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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 8 January 2019

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The Secretary of State was asked—

Jobs (Devon and Cornwall)

1. **Kevin Foster** (Torbay) (Con): What steps his Department has taken to support businesses to create highly skilled jobs in Devon and Cornwall. [908428]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): Happy new year to you, Mr Speaker, and to everyone else. The two local enterprise partnerships covering the area—Cornwall and Isles of Scilly LEP, and Heart of the South West LEP, which includes Devon—are receiving £317 million through the local growth fund to drive regional development. That includes a £3 million investment in the Electronics and Photonics Innovation Centre at the White Rock business park in Paignton, which helps to support skilled jobs in a key local growth sector.

Kevin Foster: As my hon. Friend mentions, Torbay's £8 million EPIC centre will open later this year, helping to boost our vital photonics industry. What further support can his Department offer to help boost Torbay's high-tech sector?

Richard Harrington: I congratulate my hon. Friend on everything he does for employment in this area and in his constituency. He knows that my Department is working with Heart of the South West LEP, which is leading the development of our local industrial strategy. Torbay is actively engaged in that work. I believe the strategy will identify the particular strengths of the region and future opportunities for increased productivity, including in sectors such as photonics.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): The development of marine industries in Plymouth and across Devon and Cornwall is a really important part of our local economy. Will the Minister agree to meet a delegation from Plymouth to look at how the creation of the UK's first national marine park could trigger more investment in our marine technologies and industries in the west country?

Richard Harrington: It would be a pleasure. The hon. Gentleman and I have met before to discuss such subjects, and I am happy to do so again.

Derek Thomas (St Ives) (Con): In my constituency, 85% of employees are employed in small businesses, which tell me they struggle to find the skilled workers they need. What can my hon. Friend's Department do with the Treasury and the Department for Education to ensure that small colleges in particular have the funding they need to provide those skills?

Richard Harrington: As my hon. Friend knows, my Department is part of the picture; he correctly says the DFE is responsible for skills, but that is an important part of our industrial strategy, both nationally and locally. We are really pushing to put the skills agenda at the top of LEP programmes and everything else to do with that, because we realise, as he says, that small business will power the economy of the future.

Scott Mann (North Cornwall) (Con): The south-west is one of the fastest growing economic areas in the country, predominantly in tourism and tech. With the devaluation of the pound, many people have decided to have holidays in Cornwall, and we have tech-based businesses such as Microtest, a health-based solutions company in my constituency. People are making lifestyle choices about where in the country they want to live. What more can we do to facilitate moves away from the city to the coast?

Richard Harrington: As someone with previous experience of business in the south-west, in the tourism industry, I understand exactly what my hon. Friend says. The Government's strategy is very much based on regional devolution—LEPs in particular—and areas such as his will see the benefits of that in the future.

Supply Chains

2. **Jamie Stone** (Caithness, Sutherland and Easter Ross) (LD): What steps he is taking to maintain cross-border supply chains after 29 March 2019. [908429]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Supply chains between the UK and the EU are vital—they support at least 200,000 UK traders and around 55,000 manufacturing jobs in Scotland alone. The deal the Government have negotiated with the EU, by avoiding customs checks, will protect supply chains and jobs right across the UK.

Jamie Stone: I ask this question against the background of yesterday's unthinkable dry run for a no-deal Brexit—80 lorries is hardly the same as 6,000. I represent the furthest-away part of the UK mainland. I have mentioned before in the Chamber Mr William Calder, who runs a fish food company in Scrabster. Half a day's extra delay in getting his fish products to the European market will ruin the gentleman. Does the Minister see just how dangerous the future could be for my constituents?

Greg Clark: I agree with the hon. Gentleman. That is why there has been consistent support, especially in Scotland, from organisations such as the National Farmers Union of Scotland and the Scotch Whisky Association. Those who depend on the export trade, including the logistics he describes, have urged the House to back the deal, and I hope he joins us in doing that.

Sir Patrick McLoughlin (Derbyshire Dales) (Con): The importance of Dover-Calais is unquestionable. What estimates has the Department made of the implications for the supply network of any reduction in capacity between Dover and Calais?

Greg Clark: My right hon. Friend knows that much of the just-in-time production goes through the strait of Dover, and estimates suggest an impact of a reduction of about 80% of capacity between the narrow strait. In my view, it is essential that we avoid that disruption, which would have implications right across the United Kingdom, including in Derbyshire and indeed Scotland, as we have heard.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): This week, I received correspondence from a small business owner and constituent of mine who shared his fears about the issues Brexit could cause his chemicals business. The EU is where the majority of his sales are made and where he sources his raw materials. Can the Secretary of State tell us why his Government will not rule out a no-deal Brexit now, which is putting so many businesses in my area and across the country at risk?

Greg Clark: The hon. Lady is right that the chemicals industry is a good example of a very integrated industry across Europe. I met the leaders of the chemicals industry in the week before Christmas, and they were very clear that what has been negotiated in the withdrawal agreement and political agreement achieves what they need, which is, first, to avoid no deal and, secondly, to be able to continue what has been a very successful industry, including in the area she represents.

Michael Fabricant (Lichfield) (Con): With the worrying news that German output has fallen by 4.7%, what can Britain do, post Brexit, to help the German economy with a thriving British economy?

Greg Clark: It has always been my view, and I know it is my hon. Friend's view, that the more we can trade on what has been a very successful model the better. He represents a west midlands constituency and knows how important it is in the west midlands that we have flourishing trade, to the benefit of our economy and those of our neighbours and friends on the continent.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): From Airbus in Bristol to Nissan in Sunderland, millions of British jobs depend upon supply chains that crisscross the channel. Ministers fantasise about replacing them with American or Australian ones, and then, as they did yesterday, hire 80 trucks to drive around Kent in a ghost of Brexit future pantomime of the chaos to come. The Minister for Business, Energy and Industrial Strategy has acted honourably in saying he will not be part of a Government who allow a no-deal Brexit, so will the Secretary of State reassure Aston Martin, Brompton the bicycle manufacturer, and the other businesses stockpiling parts—spending money that could be spent creating jobs—by saying he understands the requirements of business and geography and rule out a no deal now?

Greg Clark: I completely understand the requirements of business, including the manufacturers the hon. Lady mentions. It is essential that we be able to continue to

trade, which is why I have always been clear—representing very strongly the views of small business and large business—that no deal should not be contemplated, but the way to avoid no deal is to do what the motor manufacturers, the Institute of Directors, the Federation of Small Businesses, the British Chambers of Commerce and all the business organisations say we should do, which is vote for the agreement that will come before the House next week.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Lang may yer lum reek, Mr Speaker.

One way the Government are looking to maintain cross-border supply chains is by Government tender to shipping companies, but is the Secretary of State happy about the precedent set for UK businesses? His colleague the Secretary of State for Transport has awarded a £14 million contract to a company with negative assets of nearly £400,000, no ships and terms and conditions copied from a takeaway, while the contract itself seems to have been awarded on questionable legal grounds. Is this the standard he expects for all UK businesses tendering for UK Government contracts?

Greg Clark: It is evident that avoiding no deal is an essential task for all of us in the House, and I hope that in the days ahead the hon. Gentleman and other hon. Members will take the opportunity to obviate the need for those contingencies. The Secretary of State for Transport has an opportunity to come to the House later today, but it seems to me prudent and responsible for every Department to prepare, on a contingency basis, for no deal, while also being firmly resolved to avoid it.

Drew Hendry: The Secretary of State has not answered the question. Will all UK businesses see such largesse from the Government in respect of procurement contracts? One of Seaborne's directors ran a business that went into liquidation owing HMRC nearly £600,000, using employee benefit trust tax avoidance schemes. According to the director, the Government did not even consider the money owed to Her Majesty's Revenue and Customs to be relevant. Is that a sign of a Government who are out of control over Brexit?

Greg Clark: I hope the hon. Gentleman will agree that, as I have said, every Department should make preparations against the avoidable contingency of no deal. The Secretary of State will describe the procurement processes for which the Department for Transport opted, but it is fair to observe that not a penny of Government money has been paid to the company, and I understand that it will be paid only on receipt of services provided.

Mr Philip Hollobone (Kettering) (Con): Given that nearly all the roll-on/roll-off lorry traffic between the Irish Republic and the EU travels across the UK motorway network to Dover, what co-operation has been offered by the Republic to mitigate a no-deal Brexit?

Greg Clark: My hon. Friend is right to point out that the impact of the Dover strait extends to our trade across the Irish sea. He knows that the negotiation has been with the European Commission and the European Council rather than through bilateral negotiations with

individual member states, but I agree with him that the disruption that would occur would affect our trade across the Irish sea as well.

Several hon. Members *rose*—

Mr Speaker: Order. May I gently say to colleagues that we have a lot to get through? We need to speed up.

Pubs Code

3. **Toby Perkins** (Chesterfield) (Lab): What assessment he has made of the effectiveness of the pubs code and the Pubs Code Adjudicator. [908430]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): We will be undertaking a statutory review of the effectiveness of the pubs code and the Pubs Code Adjudicator. I welcome the recent publication by the adjudicator of arbitration decisions, which will increase transparency in relation to how the code is working in practice.

Toby Perkins: At a recent meeting of the all-party parliamentary group on pubs, we heard from many tenants who had attempted to avail themselves of the “market rent only” option under the pubs code, but whose attempts had been frustrated. Will the review to which the Minister has referred involve a full and open consultation to which members of the public will be able to contribute, and which we will all be able to read afterwards?

Kelly Tolhurst: I recognise the hon. Gentleman’s commitment to this issue. We are currently working out how we will carry out the review, and, under statutory regulation, we need to do that until the end of March. Of course we understand some of the concerns that have been raised by people who have been affected; we will take account of their views, and I will ensure that those views are heard.

Dr Sarah Wollaston (Totnes) (Con): As the Minister will know, in the case of tenanted pubs the rent is partly set according to the volume of beer sold. However, there is a long-standing grievance about a discrepancy between the amount of drinkable beer in a cask and the volume of the cask itself. Will the Minister meet me—and some of my constituents, who are deeply concerned about the issue—to discuss the “72 pints” campaign?

