the employers and agencies benefiting most from these schemes have, for the most part, got away with it. With HMRC implementing stringent measures on many who were duped, many are now fearful of being forced to repay immediately with no provisions that reasonable time will be allowed and a payment scheme be made available. Folk are genuinely worried about becoming bankrupt.

Austerity lives on for those who can afford it least. The Prime Minister and the Chancellor spin the line that austerity has ended, or is ending; well, maybe, depending on who you hear it from. But everyone knows, even their rare supporters, dwindling though they are, that that is just a toom tabard of a statement—another Government rebranding exercise. My constituents are making the choice between putting food on their tables and heating their homes. They have had enough of it. Those on universal credit with spiralling debt because they do not know when the next payment is coming, or whether, if it does, it will be correct, have had enough of it.

Universal credit impacts on other communities. After five and a half years, we know the truth. As the OBR Budget document details, the changes to the work allowance reverse only half of the cut that was made to it in the 2015 Budget. Are we seriously expected to cheer this Government for putting back in less than half of what they removed, after years of punishing those who could afford it least? Millions of people have been dragged through this system already, with misery, heartache and poverty—and what have they been told? They have been told that the system works—that they are all wrong—but there are now voices joining theirs.

Even in the Minister's small concessions, he is admitting this Government's failure. They should be utterly ashamed of what they have inflicted on people. If Ministers had a shred of decency, they would come to the Dispatch Box and apologise to my constituents and to the far too many others who have had to endure the roll-out of universal credit. Let us not forget that these people will not be benefiting from transitional funding announced in the Budget; instead they are left trying to piece together their lives following the impact on their families, sometimes shattered by this move. They are left wondering how on earth a Government supposed to provide them with a safety net to which they and their families have contributed are left counting pennies while those who have the most still avoid paying their share.

For those to be transitioned to universal credit, £1 billion for the transition does not even touch the sides of what is needed. If this Government were serious about mitigating the impacts, they would migrate people to universal credit without expecting them to process a new application. People who need universal credit support simply do not have anything spare to get them through the transition weeks, be it two weeks or five weeks.

Then there is the new funding for universal support to be announced. I will welcome that; any support is better than none. But again it is more fudge, because, as anyone who has any idea about this mess knows, most of the issues people experience with universal credit are long-running and ongoing well after the initial application. So where is the fund for ongoing universal support?

While that was omitted from this Bill and by this Government's PR machine, the chief executive of Citizen's Advice made it very clear in her letter to the Work and Pensions Committee when she said:

"Our current agreement does not include funding to provide support to people once their claim is complete."

Of course, I hear the Government's other rhetoric that for most people the process is simple and problem free.

I do not want to see any more people in tears in my constituency office. I do not want to see any more families struggling to get along. I do not want to see any more families going to food banks and having to prostrate themselves to get what is essentially a handout in order to keep them going when they should be properly protected under a decent social security system that any forward-thinking country would have. Perhaps that country should indeed be an independent Scotland.

9.39 pm

**Charlie Elphicke** (Dover) (Ind): It is always a pleasure to follow the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), who always paints such an uplifting picture of the country for the House.

It seems to me that the people I represent in my constituency know that the best cure for deprivation is a job. There is no doubt that this Government have had massive success in creating so many jobs since they have been in office. That is in sharp contrast to the toxic inheritance left by the previous Government.

The ultimate test of any Finance Bill is: what path does it set for the future of the country and what vision does it set for the next steps? Yes, the people I represent in Dover and Deal know that we have done well in creating jobs and creating new prosperity, but it is also important that we are a compassionate party and that we care for and look after the least well-off. It goes beyond just getting a job; it is important that we reduce the burden of taxation on those who are the least well-off.

That is why it is so important that the personal allowance has been increased to £12,500. I have long argued—since 2010—that we should increase the personal allowance and take people out of taxation altogether. I am really glad that we have come to a time when it is at such a high level. That is good for the least well-paid and good for taking people out of tax altogether.

I welcome the measures on universal credit. It is welcome that the Chancellor has listened carefully to the representations made by me and many other Conservative Members that we should look after those who are the least well-off. In many ways, universal credit improvements and the better funding of universal credit is the best way to reduce the incidence of taxation on the least well-off. It is the most targeted way of helping people, and I welcome that.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): I agree with the hon. Gentleman that properly funded universal credit and taking the lowest-paid out of tax are important, but does he agree with me that the billions of pounds we are going to spend giving the top 10% a tax cut would have been better spent on the low earners he mentions?

**Charlie Elphicke**: I am going to come on to that in one moment, but I will just finish this point.

When talking about the importance of compassionate Conservatism and the vision we as the Conservative party should have of looking after the least well-off, it can never be right to put jobs ahead of people's lives. That has been well settled on the Conservative Benches. Let us not forget that it was on these Benches that important legislation such as the Ten Hours Act was pioneered well over a century and a half ago. It was on these Benches that so much of our health and safety legislation was pioneered and put through. It was on these Benches that we made the argument that jobs should never come ahead of people's lives.

That is why I join my hon. Friend the Member for Stirling (Stephen Kerr), who spoke movingly some moments ago, in saying that we cannot delay the action that is needed on fixed odds betting terminals beyond next April. It cannot be right to delay this, and it certainly cannot be right to do so on the basis of a bogus report. It has been said explicitly that that was not what the report was intended to be for or to do.

For that reason, we need to come together as a House and collectively persuade the Government to think again and accept that we should bring this in from April 2019, as has long been planned. In my constituency of Dover and Deal, addiction is a big problem for many people. Whether it is to alcohol, drugs or gambling, addiction is a big problem. It is the responsibility of this House—and, in my view, this has long been settled as a responsibility of compassionate Conservatism—to look after and care for those who suffer from addiction, so I think it is the right thing to do.

It is important that this is not simply about protecting the least well-off, helping them to have more money and protecting them from exploitation, but about making sure that we can power ahead as a country. It is important that powering ahead as a country is at the heart of this Bill. We need to get big business investing, because it has not been investing; it is sitting on about £750 billion of cash balances. We need to get big business investing in the future of this country. It should not be relying on low-skilled labour from overseas; it should be investing in kit, investing in people and investing in skills. That will ensure that our nation has much greater productivity and a more highly skilled home-grown workforce so that our countrymen will be able to do better and earn more in the years to come. That is important for investment.

It is also important that we back the entrepreneurs—the job creators. Who are they? The figures are clear. Since 2000, 4 million jobs have been created by small and medium-sized enterprises, whereas big business has created only 800,000. The obvious thing to do is to back small businesses—the entrepreneurs—with tax cuts and deregulation and by making it easier for them to get on and do well. That is why it would never be right to increase taxes on small businesses, because that would hold people back. It would never be right to increase the regulatory burden on small businesses, because that would make it harder for them to succeed. Nor would it ever be right to allow big banks to prey on small businesses and to litigate them into bankruptcy, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) movingly said in his speech. That is why we need to ensure that there is a financial tribunal system to protect small businesses from being exploited by the oligopoly of big banks.

[Charlie Elphicke]

While we are about it, we ought to think about putting the consumer back in charge and back in the driving seat, by taking action to break up the big energy companies and the big banking oligopoly. We should make sure that we have more competition in this country. We should unbundle Openreach to ensure that we have much better, faster internet access. It is a disgrace the way Openreach carries on, cutting off villages. However, it does not just do that; when people change connection, half the time they have to wait half a month for the connection to be made, because of Openreach's galactic incompetence. The company is more interested in investing in sports rights than in infrastructure; indeed, it does invest more in sports rights than in its infrastructure, and that has to change as well. If it were a stand-alone company, I am absolutely certain that that would be the case.

So, yes, the Conservative party should be the party of enterprise and of the small businesses that drive the economy, that create the jobs and that have created the jobs over the last 15 years. Yes, we should be the party of compassion for the least well-off. Then, however, I am challenged by the hon. Member for Stoke-on-Trent Central (Gareth Snell), who says, "Should you not be in favour of increasing taxes on the richest, on businesses and all the rest of it?"

**Gareth Snell:** I fear that the hon. Gentleman is misrepresenting what I said. I did not say that the Government should be raising taxes; they should simply not be cutting taxes, which is a very different thing.

**Charlie Elphicke:** The hon. Gentleman seems to be muddled: is he a tax raiser or a tax cutter? It seems to me that the evidence of history is really clear. Back in 2006, I wrote a paper for the Centre for Policy Studies saying that we should halve the rate of corporation tax, which then stood at over 30%. I basically said that that would pay for itself, because if we cut the rate, we up the take. I made the case that we would have more revenues than were coming in at the time if we halved the rate to less than 20%. Since then, that policy has been put into action, and that has turned out to be the case: if we cut the rate, we up the take. In the 1980s, they cut the higher rate of tax from 80% to 60% and then to 40%. Each time the rate was cut, what happened? The tax take rose. That is why we ought to be looking at how we can reduce the burden of taxation in areas where we can raise more taxes.

There are some cases where we increase the burden of taxation and see revenues falling. We can see that in what has happened with stamp duty land tax on very high-value properties: we freeze the market, and we see lower revenues as a result.

**Alan Brown:** If cutting taxes always brings in more revenue, how come every measure in the Red Book on cutting tax shows that it will cost the taxpayer money? Either the Treasury does not know what it is doing in its predictions, or it is putting cause and effect together wrongly.

**Charlie Elphicke:** The hon. Gentleman actually makes a very fair point. The Treasury has a classic modelling system. I have always argued for a dynamic modelling system and the history books are on my side. The dynamic

modelling system is the right way forward. It is the right approach to take, because history teaches us that if we reduce the rate of taxation, the revenues go up. That is elementary. That is obvious. Everyone on the Conservative Benches understands that. That is well settled: it was settled back in the 1980s.

It is important that we are compassionate and that we care for the least well off. Having a steady economy, with increased jobs and increased prosperity means that we have more money to invest in public services. However, we also need to inspire and support the entrepreneurs—the job creators. We need to be on the side of the consumer and ensure more competition in a more dynamic economy. Finally, we need to embrace the industries of the future. Let me talk briefly about electric cars.

Why is the adoption of electric cars so slow? The answer is that people are worried about their car conking out and being stranded in the middle of nowhere. We need a step-change in how we manage infrastructure and charging points. We need to make sure that infrastructure is not just in people's workplaces, which is welcome, but across the land. Until that happens, there will not be the mass adoption of electric cars. We need to make that more viable and possible, because then big company car fleets will go electric. As soon as they do, that will cascade through the marketplace. The one thing we need to do more work on—the Treasury needs to do more work on it—is getting more investment in infrastructure for charging and electric cars. That way offers a real chance for our country to be less polluted so that the air we breathe is cleaner and our environment is better as well as ending our addiction to fossil fuels and our dependence on unstable countries around the world, thereby enjoying much greater energy security here in Britain.

9.51 pm

**Bill Grant (Ayr, Carrick and Cumnock) (Con):** I am pleased to speak in support of the measures in the Bill. I have previously spoken of a number of reservations about some of its measures. I wish to record my disappointment at the timetable for changes to fixed odds betting terminals. I believe the wait is too long. We can take some comfort from the fact that, while the Government did not oversee their introduction, it is this Government who will see the stake plummet to £2, but not on a timescale that I would have wished for.

I believe the Bill is well matched to our nation's present circumstances and will do much to benefit my constituents in Ayr, Carrick and Cumnock. Scotland will benefit from the personal allowance being increased by the UK Chancellor to £12,500. That is almost double what it was when we came into power. The Scottish Government do not set that allowance, but they do set the tax bands, which are more numerous. We hear often that there is a tax saving for a certain band. That is indeed correct: it amounts to £24 a year for some, which equates to less than 50p a week—not over-generous. The Scottish Government have it within their gift to vary the tax rates and thresholds of non-savings and non-dividend income for Scottish taxpayers. I await with interest their budget next month, which will be a challenge for the Scottish Government. [Interruption.] Every budget is a challenge. My personal budget is a challenge. Presently, Scotland is the highest taxed part of the UK for income tax and the highest taxed part of the UK in which to run a business.



**Kirsty Blackman:** What does the hon. Gentleman say to the half of English taxpayers who would pay less tax if they were to live in Scotland?

**Bill Grant:** I take the hon. Lady's point, but I understand that the saving she refers to is very modest to the tune of £24 a year for some, which equates to less than 50p a week. It is a step in the right direction, but a very small step and hardly a progressive tax system. As one whose mother cleaned other people's houses and made beds at Butlin's on Saturdays, I am not minded to accept lectures on poverty from Scottish National party Members.

I disagree with the suggestion that the Budget failed to provide funding for a social security system that treats people with dignity and respect. The Chancellor was listening. The entire ethos of the evidence-based and empowering system of universal credit is that work should always pay, and that work brings with it dignity and respect. No one can disagree with that. The dignity of work is important to all constituents in all parts of the United Kingdom.

The Bill will facilitate an additional £1.7 billion per annum being invested to increase work allowances by £1,000 from April 2019. I hear Opposition Members cry "More!" Everyone's an Oliver—they want more, more. That "more" has to be earned and this Government have an economy that works and is earning more.

**Drew Hendry:** Come to Inverness.

**Bill Grant:** I am happy to join you.

Some 2.4 million households will keep an extra £630 of income per annum, and I am sure that those who need support will continue to receive it. It is no longer a wicked system where if someone wants to work beyond the 16 hours, they lose money.

**Alison Thewliss:** The hon. Gentleman says that it is no longer a wicked system, but it is a wicked system for those who have more than two children. Why does he think it is justifiable to take so much money out of the mouths of kids in his constituency?

**Bill Grant:** The system is set, and it is what is affordable to the taxpayer. You have to plan your children and what you can afford to bring up, as I planned—*[Interruption.]* It is not a crime to plan—*[Interruption.]* It is not a crime to plan your children and how you manage those children, and whether you have one—*[Interruption.]* That is the choice of the individual; it is not the choice of Government.

**Alison Thewliss:** Is the hon. Gentleman aware that this benefit will apply to all children, regardless of when they were born, and could not reasonably have been planned for from next year? Is he also further aware that the social security system is supposed to be a safety net for us all and not meant to punish people for the circumstances they are in?

**Bill Grant:** I thank the hon. Lady very much for that intervention—I do not agree with what she says. It is a safety net—it is a security net. My family have benefited from it. Nobody is saying they want to dismantle the welfare system. It has to be a manageable and affordable welfare system for the taxpayer and it must support the individual, as it does—*[Interruption.]* Thank you very much.

I have previously in this House expressed my delight at the freezing of duties for beer and whisky. That was agreed on, and we certainly found common ground across the Floor. We all like a dram and I am delighted that duties were frozen, particularly given that businesses in Scotland, not least in the whisky industry, will benefit from that freeze.

Having been a smoker, I was among those who noted an increase in duty, but I believe that this increase is fair. Together with the introduction of a duty on heated tobacco, this may guide people and cause them to reflect on their smoking or vaping habits in future, with the obvious health benefits. As one who has given up, I would advocate giving up smoking, whether vaping or conventional smoking, and that way the Chancellor will not get people with the extra duty. I realise that for many, that can be challenging, but giving up smoking is the best way to avoid tax on cigarettes. *[Interruption.]* It is lawful tax avoidance, as the hon. Member for Glasgow South West (Chris Stephens) said.

Similarly, the modest increases in vehicle excise duties for cars, vans and motorcycles to bring them in line with RPI inflation from 1 April 2019 may cause people to think about the type of vehicles that they own. People do not need to drive a gas-guzzler that consumes a lot of fuel, and there is the cost of fuel. They could improve the environment and increase the amount of money in their pocket. It would have a positive effect on the environment. The freeze on heavy goods vehicle excise duty for 2019-20 will, however, assist many small and medium-sized businesses throughout Scotland and the UK.

Opposition Members have sought to criticise the Chancellor for the suggestion that the Budget may need to be revised upon our leaving the EU. I do not see any logic in a notion that a reappraisal would be unhelpful after our country has left the EU. Surely such a reappraisal is entirely sensible and pragmatic, if it is indeed needed. The Opposition seem to concentrate on the same old chestnuts, but I would prefer that we concentrated on the little acorns in the Bill—for out of these little acorns, oak trees will grow. They will help the UK to flourish and austerity will indeed become a thing of the past, if we are all self-disciplined and unite behind the Chancellor, his Budget and this Bill.

9.59 pm

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): Mr Speaker, thank you for letting me close today's debate on the Finance Bill. The Bill represents a significant moment for this country. We have been told that austerity is over. It should be a time to rejoice. As Labour Members who have warned for eight years that austerity was the wrong choice, we should surely welcome the Bill. But the problem is, on examining the Government's plans, you can claim that austerity is over only if you are willing to ignore the Prison Service, local government, schools, social care for vulnerable young people, social care for vulnerable older people, the police, the armed forces, those on low incomes, young people and women. I could go on, but I will not. It is enough to say that any economic policy that continues cuts to Government Departments and the squeezing of those on low incomes is not offering something new; it is simply offering more of the same.

[Jonathan Reynolds]

The tragedy—the real, genuine tragedy—for those of us who were here in 2010 to listen to the emergency Budget that began austerity is that it simply has not worked. The British public have had all the pain, only to find out that there is no gain. I urge anyone who has participated in this debate to reread George Osborne's speech in that 2010 Budget, because we know that the deficit was not eradicated by 2015 and that the retention of the triple A rating, said in that debate to be sacrosanct, does not even get a mention in a ministerial speech these days. Instead, economic growth is now the lowest in the post-war era and UK business investment the lowest in the G7. We have had eight years not even of stagnant wages, but of falling wages.

With respect, are these not the fundamentals? When we discuss a Finance Bill, should these factors—the ones that impact directly on our constituents—not be the ones we focus on? Eight years of austerity have left too many people in this country poorer, unsafe and too uncertain of their futures. It was a reckless policy that in my view directly contributed to the result of the Brexit referendum and the further chaos the Government now find themselves in. I want a Finance Bill that properly addresses these things and puts them right, but instead we have a Finance Bill that does none of these things, a Bill that offers the country nothing new—and in some areas nothing at all.

I second the concerns raised by my hon. Friend the Member for Bootle (Peter Dowd) about the way the Government have gone about the whole process of presenting the Bill. It might sound like parliamentary chicanery, but it is important. In an unprecedented move the Government did not allow us to table real amendments to the Finance Bill. By failing to move an amendment to the law resolution, they have limited the scope of amendments and new clauses only to the subject matter of the resolutions already tabled by the Government. The hon. Member for Aberdeen North (Kirsty Blackman) referenced this in her speech. In doing so, they have restricted the rights of every Member, Conservative Back-Bench Members included.

This procedure has only been used by Chancellors six times in the last century and only when a Finance Bill was tabled close to an election: Churchill in 1929, Healey in 1974, Brown in 1997, Osborne in 2010 and the current Chancellor last year in 2017—probably the only time the Chancellor has been mentioned in the same breath as Churchill. We know why these restrictions have been applied. The Government are running scared of the House of Commons and, most of all, their own Back Benchers and perhaps their allies in the Democratic Unionist party.

Time and again, the Government have used the Brexit process as a pretext for a power grab, transferring powers to the Executive without any thought for constitutional checks and balances. I ask hon. Members to have a look at clause 89, rather innocently named, “Minor amendments in consequence of EU withdrawal”. In that clause, Ministers are giving themselves the power to amend tax law outside any normal due process. That will go on the statute book with no sunset clause or limitation of any kind. It is reckless, unprecedented and unnecessary, but it is indicative of the Government's whole approach to Brexit: grab powers first, make decisions later.

That said, I have, as ever, enjoyed listening to today's debate. We have had some good speeches and the usual mix of slightly spurious claims and downright incorrect statements from the Government Benches. It seems we will never get Government Members to listen to the IFS on the cost of their corporation tax cuts, but it also seems that the Financial Secretary, whom we are all tremendously fond of, has chosen today to repeat his claim that unemployment rose under every Labour Government. I am afraid that, unfortunately for him, that is just not true.

While listening to the debate, I have taken the liberty of doing some research for the Financial Secretary. I can tell him that he need look no further than the very first Labour Government, who took office in January 1924. There was a general election in December of that year, something we are not in favour of. The very first Labour Government reduced unemployment from 11.9% to 10.9%; those figures are widely available. It is true that the Labour Government of 1945 had to deal with demobilisation following the end of the second world war, but they did found the national health service, build a million homes and still satisfy the legal definition of full employment, so I think we can say that they were the greatest Government in British history.

I must also place on record that the claim made by the hon. Member for Aldershot (Leo Docherty)—I am not sure whether he is still in the Chamber—about the book edited by the shadow Chancellor, my right hon. Friend the Member for Hayes and Harlington (John McDonnell), is simply not correct. I think that the hon. Gentleman was trying to quote the economist Simon Wren-Lewis, who accused the Prime Minister of lying when she gave a similar quote in the House of Commons. I ask for that to be recognised and I ask Members to reflect on its incorrect use.

Several Conservative Members referred to the increase in NHS spending. I felt that there was a slight lack of recognition of the fact that it is predicated purely on an improved forecast for the tax revenues. It is not money in the bank and, remarkably, the Chancellor chose to blow most of it in one go. That may not have been prudent.

I listened intently to the right hon. Member for Wokingham (John Redwood). He said many things that I thought were fundamentally wrong about Brexit and tax policy, but he did make some interesting comments about monetary policy. There has, I feel, been insufficient recognition that austerity has been accompanied by an unprecedented period of ultra-loose monetary policy. The Bank of England cut interest rates to record lows, and then introduced quantitative easing as a form of “life support” when they could not go any lower. We have not discussed that enough, and we have certainly not discussed enough the distributional impact that it implies.

The Bank has essentially compensated for Government austerity by pumping money into the economy to increase consumption and investment, while the Government have done the opposite. We would say that the lack of sustained growth under the Government's stewardship has meant that we have not yet been able to unwind that policy, so that, at present, if we need it again it is not available to us. That is why, today, we are even more badly placed to deal with the next recession, when it comes.

As ever, I was slightly frustrated by the speeches of the hon. Member for Croydon South (Chris Philp) and others who made no distinction between Government borrowing for investment and Government borrowing to pay for day-to-day spending. As the International Monetary Fund itself has pointed out, if debt is accrued to finance investment, and if that investment will generate stronger tax revenues than the cost of borrowing, it is entirely sustainable. Debt as a percentage of GDP does not tell us much without reference to when that debt needs to be serviced, and at what cost, relative to the growth of taxes that have to pay for it. The public finances are not like a household's finances, and every Member needs to remember that. The worst legacy for the next generation is a failure to grow the economy as we could. It is nonsense to talk about burdening future generations with debt when they are exactly the ones who would benefit from that long-term investment.

Some excellent speeches were made by Labour Members. My hon. Friend the Member for Kensington (Emma Dent Coad) made an important speech about housing and homelessness. She emphasised that, apart from increasing first-time buyers relief, the Bill does little to encourage house building or to tackle the UK's housing crisis. As she said, many of the Government's initiatives, such as Help to Buy, cause substantial problems in themselves. She also updated the House on the Grenfell situation, and I pay tribute to her for all her work on behalf of her constituents and the nation in that regard.

My hon. Friend the Member for Lincoln (Karen Lee) spoke with passion about what austerity has done to living standards in this country. There is no better example of that than the impact of universal credit. Let us not forget that the £1.7 billion promised for universal credit is only a third of the £7 billion cuts in the social security system that were already scheduled. The hon. Member for Glasgow South West (Chris Stephens) made that point well. Let me tell Conservative Members, with complete sincerity, that I am kept awake at night by the casework that I receive on universal credit, and I do not believe that I am the only one.

**Chris Philp:** Does the shadow Minister accept the Resolution Foundation's analysis, published after the Budget, that said that the total fiscal cost of the amended universal credit will exceed that of the preceding benefits? That is, more money is going into universal credit now than even was the case before.

**Jonathan Reynolds:** I have seen that analysis. The Resolution Foundation said that the cost is greater, so the question for the hon. Gentleman is this: if more money is going in and so many people are still losing out, what terrible choices have the Government made to produce a situation as bad as that?

My hon. Friends the Members for Swansea East (Carolyn Harris) and for Mitcham and Morden (Siobhain McDonagh) mentioned the Government's shameful delay in limiting the maximum stake for fixed odds betting terminals. Many Members, including me, see the damage done in our constituencies by these machines every week. They both gave forceful and persuasive speeches, but I am hopeful that the will of the House on this matter is clear and that the Government will be forced to do the right thing, especially given several speeches by Conservative Members. My hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) gave a

powerful testimony about what austerity has meant in his borough. I only hope that his school governors' meeting was quorate without him.

There was a lively exchange on the environment. I do not think it is unreasonable to say that, given the potential catastrophe we face—as outlined in the Intergovernmental Panel on Climate Change report published in October—this Finance Bill is unsatisfactory. I sat in Mansion House in June, listening to the Chancellor promise that the UK would be leading the way on green finance, but we have yet to see any tangible evidence of the Government's intentions on the statute book. We are lagging behind our European counterparts, which already have mandatory climate disclosure laws, and those that have issued their own sovereign green bonds. This just does not seem to be a priority for the Government.

The good news for all my colleagues is that they can join me tonight in voting for Labour's reasoned amendment, which declines to give this Bill its Second Reading on the basis that it continues the austerity policies that have caused so much damage, and instead proposes a progressive taxation system, real funding for public services, greater public investment and a halt to the roll-out of universal credit.

I say to colleagues across the whole House, is it really unreasonable in Britain today for people to want to take their children into a city centre without having to explain to them why so many people are now sleeping on the streets? Is it really unreasonable to believe that, if we really had a strong economy, thousands of our fellow citizens would not be dependent on food banks to get by? And is it really unreasonable to believe that, when a Government present a Finance Bill, their priorities should be those most in need, not those who are already better off? We do not think that any of those things are unreasonable, so we will vote against the Finance Bill tonight. We know that this country does not just need new ideas; it needs new hope for the future. The Bill sadly offers neither and it does not deserve the endorsement of the House tonight.

10.12 pm

**The Exchequer Secretary to the Treasury (Robert Jenrick):** I thank all right hon. and hon. Members across the House who have contributed to this wide-ranging debate. The shadow Chief Secretary to the Treasury managed the unusual feat of opening the debate without mentioning a single measure in the Finance Bill, although he did brandish a very thin pamphlet, which we were told contained all the answers to the Labour party's spending commitments. A number of important issues have been raised across the House tonight, and I will do my best in the time available—and as swiftly as possible—to respond to as many as I can.

Two weeks ago, the Chancellor was able to present a Budget that followed five years of economic growth, with the deficit cut by four fifths, the lowest levels of unemployment, the highest levels of employment in my lifetime, real wages rising and real wages rising fastest among the lowest paid. It was a Budget in which, as a result of responsible management of the public finances—meeting the serious challenges we inherited in 2010 in a serious way—we were able to invest the highest levels in our economic infrastructure for more than 40 years, including £460 million more a week than the last Labour Government for our roads, railways and broadband.



[Robert Jenrick]

The Budget increased funding to the NHS by £20.5 billion a year in real terms; froze fuel, beer and spirits duty once again as a result of sustained lobbying and support from Members on the Government Benches, including my friends from Scotland; and—above all—provided a tax cut for 32 million people.

My hon. Friends the Members for Croydon South (Chris Philp) and for Cheltenham (Alex Chalk) and many other Government Members welcomed our action to support the high street and to enable town centres to adapt and evolve to new circumstances and continue to be the cornerstones of thriving communities. That action includes a reduction in business rates for 30% of smaller retailers, investment in transformation and infrastructure through the £675 million future high streets fund, and planning reforms to make it easier, cheaper and quicker to create businesses and work places in town centres and to create homes—planning reforms that are now, it seems, opposed by the Labour party.

My hon. Friend the Member for Croydon South made an interesting suggestion about the seed enterprise investment scheme. In the Budget, we reaffirmed our commitment to the world-class incentives we have as a country to encourage investment, promote wealth creation and make this country the best place in the world to be an entrepreneur, such as continuing entrepreneurs' relief and continuing EIS and SEIS, as my hon. Friend suggested.

My hon. Friend the Member for Dover (Charlie Elphicke) and many other Government Members welcomed our sustained commitment to reducing corporation tax again—now to 17%—and noted that our decision to reduce it from 28% had not, as was suggested, reduced receipts to the Treasury, but had in fact increased them by 55%. My hon. Friend the Member for Gordon (Colin Clark) made the case, as he regularly does, that we want to grow the economy and support the people out there who are creating small businesses. This Budget and this Finance Bill are for them.

**Alan Brown:** I thank the Minister for giving way. If reducing corporation tax brings in more money, why has the Red Book never shown that, and why is the Treasury not able to provide any modelling that shows an increase in revenues from that reduction?

**Robert Jenrick:** I think I have already explained that the facts speak for themselves. Receipts from the reduction in corporation tax have increased by over 50%. That measure was opposed by the SNP and the Labour party.

My hon. Friend the Member for Solihull (Julian Knight) represents many people who work in the automotive sector, which we want to support. He asked about vehicle excise duty. In this Bill, as he knows, we are legislating to increase support for low-emission taxis and have brought that measure forward by a year. We have also increased support for electric charge points, to help the further roll-out of electric vehicles, as other hon. Members across the House have suggested. As I discussed last week with the chief executive of Jaguar Land Rover, who supported this strongly, we intend to review the consequences of the new worldwide harmonised light vehicle test procedure on vehicle excise duty and report back in the spring.

The right hon. Member for Twickenham (Sir Vince Cable) spoke of the need to incentivise further business investment, particularly at this important moment in the Brexit negotiations. I am sure he will welcome the increase in the annual investment allowance from £200,000 to £1 million, which will encourage businesses across the country, including manufacturers, to invest in new plant, new machinery and digital technology and raise their productivity, as well as the new structures and buildings allowance, which started on Budget day.

The Budget laid out a whole range of measures—exactly the ways forward that the right hon. Gentleman suggested—to increase productivity, which is the only sustainable way to improve living standards in this country, including the largest ever investment in our strategic road network and investment in our skills base, including the introduction of T-levels, encouraging apprenticeships and the national retraining partnership.

**Theresa Villiers** (Chipping Barnet) (Con): I very much welcome the money in the Budget for repairing potholes. Does the Minister agree that it is vital that our great capital city gets its fair share of that funding?

**Robert Jenrick:** I certainly do. Some Opposition Members were snobby about potholes, but those of us in the real world know that potholes matter. They affect people's working lives, and we want to fix that problem. In answer to my right hon. Friend, Barnet will shortly be receiving £690,000 for potholes.

The hon. Member for Aberdeen North (Kirsty Blackman) and many others welcomed the transferable tax history, which we announced in the Budget and which she advocated. She was strongly supported by our Scottish Conservative colleagues. The oil and gas industry is a national economic asset and one that we want to support. It supports 280,000 jobs across the Union, but particularly in north-east Scotland. In the Budget, the Chancellor reaffirmed our commitment to strong, competitive and predictable taxation, so that the industry—which is, as the hon. Lady said, still fragile—can continue to strengthen in the years ahead.

Many of my hon. Friends, including my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), welcomed the introduction of the increase in the personal allowance and the increase in the higher-rate threshold—a tax cut for 32 million people, more than 1.5 million more working people taken out of tax altogether and achieving an increase in the personal allowance by more than 90% since 2010, which is a promise made in our manifesto and a promise delivered in the Budget.

My hon. Friend the Member for Walsall North (Eddie Hughes), as well as quoting Tiberius—I am yet to know whether Tiberius is quoted in No. 11; perhaps the Chancellor will invite my hon. Friend round for a cup of tea—was absolutely right to say that the Bill takes forward the measures in the last Budget to create a stamp duty relief for first-time buyers in other properties and extend it to those in shared ownership. That encourages and increases the dream of home ownership to a new generation.

As the Financial Secretary said at the beginning of the debate, the Bill also makes a number of changes to make our tax system fairer, and many Members across the House welcomed the new digital services tax. Some asked why we do not go further and faster, but let us

remember that we will be the first major economy to create a tax of this nature. We are genuinely leading the international community and we hope to lead a multinational agreement, but the UK, under the leadership of the Chancellor, will lead the way. With those measures and others in the Bill, we will continue to close the tax gap, which is at its lowest ever and lower than in any year of the last Labour Government.

The hon. Member for Wakefield (Mary Creagh), at the beginning of the debate, and other hon. Members later, asked what action we are taking to support the environment and on climate change. One such measure, of course, is our proposed plastics packaging tax—again, leading the world by creating an innovative tax that encourages the producers of plastic packaging to take responsibility and change their packaging, and building on great Conservative environmental taxes of the past, such as the landfill tax created by my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke).

My hon. Friends the Members for West Aberdeenshire and Kincardine (Andrew Bowie) and for Moray (Douglas Ross), among others, said very clearly—this is an important dividing line in British politics—that we are excited about the future of this country, and want to support and invest in science and technology and in research and development to drive the economy forward. From the Labour party, we heard no ideas as to how to grow the economy. We heard about more spending and higher taxes, but nothing about how to create wealth and make our country more prosperous. We heard only ideas that we know have failed in the past.

Let us be clear: a vote against the Bill tonight would be a vote against enabling investment and new jobs in the north-east of Scotland and a vote against the transferable tax history, which the hon. Member for Aberdeen North says she has campaigned for and advocated over many years. It would be a vote against further investment in manufacturing to raise productivity, which Opposition Members have said should be a national priority, and a vote against the increase in the annual investment allowance. It would be a vote against extending the stamp duty land tax relief for first-time buyers to those who want to live in shared-ownership properties, something advocated by my hon. Friend the Member for Walsall North. A year ago, the Opposition voted against our first policy in this area. Today, we know that more than 120,000 people across the country have benefited from that stamp duty relief. Surely the Labour party will not make the same mistake again.