Kelly Tolhurst: We recognise that a number of issues affect the pubs community. The Government have taken some important measures relating to beer duty and business rates to help pubs, but I should be happy to meet the hon. Lady and her constituents to discuss the position.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Between April and September 2018, 33 pubs a week closed and were either demolished or converted to homes or offices. The pub industry is in free fall, and communities are suffering as they see their vital community hubs diminished. What strategy, if any, have the Government to secure a long-term sustainable future for the industry?

Kelly Tolhurst: The Government have taken action to secure the future of pubs. We have frozen beer duty, with the result that a regular pint of beer is 2p cheaper than it would have been if we had increased the duty in line with inflation. We have offered the business rate discount to retail properties, and we estimate that 75% of pubs will be eligible for it. That has cut pubs’ bills by a third for two years. We recognise the importance of pubs to our local communities, and we are taking action. For instance, as I have said, we will be reviewing the pubs code and the success of the Pubs Code Adjudicator.

Renewable Energy

4. **Danielle Rowley** (Midlothian) (Lab): What steps he is taking to support new renewable energy technologies. [908431]

10. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What steps he is taking to support new renewable energy technologies. [908437]

The Minister for Energy and Clean Growth (Claire Perry): All of us in this House should celebrate the UK’s global leadership in decarbonising our economy: we have had the fastest rate of decarbonisation in the G20 since 1990, and part of that leadership has been through very substantial investment in renewable technology, including subsidies totalling £52 billion since 2010 and auction design and research and development investment. It is paying off: in the third quarter of last year we generated over a third of our energy from renewables, and our support is continuing with over half a billion pounds committed to the contracts for difference process and almost £200 million for cost-reducing innovations.

Danielle Rowley: Scottish businesses such as the innovative Artemis in my constituency have developed world-leading tidal and wave energy technologies, but requiring these early-stage businesses to compete with the more mature offshore wind industry for CfD subsidies means there is often no viable route to market for emergent technologies. Will the Minister consider having a three-pot auction for new technologies, including wave and tidal, so there is no direct competition with more established technologies?

Claire Perry: The hon. Lady raises an important point. We want to continue to invest in technologies that have the potential both to decarbonise and drive global exports, and that is certainly an area that could contribute, although not at any price: we will not rerun the debate over Swansea, which would have been the most expensive power station the country had ever built and created just 30 jobs. There are potentially better, more valuable projects and I am always happy to look at innovative proposals coming forward to see how we might support this technology.

Dr Huq: As well as the obvious, 31 March sees the end of the export tariff on electricity exported into the grid by solar photovoltaic systems. After that, big firms will end up receiving free electricity from all new solar PV installations, which are mainly small businesses and individual households, so they will effectively be subsidising the giants. Will the Government consider a net metering

scheme, whereby the difference between electricity consumed and exported into the grid only is paid for, to rectify this burning injustice?

Claire Perry: I admire the hon. Lady's passion. I feel I am rather front-running my answer to Question 9, which I know the hon. Member for Swansea West (Geraint Davies) is teed up to ask, but I will publish today the consultation on the Government's proposals for a smart export guarantee to bring forward this valuable source of energy at a price so that people are not providing it to the grid for free, and to support its development in what we want to call our smart systems plan going forward.

Rebecca Pow (Taunton Deane) (Con): While supporting new energy technologies is of course important, so too is supporting technologies that make our energy production more efficient, and many of these technologies are low carbon so they help us meet our climate change targets and cut consumers' household bills. Can the Minister update us on progress made in this area and on the call for evidence I have asked for on this subject?

Claire Perry: My hon. Friend has been a doughty campaigner on this issue and will know that we have contributed almost £20 million to the industrial strategy heat recovery fund, and the low-carbon heating technology innovation fund is also receiving funds of up to £10 million. I entirely agree with my hon. Friend's principle. I am not convinced that a further consultation is required, but I am always happy to discuss it with her.

Sir Desmond Swayne (New Forest West) (Con): Is it fair to continue to subsidise solar panels by charging higher prices to other customers who could not possibly afford that investment?

Claire Perry: No, and that is why the intention to close the feed-in tariff scheme was signalled many years ago: it has cost to date over £5 billion and we have a legacy cost of over £1.5 billion to fund that scheme going forward at a time when the price of solar is tumbling. We know that many companies are bringing forward large-scale solar installations without needing subsidy.

22. [908449] **Alan Brown** (Kilmarnock and Loudoun) (SNP): The Minister will be aware that the whole point of supporting new renewable energy technologies is to allow them to enter the marketplace and, hopefully, get to the point where they will become subsidy-free. Onshore wind is almost at that point, and it is also the cheapest form of electricity generation at the moment. What discussions has the Minister had with the Secretary of State for Scotland about developing onshore wind in Scotland?

Claire Perry: I have regular discussions with my right hon. Friend the Scottish Secretary regarding all the support we are providing for the BEIS Scottish energy sector. I hope that the hon. Gentleman will join me in celebrating the fact that we have opened up the CfD mechanism to the offshore wind provision that is coming for remote island projects—[*Interruption.*] He used to think that that was a very good thing. We should also never forget that it is UK bill payers collectively who

have invested in the success of UK renewable energy. We will continue to review the potential for onshore wind, but the hon. Gentleman will know that the Scottish Secretary and I were both elected on a manifesto that said that further subsidy for large-scale onshore wind was not required or necessary.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I very much support renewable energy, but many of my constituents in the Scottish borders feel that we now have our fair share of onshore wind, so can the Minister assure me that nothing in Government policy will promote onshore wind farm developments over other forms of renewable energy sources?

Claire Perry: That is exactly the point about technology neutrality. I refer my hon. Friend to the Scottish Government's own onshore wind policy statement, which suggests that the number of onshore wind applications is expected to increase by more than 70% on the basis of current planning applications. The current system is clearly working to bring forward onshore wind in the windiest parts of the United Kingdom.

Sir Edward Davey (Kingston and Surbiton) (LD): Given how vital offshore wind is to Britain's future electricity supply, and how it is increasingly providing good value for money, how can the Minister justify allocating just £60 million to next spring's CfD auction?

Claire Perry: I thank the right hon. Gentleman for recognising the incredible contribution that offshore wind can make, and I hope he will join me in wishing great success to our negotiating teams in bringing forward the vital sector deal. The point is, given that the price has tumbled since he was one of the people who designed the excellent auction structure, that we should be able to bring forward the amount of capacity we have said we need—1 GW to 2 GW—with that amount of subsidy. The system is working to get us to subsidy-free provision of this extremely important offshore wind energy.

Dr Alan Whitehead (Southampton, Test) (Lab): The Minister will be aware that the recent EU Court judgment, which effectively freezes the capacity market in the UK, turned substantially on the lack of level playing field access to capacity market support for new low-carbon energy technologies such as demand-side response. Does she intend to respond positively to the judgment by recasting the capacity market to reflect remedies for this lack of equal access, or is she perhaps hoping that, after a decent interval—and a lot of damage to existing participants in the capacity market—normal service will be resumed?

Claire Perry: The hon. Gentleman raises an incredibly important point. We have been working on this issue closely with the industry for several months since the judgment came forward, and it is absolutely right that we reassure the industry and investors of our commitment to holding auctions in the near future to ensure electricity supply for next winter, and that we do all that we can to ensure that this market is put back on a legal and orderly basis. It does work—it is the envy of many countries around the world—and we are working closely with Ofgem and the industry to ensure that we can take that market capacity structure forward.

Supply Chains

5. **Peter Aldous** (Waveney) (Con): What recent steps he has taken to support businesses and their supply chains. [908432]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): The Government support businesses throughout the UK by encouraging innovation, investing in infrastructure and skills and, more importantly, building long-term partnerships with businesses as part of our modern industrial strategy. We have demonstrated our support for the importance of our supply chain through the automotive, aerospace and nuclear sector deals.

Peter Aldous: I am grateful to the Minister for that reply. Fabrication yards in UK ports have supply chains that extend throughout the UK, but there is real concern for their future. Can the Minister confirm that the oil and gas and the offshore wind sector deals will make provision for realising the full potential of those yards and their supply chains?

Richard Harrington: I certainly can, and I welcome the deal proposals that have been put forward by both the offshore wind and the offshore oil and gas sectors.

24. [908451] **Debbie Abrahams** (Oldham East and Saddleworth) (Lab): It is almost a year since Carillion collapsed, leaving losses to small business supply chains of more than £2 billion. My constituent, Neil Skinner, was among those affected. Will the Minister and the Government support my ten-minute rule Bill, which is coming to the House next week and would introduce project bank accounts for all public sector contracts in order to prevent such losses to small businesses?

Richard Harrington: I am sure that the hon. Lady will be delighted to know that we are working closely with the sector. I have some experience of project bank accounts in the construction sector and I have seen them work. We will look very carefully at this.

Nic Dakin (Scunthorpe) (Lab): Precisely what support is being given to the steel industry and its supply chain?

Richard Harrington: The hon. Gentleman and I frequently speak about the steel industry, and I meet regularly with the trade body, UK Steel, and all the different companies to monitor the future carefully. The industry is important to us, and I am still hopeful that we can work on a sector deal, so I am interested to hear proposals from the various companies.

UK Space Industry

6. **Mark Garnier** (Wyre Forest) (Con): What steps he is taking to support the UK space industry. [908433]

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): The UK plays a leading role in space science and exploration, and our commercial sector is globally competitive, underpinned by Government support of up to £370 million a year. We have further committed £92 million to develop options for a possible UK global navigation satellite system to maintain the

UK's security capabilities, and £31.5 million to kick-start small satellite launch from the UK as part of our modern industrial strategy.

Mark Garnier: I can tell from that answer that my hon. Friend recognises the increasing importance of the space sector in our everyday lives, particularly for communications and broadband. Does he therefore agree that elements of the space sector should be designated and treated as part of the UK's critical national infrastructure, thus receiving the extra support and potential financing that such designation would provide?