Anyone who votes against the Finance Bill tonight will be voting against further actions to close the tax gap and to make it harder to evade and avoid taxation, and against making our tax system fairer. It would be a vote against a tax cut for 32 million people, and a vote against taking more than 1.5 million of our fellow citizens out of income tax altogether.

The Bill will make the UK more competitive, more innovative and more entrepreneurial. It will deliver lower taxes and put more money into the pockets of our British working public. It will make our economy and our country stronger, and I commend it to the House.

*Question put, That the amendment be made.*

*The House divided: Ayes 279, Noes 302.*

## Division No. 255]

[10.25 pm

### AYES

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

Jarvis, Dan  
 Johnson, Diana  
 Jones, Darren  
 Jones, Gerald  
 Jones, Graham  
 P.  
 Jones, Helen  
 Jones, rh Mr Kevan  
 Jones, Sarah  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal  
 Killen, Ged  
 Kinnock, Stephen  
 Kyle, Peter  
 Laird, Lesley  
 Lake, Ben  
 Lamb, rh Norman  
 Lammy, rh Mr David  
 Lavery, Ian  
 Law, Chris  
 Lee, Karen  
 Leslie, Mr Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Linden, David  
 Lloyd, Stephen  
 Lloyd, Tony  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 MacNeil, Angus Brendan  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marsden, Gordon  
 Martin, Sandy  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart  
 C.  
 McDonnell, rh John  
 McFadden, rh Mr  
 Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahon, Jim  
 McMorrin, Anna  
 Miliband, rh Edward  
 Monaghan, Carol  
 Moon, Mrs Madeleine  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, Ian  
 Nandy, Lisa  
 Newlands, Gavin  
 Norris, Alex  
 O'Hara, Brendan  
 O'Mara, Jared

Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Owen, Albert  
 Peacock, Stephanie  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Phillipson, Bridget  
 Platt, Jo  
 Pollard, Luke  
 Pound, Stephen  
 Powell, Lucy  
 Qureshi, Yasmin  
 Rashid, Faisal  
 Rayner, Angela  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Ellie  
 Reeves, Rachel  
 Reynolds, Emma  
 Reynolds, Jonathan  
 Rimmer, Ms Marie  
 Rodda, Matt  
 Rowley, Danielle  
 Ruane, Chris  
 Russell-Moyle, Lloyd  
 Ryan, rh Joan  
 Saville Roberts, Liz  
 Shah, Naz  
 Sharma, Mr Virendra  
 Sheerman, Mr Barry  
 Sheppard, Tommy  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, Angela  
 Smith, Eleanor  
 Smith, Jeff  
 Smith, Laura  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Snell, Gareth  
 Spellar, rh John  
 Starmer, rh Keir  
 Stephens, Chris  
 Stevens, Jo  
 Stone, Jamie  
 Streeting, Wes  
 Stringer, Graham  
 Sweeney, Mr Paul  
 Tami, Mark  
 Thewliss, Alison  
 Thomas-Symonds, Nick  
 Thornberry, rh Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Stephen  
 Twist, Liz  
 Umunna, Chuka  
 Vaz, Valerie  
 Watson, Tom  
 West, Catherine  
 Whitehead, Dr Alan  
 Whitfield, Martin

Williams, Hywel  
 Williams, Dr Paul  
 Williamson, Chris  
 Wilson, Phil  
 Wishart, Pete  
  
 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  
 Boles, Nick  
 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  
 Cairns, rh Alun  
 Cartlidge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Clark, Colin  
 Clarke, rh Mr Kenneth  
 Clarke, Mr Simon  
 Cleverly, James  
 Clifton-Brown, Sir Geoffrey  
 Coffey, Dr Thérèse  
 Collins, Damian  
 Costa, Alberto  
 Courts, Robert  
 Cox, rh Mr Geoffrey  
 Crabb, rh Stephen  
 Crouch, Tracey  
 Davies, Chris  
 Davies, David T. C.  
 Davies, Glyn  
 Davies, Mims  
 Davies, Philip  
 Dinanage, Caroline  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Dodds, rh Nigel

Yasin, Mohammad  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Vicky Foxcroft and**  
**Nic Dakin**

## NOES

Donaldson, rh Sir Jeffrey M.  
 Double, Steve  
 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  
 Freer, Mike  
 Gale, Sir Roger  
 Garnier, Mark  
 Ghani, Ms Nusrat  
 Gibb, rh Nick  
 Girvan, Paul  
 Glen, John  
 Goldsmith, Zac  
 Goodwill, rh Mr Robert  
 Gove, rh Michael  
 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  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matt  
 Hands, rh Greg  
 Harper, rh Mr Mark  
 Harrington, Richard  
 Harris, Rebecca  
 Harrison, Trudy  
 Hart, Simon  
 Hayes, rh Mr John  
 Heald, rh Sir Oliver  
 Heappey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hermon, Lady  
 Hinds, rh Damian



Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Howell, John  
 Huddleston, Nigel  
 Hughes, Eddie  
 Hurd, rh Mr Nick  
 Jack, Mr Alister  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, rh Boris  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Keegan, Gillian  
 Kennedy, Seema  
 Kerr, Stephen  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lamont, John  
 Lancaster, rh Mark  
 Latham, Mrs Pauline  
 Leadsom, rh Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Letwin, rh Sir Oliver  
 Lewer, Andrew  
 Lewis, rh Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Liddington, 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  
 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, 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  
 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, rh 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  
 Soubry, rh Anna  
 Spelman, rh Dame Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, rh Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Sir Desmond  
 Swire, rh Sir Hugo  
 Syms, Sir Robert  
 Thomas, Derek  
 Thomson, Ross  
 Throup, Maggie

Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Vaizey, rh Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, rh Mr Ben  
 Warburton, David  
 Warman, Matt

Watling, Giles  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williamson, rh Gavin  
 Wilson, rh Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, Mr William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Noes:**  
**Michelle Donelan and**  
**Jo Churchill**

*Question accordingly negatived.*

*Question put forthwith (Standing Order No. 62(2)),*  
 That the Bill be now read a Second time.

*The House divided: Ayes 304, Noes 279.*

**Division No. 256]**

**[10.42 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  
 Boles, Nick  
 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  
 Cairns, rh Alun  
 Cartlidge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Clark, Colin  
 Clarke, rh Mr Kenneth

Clarke, Mr Simon  
 Cleverly, James  
 Clifton-Brown, Sir Geoffrey  
 Coffey, Dr Thérèse  
 Collins, Damian  
 Costa, Alberto  
 Courts, Robert  
 Cox, rh Mr Geoffrey  
 Crabb, rh Stephen  
 Crouch, Tracey  
 Davies, Chris  
 Davies, David T. C.  
 Davies, Glyn  
 Davies, Mims  
 Davies, Philip  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Docherty, Leo  
 Dodds, rh Nigel  
 Donaldson, rh Sir Jeffrey M.  
 Double, Steve  
 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  
 Freer, Mike  
 Gale, Sir Roger  
 Garnier, Mark

Ghani, Ms Nusrat  
 Gibb, rh Nick  
 Girvan, Paul  
 Glen, John  
 Goldsmith, Zac  
 Goodwill, rh Mr Robert  
 Gove, rh Michael  
 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  
 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  
 Hermon, Lady  
 Hinds, rh Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Howell, John  
 Huddleston, Nigel  
 Hughes, Eddie  
 Hurd, rh Mr Nick  
 Jack, Mr Alistair  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, rh Boris  
 Johnson, Dr Caroline  
 Johnson, Gareth  
 Johnson, Joseph  
 Jones, Andrew  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Keegan, Gillian  
 Kennedy, Seema  
 Kerr, Stephen  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lamont, John  
 Lancaster, rh Mark  
 Latham, Mrs Pauline  
 Leadsom, rh Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward

Letwin, rh Sir Oliver  
 Lewer, Andrew  
 Lewis, rh Brandon  
 Lewis, rh Dr Julian  
 Liddell-Grainger, Mr Ian  
 Lidington, rh Mr David  
 Little Pengelly, Emma  
 Lopez, Julia  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Maclean, Rachel  
 Main, Mrs Anne  
 Mak, Alan  
 Malthouse, Kit  
 Mann, Scott  
 Masterton, Paul  
 Maynard, Paul  
 McLoughlin, rh Sir Patrick  
 McVey, rh Ms Esther  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Moore, Damien  
 Mordaunt, rh Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, James  
 Morton, Wendy  
 Mundell, rh David  
 Murray, Mrs Sheryl  
 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  
 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, rh 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  
 Soubry, rh Anna  
 Spelman, rh Dame Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, rh Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Sir Desmond  
 Swire, rh Sir Hugo  
 Syms, Sir Robert  
 Thomas, Derek

Thomson, Ross  
 Throup, Maggie  
 Tolhurst, Kelly  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Vaizey, rh Mr Edward  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Villiers, rh Theresa  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, rh Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watling, Giles  
 Whately, Helen  
 Wheeler, Mrs Heather  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williamson, rh Gavin  
 Wilson, rh Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Woodcock, John  
 Wragg, Mr William  
 Wright, rh Jeremy  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
**Michelle Donelan and**  
**Jo Churchill**

#### NOES

Abbott, rh Ms Diane  
 Abrahams, Debbie  
 Ali, Rushanara  
 Allin-Khan, Dr Rosena  
 Amesbury, Mike  
 Antoniazzi, Tonia  
 Ashworth, Jonathan  
 Austin, Ian  
 Bailey, Mr Adrian  
 Bardell, Hannah  
 Barron, rh Sir Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Black, Mhairi  
 Blackford, rh Ian  
 Blackman, Kirsty  
 Blackman-Woods, Dr Roberta  
 Blomfield, Paul  
 Brabin, Tracy  
 Bradshaw, rh Mr Ben  
 Brake, rh Tom  
 Brennan, Kevin  
 Brock, Deidre  
 Brown, Alan  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Bryant, Chris  
 Buck, Ms Karen  
 Burgon, Richard  
 Butler, Dawn  
 Byrne, rh Liam

Cable, rh Sir Vince  
 Cadbury, Ruth  
 Cameron, Dr Lisa  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Carden, Dan  
 Carmichael, rh Mr Alistair  
 Champion, Sarah  
 Chapman, Douglas  
 Chapman, Jenny  
 Charalambous, Bambos  
 Cherry, Joanna  
 Coaker, Vernon  
 Cooper, Julie  
 Cooper, Rosie  
 Cooper, rh Yvette  
 Corbyn, rh Jeremy  
 Cowan, Ronnie  
 Coyle, Neil  
 Crausby, Sir David  
 Crawley, Angela  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Daby, Janet  
 Davey, rh Sir Edward  
 David, Wayne  
 Davies, Geraint  
 Day, Martyn  
 De Cordova, Marsha

De Piero, Gloria  
 Debbonaire, Thangam  
 Dent Coad, Emma  
 Docherty-Hughes, Martin  
 Dodds, Anneliese  
 Doughty, Stephen  
 Dowd, Peter  
 Drew, Dr David  
 Dromey, Jack  
 Duffield, Rosie  
 Eagle, Ms Angela  
 Eagle, Maria  
 Edwards, Jonathan  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Dame Louise  
 Elmore, Chris  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Farron, Tim  
 Fellows, Marion  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Frith, James  
 Furniss, Gill  
 Gaffney, Hugh  
 Gapes, Mike  
 Gardiner, Barry  
 George, Ruth  
 Gethins, Stephen  
 Gibson, Patricia  
 Gill, Preet Kaur  
 Glindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Grady, Patrick  
 Grant, Peter  
 Gray, Neil  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Grogan, John  
 Gwynne, Andrew  
 Haigh, Louise  
 Hamilton, Fabian  
 Hanson, rh David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Hayman, Sue  
 Healey, rh John  
 Hendrick, Sir Mark  
 Hendry, Drew  
 Hepburn, Mr Stephen  
 Hill, Mike  
 Hillier, Meg  
 Hobhouse, Wera  
 Hoey, Kate  
 Hollern, Kate  
 Hosie, Stewart  
 Jardine, Christine  
 Jarvis, Dan  
 Johnson, Diana  
 Jones, Darren  
 Jones, Gerald  
 Jones, Graham P.  
 Jones, Helen  
 Jones, rh Mr Kevan

Jones, Sarah  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Khan, Afzal  
 Killen, Ged  
 Kinnock, Stephen  
 Kyle, Peter  
 Laird, Lesley  
 Lake, Ben  
 Lamb, rh Norman  
 Lammy, rh Mr David  
 Lavery, Ian  
 Law, Chris  
 Lee, Karen  
 Leslie, Mr Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Linden, David  
 Lloyd, Stephen  
 Lloyd, Tony  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 MacNeil, Angus Brendan  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marsden, Gordon  
 Martin, Sandy  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, rh John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahon, Jim  
 McMorris, Anna  
 Miliband, rh Edward  
 Monaghan, Carol  
 Moon, Mrs Madeleine  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Stephen  
 Morris, Grahame  
 Murray, Ian  
 Nandy, Lisa  
 Newlands, Gavin  
 Norris, Alex  
 O'Hara, Brendan  
 O'Mara, Jared  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Owen, Albert  
 Peacock, Stephanie  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Phillipson, Bridget

Platt, Jo  
 Pollard, Luke  
 Pound, Stephen  
 Powell, Lucy  
 Qureshi, Yasmin  
 Rashid, Faisal  
 Rayner, Angela  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Ellie  
 Reeves, Rachel  
 Reynolds, Emma  
 Reynolds, Jonathan  
 Rimmer, Ms Marie  
 Rodda, Matt  
 Rowley, Danielle  
 Ruane, Chris  
 Russell-Moyle, Lloyd  
 Ryan, rh Joan  
 Saville Roberts, Liz  
 Shah, Naz  
 Sharma, Mr Virendra  
 Sheerman, Mr Barry  
 Sheppard, Tommy  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, Angela  
 Smith, Eleanor  
 Smith, Jeff  
 Smith, Laura  
 Smith, Nick  
 Smith, Owen

Smyth, Karin  
 Snell, Gareth  
 Spellar, rh John  
 Starmer, rh Keir  
 Stephens, Chris  
 Stevens, Jo  
 Stone, Jamie  
 Streeting, Wes  
 Stringer, Graham  
 Sweeney, Mr Paul  
 Tami, Mark  
 Thewliss, Alison  
 Thomas-Symonds, Nick  
 Thornberry, rh Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Stephen  
 Twist, Liz  
 Umunna, Chuka  
 Vaz, Valerie  
 Watson, Tom  
 West, Catherine  
 Whitehead, Dr Alan  
 Whitfield, Martin  
 Williams, Hywel  
 Williams, Dr Paul  
 Williamson, Chris  
 Wilson, Phil  
 Wishart, Pete  
 Yasin, Mohammad  
 Zeichner, Daniel

#### **Tellers for the Noes:**

**Vicky Foxcroft and  
 Nic Dakin**

*Question accordingly agreed to.*

*Bill read a Second time.*

### **FINANCE (NO. 3) BILL (PROGRAMME)**

*Motion made, and Question put forthwith (Standing Order No. 83A(7)),*

That the following provisions shall apply to the Finance (No.3) Bill:

#### **Committal**

(1) The following shall be committed to a Committee of the whole House—

- (a) Clauses 5, 6, 8, 9 and 10 (income tax thresholds and reliefs);
- (b) Clause 15 and Schedule 3 (offshore receipts in respect of intangible property);
- (c) Clause 16 and Schedule 4 (avoidance involving profit fragmentation arrangements);
- (d) Clause 19 (hybrid and other mismatches: scope of Chapter 8 and “financial instrument”);
- (e) Clause 20 (controlled foreign companies: finance company exemption and control);
- (f) Clause 22 and Schedule 7 (payment of CGT exit charges);
- (g) Clause 23 and Schedule 8 (corporation tax exit charges);
- (h) Clause 38 and Schedule 15 (entrepreneurs’ relief);
- (i) Clauses 39 and 40 (gift aid and charities);
- (j) Clauses 41 and 42 (stamp duty land tax: first-time buyers in cases of shared ownership);
- (k) Clauses 46 and 47 (stamp duty and SDRT);
- (l) Clauses 61 and 62 and Schedule 18 (remote gaming duty and gaming duty);



- (m) Clauses 68 to 78 (carbon emissions tax);
- (n) Clause 83 (international tax enforcement: disclosure arrangements);
- (o) Clause 89 (minor amendments in consequence of EU withdrawal);
- (p) Clause 90 (emissions reduction trading scheme: preparatory expenditure);
- (q) any new Clauses or new Schedules relating to—
- tax thresholds or reliefs,
  - the subject matter of any of clauses 68 to 78, 89 and 90,
  - gaming duty or remote gaming duty, or
  - tax avoidance or evasion.

(2) The remainder of the Bill shall be committed to a Public Bill Committee.

#### *Proceedings in Committee of the whole House*

(3) Proceedings in Committee of the whole House shall be completed in two days.