Chris Skidmore: My hon. Friend is right that space capabilities are fundamental to UK prosperity and security. Every day, we rely on telecommunications, earth observation, position navigation and timing services from space. Many of the parts of the UK's critical infrastructure—from telecommunications to transport—also depend on services from space to operate effectively, and that is why the space sector is designated as a critical national infrastructure sector, with efforts focused on improving the security of our critical assets.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Minister not understand that the aerospace industry is crucial to the future of our country? A company that operates in my constituency made components for the Mars probe, and such firms, which are at the leading edge of technology, are terrified by the chaos of the possible no-deal Brexit that the Government are leading. The supply chains are so complex that the company in my constituency faces ruin, as does the country's whole aerospace industry under this Government's watch.

Chris Skidmore: I congratulate the company in the hon. Gentleman's constituency on its success with the Mars landing. I recently went to Imperial College to congratulate the team that created the sensors that detected the first sounds on Mars. It is crucial to say that our commitment to the European Space Agency is independent of our relationship with the EU. We put in support of £370 million a year that allows us access to a market worth £6 billion. When it comes to ensuring that we have stability and security for the company in the hon. Gentleman's constituency, I look forward to seeing him in the Lobby next week supporting the Government's deal.

Vicky Ford (Chelmsford) (Con): Last week, while the Chinese were exploring the dark side of the moon, NASA was 6.5 billion km away on the far side of Neptune taking photos of Ultima Thule, and the sensors that took those images were made in Chelmsford. Will the Minister therefore join me in giving a massive shout-out to everyone at Teledyne e2v and congratulating them on this world-first achievement?

Chris Skidmore: Absolutely. I join my hon. Friend in congratulating Teledyne e2v on its involvement in NASA's New Horizons mission. The stunning image of that distant world showcases UK technology at the leading edge of space exploration. As I said, we have already detected the first sounds from Mars through a project led by Imperial College and the University of Oxford, and Surrey Satellite Technology will unveil tomorrow its completed build platform for the Eutelsat Quantum—the

first geostationary telecommunications satellite that will be fully reconfigurable in orbit—which highlights the UK Space Agency's continual successes.

Mr Speaker: Thank you. We are now considerably better informed.

Jim Shannon (Strangford) (DUP): Will the Minister outline how many new jobs have been created to meet the need for 30,000 new employees that was highlighted in last May's "Prosperity from Space" report?

Chris Skidmore: The sector currently employs around 38,500 people and has grown significantly since 1999-2000, when 14,651 were working in the sector—that represents an annual growth rate of 6.7%. The UK has committed to ensuring that we grow our share of the global space market to 10% by 2030. That offers huge potential for increasing not just our share of the market, but the UK's prosperity and productivity. I hope that the "Prosperity from Space" report, which was published by the space sector and my predecessor, my hon. Friend the Member for East Surrey (Mr Gyimah), whom I thank, will lead to a deal for the space sector and, potentially, to investigation of a national space programme—

Mr Speaker: Order. I do apologise, but progress is not just too slow; it is too slow.

People in Insecure Work

7. **Stephen Morgan** (Portsmouth South) (Lab): What steps he is taking to support people in insecure work. [908434]

14. **Janet Daby** (Lewisham East) (Lab): What steps he is taking to support people in insecure work. [908441]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The Government's good work plan represents the largest reform to employment rules in over 20 years. It includes measures to boost transparency and tackle one-sided flexibility for those in insecure work, and I have already tabled legislation in Parliament to take forward the programme.

Stephen Morgan: A recent Resolution Foundation report shows that barely half of agency workers remain in one job beyond six months, making the Government's arbitrary timeframe of 12 months before the right to request a direct contract kicks in totally meaningless. Labour has committed to giving all workers equal rights from day one; why have the Government not committed to doing the same?

Greg Clark: The hon. Gentleman will welcome the reforms that have been made to deal with insecure work and, in particular, to do something that has been campaigned for by the trade union movement and supported by many employers, which is to remove the Swedish derogation that has provided a loophole for employers to avoid those rights. That legislation is now before the House, and I hope he will support it.

Janet Daby: Does the Secretary of State agree that the recently introduced right to request guaranteed working hours is not sufficient to protect workers on zero-hours contracts?

Greg Clark: No. This is a very important extension of the rights of people on zero-hours contracts. It is important to recognise, first, that the number of employees on zero-hours contracts remains very small and, secondly, that most of those on zero-hours contracts want to have that flexibility. Those who do not want that flexibility and prefer a longer and more stable contract will now have the right to request one.

25. [908452] **Rachel Reeves** (Leeds West) (Lab): Only days after the Secretary of State published his response to the Taylor review, Uber was once again found by the courts to be denying basic rights to its workers. When will the Government bring forward legislation to clarify workers' status so that they do not have to go through the courts and tribunals system to get the rights to which they are entitled?

Greg Clark: The hon. Lady will recognise that our package immediately introduced legislation for those rights that can be legislated for with secondary legislation. Primary legislation will shortly be brought forward for the Business, Energy and Industrial Strategy Committee, which she chairs, and the Work and Pensions Committee to scrutinise.

Frank Field (Birkenhead) (Ind) *rose*—

Mr Speaker: Order. I was not looking for the right hon. Gentleman, although it is always a pleasure to be reminded of the fact of his presence.

Rebecca Long Bailey (Salford and Eccles) (Lab): I wish you and the Secretary of State a happy new year, Mr Speaker, but the sad fact is that the good work plan does little to change the lives of precarious limb (b) workers, who will still not be entitled to statutory sick pay, maternity pay or the right to claim unfair dismissal. For those on a zero-hours contract, all the requests in the world will not legally oblige their employer to provide more stable employment. I have asked this question time and again to no avail: can the Secretary of State confirm what happens when an employer refuses a request for more stable working hours?

Greg Clark: It is very clear that we are not making it mandatory for people not to have a zero-hours contract. Such contracts are available to employers, but employees will have the right to request. Reasonable employers have offered more stable contracts to employees, but the Taylor report is very clear that the flexibility that zero-hours contracts offer is valued by many of the people who use them.

Rebecca Long Bailey: I am glad the Secretary of State has clarified that the right to request a more stable contract is, in fact, a meaningless proposal on paper. What is worse is that the Government also rejected recommendations from their own director of labour market enforcement to increase fines for companies that breach the minimum wage and for that money to be used to increase enforcement resource. The Government also rejected his recommendation that public procurement contracts should compel compliance with labour market regulations. With reports that the average employer can

expect an investigation once in every 500 years, does the Secretary of State really think he is being serious about enforcing workers' rights?

Greg Clark: I am working closely with Sir David Metcalf, the director of labour market enforcement. On his particular recommendation about increasing penalties, we just have increased the penalties and it is reasonable to look at their effectiveness. I have made the commitment to the House that, of course, we will increase them if that proves necessary, but one of the other reforms that we are making is to boost the enforcement of workers' rights by bringing together the different enforcement bodies so that such employers—the minority that do play fast and loose with the rights to which employees are entitled—should expect justice to be brought about. This will be part of the package that we have tabled.

Paris Agreement Goals

8. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What assessment he has made of the potential effectiveness of the Paris rulebook agreed at COP24 in meeting the Paris agreement goal of holding the increase in global average temperature to less than 2° C. [908435]

The Minister for Energy and Clean Growth (Claire Perry): I want to pay tribute to our UK negotiating team, which did such a fantastic job at the recent conference of the parties in developing a robust set of rules that will take us forward to achieve what we need, which is further hardcore nationally determined contributions in 2020. We want to use our leadership in this space to continue progress, which was why I was pleased to announce our expression of interest in hosting the 2020 COP right here in the UK. I hope the hon. Gentleman will support that.

Mr Sharma: I thank the Minister for that response. What sanctions are the Government willing to use to ensure that other countries meet their 2020 emission reduction targets?

Claire Perry: We do not have the power to sanction under international law—or, indeed, under the current United Nations proposals—but we can work positively through initiatives such as the Powering Past Coal Alliance, which I was pleased to set up with my Canadian equivalent last year, to encourage all countries that, like us, are committed to phasing coal out of their energy system in a short period. We now have more than 80 members a year after launch, so we can continue to lead by example.

Renewable Energy

9. **Geraint Davies** (Swansea West) (Lab/Co-op): When his Department plans to publish its proposals on rewards for small-scale renewable energy exports to the grid. [908436]

The Minister for Energy and Clean Growth (Claire Perry): I want to give the hon. Gentleman the good news that I will be publishing today the next stages of our proposals for a smart export guarantee to reflect two principles: that nobody should be providing energy to the grid for free, or indeed at negative pricing, as has happened in some countries; and that the value of community energy projects, which is real and significant,

can be recognised. That consultation will be published later today and I look forward to his response, because I know he is a long-standing campaigner in this area.

Geraint Davies: It would have been useful to have had that publication before Question Time to enable informed questions to be asked. I put it to the Minister that some 60 MW of solar energy in Wales alone rely on the export tariffs. Will she be looking at differential tariffs for existing versus new providers, so that there is no breach of contract with existing providers, and ensure that tariffs are set so as to encourage solar rather than fracking and so that we are in accordance with our Paris commitments, which have just been referred to?

Claire Perry: The hon. Gentleman should know that we have signalled for many years how the closure of the feed-in tariff will work. We have spent almost £6 billion on existing contracts, and those contracts will of course be honoured. We have also announced with the closure of the scheme that there is a limited application period for projects for the next couple of months. There will be some that are brought forward, but it is only right that, as the price of this power provision has tumbled, we stop using other people's money to subsidise something that we do not need to do in order to bring forward solar.

Douglas Ross (Moray) (Con): While we have been in the Chamber, the Minister's consultation has gone online, and Members and the public have until 5 March to respond to it. What reassurance can she give that those responses will be listened to? There is concern in the solar industry and among others that 91% of responses to a previous consultation by her Department were against the end of export tariffs, yet that went ahead. Will she meet me and an excellent local business, AES Solar, which has concerns but would like to discuss them with her and community representatives?