(4) Those proceedings shall be taken on each of those days in the order shown in the first column of the following Table.

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

(6) Standing Order No. 83B (programming committees) shall not apply to proceedings in Committee of the whole House.

#### TABLE

| Proceedings                                                                                                                                                                                                                    | Time for conclusion of proceedings                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <i>First day</i>                                                                                                                                                                                                               |                                                                        |
| Clauses 5, 6, 8, 9, 10 and 38 and Schedule 15; Clauses 39 to 42; any new Clauses or new Schedules relating to tax thresholds or reliefs                                                                                        | 3 hours from commencement of proceedings on the Bill on the first day  |
| Clauses 68 to 78 and 89 and 90; any new Clauses or new Schedules relating to the subject matter of those clauses.                                                                                                              | 6 hours from commencement of proceedings on the Bill on the first day  |
| <i>Second day</i>                                                                                                                                                                                                              |                                                                        |
| Clauses 61 and 62 and Schedule 18; any new Clauses or new Schedules relating to remote gaming duty or gaming duty                                                                                                              | 3 hours from commencement of proceedings on the Bill on the second day |
| Clause 15 and Schedule 3; Clause 16 and Schedule 4; Clauses 19 and 20; Clause 22 and Schedule 7; Clause 23 and Schedule 8; Clauses 46 and 47; Clause 83; any new Clauses or new Schedules relating to tax avoidance or evasion | 6 hours from commencement of proceedings on the Bill on the second day |

#### *Proceedings in Public Bill Committee etc*

(7) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 11 December 2018.

(8) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

(9) When the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Public Bill Committee have been reported to the House, the Bill shall be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee.

#### *Proceedings on Consideration and up to and including Third Reading*

(10) Proceedings on Consideration and proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

(11) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(12) Standing Order No. 83B (programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.—(*Andrew Stephenson.*)

## Business without Debate

### DELEGATED LEGISLATION

**Mr Speaker:** With the leave of the House, we shall take motions 3, 4 and 5 together.

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

#### FREEDOM OF INFORMATION

That the draft Freedom of Information (Designation as Public Authority and Amendment) Order 2018, which was laid before this House on 12 July, be approved.

#### EXITING THE EUROPEAN UNION (FINANCIAL SERVICES)

That the draft Building Societies Legislation (Amendment) (EU Exit) Regulations 2018, which were laid before this House on 19 July, be approved.

#### EXITING THE EUROPEAN UNION (FINANCIAL SERVICES)

That the draft Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018, which were laid before this House on 24 July, be approved.—(*Andrew Stephenson.*)

#### *Question agreed to.*

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

#### EXITING THE EUROPEAN UNION (ELECTRICITY)

That the draft Electricity and Gas (Powers to Make Subordinate Legislation) (Amendment) (EU Exit) Regulations 2018, which were laid before this House on 5 September, be approved.—(*Andrew Stephenson.*)

#### *Question put.*

*The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 14 November (Standing Order No. 41A).*

**Mr Speaker:** With the leave of the House, I will take motions 7 to 9 together. Once again, I assure the House that I am of course conscious of how keenly aware people are of these motions, and I merely remind them that motion 7 is about Exiting the European Union (Road Traffic) and motions 8 and 9—I can almost hear a Member mouth the words under his breath—are both entitled Road Traffic. I am sure you are all very well aware of these important matters.

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

#### EXITING THE EUROPEAN UNION (ROAD TRAFFIC)

That the draft International Road Transport Permits (EU Exit) Regulations 2018, which were laid before this House on 13 October, be approved.

#### ROAD TRAFFIC

That the draft Trailer Registration Regulations 2018, which were laid before this House on 9 October, be approved.

That the draft Road Safety (Financial Penalty Deposit) (Appropriate Amount) (Amendment) Order 2018, which was laid before this House on 9 October, be approved.—(*Andrew Stephenson.*)

#### *Question agreed to.*

## JOINT COMMITTEE ON THE DRAFT PARLIAMENTARY BUILDINGS (RESTORATION AND RENEWAL) BILL

*Motion made,*

That this House concurs with the Lords Message of Tuesday 23 October, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on the Draft Parliamentary Buildings (Restoration and Renewal) Bill presented to both Houses on Thursday 18 October 2018 (Cm 9710), and that the Committee should report on the draft Bill by Friday 15 February 2019.

That a Select Committee of six Members be appointed to join with a committee to be appointed by the Lords for this purpose;

That the Committee shall have power:

- (i) to send for persons, papers and records;
- (ii) to sit notwithstanding any adjournment of the House;
- (iii) to report from time to time;
- (iv) to appoint specialist advisers; and
- (v) to adjourn from place to place within the United Kingdom.

That the quorum of the Committee shall be three; and that Neil Gray, Meg Hillier, Mr David Jones, Sir Edward Leigh, Dame Caroline Spelman and Mark Tami be members of the Committee.—(*Andrew Stephenson.*)

**Hon. Members:** Object.

## PRIVATE MEMBERS' BILLS

*Motion made,*

Notwithstanding the provisions of Standing Order No. 14(8), Private Members' bills shall have precedence over government business on 25 January 2019, 8 February 2019 and 8 March 2019.—(*Andrew Stephenson.*)

**Hon. Members:** Object.

## Concentrated Animal Feeding Operations

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

**Mr Speaker:** In the unimaginable scenario that Members do not wish to listen to the hon. Member for Bristol North West (Darren Jones) proceed with his Adjournment debate, I trust that colleagues will leave the Chamber quickly and quietly, giving the hon. Gentleman the chance to be heard and to hear himself. [*Interruption.*] Yes, Mr Cowan, we are deeply grateful to you.

11 pm

**Darren Jones** (Bristol North West) (Lab): I thank the Members staying for my Adjournment debate this evening at the early hour of 11 pm.

For those of us who like to be clear about definitions, I should start by making it clear that my Adjournment debate today is on intensive farming operations in the United Kingdom. I say this because concentrated animal feeding operations has a legal definition that is used in the United States but is also relevant to this debate. In the United States, concentrated animal feeding operations describe farms over a certain size that farm animals in extreme confinement. We do not have an equivalent definition in the United Kingdom, but we do have intensive farming of animals, which is defined by the Environment Agency as a farm housing at least 40,000 birds or 2,000 pigs. This form of intensive farming increased in the UK by a quarter in the six years running up to 2017.

As reported in *The Guardian* newspaper, a recent investigation by the Bureau of Investigative Journalism found that we now have a large number of intensive farming operations in the UK, many of which would meet the definition of concentrated animal feeding operations used in the United States. These so-called megafarms have at least 125,000 birds for meat, or 82,000 birds for eggs, 2,500 pigs, 700 dairy cattle or 1,000 beef cattle. We now have 789 megafarms in the UK, according to that investigation.

**Kerry McCarthy** (Bristol East) (Lab): We know that there are many more megafarms in the United States. Does my hon. Friend and constituency neighbour share my concern that if we open our markets to lower-standard imports from the US post Brexit, our farmers will feel that they have no choice but to move to megafarming in order to compete on price?

**Darren Jones:** I agree entirely. I do not think British consumers will accept that position, not least because they enjoy the high-quality standards that we expect of many of our food producers in the UK. If that is exerting a pressure on home-grown produce, they will not accept it either.

Seven of the 10 largest poultry farms in this country already have a capacity to house more than 1 million birds, with the biggest farm holding up to 23,000 pigs and the largest cattle farm 3,000 cattle. These are all numbers, but to give an example to the House, the Bureau of Investigative Journalism study showed that a megafarm in Herefordshire had four 110-metre by 20-metre industrial warehouses, each with 42,000 chickens in them. There were so many chickens in these warehouses

[Darren Jones]

that the journalists could not see the floor. These chickens live for only a short period, and the process is repeated up to eight times each year, so that is a turnover of over 1 million birds every year in these confined settings.

These conditions are bad for animals and bad for our food. Confinement can lead to the stress-related death of animals; self-mutilation of animals due to mental health conditions; ulcerated feet, breast blisters and hock burns due to ammonia-filled litter; sudden death syndrome from unnaturally quick growth; foot and leg damage from slated or concrete floors; and in the case of lots of dairy cows, bacterial infection, mastitis, anaemia, stomach ulcers and chronic diarrhoea. These are not things consumers wish to have associated with the food they eat. As a consequence, I will be writing to Tesco, Sainsbury, the Co-operative, Marks and Spencer, Morrisons, Asda, McDonald's and Nando's, all of which, I am told, buy the products I am talking about for their customers.

These stressful, illness-inducing environments also lead to the excessive use of antibiotics in animal feed and water to try to limit the risk of disease from intensive farming settings. According to Compassion in World Farming, there is strong evidence that the overuse of antibiotics in animals is contributing to the antibiotic resistance we are now seeing in human medicine—something this country is, thankfully, working hard to try to prevent.

To make matters worse, these extreme farming conditions can lead animals to become stressed. Again, that is bad for food, but it is also bad for animals. I am told that stress-induced aggressive animal behaviours have led to chickens being de-beaked, which involves a hot blade cutting through a bird's beak, bone and soft tissue. Chicken toes are also removed to discourage fighting, and the tails of pigs and cows are removed to prevent tail biting. Again, these are conditions I am sure many British consumers would not want associated with the food on their plates.

However, this is not just about the quality of food or the quality of animal welfare; it is also about the environment and our efforts at tackling climate change. The recent Intergovernmental Panel on Climate Change report said we have 12 years to limit post-industrial levels of world temperature growth to 1.5° C—the subject of a separate debate I will be leading at 9.30 tomorrow morning in Westminster Hall.

**Jim Shannon** (Strangford) (DUP): The hon. Gentleman and I might have a slightly different opinion on this matter. I declare an interest as a landowner, and I live on a farm on the Ards peninsula in my constituency. The Department of Agriculture, Environment and Rural Affairs—the Department responsible in Northern Ireland—has stated that there is no problem with the scale of concentrated animal feeding operations in Northern Ireland. Does the hon. Gentleman agree that farmers—my neighbours—husband and care for their birds and animals, with all their focus on welfare and quality of life? A healthy animal and bird is what the market demands and what the market receives.

**Darren Jones:** I agree with the hon. Gentleman that farmers, I am sure, do the best they can for their businesses, their livestock and their customers, but we

need to create an environment in which we support sustainable farming, not over-farming, as we have seen in these concentrated environments. I understand that the highest increase in concentrated farming in the country has been in Northern Ireland.

The IPCC is about climate change and carbon emissions. Megafarms might in theory, but not always in practice, reduce the amount of space needed for animals, but those animals still need to be fed, which means an ever-increasing amount of animal food for an ever-increasing number of animals farmed. That has resulted in huge amounts of land being used to grow animal food, often with the use of chemical pesticides and fertilisers. Reducing or eliminating industrial farming has been shown to be a significant way to reduce our overall carbon emissions.

I should declare, of course, that I am a vegan. I became a vegan primarily because of those environmental concerns. I was persuaded, in fact, by my hon. Friend the Member for Bristol East (Kerry McCarthy). I was also persuaded because of the animal welfare and health concerns associated with this environment. Veganism is something that more and more people are taking up, which is why you, Mr Speaker, will see vegan options becoming more popular in service stations, supermarkets and restaurants across the country—and, indeed, in the parliamentary restaurants this week.

However, this Adjournment debate is not happening just because I am interested. I am grateful to the House of Commons digital outreach team, who trailed this debate on our House Facebook page. Over 5,000 members of the public have been engaged, with many kindly giving me their feedback. Kara and Lisa made the point that information should be required on food labelling and that they would like to know if the animal products they are buying come from intensive farming settings, so that they can decide whether to buy them.

Clare and Kareen were two of many voices that said that animal welfare was a key concern that directs their shopping decisions. Some say they cannot always afford to buy higher quality meat, so they eat less meat or eat alternatives as a consequence. Caroline, Kelly and Leanne say they buy only organic or free-range meat for their families as a consequence.

I fully appreciate that it is not the role of Government to tell people what to eat, but if we can agree to public health campaigns for eating five fruit and veg a day, or agree to a sugar tax because of the public health consequences, then it is right that we should be having this debate and deciding what kind of action we can take for public health, animal welfare, and the pressing and urgent requirement to reduce our carbon emissions more dramatically in the years ahead.

I hope the Minister in his summing up today will touch on the following points. What policy are the Government pursuing to reduce or prevent intensive farming in the United Kingdom, including working with agri-tech companies that can stimulate innovation for new methods of farming, whether high-rise farming or the production of meat products in the kitchen laboratory as opposed to the farm? What work is the Minister's Department undertaking with colleagues across Government to change food and farming policy to help to meet our climate change objectives? Following a recent consultation on antibiotic use in farming, what



measures will the Government take to prevent antibiotic resistance in animals and the indirect consequences for human health?

Will the Government consider new regulations on food labelling to make it easier for consumers to understand the quality and source of their food products? How will the Government commit to maintaining and hopefully enhancing EU-derived legislation through the Brexit process? Finally, what assurances can the Government give the House tonight that under no circumstances, further to the point made by my hon. Friend the Member for Bristol East, will they agree to international trade deals, such as with the United States, that permit the import of food products from intensive farming settings from across the world?

I apologise to the Minister. I had hoped to print off that ream of questions to give to him in advance of the debate, but sadly I was unable to do so. I am sure that if he is unable to answer them all this evening we can correspond with reference to *Hansard* in the coming days.

11.11 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (David Rutley):** I congratulate the hon. Member for Bristol North West (Darren Jones) on securing this debate on the scale of concentrated animal feeding operations. He made a number of very important points, which I know he makes from a heartfelt perspective and as a matter of principle.

This is an important debate and I recognise the hon. Gentleman's concerns about moving towards more industrial-scale farming. I would like to focus on some concerns that have been raised with regard to beef farming in the context of what he said. It is important to recognise that while we need to manage animal welfare to high standards, we need to recognise the contribution that these various sectors, whether beef, poultry or pork, make not just to food production but to rural economies. I think there is a balance to be struck.

It is worth highlighting from the start that we have some of the highest animal welfare standards in the world. Our consumers are right to expect that their food is produced to those high quality standards. All operational livestock farms, for example, comply with comprehensive UK welfare legislation. That legislation—I am talking specifically about beef here—applies equally to all livestock farms, regardless of scale or system of production. There is also a specific statutory cattle welfare code, which provides guidance to cattle producers on how to comply with legislation. That is true for other types of farming which the hon. Gentleman touched on in his remarks.

As long as the relevant welfare standards are met, we recognise that the UK market has a place for different production methods. These will collectively enable the industry to be competitive and thrive in the UK, EU and global markets. I can understand the concern about the reports of very large stock units. However, big does not necessarily always mean bad with regard to animal welfare. Indeed, an article in *The Guardian* on this subject stated that most

“intensive beef farms appear to operate to high welfare standards”. I can confirm that the Animal and Plant Health Agency and the Government's expert committee, the Farm Animal Welfare Committee, visited this system type and no

welfare concerns were raised, including in relation to shelter, stock densities and the legal requirement to have access to a well-drained lying area. These approaches apply to other areas of farming, too.

The key point to highlight is that poor welfare may occur in both intensive and extensive systems. Stockmanship and the correct application of husbandry standards, whatever the system of production, is the key to ensuring good welfare for all farmed animals. We have a strong track record of raising the bar for welfare standards, such as banning battery cages for laying hens, sow stalls and veal crates.

While the UK already has some of the highest animal welfare standards in the world, we are considering what more can be done in the context of our future agricultural policy. The response to the “Health and Harmony” consultation reinforced the view that high standards of animal welfare are a priority for the public. We will maintain our high regulatory baseline and look to raise standards sustainably over time as new research and evidence emerges.

In addition, as set out in the Agriculture Bill, we will develop publicly funded schemes for farmers to deliver animal welfare enhancements beyond the high regulatory baseline already in place that are not sufficiently provided by the market. We are working with sector groups, retailers, welfare organisations and the Farm Animal Welfare Committee to define a range of enhanced standards. We are examining the role that farm assurance schemes can play in delivering these payments. There are important vehicles ahead that will enable us to address some of the issues that the hon. Gentleman discussed. We are already acting to improve the welfare of livestock through, for example, making CCTV mandatory in slaughterhouses, increasing the maximum sentences for animal cruelty to five years, and working to restrict exports of live animals for slaughter once we leave the EU.

I understand that there are concerns that US-style livestock farming will come to the UK, but I reassure Members that EU exit will not result in a move towards US-style agribusiness in the UK, with animal welfare and environmental standards being eroded. The Government are committed to maintaining and, where possible, improving current standards. US-style livestock farming is not what we want and will not happen here.

**Darren Jones:** Will the Minister confirm that the enhanced regulations that he has referred to for UK farming will have extraterritorial effect, meaning that we will not import food products into the UK that do not meet the standards that we expect of British farmers?

**David Rutley:** I will come back to the hon. Gentleman on the detail of that, but I assure him that we have no desire at all to water down our standards. Talk of importing hormone-treated beef or chlorinated chicken is not where we want to go and it will not be contemplated in any of the trade deals that we have going forward. If he wants to explore that in more detail, I will gladly get into that level of detail.

**Kerry McCarthy:** I appreciate that the Minister is not the farming Minister, but when we tried to introduce a non-regression clause in the Trade Bill, we were told that it was not the place for it. We are now trying to

[Kerry McCarthy]

introduce it in the Agriculture Bill, and we are being told that the place for it is the Trade Bill. We need something enshrined in legislation, rather than just the warm words of Ministers, to say that we will not accept imports with lower standards than those required from our farmers in the UK. Does the Minister agree?

**David Rutley:** As I said, I will come back on those technical points, but there is no attempt or desire across whichever piece of legislation to water down standards. I have been very clear on that in other debates and I am very clear on it here as well. I will come back to the hon. Members on the points that they have raised.

Other points were raised about labelling and marketing terms. We will look at ways in which we can ensure that consumers have a clearer understanding of the animal welfare standards applying to products. Terms such as “free range” for poultry and eggs are already enshrined in law, but other such as “pasture-fed” or “outdoor-reared” rely on voluntary agreements for their use. It is important that consumers have complete confidence in the way that these terms are used and that their use is clear and consistent. We will therefore review, after we leave the EU, the use of these terms to build consumer knowledge and confidence in these terms and concepts. Leaving the EU gives us an opportunity to shape the future of our farming industry and to help our farmers to grow and sell more world-class food, but as I have said, we will not compromise on the high animal welfare or environmental standards, and we will always protect our proud and varied farming traditions.

The hon. Member for Bristol North West made an important point about antimicrobial resistance. Another example of the UK agriculture sector’s responsible approach to food production is its recent concerted efforts and action against the globally recognised threat of antimicrobial resistance. Last month, the Government published a report showing a reduction for the fourth year in a row in the sales of veterinary antibiotics. This has brought us to a 40% reduction in veterinary antibiotic sales over the course of the UK five-year antimicrobial resistance strategy, with levels now the lowest that we have seen since we started recording them in the early 1990s, so real progress is being made there.

Behind this success lies close, collaborative working between the Government and the livestock sector, including the beef sector, which has developed and published targets for the reduction, refinement and replacement of antibiotics. These targets apply across the whole sector in farms of all sizes. With all that we have achieved, we want to make sure we continue to have a world-leading beef sector going forward with the right welfare standards in place, and that applies to other sectors as well.

We heard talk also of the agri-tech strategy in the years ahead. Research, development and technological innovation are key if we are to compete globally. By pioneering the use of more innovative and efficient

farming techniques, we can also use our resources more sustainably and reduce the environmental impact. For example, the Centre of Innovation Excellence in Livestock, established under the 2013 agri-tech strategy, aims to support, promote and deliver industry-led innovative livestock research, a key asset being its beef grazing systems unit, which assesses feed efficiency and productivity at pasture. Our future research and development proposals will build on existing investments to enable greater take-up of innovation on farms.

We are a proud trading nation. We have talked about trade, but I want to reiterate for the record where we stand. The UK enjoys food from diverse sources of supply as well as our strong domestic production industry. There is no reason to believe that other third countries cannot meet our high standards, and this will be a condition for any market access granted as part of future trade agreements. The Government have been clear that any future trade agreements must work for consumers, farmers and businesses in the UK. I want to be clear that we will not water down our standards on food safety, animal welfare and environmental protection as part of any future trade deals.

Future reform is critical. We need to take the opportunity that being outside the common agricultural policy will give us to use public money to reward environmentally responsible land use. We know that good environmental practice, high standards of animal welfare and profitable business strategies are not mutually exclusive. We believe they run hand in hand. We will work to ensure that UK agriculture prospers for future generations by designing an approach that works for our farmers and that high environmental and animal welfare standards are a badge of quality.

The UK produces some of the best quality food in the world, and that is the basis on which we intend to sell our produce at home and abroad, promoting and enhancing the reputation of British food and drink through the Food is GREAT campaign. We now have an unprecedented opportunity to redesign our policies to ensure our agricultural industry is competitive, productive and profitable and that our environment is improved for future generations, while at the same time working to improve animal welfare, as the hon. Gentleman highlighted in his remarks.

We are working closely with the industry and the public to drive agricultural and environment policies. We are rightly proud of the high animal welfare standards that underpin our high-quality British produce, and we will not only maintain but work to enhance these standards through our future policy framework. Once again, I would like to thank the hon. Gentleman for securing this important debate on such a vital subject and for conducting it in such a considered way. I look forward to working with him through correspondence and future debates—no doubt—on this vital subject.

*Question put and agreed to.*

11.23 pm

*House adjourned.*

# Westminster Hall

Monday 12 November 2018

[MR DAVID HANSON *in the Chair*]

## Plastic-free Packaging (Fruit and Vegetables)

4.30 pm

**Steve Double** (St Austell and Newquay) (Con): I beg to move,

That this House has considered e-petition 222715 relating to plastic-free packaging for fruit and vegetables.

It is a pleasure to serve under your chairmanship, Mr Hanson. It is an honour to open this debate on an important matter, in which I have taken a great deal of interest during my time in this House, particularly as chairman of the protect our waves all-party parliamentary group. I thank the petitioner Edmund Pendrous and the more than 120,000 people who signed this e-petition. The e-petition states:

“In response to the problem of an ever-increasing amount of plastic waste polluting our environment, we need to make supermarkets offer an option of no packaging or eco-friendly packaging for each item of fresh fruit and vegetables they sell.”

There is no doubt that plastic pollution is one of the biggest global environmental challenges of our time. As I am sure we are all aware, in recent times the issue has attracted a great deal of public awareness and increased concern about the damage we are doing to our environment through the amount of plastic waste that we are creating.

It is little wonder that plastic has become so popular: it is lightweight, versatile, moisture-resistant, durable and cheap to produce. Those benefits mean that Britain is not alone in developing a strong appetite for plastic goods. Annual global plastic production has soared in the past 60 years. In 1950, the world's population produced about 1.5 million tonnes of plastic; by 2016, global production of plastic had risen to 335 million tonnes, with 60 million tonnes produced in Europe alone. The rapid rise in production and subsequent disposal of plastics have brought devastating consequences to all aspects of the environment, particularly to our marine life.

The majority of single-use plastics, which include non-recyclable and non-biodegradable plastic packaging found in shops and supermarkets, are disposed of within minutes of being used. Every day approximately 8 million pieces of plastic pollution find their way into our oceans. Every piece of plastic can take decades or longer to degrade, and will simply break down into smaller and smaller particles. We then find plastic entering the ecosystem, where it has the potential to kill seabirds, fish and animals through ingestion, releasing harmful toxins as the plastic breaks up. Larger pieces of plastic can be a threat to the life of marine mammals and seabirds. It is estimated that there are now around 5 trillion macro and micro plastic pieces floating in our ocean, with a weight of over 250,000 tonnes.

**Graham Stringer** (Blackley and Broughton) (Lab): I am grateful to the hon. Gentleman, who is making excellent points about this excellent e-petition. Does he

agree that any responsible Government would not export any used plastic for recycling? There is credible evidence that even when plastic is certificated in other countries as having been properly disposed of, it actually ends up in rivers and oceans. We should stop such exports.

**Steve Double:** The hon. Gentleman makes a good point, which is directly related to the subject. As a country, we must ensure that when our residents do the responsible thing and recycle their plastic items, we do all we can to ensure that those items are actually recycled. There are disturbing reports that that may not always be happening. I believe that we—the country and the Government—have a responsibility to do all we can to ensure that it is.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The hon. Gentleman is making a good speech about this important subject and great e-petition. Does he accept that one problem is what and how we manufacture? Organisations such as the Institute for Manufacturing in Cambridge believe that we have to totally redesign the way we make all packaging to make it safer for the environment and human beings' health.

**Steve Double:** That is indeed a huge challenge, which needs to be addressed from all angles. As the hon. Gentleman said, there are great challenges, particularly for developed countries, to reduce the amount of plastic that is produced and in circulation. We also need to ensure that we dispose responsibly of any plastic that is produced and ensure that it is not contributing to the environmental pollution that we have seen for far too long. That challenge has to be addressed from a number of different angles; I do not think there will ever be one simple solution.

The amount of plastic entering our seas is now a matter of huge concern for many people. As is well documented, it is estimated that by 2050 there will be more plastic than fish in our oceans. That is of concern not only because of the damage it is doing to the marine environment, but because that pollution is being ingested by humans as we eat the fish from the sea. We should really take the issue seriously and seek to address it.

It is right to acknowledge the steps the Government have already taken in reducing the amount of plastic pollution. It is well documented that the 5p plastic bag charge, introduced by the previous Conservative-led Government, has dramatically reduced the amount of plastic bags in use: by 83%. About 9 billion fewer plastic bags have been used since the introduction of that simple 5p charge. The Government have brought forward a comprehensive 25-year plan for the environment, including measures to look at reducing plastic waste and disposing of waste more responsibly. That should be welcomed. I want to join the many environmental groups that are calling for an introduction of plastic-free aisles and products in our supermarkets.

**John Howell** (Henley) (Con): Does my hon. Friend think that we are spending enough money on research to develop the products that will still have plastic's advantage of retaining water, but which are not plastic and are biodegradable?

**Steve Double:** I guess the only answer to that question is no. We could always spend more on research, to reduce the amount of damage we are doing to our environment. I know there are a number of innovations



[Steve Double]

coming forward in other forms of packaging that can provide the benefits of plastic without the damage to the environment. We should do all we can—I encourage the Government to consider anything they can do—to support and invest in those measures, to ensure that we are seeking not just to cut back on plastic, but to come forward with other answers to packaging that provide the benefits of plastic, but do not damage our environment.

**Mr Sheerman:** The hon. Gentleman is making such a good speech and responding well to interventions, so I thank him. A great friend of mine, Barry Van Danzig, the CEO of the Wastepack Group Limited, believes that the only way we can get past this problem is to make waste valuable. As soon as that happens, somebody will collect it. Money—the cash that it is worth—is at the heart of what we are all trying to achieve.

**Steve Double:** I am grateful to the hon. Gentleman for another good intervention. I largely agree that recycling needs to become commercially viable: something that businesses invest in because they can make money from it. There are ways in which we can encourage that to happen—and we should, to get to the point where we do not send our plastic elsewhere to be recycled because its being recycled here has a value for our economy, as the hon. Member for Blackley and Broughton (Graham Stringer) said. Clearly, we would all love that to happen.

I also acknowledge the recent Budget announcement of a new tax on the manufacture and import of plastic products that do not contain at least 30% recycled plastic. That is another important message from the Government, and it shows that they are taking the issue seriously and seeking to introduce solutions.

I turn to the specific issue of plastic packaging for fruit and vegetables in supermarkets. The petition rightly points out that it can be incredibly difficult for consumers to avoid purchasing items packaged in plastic, especially in the fruit and vegetable aisle. It is all too common for people to accept the fact that all our fruit and veg is wrapped in plastic, but several hon. Members present will admit to being old enough to remember when that was not the case. That our fruit and veg comes in a plastic wrapper is a relatively modern development, which we have accepted. It is right to challenge that now. We do not have to accept that norm: there could be alternative ways to reduce the amount of plastic used to package our food.

We have to strike the right balance, however. We do not want our desire to decrease plastic packaging to create another problem by increasing the amount of food waste produced. That is where innovation and other types of packaging that can protect and preserve our food should be encouraged and would be hugely welcomed. We need to acknowledge plastic's benefits in preserving food, extending its shelf life and keeping it clean for consumption, while being aware of the damage it causes.

**Kerry McCarthy** (Bristol East) (Lab): I am chair of the all-party parliamentary group on food waste. I acknowledge that some packaging helps to preserve food's shelf life, but in many cases it is unnecessary. It has been brought to my attention that in supermarkets it is often cheaper to buy the packaged-up produce,

because it is on special offer, so buying a couple of avocados in a package might be cheaper than buying them loose. It seems ludicrous, but if people have to pay extra for loose produce, I understand why they feel inclined to buy the packaged produce, even if they are trying to avoid plastic waste. Do supermarkets not have a role to play in changing that?

**Steve Double:** The hon. Lady makes a good point. The amount of fresh-food plastic packaging that is created contributes hugely to the amount of plastic waste that we as a country produce. It is estimated that about 800,000 tonnes of plastic waste are produced by supermarkets selling food in plastic packaging to households.

I am sure that we all have a favourite fresh-food item that is packaged in unnecessary plastic. I will not steal the thunder of other hon. Members who will comment on theirs, but mine is the cauliflower. When I go to buy a cauliflower from my local supermarket, I am astounded that it is in a plastic wrapper that does not even completely wrap it, so it cannot be argued that it is keeping it fresh. I am pretty sure that it is there simply for the supermarket's convenience, so it can put a barcode on the wrapper. There are many examples where plastic is used not to keep the product fresh but for the supermarket's convenience in transport and display. In those cases, a lot more could be done to reduce the amount of plastic packaging.

Another important factor is the change in British shopping habits. A few years ago, most of us would go to the supermarket once or perhaps twice a week and buy enough for several days, but according to many reports, two thirds of UK shoppers now visit the supermarket at least once a day. Many people shop daily, on their way home from work, to buy food for their meal that evening. Buying food that will stay in the house for several days and has to be kept fresh is no longer necessarily the key driver that it used to be for British supermarket shoppers.

I am greatly encouraged by the awareness and understanding of this issue among our young people. I often visit the local schools in my constituency and I am always pleasantly surprised by young pupils' understanding of the issue of plastic waste, and the need to be responsible and to reduce the amount of it. That came through in the work that the House of Commons outreach and engagement team carried out in the lead-up to the debate. The team sought to engage with the public, particularly young people, to seek their views, and of the 1,000 students from 19 different schools that it contacted, 76% agreed that supermarkets should offer plastic-free options for fresh produce, and about half said that reducing plastic packaging was one of the biggest ways that we could reduce the amount of plastic waste. I thank all the students and schools who engaged in that process and helped us to gather those views. We appreciate their input.

**Mr Sheerman:** Parliament has conducted an excellent education process. I visit schools to talk about the subject too, but it is complex. For children and adults, looking at what comes into the house and goes out through the kitchen is difficult. They have to look so carefully at what is recyclable and what is not. Companies such as Tetra Pak, the global company from Sweden, have made it even more difficult. Clarity about what can be recycled is surely at the heart of education.

**Steve Double:** I agree with the hon. Gentleman that complexity is part of the challenge. Supermarkets can help by ensuring that as much as possible of the plastic packaging they use is recyclable, and that if it is not, it is clearly labelled accordingly. That would help households and consumers to make informed decisions. Consumers are key to the process. The Government can perhaps do more to reduce plastic waste from food packaging, but ultimately consumers will drive change by making informed choices and by making the responsible choice—whenever they are given a choice—of the option with the least amount of packaging, and of plastic-free packaging if possible.

Many supermarkets have sought to take action. I believe that much of that has been driven by consumer choice and by consumers' desire to reduce the amount of plastic packaging, and we should welcome that. In September, Lidl announced that it would cease to use black plastic packaging on fruit and vegetable products by the end of that month. As we know, recycling black plastic is challenging. Morrisons, the fourth-largest UK supermarket chain, announced in April that it will bring back traditional brown paper bags for its fruit and veg aisle as part of a range of measures to cut plastic waste. I am sure many of us read the reports over the weekend that a north London supermarket is the first independent supermarket in the country to introduce plastic-free aisles, and is now calling on others to follow its lead. There are signs that retailers are starting to get the message that consumers want less plastic waste from their food packaging. I encourage all consumers who feel strongly about this matter to continue to drive home that message.

I believe that there is a role for the Government, but most of the change will come from the consumer. The introduction of the 5p charge for plastic bags shows that the Government can nudge people to make the right choices. We can use a combination of carrot and stick to drive good behaviour from retailers, with the threat of taxation if steps are not taken, but there are other measures that could be used. One idea I would like to explore is a reduction in business rates if retailers commit to reduce the amount of plastic in their packaging. That is just one way of encouraging the right behaviour from retailers.

We in Parliament clearly have an important role to play in setting an example. We have started to do that by taking steps towards a plastic-free Parliament and reducing the amount of single-use plastic in this place. It is important that parliamentarians continue to set an example and take a lead for the rest of the country to follow.

**Kerry McCarthy:** The hon. Gentleman and I are both involved in the protect our waves all-party parliamentary group, which deals with ocean conservation, so he knows that Surfers Against Sewage did brilliant work in pushing for a plastic-free Parliament. The sauce sachets have disappeared, and that is partly down to Surfers Against Sewage. I have got my plastic-free Parliament water bottle, which it provided. I think it will be giving them to all MPs. If hon. Members have not got one yet, they should try to get hold of one—they are free. Advert over.