Claire Perry: I would be delighted to meet my hon. Friend and I am also very interested in the consultation results. I want to make the point quickly that the era of crude subsidy is over, partly because the price of renewables has dropped so significantly. We are trying to ensure that bringing forward the decentralised energy that we believe is so important to our system is also the objective of this tariff, and I would be interested to hear his views as well as those of his constituents.

Manufacturing and Automotive Sector

11. **Bridget Phillipson** (Houghton and Sunderland South) (Lab): What steps he is taking to support the manufacturing and automotive sector. [908438]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): The automotive sector is one of the great success stories of our country, and our sector deal is a good example of how we will continue to support it going forward. We have committed around £1 billion over 10 years up to 2023 through the Advanced Propulsion Centre to research, develop and commercialise the next generation of low-carbon technologies, to keep us at the cutting edge of the automotive industry's development.

Bridget Phillipson: The UK car industry is under huge pressure, yet far from providing the certainty that the sector needs, we will be debating our trading relationship with the European Union for years to come. Is it not the case that the deal that the Government are putting forward fails to protect tens of thousands of highly-skilled automotive jobs in my region? Not only that, but it is far worse than the deal we have now.

Richard Harrington: I am sure the hon. Lady knows that the deal has been backed by everybody in the automotive sector. I meet regularly with them and they have been outspoken about the perils of defeating the Prime Minister's deal. I hope that the hon. Lady will think about that when she goes through the voting Lobby.

Stephen Kerr (Stirling) (Con): What is the Minister's response to the report published last month by the Business, Energy and Industrial Strategy Committee—the membership of which, by the way, includes the Scottish National party Front-Bench spokesperson, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—which concluded:

“The consistent and overwhelming message expressed by” business

“is that to make...decisions they need certainty and it is for that reason they support the Withdrawal Agreement”?

Richard Harrington: As ever, my hon. Friend has absolutely nailed this. The automotive sector, like the BEIS Committee, is totally in favour of the Prime Minister's deal. I am sure that the SNP spokesman has listened carefully to what my hon. Friend said, and I am sure that he will be supporting the deal next week.

18. [908445] **Carol Monaghan (Glasgow North West) (SNP):** The Scottish Government's £18 million advanced manufacturing challenge fund is at serious risk of being undermined by Brexit, with the Bank of England's analysis showing that the UK relies on the EU for more than 30% of manufacturing sales. When will the UK Government start listening to the majority of Scots and protect Scotland's economy and jobs by keeping us in the single market and the customs union?

Richard Harrington: I must remind the hon. Lady of my answer to the previous question: the best thing for the Scottish economy is the Prime Minister's deal. I hope the hon. Lady will consider that when she votes next week.

Mr Speaker: I am very saddened that the right hon. Member for Birkenhead (Frank Field) is departing our midst. I know he has many pressing commitments and a very full diary, but if he stayed, he might get called. It would be very sad to lose the right hon. Gentleman's pearls of wisdom.

Aerospace Businesses

12. **Fiona Bruce (Congleton) (Con):** What steps the Government has taken to support aerospace businesses. [908439]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): You are racing ahead, Mr Speaker; we had got so far behind.

My hon. Friend should know that we are strongly supporting the aerospace industry through our aerospace growth partnership, which includes supporting business with nearly £2 billion of public research and development funding from 2013 to 2026. The sector deal for aerospace includes £125 million of funding to support the electrification of flight, developing new aircraft technologies and transport concepts. I am sure that will be excellent for your future holidays, Mr Speaker.

Fiona Bruce: What plans do Ministers have to extend the Sharing in Growth scheme in the aerospace industry? It has helped Congleton business Senior Aerospace Bird Bellows to improve productivity and secure new orders. The company is very much looking forward to receiving the Minister on his planned visit to Congleton in March.

Richard Harrington: I am very much looking forward to seeing my hon. Friend on that visit. We are in dialogue with senior management at Sharing in Growth about the scope to extend the programme further, and that will continue ahead of the comprehensive spending review.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The Space Studio School in Feltham, started by the Rivers Academy, continues to innovate, bringing about high-quality science education and industry-related work, and engaging with the National Space Centre, the European Space Agency, NASA and the aerospace industry around Heathrow. Does the Minister agree that even stronger relationships between schools and industry are vital to ensure that we stay competitive? Will he agree to visit the Space Studio in west London to see what is being done there and what more can be done to improve opportunities for young people?

Richard Harrington: Yes and yes.

Mr Gregory Campbell (East Londonderry) (DUP): The Minister will be aware of the problems as well as the possibilities for Bombardier in east Belfast, as my hon. Friend the Member for Belfast East (Gavin Robinson) has raised them consistently. Given the job loss announcements several weeks ago, will he undertake to do whatever he can on the possibilities for expansion next year?

Richard Harrington: The hon. Gentleman knows, I hope, that Bombardier is a company close to my heart. I speak regularly to him and his colleagues and to the company, and I will do anything I can to ensure that company's prosperity.

Support for Businesses (Scotland)

13. **Tommy Sheppard (Edinburgh East) (SNP):** What recent discussions he has had with the Chancellor of the Exchequer on fiscal support for businesses based in Scotland to prepare for the UK leaving the EU without a deal. [908440]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): I have regular discussions with the Chancellor of the Exchequer. The best outcome for Scotland is to deliver the deal that we have negotiated with the EU. That will provide the certainty that Scottish businesses need and protect jobs and prosperity.

Tommy Sheppard: A recent report by the Fraser of Allander Institute found that three quarters of Scottish businesses felt that they did not have adequate information to prepare for Brexit. Given that, do the Government now regret rejecting the Scottish National party's proposal for a £750 million small business support scheme to help them prepare for the eventuality of Brexit?

Greg Clark: Advice and support is available to businesses right across the UK, but it remains the case that the best certainty that business can have is to know that the agreement that has been reached with the European Union, which rules out no deal and involves a substantial transition period, will be approved next week in the House of Commons. I hope that the hon. Gentleman will support that.

Youth Entrepreneurship

15. **Jeremy Lefroy** (Stafford) (Con): What steps his Department has taken to promote youth entrepreneurship. [908442]

17. **Henry Smith** (Crawley) (Con): What steps his Department has taken to promote youth entrepreneurship. [908444]

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): A total of 390,000 18 to 24-year olds are involved in starting businesses in the UK, and the British Business Bank has provided £52 million in start-up loans to young people since 2012. In December we launched a youth engagement programme, including a celebration of UK science, technology, engineering and maths projects and an industrial strategy competition to inspire 13 to 19-year-olds.

Jeremy Lefroy: I welcome that and I welcome the start-up loans scheme, which has helped a lot of young entrepreneurs, but will the Minister talk with his counterparts in the Department for Education to see how we can embed entrepreneurship and life skills in business into the school curriculum?

Chris Skidmore: Absolutely. Indeed, as a Minister also in the Department for Education, I work with that Department and understand the importance of ensuring that young people develop entrepreneurial skills. Our careers strategy launched in 2017 places a strong emphasis on our interaction with entrepreneurs. We have connected more than 2,000 schools and colleges with enterprise advisers, launched a £2.5 million investment fund to support employer encounters, and created 20 new career hubs.

Henry Smith: Sam's Kitchen was set up by a young entrepreneur in Crawley several years ago. On meeting him recently, he reported a large number of frequent and, it seems, unnecessary inspections. How can we

make sure that we get the balance right between necessary regulation and not imposing too much of a burden on young, growing businesses?

Chris Skidmore: I understand that Sam French is a young entrepreneur selling homemade gingerbread men and women. I congratulate him on his success. Perhaps he may like to send some to you to sample, Mr Speaker. I am pleased that he shares his experience with other young entrepreneurs. It is important, however, that inspections in the food industry are based on a national code of practice and are intended to give the necessary reassurances to business and consumers so that they can buy products with absolute confidence.

Mr Speaker: I might want it, but I probably should not have it.

Vernon Coaker (Gedling) (Lab): Is not part of the problem of encouraging youth entrepreneurship that vocational education is seen as second rate? How will we change that?

Chris Skidmore: The hon. Gentleman raises a very important point, which is why the Government have commissioned the Augur review to look at post-18 education. In addition, we are developing a full range of T-levels that will soon be operational. It is absolutely important that we level the playing field and ensure that the 50% of people who are not going to university have that opportunity to develop their skills going forward, particularly around technical education.

Topical Questions

T1. [908453] **Alison Thewliss** (Glasgow Central) (SNP): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Since we last met, I have been delighted to be in Bristol, a hub of brilliant technological innovation, to launch the aerospace sector deal with a commitment from business and Government to invest a quarter of a billion pounds in the aircraft of the future. I announced a life sciences sector deal, featuring £1 billion of industry investment from the global biopharmaceutical company UCB. My right hon. Friend the Minister for Energy and Clean Growth has been in Katowice representing the UK at COP 24. At home, we published our Good Work Plan, and, just last week, the energy price cap came into effect, ensuring that all customers get a fair deal.

Alison Thewliss: I thank the Secretary of State for that answer.

A meeting of stakeholders was recently held in Pollokshields in my constituency to discuss the problems of fireworks in the community, as they really cause local residents a huge amount of distress. The Minister wrote to me last year saying that a meeting would be set up with me and other MPs to discuss the matter further. Will he give me more information as to what progress has been made to set up the meeting, as my constituents do not want to be forgotten about?

Greg Clark: The hon. Lady is quite right that the issue is a matter of concern not just in her constituency, but in others. I will ensure that the meeting happens in the next two weeks.

T3. [908455] **Kevin Hollinrake** (Thirsk and Malton) (Con): The Financial Reporting Council identified six areas that warrant further inquiry in PwC's administration of Premier Motor Auctions, but delegated that inquiry to the Institute of Chartered Accountants in England and Wales—a trade body with limited powers. Will the Minister agree to meet me to ensure that this and any other insolvency practitioner issues are properly investigated?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): It is right that the FRC refers any concerns it has relating to the insolvency case to the ICAEW, which is a recognised professional body that regulates insolvency practitioners. In this case, I understand that the ICAEW has considered the issues put forward and is investigating a number of matters. I will happily meet my hon. Friend to discuss this issue again, as I already have. It is right that we investigate any concerns that British businesses have about the regulations.

T2. [908454] **Mr Clive Betts** (Sheffield South East) (Lab): Fracking activities in Lancashire have recently had to be suspended because earth tremors triggered the traffic lights system. As a result, the Minister has said that she is now looking at whether that system should be relaxed. Will she tell us what she is thinking, and will she give us an assurance that there will be full consultation with all stakeholders before any change is made, and that the matter will be brought back to this House for the approval of Members?

The Minister for Energy and Clean Growth (Claire Perry): I think I have answered a similar question before, although not from the hon. Gentleman. I have absolutely no plans to change the traffic lights system. The current fracking proposals being tested in Lancashire right now were developed with that system. The fact is that that system is working and being triggered even by micro-tremors; the hon. Gentleman will know that we have had some great evidence from the University of Liverpool as to how small the tremors actually are. If we are to take forward what could be a very valuable industry, it is only right that we do so with the toughest environmental regulations in the world, so I say again that there are no plans from the Government to change the traffic lights system.

T4. [908456] **Peter Aldous** (Waveney) (Con): With the high street undergoing a period of significant upheaval, will the Secretary of State confirm that he is working closely with the Chancellor and the Secretary of State for Housing, Communities and Local Government to ensure that high street businesses are able to compete on a level taxation playing field with their online competitors?

Kelly Tolhurst: We continue to work closely with the Treasury and the Ministry of Housing, Communities and Local Government to ensure that the needs of high street retailers are understood. In the 2018 Budget we

announced a reduction in business rates worth £900 million over two years for small businesses. The digital services tax, a 2% tax on revenues specific to digital businesses, will ensure that they pay tax reflecting the value that they derive from UK users. We have also established the Retail Sector Council, which has now decided on its future work programme, as part of which business costs and taxation are one topic being considered.

Laura Pidcock (North West Durham) (Lab): New research from the TUC shows that household debt is at its highest ever level, with average debt per household now at over £15,000. It is blatantly obvious that the cause is years of austerity and wage stagnation. Millions of workers are now reliant on borrowing, making up for low wages by increasing their debt—not for holiday or luxuries, but through using credit cards for everyday essential such as nappies and food. That is so stressful. Will the Minister please explain what the Government are doing to address this crisis, and why Conservative Members refuse to join the Labour party in advocating a real minimum wage of at least £10 an hour and a return to serious collective bargaining for workers in the UK?

Claire Perry: I heard the news reports of this particular analysis, but I also heard that the analysis had been entirely discredited because it included student debt, which does not accrue to every household. If we were to strip that out, the rate of accrual—[*Interruption.*] Would the hon. Lady like to listen, rather than chunter? I will carry on. If we strip out student debt, which does not accrue to every household, we see that the growth of consumer credit has actually slowed. Once again, I am proud to stand here and represent the Government who finally did what the hon. Lady's Government had 13 years and did not do—introduce a national minimum wage and ensure that it goes up well ahead of inflation. [*Interruption.*] A living wage.

Mr Speaker: I call Will Quince. [*Interruption.*] I am sure that the hon. Gentleman is delighted to have excited such a reaction, but I would like to hear what he has to say.

T6. [908458] **Will Quince** (Colchester) (Con): Thank you, Mr Speaker. Will my right hon. Friend join me in welcoming the £900 million cut in business rates announced at the most recent Budget, which will benefit thousands of small businesses up and down our country, including in Colchester?

Kelly Tolhurst: I am delighted to join my hon. Friend in welcoming this recent measure, which has benefited small businesses so well. We have cut corporation tax to 19%. As a result of cuts made by this Government since 2017 through the small business rate relief, over 655,000 small businesses—the occupiers of a third of all business properties—pay no rates at all.

T5. [908457] **John Spellar** (Warley) (Lab): I am sure Ministers understand that the new Euro 6 diesel engines are considerably more efficient and cleaner, and that encouraging uptake of diesel vehicles would be good for the environment, with both cleaner air and less carbon dioxide emissions. However, production of vehicles is down, partly because of the downturn in China and

uncertainty over Brexit, but also because of the damaging, self-promoting anti-diesel campaign by the Secretary of State's ministerial colleagues at the Departments for Transport and for Environment, Food and Rural Affairs. What is he going to do to get Government policy back on track in support of the British motor industry?

Greg Clark: In the “Road to Zero” strategy document, it is very clear that diesel engines, especially the new generation, are a perfectly acceptable choice environmentally as well as economically. The right hon. Gentleman will know that diesel sales are falling across the whole of Europe, but we have been very clear in this country that it can play an important role in the transition to zero-emission vehicles.

T10. [908462] **Mark Pawsey** (Rugby) (Con): Following on from the previous question, maintaining an uninterrupted supply of components for just-in-time manufacturing and the ability to sell tariff-free into European markets, both of which are enabled by the Prime Minister's deal, is vital to the continued success of the UK auto industry. Forty constituents of mine, all of whom work at Jaguar Land Rover, have reminded me of that through their emails. Will the Secretary of State welcome that approach?

Greg Clark: I do indeed welcome the representation from my hon. Friend. The automotive sector is one of our most successful, and it is globally admired. Its success depends on having the just-in-time production that makes it so competitive. In my view, it is vital that we pose no threat to that in our new relationship with the European Union.

T7. [908459] **Steve McCabe** (Birmingham, Selly Oak) (Lab): The Minister will be aware of the rising cost of the smart meter programme for dual-fuel households. What is she going to do to curtail those costs, make transparent the true cost to households, and ensure that any benefits that eventually accrue are actually passed on to consumers?

Claire Perry: I had an inkling that the hon. Gentleman might ask a question about this, because he has been a long-standing campaigner in this area. I am pleased to report that the programme is accelerating; I know he will welcome that. I welcomed extensively the National Audit Office report on the cost profile, which showed, effectively, a cost overrun but still a very, very substantial net benefit to both consumers and the economy. I believe that we are minded to accept almost all of the recommendations that were made. This is a vital programme for upgrading our energy system. I hope that he has had his smart meter installed. I saw over Christmas quite how much electricity cooking the Christmas turkey cost, and it was a very valuable exercise.

Tom Pursglove (Corby) (Con): What role does the Minister see for the push on technical skills in boosting youth entrepreneurship?

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): As I have stated before, technical skills are absolutely important when it comes to boosting youth entrepreneurship. I take this opportunity to mention to my hon. Friend the launch of the new

year-long youth industrial strategy competition at the industrial strategy fair that will be held in March this year, with prizes being awarded at the Big Bang fair in March 2020.

T8. [908460] **Martin Docherty-Hughes** (West Dunbartonshire) (SNP): The Scottish Government's draft 2018-19 budget means that 90% of firms will pay lower rates than those based anywhere else in the UK. So, for the second time, why will the Secretary of State and his Government not support Scottish industry and back the call from the SNP and the Institute of Directors for a £750 million SME Brexit advice service?

Greg Clark: As I said to the hon. Member for Edinburgh East (Tommy Sheppard), that advice is available to businesses right across the country. But in supporting business confidence, the hon. Member for West Dunbartonshire (Martin Docherty-Hughes) should reflect on the fact that Scotland has now become the highest-taxed part of the United Kingdom, and that is, in itself, undermining the confidence that investors have in Scotland.

Andrea Jenkyns (Morley and Outwood) (Con): Associated Waste Management is a successful business based in my constituency. It has recently been acquired by Beauparc, one of Ireland's leading waste management companies, but it is keeping its head office in my constituency. The new arrangements have secured the long-term growth of this locally founded business. Does my right hon. Friend agree that such investments are a vote of confidence in the UK economy and send a clear message that we are open for business post-Brexit?

Greg Clark: My hon. Friend is right that the fundamental attractions of the UK economy are as strong as ever. We have some of the best skills in the world, some of the most innovative people and some of the best scientists and researchers, but we also have access to a substantial European market that has proved attractive to businesses from around the world. We should continue with that, and we should have both.

T9. [908461] **Christine Jardine** (Edinburgh West) (LD): Given that the European Union is the biggest regional market for whisky—worth £1.4 billion last year—and that no deal would force significant label change costs on independent producers, which currently do not have to display an EU importer address, what are the Government doing to reassure and compensate producers that are already incurring significant costs due to this Government's dither, delay and uncertainty?

Greg Clark: I might ask the hon. Lady what she is doing to address that. The Scotch Whisky Association has been very clear; it has said that the withdrawal agreement is a compromise but a positive step towards much needed business certainty. If she cares about the industry, she should vote for the deal.

Bill Grant (Ayr, Carrick and Cumnock) (Con): Sadly, my constituency has an unemployment rate of 6%, which is twice the UK average. What progress has been made or can be made on the Ayrshire growth deal, which is essential to Ayrshire's future prosperity?

Greg Clark: I know that my hon. Friend has been a vociferous champion of the Ayrshire growth deal, which was referred to in the Budget. I hope that we will see some progress on it in the next few weeks. For Cumnock in particular, the prospects will be very attractive. For a town that has contributed significantly over the years, including to UK energy supplies and industrial goods, it will be a fitting tribute—

Mr Speaker: Order. We are extremely grateful to the Secretary of State.

Marion Fellows (Motherwell and Wishaw) (SNP): The Association of Accounting Technicians' recent survey found that 73% of MPs agreed with its recommended changes to the prompt payment code, which are making the code compulsory, ensuring that larger businesses pay in 30 days and implementing a penalty regime. Will the Minister introduce those changes in legislation, to help the many small businesses that will benefit?

Kelly Tolhurst: I thank the hon. Lady for her question. As she will know, we launched the call for evidence in October, and it finished in November. We are reviewing the evidence presented. In October we made announcements to underpin, secure and make better the prompt payment code. The small business commissioner has delivered £2 million of collections for small businesses over the first year in his position. We will continue to work to ensure that small businesses get the payments they need when they should.

Maggie Throup (Erewash) (Con): Prior to Royal Assent for phase 2b of High Speed 2, will my hon. Friend consider establishing a cross-departmental taskforce with the Department for Transport, to provide businesses that are being forced to relocate with the necessary advice and support, including financial support?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington): My hon. Friend should know that I have listened carefully to her question. In the first instance, a meeting between myself, herself and a representative from the Department for Transport might be a way to get that moving.