**Steve Double:** I thank the hon. Lady for that intervention. She has stolen my point. I was going to praise Surfers Against Sewage, with which we both work very closely,

for the significant role it has played not only in advancing a plastic-free Parliament, but in mobilising people across the country. It clears up plastic in our seas and on our beaches, raises public awareness and provides education in schools to drive home the message that we cannot continue to use and dispose of plastic as we have done in recent decades. I join the hon. Lady in congratulating Surfers Against Sewage for its excellent work.

**Graham Stringer:** The hon. Gentleman is being very generous in giving way. May I make the blindingly obvious point that we could immediately get rid of disposable plastic cups? It is a slight embarrassment in a debate like this that most of us are drinking out of them.

**Steve Double:** I think the one that the hon. Gentleman is holding up is biodegradable. There has been a commitment to use up the current stock of single-use plastic items and replace them with biodegradable ones. That is part of the single-use, plastic-free measures.

**David Hanson (in the Chair):** Order. Plastic is not being used to wrap fruit and vegetables at the moment.

**Steve Double:** I take the point, Mr Hanson.

We must get the message across to retailers—particularly food retailers—that there is growing demand among the public to reduce the amount of plastic used in packaging our food, and particularly the plastic that is used unnecessarily to wrap our fresh fruit and vegetables. Parliament should continue to set an example, but I encourage the Government to take more action. I look forward to the Minister's comments about the measures the Government can take to encourage responsible behaviour and reduce plastic packaging and plastic waste, which damages our environment.

I am happy to have introduced this debate. I am sure there will be some interesting contributions. There is a clear message from the public, and we must take notice of it.

4.56 pm

**Tulip Siddiq (Hampstead and Kilburn) (Lab):** I thank the hon. Member for St Austell and Newquay (Steve Double) for his speech. He expressed many of the sentiments that I was hoping to express, but there is always repetition in debates. I am glad we all agree that we need to reduce the amount of plastic used in supermarkets.

As the hon. Gentleman said, the world has manufactured more plastic in the past decade than in the whole of the previous century. That is a startling fact. In 2015 alone, 292 million tonnes of plastic was produced, and that figure is expected to double by 2025. An estimated 12.7 million tonnes ends up in our oceans each year. Even more startlingly, that figure is expected to triple.

As the hon. Gentleman said, plastic never degrades completely, and it becomes part of our water supply. The UK's tap water is now 72% contaminated with plastics. The public are more aware than ever of the problem, which is why this petition is so important. People are rightly demanding action.

Some 82% of people in the UK are worried about the impact of plastic pollution in our oceans. My constituents in Hampstead and Kilburn share those concerns and

[Tulip Siddiq]

relate them to me daily. They do not want future generations to grow up in a world in which there is more plastic in the ocean than fish.

Last week, I was proud to hear that Belsize Budgens in my constituency has shown serious leadership and announced dramatic cuts to its plastic packaging, at no extra cost to its consumers. I hope other supermarkets around the country will follow suit. I am pleased that the two borough councils in my constituency take recycling, which is obviously linked to the amount of plastic we use, very seriously. Camden Council has committed to boosting its recycling rates to 40% by 2020, and its recycling reward scheme, run in partnership with Local Green Points, has been shortlisted for two national recycling awards. Brent Council, which is also in my constituency, recycles 36% of its waste and is in the top half of London boroughs for recycling.

We should applaud that good news, but recycling is only part of the solution, as several hon. Members said.

**Jim Shannon** (Strangford) (DUP): The hon. Lady is absolutely right that recycling is only part of what we should do. We all recycle in our own homes. In my house, recycling has overtaken the disposable stuff in the black bin—the blue bin has overtaken the black bin. Does she agree that one thing that has happened is that we have started to educate children at a very early age—at primary school and secondary school—and they take that back home to their parents? If we have an education programme, we have a good chance of changing the thoughts of everyone in the country through our children.

**Tulip Siddiq:** I thank the hon. Gentleman for that intervention. I will mention schoolchildren later in my speech. It is important that we educate children and put recycling into the education system—I grew up not learning anything about recycling—so I will call on the Minister to do that.

Plastic can be recycled only a finite number of times. Recycling stems the tide of plastic waste going into landfills and oceans, but it will not completely stop it. We must acknowledge that recycling is expensive. Our cash-strapped local authorities spend £700 million a year collecting and treating packaging. Much plastic waste, including the film that is often used for fruit and vegetables, which the e-petition alludes to, is not currently recyclable.

The hon. Member for St Austell and Newquay mentioned checking cauliflower packaging. I always check avocado packaging before I throw it in the bin, and it says it is not recyclable. We buy things that tend to be cheaper or say they last longer because they are in packaging, but when we go to do our bit to try to save the environment by recycling that packaging, it turns out that we cannot. My hon. Friend the Member for Bristol East (Kerry McCarthy) mentioned that in supermarkets across the country, fruit and veg sold without packaging tend to be more expensive than packaged fruit and veg. I have certainly found that. That seems to be a contradiction, which should be looked at.

Some people suggest that rather than cutting down our plastic use, we should change the plastic we use. Bioplastics such as polylactic acid have been touted as a solution. They are made from maize, sugar cane, wheat and other crops, and are said to be compostable. However,

such forms of plastic are not the magical solution that they appear to be. For a start, they can be composted only at specialist centres—importantly, they are not compostable for the vast majority of people—so it is not easy to ensure that we put them in the right place, and they take between 100 and 1,000 years to biodegrade in landfill. I think it is safe to say that if we go down the route of using those different kinds of plastic, none of us will be around to see them biodegrade.

Every time such alternative solutions are offered, we should think clearly about their implications. Crops such as corn require huge amounts of land, risking deforestation. That threatens our environment, our wildlife and our planet, which is already under threat. Technologies are developing and more environmentally friendly solutions are appearing all the time. Seaweed-based and even edible plastics may offer a better solution, but they may not be available for some time. On a planet with finite resources, we should be wary of replacing over-consumption of one kind of plastic with another.

The difficulties with those alternatives suggest that the real solution is dramatically to cut down our use of plastic, as the petitioners demand. As elected representatives, whichever fruit or vegetable we prefer—cauliflower or avocado—we need to support people to lead plastic-free lives and encourage future generations to realise the impact of plastic on the environment, wildlife and our planet.

With that in mind, will the Minister commit to increasing funding for plastics innovation? Will she work with local councils to improve recycling rates across the country, and with supermarkets to provide incentives for plastic-free packaging for fruit and vegetables? Will she commit to teaching children about the effects of using plastic and promoting a plastic-free life? Finally, can she give any update on the Prime Minister's pledge in January to eliminate avoidable plastic waste by 2042? Does the Minister agree that that deadline is wholly inadequate?

5.3 pm

**John Howell** (Henley) (Con): It is a pleasure to serve under your chairmanship, Mr Hanson. My hon. Friend the Member for St Austell and Newquay (Steve Double) and the hon. Member for Hampstead and Kilburn (Tulip Siddiq) set out clearly the environmental aspects of the issue. I will not repeat what they said, but I acknowledge the truth of what they said and the enormous impact that plastic has on our environment.

We had a bit of a tour of people's favourite fruit and vegetables—my hon. Friend mentioned the cauliflower and the hon. Lady mentioned the avocado. Let me add the cucumber to the list. My biggest bugbear with the cucumber is the plastic it is wrapped in. I do not know where my hon. Friend got his figure that most plastic lasts only minutes. It takes me minutes to get the plastic off the cucumber, let alone to dispose of it. I often end up having to extract bits of plastic from the salad I make with the cucumber because I was not able to get it all off.

The difficulty is that plastic plays an important part in the life of the cucumber. Without plastic the cucumber would probably last for a maximum of three days—that is the time it would take the water in it to evaporate—whereas with plastic it can last up to 14 days. I repeat what I said in an intervention on my hon. Friend: we need much more research and innovation to replace the sorts of plastics we currently use with new forms of covering that keep some of the characteristics of those plastics.



That leads to a number of other questions, including about the quantity of food we buy and the fact that there is little seasonality in the market. We can go out and buy anything the whole year round.

**Mr Sheerman:** I know that the hon. Gentleman knows a great deal about this subject. I beg everyone involved in this area to think holistically. We all know that we can get any fruit or vegetable at any time of the year, but it will probably have been flown 500 or 3,000 miles to get to our kitchen. I feel sympathy for him. I would hesitate to accept an invitation to eat a salad at his house. If he popped into a local farmers' market, he might find something a lot fresher with no plastic.

**John Howell:** I take the hon. Gentleman's point. I was going to invite him to dinner, but since that would be refused—

**Mr Sheerman:** As long as it's not salad, I'll come.

**John Howell:** That is fine.

The hon. Gentleman is right that by popping into a farmers' market one can get a cucumber raw, as it were. Like anyone else, I like to eat the things I like the whole year round, but I take the point that the economics of delivering them may mean they have been flown 3,000 or 5,000 miles. I question whether those economics are sound and sustainable in the long term. If that means I have to cut down on certain foods, I shall probably be none the poorer in health terms.

Turning for a moment from the cucumber to other fruit and veg, I notice that there has already been quite a development in fruit packaging, even in supermarkets. I think innovations have already been made in packaging for fruit, a lot of which is recyclable. Berries are a good example of that.

**Jim Shannon:** Most of us in the Chamber—there are a few exceptions—are probably of a vintage that means we can remember when everything was put in paper bags. The hon. Member for Huddersfield (Mr Sheerman) is right—there is a fruit and veg store on every high street and a farmers' market in every town, so there are still lots of opportunities in that respect. Does the hon. Member for Henley (John Howell) agree that we should look at what more we can do with recycled newspapers, for instance? The resulting paper product may well be the answer. We can look at changing how people shop, but there may also be ways of changing packaging.

**John Howell:** The hon. Gentleman is absolutely right. The way we look at this issue is important. My district council always does very well on recycling, but it needs to look at non-recyclable elements such as plastic, which represent its biggest cost.

**Mr Sheerman:** The hon. Gentleman touches on a very interesting area. Does he know that the evaluation we have done in the all-party parliamentary sustainable resource group looks at the quality of local authorities' management of waste management? I beg him to consider what has happened in Oxford. The whole place has been transformed by good management and the city now makes money out of recycling rather than its being a cost to the local ratepayer.

**John Howell:** I thank the hon. Gentleman for that suggestion. It is no problem at all for me to look at Oxford City; it is the next district council to mine. Both councils have very good recycling. I shall certainly look at that and see how it gets on.

I recently returned from a visit to Israel, and there were enormous markets everywhere with enormous quantities of fresh food and vegetables. People took along bags, ordered what they wanted—if they knew the seller very well, even feeling the product first—and simply put it in their bags. There was no packaging whatsoever. I do not yet claim to be so old as to remember some things, but I remember when that was the normal way of purchasing fruit and vegetables in my area. There is something about that that we should go back to.

When we go to markets overseas, there is an instant smell—almost as soon as we get off the plane—that is characteristic of that country and which comes, to a large extent, from the raw fruit and vegetables and the herbs and spices that are produced there. They are not wrapped up and placed where they cannot be smelt. Smell is an important part of the debate, because if we cannot smell a product, how do we know whether it is fresh or ripe? The colour is perhaps an indication, but I have always gone by smell and touch. Those two things are two very important things, and it is insane, therefore, that we use so much packaging, for the environmental reasons but also because of our experience of and relationship with food.

A number of options are available, one of which is to buy smaller portions. We do not need to buy eight tomatoes if we are perhaps going to use only four. I also like the idea of the boxes of vegetables that are produced. I know that they are relatively expensive, but the vegetables come unwrapped. They are all the better for that, and you can get a good feel for them.

I know that plastic has a role in keeping food fresh and keeping dirty hands off it, but it would still be nice occasionally to see vegetables with the soil attached, before taking them home to wash and cook them. Plastic keeps sweat away from the vegetables and prevents contamination, but there must be other ways of doing that, using technology to overcome the problem.

**Jim Shannon:** I thank the hon. Gentleman for his very important point. Housewives want to see nice, clean products, with no soil or other materials in the bag. I cast my mind back to when we were all young at home and my mum would get 10 half-hundredweight bags of potatoes—there was a big family of us. They came in October and sat in the coldness of the shed until the following March—the whole winter—when they were finished. How is it that that could happen in those days, but today we cannot even keep a potato for a week?

**John Howell:** The hon. Gentleman asks a very valid question. Research done in schools showed that no one quite knew where vegetables came from. No one had ever seen vegetables with soil on, so no one knew that they came from the ground. Everyone thought that vegetables always came from the shop, and no one had a clue about where they came from before that. That is terrible, in terms of our relationship with food. I like to think of myself as a great foodie, and I like to have a relationship with food. The hon. Member for Strangford

[John Howell]

(Jim Shannon) smiles and nods at me. He is very welcome to come and dine with me; I promise there will be no salad.

My hon. Friend the Member for St Austell and Newquay made the point that consumer must take the lead. After the initial flurry of interest that got consumers thinking, there is great fear that consumer interest may have peaked. We must ensure that that peak remains high and that interest in what is right continues. I am sure that many things can be done. Education and the role of children are vital in maintaining that interest, but we can all do a lot to set a good example. I was pleased to see the royal family taking a lead in banning single-use plastic from the palaces.

That is probably as much as I wanted to say in this excellent debate. I will certainly do all I can to encourage people not to use plastic, and I hope that my problems with the cucumber will be well and truly solved in the near future.

5.17 pm

**John Mc Nally** (Falkirk) (SNP): It is always a pleasure to serve under your chairmanship, Mr Hanson. I congratulate the hon. Member for St Austell and Newquay (Steve Double) on securing this extremely topical and very important debate. I admire his consistency on issues of environmental pollution and its effects on our everyday lives. His involvement with Surfers Against Sewage and many other organisations is to be commended.

The petition asks for supermarkets—we have not yet touched on the huge problem of commercial catering supplies—to offer customers an eco-friendly option of no packaging: a gesture of libertarian paternalism is required from major retailers, to offer their customers the choice of buying fruit and vegetables with or without plastic wrapping. Plastic-free aisles are a great nudge to focus all our minds on a waste and pollution-free environment. The petition has received nearly 125,000 signatures, and the number is growing, which shows that a great many people are very concerned about the issue.

There are several recycling initiatives out there, looking at how to recycle different products. That is always good to observe and hear about. For example, some companies are making efforts to solve their own packaging problems. Recently, the huge brand name of Kellogg's announced a scheme whereby Pringles tubes can be posted to TerraCycle using freepost labels. Additionally, Colgate and TerraCycle have announced the launch of a Colgate oral care recycling programme, which is an interesting development. At face value, they seem to be good initiatives, but then confusion enters the dialogue.

Confusion comes by way of Simon Ellin, the chief executive officer of The Recycling Association, who has described the schemes as a fudge that does not solve the issues. The statements and initiatives are confusing and contradictory, and they prompt the question of whether the organisations are unable to have difficult conversations with one another. Do the Government have to initiate or host talks between these important corporations and organisations to resolve the aforementioned issues? I look forward to the Minister telling us whether she hosts any conversations between those organisations.

**Steve Double:** I thank the hon. Gentleman for his kind comments. He has highlighted some of the difficulties with recycling, which I think we understand, but does he agree that, for those reasons, focusing on reducing the amount of plastic used in the first place is better than trying to recycle what is used?

**John Mc Nally:** I agree with everything the hon. Gentleman has said, and I will come to that point later.

Plastic food packaging that is not recycled is costing Scotland an estimated £11 million annually. That needs to change, and the Scottish Government are taking appropriate measures to address that problem. I congratulate the Westminster Government on following the example of the devolved Governments by, for example, introducing a plastic bag charge. Wales introduced a charge in 2011, and over the first year that the ban was in place, it achieved a 71% reduction in the number of bags used. Northern Ireland achieved a two-thirds reduction in bag use over the first year. Scotland achieved an 80% reduction in bag use in 2014, and after England introduced its 5p bag scheme, it achieved an 80% reduction in the first six months. Those are all good strides forward, and the absence of blue bags on our streets is probably the most visible achievement. We do not see those bags anymore.

**Mr Sheerman:** Does the hon. Gentleman agree that, faced with the dreadful dilemma of global warming, a plastic bag charge is a small part of what we can do? We are in the foothills. Should we not raise our game and look at the environment in the holistic sense? At least we should have a Government who see the damage. The hon. Gentleman knows, as I do, that we in this country were still burying our waste in holes in the ground until we became members of the European Union, which made us stop. As we come out of the European Union, we are going to be dragged back into the dark ages.

**John Mc Nally:** Again, the hon. Gentleman makes good points. I assure him that we on the Environmental Audit Committee were warned about becoming the dirty man of Europe once again, and I hope that we will be given a reassurance today that we will not go down that path. I share the hon. Gentleman's anxieties. We are at a pivotal moment when we can change these things, and the world is with us—probably through the work of the great David Attenborough, who has beautifully highlighted all the problems. I ask the Minister to reassure us that all retailers, rather than just a select few, will be charged accordingly, as happens in all the other home nations.