Frank Field (Birkenhead) (Ind): Last week I wrote a letter to the Secretary of State about the taskforce in Liverpool and Birkenhead that wishes to save Cammell Laird from any further redundancies. Will he meet us this week, as a matter of urgency?

Greg Clark: I am grateful for the right hon. Gentleman's advice and his advocacy for a solution to the difficulties that Cammell Laird faces. We are meeting the trade unions and others on Thursday, and I hope he will be able to come to that meeting.

Laura Pidcock: On a point of order, Mr Speaker.

Mr Speaker: I will take the point of order, and I would appreciate it if the ministerial team waited to hear it because it relates to Question Time.

Laura Pidcock: Under her breath, the Minister for Energy and Clean Growth mentioned the living wage, but of course in practice there is no such thing. The Minister could correct the record in that it was indeed the Labour party that in 1998 introduced the minimum wage, which her party strongly opposed.

Claire Perry: Further to that point of order, Mr Speaker. Sorry; I am blaming the excitement. Of course I am happy to correct the record. The hon. Lady is absolutely correct: the Labour party introduced the national minimum wage. It was quite clear that that was inadequate for many people on the lowest incomes, particularly women who were underpaid, which is why we introduced the national living wage—something I wish she would support.

Mr Speaker: Thank you. I am extremely grateful to the Minister.

Anna McMorrin (Cardiff North) (Lab) *rose*—

Mr Speaker: Is it on the same matter? No. This matter has been—

Anna McMorrin: Not on this matter, but on these BEIS questions.

Mr Speaker: I say to the hon. Lady that it must not be a continuation of the argument. I will give her the benefit of the doubt. However, on that matter the Minister has been very clear, and we thank her for that clarity.

Anna McMorrin: On a point of order, Mr Speaker. Given that climate change is the most pressing and urgent issue facing us and future generations, may I seek your advice about how I can ask the Minister for Energy and Clean Growth, who has responsibility for climate change, to make an oral statement on her recent attendance at COP 24 at Katowice?

Mr Speaker: The hon. Lady has achieved her own salvation. It seems to me that she has used the device of an entirely bogus point of order to register a point that she probably would have wanted to register if she had been called to do so, but could not because she was not.

Claire Perry: Further to that point of order, Mr Speaker. I was delighted to answer a question on this very point, because our negotiation team was, as always, excellent. I was also happy to accredit the hon. Lady; I do not know whether she managed to attend our superb stand and entire presence at Katowice. My door is always open to her, as an expert in this area, to discuss this. I do not think an oral statement will be necessary. Perhaps she and I could grab a cup of tea, as this is dry January, and have such a conversation.

Mr Speaker: Thank you.

Speaker's Statement

12.41 pm

Mr Speaker: Before we proceed to the urgent questions, I would like to say something that relates to the events that unfolded outside this place yesterday.

In the course of proceedings at various times yesterday, the hon. Members for Cardiff South and Penarth (Stephen Doughty), for Grantham and Stamford (Nick Boles) and for Wakefield (Mary Creagh) and the right hon. Member for Wolverhampton South East (Mr McFadden) all raised with me their very grave concerns about aggressive, threatening and intimidating behaviour by demonstrators at Abingdon Green and, in many instances, between Parliament and Abingdon Green.

To those points of order, I responded, I hope, sympathetically and as effectively as I could. Colleagues will realise that I had not myself witnessed the behaviour, which was taking place while the House was sitting and I was in the Chair, but I was extremely concerned to learn of those developments. Moreover, it was clear beyond doubt both that there was an intensity of feeling on the matter and that that intensity of feeling was across the House. I undertook to look further into the matter.

Of course I am aware—as colleagues will know, for it has been reported—that a very large number of Members have written to the commissioner of the Metropolitan police. I thank them for doing so. I have myself today written to the commissioner of the Metropolitan police, Cressida Dick, in support of those representations, and my letter has been published. We respect the operational freedom of the police, and we absolutely understand that they have difficult judgments to make in balancing the precious right of peaceful protest on the one hand and the right of Members of Parliament, journalists and others to go about their lawful business unimpeded and unthreatened. My sense of the opinion of colleagues, and they have considerable evidence for their view, is that, as things stand, the balance is not right.

I must say to the House that, frankly, it is intolerable if Members of Parliament and journalists go about their business in fear. This situation cannot stand. I have written with force, passion and politeness to the commissioner of the Metropolitan police seeking a review of policy. I hope that that is regarded by colleagues across the House as helpful. I would like to thank all those Members yesterday—on the Floor of the House and in conversations with me—who registered their concerns. I share them, and I will do my best to ensure that those concerns are properly addressed without delay.

Sir Nicholas Soames (Mid Sussex) (Con): On a point of order, Mr Speaker. May I thank you very much for your response and the sense of what you have said, which the whole House will have appreciated? However, will you add to the list not just politicians and journalists but ordinary members of the public, who themselves have been grossly abused just by being present?

Mr Speaker: I entirely accept what the right hon. Gentleman has said. In making that powerful point, he prompts me to add a reference to schoolchildren coming on to the estate to visit the education centre, for a wider

tour or both. They should not have to witness such insulting and, frankly, toxic behaviour. It is one thing to observe such behaviour, but it is another actually to do something to seek to prevent it, and it is, I think, for the latter that we in this House are looking. I thank the right hon. Gentleman.

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. I fully concur with all the things that were said yesterday and, indeed, by yourself just now, but I do not think this is just about policing, if I might say so. The arrangements at Abingdon Green, with the barriers placed in the way they are, mean that Members going from this palace can take only one route. That is making things more difficult and worse. I urge the House authorities to look at how they can relate better with the broadcasters to make sure that that area, which is part of our parliamentary estate, is better protected.

Mr Speaker: It may be, and I say this in all seriousness, with no frivolity or levity, that there is a symbiotic relationship between the House authorities and the hon. Gentleman, for I am able to say to the hon. Gentleman that we are seized of that point. It did not seem to me to be relevant to my letter to the commissioner, and I did not want to give what would, in any case, on that point, be only a holding statement to the House today. If I can say so with great politeness and respect to the hon. Gentleman, we have got that point—he is right—and we are looking to do something about it.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Mr Speaker. Thank you for the comments you have made and the action you have taken, and I certainly agree that your view is shared across the House by Members of all parties and all views—nobody wants to see this behaviour going on. May I just add that, of course, threats have also been directed at the police themselves? Earlier this morning, I spoke with some of the police officers protecting us all—they are doing a fantastic job. They, too, are being subjected to racist abuse and threats, and we all saw the tragic events here at the House, with the death of PC Keith Palmer. Nobody wants to see that situation again, so I hope that those conversations will be fruitful and that we can ensure that all of us can go about our business safely.

Mr Speaker: Thank you. It is a type of fascism, let us be quite clear about that—it is a type of fascism. Women and ethnic minority citizens, in particular, are being targeted. I do not say that they are the only people on the receiving end of this completely unacceptable behaviour, but they have been, and are being, deliberately and disproportionately targeted. That is not acceptable, and we have to ensure that something is done about it.

Matt Western (Warwick and Leamington) (Lab): On a point of order, Mr Speaker. Thank you for your intervention and for writing to the Metropolitan Police Commissioner. Is there not also a responsibility among the leaderships of our parties, and among Ministers and shadow Ministers, when they speak in the media, to reiterate what you are saying and not to seek to inflame some of the heightened tensions we are going to witness over the coming days and weeks? If I may say so, I was slightly surprised by an interview this morning with the

[Matt Western]

Secretary of State for Brexit, in that I thought he could have been more forthright in his condemnation of what happened yesterday.

Mr Speaker: I hope the hon. Gentleman will forgive me, because I did not hear that interview. I must, in passing, observe that I was told that the Secretary of State for Brexit—presumably because he was asked about the subject—did reference the concerns that exist about this totally unacceptable behaviour. Beyond that, I think it is fair to say that I should not comment, because I did not hear the interview, but we all have a responsibility to use moderate language and to treat each other with respect. I really do think that this is something that can unite the House, whatever people's views in this Chamber on Brexit or indeed anything else. We all believe that we and everyone else should be able to go about our lawful business unimpeded. Denying someone's personal space, shouting abuse, swearing at them, making sexist, racist or misogynistic remarks, or implying or stating directly that someone should lose his or her life because of the view that that Member holds is wrong—period. If there are people out there, as clearly there are, who do not get that point, well, they will have to be made to get it.

Universal Credit: Managed Migration

12.51 pm

Margaret Greenwood (Wirral West) (Lab) (*Urgent Question*): To ask the Secretary of State for Work and Pensions if she will make a statement on the Government's plans for the managed migration of people claiming legacy benefits to universal credit.

The Minister for Employment (Alok Sharma): Universal credit is a vital reform that overhauls a legacy system that trapped people out of work; with six different benefits, administered by three different Government Departments, it was utterly confusing for claimants. All new claimants now receive universal credit. In the future, we will move claimants who have not changed circumstances from legacy benefits to universal credit in an approach known as managed migration. It is right that the Government should seek to align provision for all, in order to eventually operate one welfare system. The Department has long planned to support initially 10,000 people through this process in a test phase, before increasing the number of those migrated. The first phase will give us an opportunity to learn how to provide the best support, while keeping Parliament fully informed of our approach. Universal credit is proceeding as planned, with no change to the timetable of completing managed migration by December 2023.

Margaret Greenwood (Wirral West) (Lab): Over the weekend, it was widely reported in the media that the Government had decided to ask for powers from Parliament for a managed migration pilot to move 10,000 people from legacy benefits to universal credit, rather than the managed migration as a whole of about 3 million people. One headline read:

"Threat of revolt forces rethink of 'catastrophic' universal credit".

The Minister's response does nothing to clarify the situation.

This is a matter of very real concern. Under so-called managed migration, the Government intend to switch off the vital financial support received by millions of people and leave them to apply for universal credit. There are very real fears that vulnerable people will be put at risk of falling out of the social security system altogether. Over a third of these people are currently claiming employment and support allowance because they are ill and disabled. In some cases, they will have been claiming it for a long time and may find it extremely difficult to make a claim for universal credit. A policy change of this significance, which was indicated in the press, clearly should have been announced in the House but the Government failed to do so. The Secretary of State failed to clarify the situation when she was asked to do so yesterday.

Will the Minister—it is disappointing that the Secretary of State is not in her place—tell the House whether the Government intend to ask Parliament initially for powers to carry out a pilot for the managed migration of 10,000 people or for the process as a whole, which would affect nearly 3 million people? Will the Government pledge, as they did before Christmas, to debate the regulations, in whatever form they take, on the Floor of the House? If the Government seek powers for a pilot in

the first instance, will the Government address the fundamental concern of numerous voluntary organisations that nobody's claim for a legacy benefit will be ended until they have either made a new claim for universal credit or have said that they do not wish to do so?

The result of putting back the timetable for managed migration, as the Government already did in the Budget, will mean that many more people will transfer to universal credit through natural migration. Can the Minister tell us how many people the Government estimate will move to universal credit through natural migration, and what savings that will make for the Treasury?

The Government announced in June that those in receipt of severe disability premium would not have to transfer to universal credit without transitional protection. Will the Government compensate those who have already done so and missed out as a result? What action will the Government take to ensure that those affected are fully compensated? The Government have chosen to shift the burden of what should be the Government's responsibility to ensure continuity of social security on to claimants, forcing them to apply for universal credit. Will the Minister explain precisely what the Government are going to do and will they stop the roll-out of universal credit?

Alok Sharma: May I just clarify, if it was not clear yesterday when we had oral questions, that the Government had previously committed to hold a debate on the affirmative regulations in relation to the managed migration regulations? That will happen in due course, and we will debate them as and when parliamentary time allows. We will of course, as we have set out previously, meet our commitment to severe disability premium recipients. We will also ensure that the start date for the July 2019 test phase involving 10,000 people is voted on.

The hon. Lady raised a number of issues. She raised the issue of vulnerable people. I hope she will have seen our response to the Social Security Advisory Committee's recommendations, in which we set out very clearly—I am sure we will have a chance to talk about them—how we will be looking to move people across, working with stakeholders to ensure protections are in place for the vulnerable.

The hon. Lady talked about voluntary organisations. We will be working with voluntary organisations. We have already had meetings with 70 stakeholders and we have plans for further discussions. We want to design the process together with them. The timetable is as set out. We will have a pilot phase starting in July 2019. In 2020, we will then move on to volume migration.

I want to end on one point, which is that every time the hon. Lady gets up she talks about stopping the roll-out of universal credit. To be clear, we have now rolled it out across the country. If she wants to support people, she should vote with us when we bring forward support for the most vulnerable. She voted against the £1.5 billion of support. She also voted against the £4.5 billion. When the regulations are debated, she should support them and not oppose them. Let me clarify once more that we will hold a debate on affirmative regulations in relation to the managed migration regulations.

Damian Green (Ashford) (Con): If the Government do proceed on a pilot basis with moving people across from existing benefits, that would be extremely sensible.

Does my hon. Friend share my experience of talking to job advisers and other staff in jobcentres? They are very enthusiastic about universal credit, as opposed to previous benefit systems, precisely because it helps them to better help other people into work in ways they were not able to do before. Can he reassure me that for all the issues with transition, which we all know are there, the Government are as committed as ever to making sure this new and better benefit system is rolled out fully?

Alok Sharma: My right hon. Friend is absolutely right. That is the experience of colleagues on the Government Benches when we talk to people—[*Interruption.*] Well, I would just say to the hon. Member for Wallasey (Ms Eagle) that she ought to go out there and talk to work coaches. I would say that to all colleagues, because in my experience they are telling me that for the first time they are doing what they came into the Department for Work and Pensions to do, which is to provide one-to-one support rather than having to explain an incredibly complicated legacy benefit system where people have not been able to claim all the money due to them.

Neil Gray (Airdrie and Shotts) (SNP): Thank you for granting this urgent question, Mr Speaker. I commend Labour for securing it. It is important because at the weekend, reading any of the papers, it would have seemed that everything had changed in the minds of Ministers on universal credit, with the Work and Pension Secretary's apparent U-turn. In actual fact, however, nothing had changed. I am sorry that the Secretary of State is not here to respond, given that the misleading headlines were in her name.

The Government were of course quite happy to ride that wave of publicity, but yesterday at DWP questions the scale of that so-called U-turn became clear. We now know that at present there are no plans to make any changes to universal credit, which is what everyone is really interested in.

Delaying the vote on the managed migration of people from legacy benefits to universal credit is a small acceptance from the Government that things may not be well with universal credit. We have six years of evidence and lobbying to show the Secretary of State that. She knows she cannot get away with kicking the can down the road. She knows that changes need to be made and that what is on the line is not just her credibility but the lives of recipients who desperately rely on that support. After all, we never know when it might be us relying on that safety net.

My question to the Minister is clear and unambiguous, and I hope he will be, too. Will he commit, with the Secretary of State, to putting pressure on the Chancellor to release the money to repair universal credit, starting with ending the two-child policy, stopping the benefits freeze and overhauling the punitive sanctions regime?

Alok Sharma: The hon. Member for Wirral West (Margaret Greenwood) asked earlier why the Secretary of State is not here. The reason is that she is in Cabinet. Her commitment is absolutely clear. She has visited jobcentres and talked to stakeholders and organisations that care about getting universal credit right, so there

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should be no indication in the House that she is not taking her duties incredibly seriously. She is hugely committed to this.

As I said, earlier this year, we brought forward £1.5 billion of funding to help people by allowing advances of up to 100% on day one if individuals require that and having a two-week run-on for housing benefit, and another £4.5 billion was announced in the Budget. This is all about making a difference and helping the most vulnerable in our society—something the Opposition should welcome.

James Cartledge (South Suffolk) (Con): We have had a very successful roll-out in Sudbury. I urge my hon. Friend not to pause the overall roll-out of the system. I well remember as an employer the problems of staff who refused to work more than 16 hours under the old system. He is doing the right thing. If this takes a bit longer to introduce, personally, I will welcome that.

Alok Sharma: I have set out our timetable, but my hon. Friend is absolutely right that the legacy benefits system is incredibly complicated. I mentioned that we have £2.4 billion under-claimed under the legacy benefits system because it is so complicated. That of course is changing under universal credit.

Ms Angela Eagle (Wallasey) (Lab): Will the Minister be up front with the House and admit that universal credit has been a disaster right from the beginning? It has been delayed, it has cost money and the Government are having to delay it further because they are worried about its effect. In Wallasey, there was a 39% increase in food bank usage after the roll-out of universal credit. It is causing real distress, and there are still £4.7 billion of benefit cuts to be administered between now and 2020. Will he admit that this is a rolling disaster area and commit to properly reviewing it and doing the right thing?

Alok Sharma: Perhaps the hon. Lady was not listening. I have already set out the extra funding we have brought forward. I wish she would support this. Of course, as we go through this process we learn and make changes as appropriate, but the reality is that we now have a much simpler system, under which people are able to get the one-to-one support they were not able to get before. She should welcome that.

Sir Oliver Heald (North East Hertfordshire) (Con): Does my hon. Friend agree that it was necessary in the roll-out of universal credit to learn the lessons of the failed introduction of tax credits, which left many people on low incomes right across the country in a big-bang situation where they were faced with large debts? Does he agree that, contrary to that approach, this Government have taken time and tested the system as they have gone? They continue to do that with the test involving 10,000 people, which I strongly support. I suggest they continue that approach.

Alok Sharma: I thank my right hon. and learned Friend for his support. We have always said there will be a test phase, and that is what we will have. He is absolutely right to highlight that the introduction of tax credits was not a success, whatever Opposition Members

may say. It is absolutely right that we listen and learn, and that is precisely what we will do as we go through the test phase.

Stephen Timms (East Ham) (Lab): Tax credits were a great success. In answering my question yesterday about the five-week wait before claimants are entitled to their benefit, the Minister pointed out that advances are available. That is true, but of course that means people are indebted to his Department right at the start of their claim. Press reports at the weekend stated that the roll-out would be paused because of worries about growing indebtedness. Are Ministers concerned about rising indebtedness among benefit claimants because of universal credit?

Alok Sharma: As I said yesterday, I know the right hon. Gentleman takes these issues extremely seriously, but so do we. That is why we introduced a change last year to ensure that advances of up to 100% are available on day one. Some 60% of those who come on to universal credit now take advantage of those advances. There is also the two-week run-on for housing benefit and, as he knows, we set out in the Budget further measures, which will come into place in 2020, when those moving across from out-of-work DWP legacy benefits will also get run-on.

Martin Vickers (Cleethorpes) (Con): We must not lose sight of the fact that inevitably there are problems during the transition phase, but I draw the Minister's attention to an email I received yesterday from Brian Herzog, one of my constituents, who wrote that "my mental health did a complete nose dive and it was Universal Credit that saved me in so many ways."

He added:

"Please trust me...it's a great system. I'd be happy to be used as an example of why it does work".

Well, I have done that. Does the Minister agree that we must do all we can to ensure that the transition phase moves smoothly and to support the staff who do an excellent job of delivering universal credit, but we must not lose sight of its successes for the vast majority?

Alok Sharma: I thank my hon. Friend, who works incredibly hard for his constituents. He is right to highlight that universal credit works extremely well for the vast majority of people, and of course we wish his constituent well, but I accept that we need to get this right for everyone. That is why, when it comes to managed migration, we will have a test phase.

Kate Green (Stretford and Urmston) (Lab): Will the Minister clarify whether the regulations he proposes to bring forward before July will cover only those encompassed by the pilot, or whether they will be the comprehensive managed migration regulations? Will they also deal with the severe disability premium?