In 2017, the Scottish Government launched an initiative to develop a fit-for-purpose deposit return scheme to tackle everyday waste problems, such as single-use plastic and single-use items that are disposed of. I praise the UK Government for attending the summit in London in July this year, organised by the Scottish Government, to discuss how the home nations can co-operate to develop deposit return schemes that are fit for purpose, and nudge everyone into better habits when disposing of plastic and single-use items.

**Mark Pawsey** (Rugby) (Con): I apologise for arriving late to the debate. Does the hon. Gentleman agree that the deposit return scheme involves substantial investment in reverse vending machines, costing upwards

of £10,000, £15,000 or even £20,000, and that we would be better off spending that money on improving our recycling infrastructure to get more products recycled, which is what we all want?

**John Mc Nally:** The hon. Gentleman makes a good point, and there are two sides to the argument. We have to start somewhere—that is a certainty—and the way we are recycling at the moment is not the best way, which is a point that I hope to touch on later. I know that deposit retail schemes involve some complicated systems, but there may be ways to make them commercially viable that would get more people involved.

**Mr Sheerman:** Let's do them both.

**John Mc Nally:** Exactly—why not do both? We would like to hear how those schemes can be developed, and that will have to happen across all the home nations and probably across the whole world.

We are all aware that there is a problem with how we dispose of, for example, plastic cotton buds. Those have been banned for years in America, but we are still using them here, which is unacceptable. As chair of the all-party parliamentary group on flood prevention, I know those buds are a constant problem: they are used in schools and colleges, they go down waste pipes and plug holes, and they cost a fortune. They cause problems, including for insurance companies, so at the end of the day we all have to pay for them. Those problems are totally avoidable. We do not need those buds, and action has to be taken. In Scotland, we are trying to ban the manufacture of plastic stem cotton buds. We announced our plans in January this year, and the UK Government followed in October. I believe that Wales is behind in this area, which is surprising: it has been leading on a lot of these policies, but it is behind the curve in this area.

I have visited supermarkets and other retailers in my constituency of Falkirk. They all recognise the need to reduce the quantity of plastic used in packaging for the sake of sustainability, and without a doubt customers also feel a desire to reduce the amount of plastic packaging they buy. Although that is a challenge, it could ultimately be a win-win situation for retailers: they could improve sustainability and cut packaging costs.

Those retailers are tackling that problem in creative ways, which is extremely encouraging. For example, they are seeking to eliminate the use of black plastic, so the plastic they do use can be easily sorted and recycled. Familiar items such as milk bottles and plastic trays are being redesigned to make them lighter, increase the use of recycled plastic in their manufacture, and eliminate the use of unnecessary and unrecyclable items.

However, I visited Dobbies in Perth last week—I was at a funeral in that city, and went for a cup of coffee with my wife—and there was an advert on a screen about how to use plastic when building up Christmas decorations. I thought, “How on earth can they be doing that in this day and age?” That should not have been on the screen at all.

Falkirk Council is phasing out single-use plastics in its offices and introducing initiatives to help communities recycle. TerraCycle, a UK-wide company, is helping communities arrange convenient pick-up points for recycling. Through Keep Scotland Beautiful and Zero Waste Scotland, the Scottish Government have funded

initiatives such as Revive Falkirk, teaching people what they can do to reduce food waste and make low-carbon dietary and life choices as well as the skills they need to upcycle or repurpose discarded goods.

Small, often family-run companies such as Forth Valley Recycling & Packaging and Nathans Wastesavers in my home town of Denny are establishing themselves at the forefront of this new economic sector. The many ethical companies across Scotland and the UK need certainty that standards will be maintained and aligned post-Brexit. Will the Minister comment on whether the new policies that are coming forward will be aligned to those standards?

Plastic packaging is only part of the story. Making a concerted effort to effectively tackle this problem requires addressing issues such as fly-tipping and lack of public waste infrastructure—what we on the Environmental Audit Committee have called “binrastructure”. It surely cannot be beyond the wit of manufacturers and local authorities across the UK to harmonise colour-coded bins to match colour-coded products. Why can we not have a green label to match a green bin, an amber label to match an amber bin, and a red label to match a red bin, as the hon. Member for Huddersfield (Mr Sheerman) touched on earlier? It is so confusing; nobody seems to know what to do when they get all their material together. We need to prevent waste going into our bins unnecessarily.

Last year, environmental prosecutions in England were at a record low. Responsibility for that was laid at the feet of local authorities in England, while simultaneously, those authorities' funding was being slashed. That is short-termism at its absolute worst. The UK could learn a lot from Scotland's collaborative approach, bringing together enforcing agencies and other stakeholders to tackle fly-tipping. The Scottish Government set up a national Environmental Crime Taskforce in 2013, which co-ordinates the efforts of local authorities, regulators, police and other stakeholders in tackling environmental crime, including waste crime. There are tools, and there is guidance to support them. For example, Zero Waste Scotland has created the FlyMapper tool for local authorities and land managers, which lets stakeholders report and map fly-tipping, identifying growing “grot spots” in real time.

Those are all good initiatives, but the petition to stop waste and plastic misuse gives a better option for the consumer by highlighting the need to prevent the problem from happening in the first place by going to the source: the manufacturing stage. I love that the petition acknowledges that change is required and suggests that supermarkets be put under scrutiny to ensure they are taking their corporate responsibilities seriously. That would be welcome.

To finish, I want to offer something personal. In my family, we like dirty carrots. My mother is 97, and when I go out she wants dirty carrots brought back. She does not want anything wrapped in plastic. We try to do exactly the same: we use locally grown produce, particularly from farm shops, markets and our local independent greengrocers. It is good practice. We know it cuts down on emissions and helps the local economy thrive. I am all for enabling local, independent greengrocers to thrive.



5.30 pm

**Sandy Martin** (Ipswich) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson. I congratulate the hon. Member for St Austell and Newquay (Steve Double) on leading an excellent debate and bringing it to the Chamber today. As he says, pollution from plastics is one of the biggest global pollution issues of our time. Although Britain is not alone in producing and using plastics, I believe that this country can and should be a beacon of good practice. What we in the developed world do will have real influence on what happens in the rest of the world.

The hon. Gentleman took an intervention from my hon. Friend the Member for Blackley and Broughton (Graham Stringer) on having proper checks on our plastics exports, and I welcome the hon. Gentleman's commitment in respect of alternatives for packaging and reductions in the amount of packaging. In particular, I welcome his support for the points that my hon. Friend the Member for Huddersfield (Mr Sheerman) and the hon. Member for Strangford (Jim Shannon) made on education and simplifying packaging, so that we can maximise recycling.

I also welcome the speech made by my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq). We are all well aware of the news that has come out about plastic contamination of tap water. Alongside our worries about the natural world, public health worries are at the forefront of public concern about plastic pollution. It is leading to a real public move towards doing something about the scourge. I reiterate what my hon. Friend said about Camden Council's recycling rewards scheme. Will the Government investigate using national financial incentives to roll out best practice across local authorities? Whatever we do about recycling and waste minimisation, it has to be done with central Government working in conjunction with local authorities. Whatever we do must be founded on knowledge and a scientific appreciation of what happens to different types of plastic. We need the Government to take a lead on that.

The hon. Member for Henley (John Howell) mentioned cucumbers. I must admit that at first I assumed that he was saying that cucumbers do not need to be wrapped at all. I have a greengrocer just across the road from me in my constituency; none of its cucumbers are wrapped, and I have never seen a rotten cucumber there. The hon. Gentleman may well be right that cucumbers last a bit longer when they are wrapped up, but plenty of fruit and vegetables do not last longer wrapped. I have always thought that bananas come in the perfect natural wrapping and really do not need additional wrapping, and I suspect that in many other cases wrapping contributes nothing to the fruit or vegetable's keeping.

**Mark Pawsey:** In fact, cucumbers are probably an example of the most effective use of polythene wrap. It is a tiny amount of packaging, but it can prolong the life of a cucumber by up to 10 days. The hon. Gentleman says that he has not seen cucumbers in plastic wrapping, but he will almost certainly have seen significant amounts of food waste where fruit and vegetables that are not appropriately wrapped are allowed to rot.

**Sandy Martin:** I think the hon. Gentleman misunderstood me. I said that I had not seen cucumbers wrapped in plastic at my local greengrocer; obviously in supermarkets

they are. My suspicion is that that is because the cucumbers in my local greengrocer never stay there for more than a day, as he only gets in as many as he is going to sell.

**John Howell:** If the hon. Gentleman has ever seen bananas growing in plantations, he will have seen that the fruit is wrapped in blue plastic bags to keep animals and insects away from it. Its natural state is not always enough.

**Sandy Martin:** I thank the hon. Gentleman for that. I have actually seen bananas growing in their natural habitat; not only that, but I helped plant them out, maintained irrigation systems and chopped the plants down at the end of the year when they were finished and the new sprouting plant needed to grow up. I have eaten bananas fresh off the plant, as well. That was in the 1970s, and I have to say that the bananas were not wrapped up in blue plastic and did not seem to suffer much as a result. I very much agree, however, that we need more research into what does and does not work and how we can ensure that best practice is used to reduce waste, not only of plastic but of the thing being wrapped.

The world faces a pollution crisis from plastics. Some 400 million tonnes of plastic will be produced this year; as we have heard, it is estimated that 12 million tonnes of that will end up in the ocean, and the problem continues to grow. Pollution is not the only problem; the use of plastics contributes to climate change, as most plastics are made from fossil fuels. Approximately 6% of global oil production is used for making plastics, and that figure will grow. The Chinese plan to increase their use of coal as the main feedstock for plastics, and the US has extensive plans to increase the use of shale gas extracted by fracking for making plastics. According to DEFRA's modelling, in 2017 the UK's 42 incinerators released a combined total of nearly 5 million tonnes of CO<sub>2</sub> from the incineration of fossil-based materials, predominantly plastics. Even if the incinerator generates electricity, burning plastic in an incinerator produces around 2.5 times less useful energy output for that CO<sub>2</sub> than would have been obtained from the direct use of the original fossil fuel as fuel.

Public awareness of the issue is strong. I urge the Minister to consider that the time for action is now. The Government could make a regulation now that met the demands of the petition, which has about 125,000 signatures. A further petition organised by Friends of the Earth calling for Government action on plastics pollution now has 187,000 signatures. Any action must deal with the actual problems. If we are to have effective action, we need to understand what the problems are.

In response to the petition, the Government say:

"Packaging has an important and positive role to play in reducing product damage, increasing shelf-life, and reducing food waste."

However, plastic packaging on fresh fruit and vegetables may contribute to food waste: by offering a fixed packaged quantity, people may be induced to buy more than they need, as the hon. Member for Henley mentioned. Also, the amount of waste may be disguised. Rather than damaged food being thrown away by the supermarket, the customer may well find damaged fruit or vegetables inside the plastic packaging and then throw them away in the household. Also, I question whether most fresh fruit and vegetables are given an enhanced shelf life by being wrapped in plastic.

Even when fruit and vegetables are offered loose to the general public, often the only way of taking them to the checkout is in plastic bags because no paper bags are provided. I support the comments made by my hon. Friend the Member for Bristol East (Kerry McCarthy), who is no longer in her place. Providing paper bags for people to choose to use if they want to avoid using plastic is something that every supermarket could do. I am glad to hear that Morrisons is doing just that.

The Government have promised,

“a four point plan taking action at each stage of the product lifecycle—production, consumption and end of life.”

However, recycling is only a part of any solution to the problem of plastic. Eunomia, working for Friends of the Earth, estimated that only 9% of all plastic ever produced has been recycled. *The Guardian* has published estimates that about 800,000 tonnes of plastic packaging waste each year emanates from supermarkets, so our No. 1 priority must be to reduce the amount of plastic used in the first place. The best way to start is to identify applications that are unnecessary, and I suggest that wrapping fresh fruit and vegetables in plastic is one such application.

Local Government Association analysis published on 4 August 2018 suggests that only a third of plastic used by households is capable of being recycled. Most waste collection and sorting systems are unable to deal with film and bags, which are the main plastic items associated with the sale of fresh fruit and vegetables, so the expectation is that almost none of the plastics that the petition addresses are recyclable. The answer, surely, is to prevent them from being used in the first place.

What do the Government intend to do? Labour will support actions that reduce harmful pollution from plastics, but I am not clear that the Government know what those actions might be. Will a tax on packaging with less than 30% recycled material actually reduce the amount of plastic getting into the environment? I am not sure. We have still to see the details. Whatever the Government do, they need to act before 2022, when the proposed “30% or less” tax would be implemented, if they are to meet their stated aim to recycle 70% by 2025 and eliminate plastic by 2042.

The Government also talk about encouraging voluntary selective plastic-free aisles in a small number of supermarkets. Of course that would be a good step forward, but it is not enough. When *The Guardian* surveyed the major supermarkets, none was willing to commit to setting up plastic-free aisles, despite the Prime Minister’s optimism last week, and only two supermarkets—Aldi and the Co-op—were open about the amount of plastic packaging that they put on to the market.

**Mark Pawsey:** The hon. Gentleman has already talked about the large number of people who are concerned about the plastic used in supermarkets, but supermarkets do what their customers want. Why does he think supermarkets have used plastic packaging as they have?

**Sandy Martin:** I do not agree that supermarkets do what customers want. They do whatever will induce the customer to purchase the majority of their food at the supermarket. Plastic is not necessarily what people want if they are given a choice, but very often, as has been said, customers in a supermarket do not have a choice, so we cannot say that the supermarket is doing what the

customer wants. Clearly, if customers do not have a choice, they take what the supermarket offers them. For instance, when I go into a supermarket to buy some of my fruit and vegetables, I normally do not have a choice as to what bag to put them into. I do not put loose tomatoes into a supermarket shopping trolley; if I had a paper bag to put them in, I would put them into that, but if there is only a plastic bag, perforce I have to put them into that.

**Mark Pawsey:** Would the paper bag provide the protection for the tomatoes that the plastic tray with the cellophane wrap provides?

**Sandy Martin:** I do not believe that tomatoes need that level of protection. If one treats them carefully, as I always do when I am in a supermarket, I put them into a bag, and there is no way that a paper bag would provide less protection than a plastic bag. However, the paper bag is compostable and the plastic bag is not.

We need the forthcoming environment Bill, promised by the Prime Minister in July this year, to contain clear actions for dealing with plastics based on comprehensive knowledge of current problems and science-based understanding of the impacts. We are waiting to hear what the Government propose to do to ensure that the environment Bill contains effective measures to combat plastics pollution.

Too often we have seen half-hearted and piecemeal gimmicks from the Government. What is needed is wholesale, systemic change. In the meantime, I urge the Minister to take the petition seriously and to consider whether a mandatory requirement for fresh fruit and vegetables to be made available without plastic packaging would be desirable and possible.

5.45 pm

**The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey):** It is a pleasure to serve under your chairmanship, Mr Hanson. I thank my hon. Friend the Member for St Austell and Newquay (Steve Double) for presenting the debate. I repeat his congratulations to Edmund Pendrous on tabling the petition. I welcome the hon. Member for Ipswich (Sandy Martin) to his place. I believe it is his first contribution to a debate from the Front Bench. I am sure he will continue speaking in that role for some time on a variety of topics in which I know he has a particular interest.

I tend to respond by outlining the steps the Government are taking on the issues raised, but I am conscious that Members have talked today about a much wider variety of matters than were raised in the petition. The important issue of plastic waste is recognised by people across the country and around the world, so we in government will continue to do whatever we can to reduce avoidable waste and plastic pollution. I am confident that the Government will do many things, although I might have to disappoint some Members today because some of those things will emerge from the resources and waste strategy, which we intend to publish soon.

The Government share Members’ concerns. In answer to the hon. Member for Hampstead and Kilburn (Tulip Siddiq), we set out in the 25-year environment plan our ambition to achieve zero avoidable plastic waste. That

[*Dr Thérèse Coffey*]

does not mean that everything waits until 2042—she will be aware of some of the actions that we are already taking on microbeads. The hon. Member for Falkirk (John Mc Nally) is right that it was the Welsh Government who initiated the concept of a levy on plastic bags, which we then adopted in 2015, and there has been a huge response to that around the country. We are undertaking other activities that might be small steps in the minds of some people, but are important in sending a clear leadership message, which is having an impact not only in this country but in other parts of the world.

The UK uses about 5 million tonnes of plastic every year, half of which is packaging, and demand for the material continues to rise. We particularly want to reduce demand for single-use plastic items, promote better use of materials in circulation, and increase the volume of plastic sent for recycling.

As I indicated, we have introduced certain measures already. We are looking at the deposit return scheme, which the hon. Member for Falkirk referred to. He is aware that the four nations are discussing that matter. From a consumer and industrial perspective, it would make sense to agree one scheme, but we do not want to hold up other nations that consider themselves more advanced in developing the scheme. I am having a meeting next week with Ministers from Wales and Scotland and with officials from Northern Ireland to see how far we can progress that. We recently launched a consultation on plastic straws, drink stirrers and plastic-stemmed cotton buds. We know that industry has responded well already, but going further will eliminate the availability of such items. However, we have some exemptions with regard to disability issues and a specific issue regarding the Home Office.

My hon. Friend the Member for St Austell and Newquay referred to the important measure announced in the Budget to introduce a specific tax for products containing less than 30% recycled plastic, if companies come forward in future with such products. That will stimulate a market for recycled plastics. At the moment, we are talking about two kinds of plastic that have a market in this country. Of course, plastics can be sold abroad, and we take advantage of such opportunities. Some of those markets are closing in terms of quality—probably the most prominent example is China—but other countries want our plastic to create packaging, which they often then use to send products to this country.

The timeframe that we give to manufacturers to make the adjustment and to do the research and innovation so that they can switch is important. At the moment, a good example is the classic plastic milk bottle, which has been carefully designed to try to reduce the amount of plastic and the amount of carbon generated as a result. However, owing to food safety issues it needs to have a certain kind of virgin plastic in order to prevent leaching of plastic into the milk. There are certainly areas where research and innovation are required, as has been said multiple times by hon. Members. That is why we have already announced the £20-million plastics research and innovation fund, to which we have added a further £20 million—£10 million specifically for research and development, and £10 million for getting better at ensuring that plastic that is used is recycled in a variety of ways.

Reference was made to products such as plastic cups, and the topic of biodegradable plastics came up a few times. We need to be careful about compostable and biodegradable material and ensure that any future infrastructure will be able to deal with such material appropriately, because at the moment the majority of infrastructure in this country is not set up to deal with it. Certainly people cannot just put anything that markets itself as compostable into the compost tips in their gardens; it needs to be processed in a particular way, on an industrial scale.

It is a bit like some of the challenges that some coffee cup retailers have been experiencing. At the moment, a plastic liner remains an element. It is possible to recycle those products, and there are about four of five places in the country that do it; the challenge is how we get the cups back to those recycling places. Of course, for other sorts of cartons there is really only one place in the country where recycling can be done. So far, councils seem to have been a lot more effective at using household recycling to get those products there.

**Mark Pawsey:** Does the Minister agree that were a manufacturer to place on the market a material that is incredibly low cost in use and capable of being coloured in a variety of colours, manipulated into all sorts of shapes, and recycled, we would hail it as a wonder material, rather than denigrating it, as has seemed to be the case in much of this afternoon's debate?

**Dr Coffey:** I know my hon. Friend feels passionately about this subject. It is important not to demonise plastic entirely, but we need to consider taking the holistic approach to the environment to which hon. Members have referred. I understand what he says, but at the moment there is not a huge market for some of the products that are technically recyclable. That is what we are trying to change and to stimulate.

I have already referred to the tax that was announced in the Budget. We also intend to reform the packaging producer responsibility system, which will increase producer responsibility for the cost of all their packaging waste, including plastic. The system will provide an incentive for producers to design packaging that is easier to recycle and will penalise the use of difficult-to-recycle packaging.

Recognising the global challenge, the Prime Minister announced an unprecedented package earlier this year at the Commonwealth summit. We have come together with other Commonwealth nations to establish the Blue Charter, and the United Kingdom and Vanuatu are co-chairing the Commonwealth Clean Oceans Alliance. About £66 million of UK aid has been made available to boost global research and to help countries across the Commonwealth to stop plastic entering the oceans, which was one of the key motivations behind today's petition.

As part of the package of support, this September we launched the Global Plastics Action Partnership alongside the Canadian Government to help to deliver on those goals. The partnership will bring businesses, Governments and other organisations together to develop country action plans to address the plastics problem. Companies such as Coca Cola, PepsiCo and the Dow Chemical Company are already supporting it, and several others are in discussions. We have invested £2.4 million in that initiative alone; the funding has been matched by the Canadian Government, and we believe that further commercial partners will come on board.



As my hon. Friend the Member for Rugby (Mark Pawsey) said, one of the challenges of plastics occurs when they leak out of the system. Addressing the problem is not solely about eradication; it is clearly also a question of management. However, we need a shift in how we think about how to reduce avoidable waste. One of the things that has been said today is how much consumers need to change their behaviour. I agree that we need to get consumers themselves to consider changing their behaviour, but we know that retailers are a key way of getting them to do that, as are manufacturers.

The convenience of getting all of one's shopping in the same place has been a big driver for supermarket shopping, as opposed to visiting a local greengrocer or going to the market, so we want retailers to act responsibly. We are working with them and the Waste and Resources Action Programme, WRAP, to encourage efforts to reduce waste and to explore the introduction of plastic-free supermarket initiatives in which food is loose, giving consumers the choice.

WRAP and the Ellen MacArthur Foundation launched their plastics pact with support from the Department for Environment, Food and Rural Affairs and 80 businesses, including some non-governmental organisations and service providers. The pact aims to make all plastic packaging reusable, recyclable or compostable by 2025. Participants will also work together to recycle or compost 70% of plastic packaging, while striving to eliminate single-use plastics. A week or so ago, we also supported the Ellen MacArthur Foundation's new plastics economy global commitment. We are one of just a handful of Governments that have signed up to that. It is important to lead by example and support such important global initiatives.

Returning to the debate about wrapping cucumbers or cauliflowers in plastic, such practices are an important part of innovation with regard to increasing shelf life and reducing food waste. I understand that the hon. Member for Ipswich is a bit sceptical about balancing the two, but keeping food fresher for longer through innovations such as vacuum packing and resealable packs has a significant impact on extending the life of many products and reducing waste. If a product is wasted due to insufficient packaging, the costs of disposal can often have a greater environmental impact than the packaging itself. We need to strike the delicate balance between the two. Food waste in itself is a huge environmental and financial issue. It is suggested that more than 10 million tonnes of food and drink waste arise annually in the UK after the farm gate.

We are taking a comprehensive approach to tackle the problem. With WRAP we launched the Courtauld commitment 2025 in March 2016. That brings together organisations right across the food system—from producers to consumers—to try to make food and drink production and consumption more sustainable. However, there may be opportunities where offering food loose may help to reduce plastic waste while not affecting shelf life. That is why we have worked with WRAP and retailers to explore the potential for introducing plastic-free initiatives. WRAP will publish a technical report on the evidence for providing fresh produce loose, and what the differences are.

Many examples have been referred to, and the cucumber is probably the classic one. My hon. Friend the Member for Henley (John Howell) might have been thinking of the Henley royal regatta and the many cucumber sandwiches that are consumed on those days. He will perhaps need

to talk to his local food providers, because if people know that they will get through a large number of cucumbers in one or two days, clearly plastic wrapping is not required. I appreciate that the cucumbers might get a bit bruised, but I think they are reasonably hardy.

The cucumber is probably the best example, which is why it is used so often. Instead of the shelf life being two to three days, it is extended to 12 to 15 days with packaging. Without revealing every element of the WRAP technical report, which is due to be published soon, the evidence suggests that there are other products where there is a real environmental improvement to be had from packaging. Those include soft fruits, cherries, berries, raspberries, salad leaves—the bags of salad that regularly get used when people do not feel that they have the time to deal with all that—herbs, grapes, spinach and cabbage. I have not found out about cauliflower, but I will, and I am sure that my hon. Friend the Member for St Austell and Newquay will read the report carefully. WRAP suggests that with those products, there is real evidence that packaging matters in extending the shelf life. The report indicates that there are some other products where it does not particularly make a big difference—carrots are an example.

[PHIL WILSON *in the Chair*]

This comes back to consumer choice. I think that people have got used to picking up elements of this, and I am pleased to see that there have been initiatives; I have certainly noticed them in my local shopping experience. We are seeing a change, and the decision is now being given back to consumers for them to make a positive choice about, for example, using paper bags or collecting stuff loose, and whether produce can be conveniently grouped together—a bunch of bananas is probably the best example of that, as compared with trying to pick up six peaches.

One thing that I hope that the report will be useful in doing—we hope WRAP will publish this by the end of the month—is a bit of consultation, which will give both retailers and manufacturers an opportunity to consider the best way to take this forward, particularly with signatories to the Courtauld commitment and the UK plastics pact. Further to that, we are working with Morrisons to evaluate its current trial of selling uncut, fresh produce plastic-free or loose. The project will provide an independent, evidence-based appraisal of a plastic-free initiative and explore the effects on food waste of reducing plastic packaging. This will inform further retailer and supplier action under the Courtauld commitment and the plastics pact.

The hon. Member for Hampstead and Kilburn referred to a Budgens branch in Belsize Park, which I believe is a franchise run by Mr Andrew Thornton. Understandably, he recently received some good publicity for his commitment to try to reduce plastic packaging at Budgens and at his other store in Crouch End. There may be other suppliers available, but I want to flag this as a good, local example. I think that they are trying to do something that, as has already been alluded to, people see in their local greengrocer's. I am conscious that this is part of his community supermarket idea, which he, as the franchise operator, is bringing in to run under the broader Budgens brand.

Other retailers have made good progress with tackling plastics. Waitrose recently published two reports, one of which, on consumer research, highlighted the increase in customer awareness of plastic pollution. The other

[Dr Thérèse Coffey]

report is the Waitrose & Partners plastics plan, which has been published to communicate the company's commitment to eliminate unnecessary plastic and to explain how they are going about it, whether it is through packaging, products, customer engagement or across the supply chain.

There are opportunities and funding for innovation and redesign, which is important. The United Kingdom has signed up to the circular economy directive, and it is our intention to continue that; I think it is a really important way to proceed. We are ambitious about recycling rates, but many Members will be aware that we are sometimes driven by the weight system instead of by the actual issue, and I expect we will consider that in the future. We are committed to making those changes.

My hon. Friend the Member for St Austell and Newquay referred repeatedly to how youth have responded to the issue of reducing plastic packaging, and how they want solutions to be provided. I certainly agree with that. Black plastic has been discussed. Black plastic is recyclable, but not all councils have invested through their contracts in facilities that can identify black plastic as it goes through; there is a certain kind of pigment that can be picked out. One thing that we need to consider is how plastic is used in our food chain. There are reasons why black plastic is used. It is not just for image; it has a function, but there may be opportunities to use different things. By the end of the year, I expect retailers and manufacturers to propose a solution to improve the polymers and reduce the number of polymers that are used in a wide variety of products. Again, that is about trying to make it easier to recycle.

I am sure that many of us are lobbied regularly by our constituents about bin collections. We will have more to say on that in the resources and waste strategy, so I will hold off from talking about it further. I have largely managed to cover the points relevant to the petition that were raised today, but I want to say that we

are working with the industry, which has committed to implementing solutions. These matters are on track, but there are some difficult challenges to overcome in innovation, particularly in relation to drinks containers. One of the solutions that we have identified will be taken forward through the UK plastics pact and will ensure that all plastic packaging is recyclable by 2025.

I thank again the petitioners who signed this petition and helped us to have this important debate, and I thank my hon. Friend the Member for St Austell and Newquay for opening the debate.

6.6 pm

**Steve Double:** I want to sum up by thanking all hon. Members for their participation. Once again, I thank all the petitioners who signed the petition and enabled this debate to happen. I am sure this is an issue that we will keep coming back to—it is clearly something that many people care deeply about. There is an increasing awareness of the impact on our environment of the amount of plastic that we use and discard. I very much welcome the Minister's response, which clearly showed that the Government are grasping this issue. As has been said, it needs to be done in balance, particularly when it comes to food packaging: we need to balance environmental concerns with the benefits that plastic offers for preserving food and extending its shelf life.

I thank everyone who has participated today. I am sure that, as we continue to engage with the public and the industry and to take a lead as Parliament, we will continue to reduce the amount of plastic waste that we produce, which can only be a good thing.

*Question put and agreed to.*

*Resolved,*

That this House has considered e-petition 222715 relating to plastic-free packaging for fruit and vegetables.

6.8 pm

*Sitting adjourned.*

# Written Statement

*Monday 12 November 2018*

## HEALTH AND SOCIAL CARE

### Wales-England Cross-border Healthcare

**The Minister for Care (Caroline Dinenage):** My hon. Friend the Parliamentary Under-Secretary of State for Health and Social Care (Lord O'Shaughnessy) has made the following written statement:

Whilst delivery of healthcare across the border between England and Wales is collaborative and high-quality, the Government are aware of the problems that a significant number of patients living along the Welsh-English border have faced for a number of years in accessing healthcare in accordance with their rights under the NHS constitution. We are pleased that a new statement of values and principles, co-produced by NHS England, the Welsh Government and the local system is now ready for publication.

The new statement will replace the existing cross-border protocol, which was established in 2005, revised in 2013 and agreed between the Department of Health and Social Care and the Welsh Government with input from the system. This protocol outlined the process for residents

living along the Welsh-English border in accessing healthcare and which bodies were legally and financially responsible for these patients. Soon after the publication it was realised that the protocol did not comply with English law in that it did not safeguard the constitutional rights of English residents living along the border and registered with Welsh GPs—those residents were unable to exercise their rights to English standards in terms of waiting times for treatment and choice of secondary care provider. Since then, extensive work has been conducted on both sides of the border to ensure this is possible.

NHS England and the Welsh Government, working with clinical commissioning groups (CCGs) and local health boards (LHBs), have developed the new statement to replace the existing protocol and to address the issues that have arisen from it. The new statement allows patients to exercise their rights under the NHS constitution by being referred to a provider under contract with NHS England or electing to receive treatment in Wales, waiving those rights and accepting Welsh standards.

The Government are pleased that the process for producing the new statement has been collaborative across the border and has involved affected stakeholders to ensure it is acceptable and appropriate. We note the diligence by which constituency MPs, especially my right hon. Friend the Member for Forest of Dean (Mr Harper), have sought a solution and also commend the work by Action4ourCare to reach a way forward. We hope this statement of values and principles provides a long-term resolution.

[HCWS1076]





# Ministerial Corrections

*Monday 12 November 2018*

## ENVIRONMENT, FOOD AND RURAL AFFAIRS

### Badger Cull

*The following is an extract from the Westminster Hall debate on the Badger Cull on 6 November 2018.*

**George Eustice:** On costs, again we publish the figures every year. The 2018 costs will be published shortly, but those for previous years have already been published. Last year, the total cost of the cull was about £4 million, which covers policing, licensing and all the monitoring work done by Natural England.

*[Official Report, 6 November 2018, Vol. 648, c. 529WH.]*

*Letter of correction from the Minister for Agriculture, Fisheries and Food:*

An error has been identified in the speech I gave during the debate on the Badger Cull.

The correct statement should have been:

**George Eustice:** On costs, again we publish the figures every year. The 2018 costs will be published shortly, but those for previous years have already been published. Last year, the total cost of the cull was about £4 million, which covers policing, **and a further £2.6 million, which includes** licensing and all the monitoring work done by Natural England.

## FOREIGN AND COMMONWEALTH OFFICE

### Sexual Violence in Conflict

*The following is an extract from Foreign and Commonwealth Affairs questions on 30 October 2018.*

**Dr Caroline Johnson:** Given that the recent UN taskforce report highlighted appalling examples of sexual violence against Rohingya Muslims in Burma, I welcome the announcement that the Secretary of State made on his recent visit to Rakhine of increased support to victims of this terrible crime, but what can be done to increase the resources available to other conflict regions?

**Harriett Baldwin:** I thank my hon. Friend for welcoming the announcement and highlighting the work of that team of experts, who have now been deployed, **I think,**

**to 26 countries** on a wide range of cases, have helped to train 17,000 people to make sure that evidence is secured and have worked extensively on this important issue in a range of situations around the world.

*[Official Report, 30 October 2018, Vol. 648, c. 759.]*

*Letter of correction from the Minister for Africa:*

An error has been identified in the response I gave to my hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson).

The correct response should have been:

**Harriett Baldwin:** I thank my hon. Friend for welcoming the announcement and highlighting the work of that team of experts, who have now been deployed on a wide range of cases. **The Ministry of Defence has helped to train 17,000 people on this issue, and the team of experts has provided training** to make sure that evidence is secured and has worked extensively on this important issue in a range of situations around the world.

## TREASURY

### EU Customs Union and Draft Withdrawal Agreement: Cost

*The following is an extract from proceedings on an urgent question on EU Customs Union and Draft Withdrawal Agreement: Cost on 22 October 2018.*

**Ian Murray** (Edinburgh South) (Lab): The Minister has been asked five times to identify the figures for unemployment if we leave the customs union, so let us make it easier for him: will unemployment go up or will it go down?

**John Glen:** What I can say is that unemployment in this country is at a record low, demonstrating the coherence of this Government's economic policy.

*[Official Report, 22 October 2018, Vol. 648, c. 32.]*

*Letter of correction from the Economic Secretary to the Treasury:*

An error has been identified in my response to the hon. Member for Edinburgh South (Ian Murray).

The correct response should have been:

**John Glen:** What I can say is that **the unemployment rate in this country is the lowest since 1975**, demonstrating the coherence of this Government's economic policy.





# ORAL ANSWERS

Monday 12 November 2018

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Monday 19 November 2018**

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