Alok Sharma: The hon. Lady takes a great deal of interest in this area, so she will have seen the regulations that are currently before the House. If I may repeat myself, we have committed to holding a debate on any affirmative regulations, we have said we will meet our commitment to those in receipt of severe disability

premium, and we have said we will ensure that the regulations are in place so we can start the test phase in July 2019.

Alex Burghart (Brentwood and Ongar) (Con): In Brentwood, the roll-out of universal credit has been very successful thus far. I congratulate the Government on their use of test and learn to ensure that universal credit learns lessons that previous benefit systems did not. Will the Minister commit to sharing with the House the details of the pilot of 10,000? When does he expect to be able to do that?

Alok Sharma: My hon. Friend is very knowledgeable about these matters, as a former member of the Select Committee on Work and Pensions. We are in the process of designing the pilot. As I have said very clearly, we are having discussions with key stakeholders to make sure we get it right. Clearly, there will be plenty of opportunity in the future to debate it. Let me be very clear that we will, at the end of that phase, set out how it went.

Maria Eagle (Garston and Halewood) (Lab): Many of my constituents have been left without money and food—effectively destitute—for extended periods during the roll-out of universal credit. Can the Minister guarantee that those of my constituents due to be migrated on to universal credit, whether as part of a pilot or more generally, will not be left in this condition?

Alok Sharma: We want to make sure that the process of moving on to universal credit works for everyone. I am sorry if I repeat myself when I talk about the extra £1.5 billion. I said earlier that we brought that forward earlier this year—I meant, of course, during 2018. I have talked about the extra money made available in the Budget as well. Of course, we want to get this right in order to help all our constituents. That is what we are here for: to ensure we help people, but also to help people to progress into work.

John Howell (Henley) (Con): Does my hon. Friend agree that, in my constituency, which neighbours his, our feedback on universal credit has been generally positive, and would he accept my appreciation for the positive response that he and his colleagues have given to me when I have raised implementation problems with him as we have gone along?

Alok Sharma: I thank my hon. Friend for his kind comments. I hope it is clear to colleagues on both sides of the House that my door is open. When colleagues come with individual cases, I do take them up. I am always open and ready to have meetings on individual cases, and I will continue to be ready to do that.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): When universal credit was initially rolled out some time ago, people living in the highlands were the unwitting guinea pigs in this experiment. Now that some of the flaws in universal credit are becoming apparent, is there not a case for financial compensation for these people for all they have undergone?

Alok Sharma: As I have said—I am sorry if I have to keep repeating myself—we want to make sure that universal credit works for absolutely everyone. Wherever

we sit in the House, we want our welfare system to work for everyone. We will continue to work with stakeholders and others to make sure we get this absolutely right.

Alex Chalk (Cheltenham) (Con): Piloting managed migration for universal credit is an entirely sensible approach, as it means that lessons can be learned, but can the Minister assure me that, when learning those lessons, he will consider the evidence from charities and other experts so that the best possible evidence base is available and we can have the best possible system?

Alok Sharma: My hon. Friend raises an important point. We talk about stakeholders. We held an event for 70 stakeholders in October. We are working on work streams with stakeholders looking at how to create a successful claimant experience, what the role of delivery partners and external organisations might be in migration, how we communicate and engage with claimants, and how we identify and support our most vulnerable claimants. That work is going on right now. We will continue to do that to get this right.

Ruth George (High Peak) (Lab): The Minister says he wants to make sure universal credit works for absolutely everyone, but there are still 2.4 million households that will be more than £2,000 a year worse off under universal credit, of which 1.6 million will be moving on to universal credit in the next 12 months, under natural migration. What will the Government do to support those people and make sure it works for them?

Alok Sharma: As the hon. Lady will know, once universal credit is rolled out, there will be £2 billion more in the system than under the legacy welfare system. I know she cares deeply about these matters, but if she wants to support her constituents, she should have voted to support the measures we introduced to help people—I have talked about the extra money. Unfortunately, she has not been able to support them.

Sir Desmond Swayne (New Forest West) (Con): How does the generosity of the Minister's arrangements compare internationally?

Alok Sharma: Different countries will have different welfare arrangements. It is important for us to have a welfare system that not only provides support but is sustainable and ultimately helps people into work. That the employment rate now is at a joint record high is testament to the work the Government have done, including on welfare reform.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The problem is that the individual cases keep coming and coming because of the Government's failures on universal credit. A constituent contacted me because of an issue about early payment from her employer before Christmas. She was forced to go to a food bank—over Christmas! Surely, the Minister does not think that that situation is acceptable.

Alok Sharma: As I have said, we want to get this right for everyone, and where there are individual cases, of course we will take them up, but the hon. Gentleman seems to imply that, under the legacy benefits system,

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the world was entirely rosy. He and I know, as Members of Parliament, that the legacy benefits system is inferior to universal credit.

Kevin Foster (Torbay) (Con): I welcome the tone of the response from the Minister so far—it is always good to see him at the Dispatch Box—but could he confirm how the Department will go about selecting the 10,000 to take part in the pilot, how it will monitor it and how it will report back on its evaluation?

Alok Sharma: My hon. Friend raises an important point. During the test period, we will be testing a number of approaches to moving claimants on to universal credit safely and in the most effective way. This will include testing a non-mandatory approach, where claimants will be invited to go through the process. We will be testing claimants on all benefits and in a range of circumstances to make sure that we move all claimants on to universal credit safely.

Dame Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The reality for many people in my constituency is that universal credit is plunging them deeper into poverty. What specifically will the Minister do about this, and when?

Alok Sharma: I visited Liverpool last year and talked to colleagues in jobcentres who told me that universal credit was working well, that they supported it and that it enabled them to offer help. The hon. Lady talks about providing support for individuals. The best support we can provide is helping them to get into work, and that is what is happening under universal credit.

Neil O'Brien (Harborough) (Con): Universal credit is solving some serious problems in the benefits system. It is helping people to move into work more quickly and, together with the national living wage, is helping to drive down unemployment. The Minister is right to take a cautious approach to rolling out universal credit but, further to the question from the hon. Member for Stretford and Urmston (Kate Green), can he assure me that he will move as quickly as possible to introduce regulations that solve the problem for people on severe disability premium? I have a constituent whose disabled son has lost money because he has moved local authority. It is obviously an indefensible situation. He will want to fix it. Can he assure me that we will move quickly to solve this problem?

Alok Sharma: My hon. Friend is right to highlight the issue of the recipients of severe disability premium. We recognise that issue, which is why we have committed to putting in place a hard gateway so that people are not naturally migrated across.

Steve McCabe (Birmingham, Selly Oak) (Lab): If there is to be a pilot, will the Minister look again at the advice of Sir Ian Diamond, the chair of the Social Security Advisory Committee, who says it is not necessary for all those on legacy benefits to make fresh universal credit claims, which is bound to increase administration costs and undoubtedly will result in some of the most vulnerable losing out on the benefits they are entitled to? He says it is not necessary because the Department already has the key data for most of those claimants.

Alok Sharma: Of course, we are in regular contact with the Social Security Advisory Committee and the hon. Gentleman will know that in our response to it we highlighted the limitations of pre-population, which I think is what he is talking about. I ask him to look at when we moved people from incapacity benefit to employment and support allowance. We did not have all the appropriate information and this led to the Department estimating the need to spend about £1 billion on historical underpayments. We want to ensure we get this right, but of course it is important to build in safeguards, particularly for the vulnerable, and that is what the test phase is all about.

Mr Philip Hollobone (Kettering) (Con): One of the aims of universal credit is to more accurately target financial support to the most vulnerable people, who need it most. As I understand it, when fully rolled out, up to 1 million disabled people will be able to claim something like £100 a month more than they currently receive. Is my understanding correct?

Alok Sharma: My hon. Friend is absolutely right. There will be that extra money. As I have said, this is about making sure that we target funds at those who need it most. That is why we introduced changes in work allowances in the Budget, which will make a difference to people with children and, of course, those with disabilities as well.

Chris Stephens (Glasgow South West) (SNP): Will the pilot just move 10,000 people on to the existing system, or will there be meaningful changes before it begins, as requested by the Select Committee and by stakeholders? Will the Minister look at the position of individuals who turn down jobs involving zero-hours contracts, who are liable to be sanctioned under universal credit but would not be sanctioned under legacy benefits?

Alok Sharma: I am always happy to have a detailed discussion with the hon. Gentleman on any issues, but let me commend to him our response to the Social Security Advisory Committee's recommendations. As he will see, we have taken on the vast majority of those recommendations—and, of course, we have committed ourselves to working with stakeholders, which we are already doing.

Tom Pursglove (Corby) (Con): On Friday, it was great to be interviewed by a university student from Corby, Bethany Kilgallon, about universal credit. What message would my hon. Friend want me to pass on to her about the successes of universal credit so far, and the way in which the roll-out will be handled in future?

Alok Sharma: My hon. Friend has raised a fundamental point. Universal credit replaces a very complicated legacy benefits system, and is ensuring that people get into work faster and stay in work for longer. That, ultimately, is what we should all be trying to do, as well as helping people to progress when they are already in work.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): For the record—I know that you are aware of this, Mr Speaker—tax credits lifted 1.1 million children out of poverty, whereas the Government's policies are set to increase the number of children in poverty by

more than 1 million. We know that disabled people who are out of work will be worse off even after the Budget. The High Court decided last summer that transitional protections were needed, and that the Government were acting unlawfully and discriminating against disabled people. The Minister has been asked this three times: when will those transitional protections be put in place?

Alok Sharma: The hon. Lady talks about poverty. May I point out respectfully to her that since 2010, 1 million fewer people are living in absolute poverty, including 300,000 fewer children? *[Interruption.]* The hon. Lady may not like the answer, but she cannot argue with the facts. As for the regulations, we have been very clear about them, as was the Secretary of State yesterday.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Happy new year, Mr Speaker.

Five years after the roll-out of universal credit and two years after it was meant to finish, it is costing three times as much as the legacy benefits, and the Government have had to announce a pilot to test whether it even works. Is this not an admission of colossal failure, with equally colossal human and financial costs?

Alok Sharma: I do not know whether the hon. Gentleman is arguing against our conducting a pilot, but that would be irresponsible. We have always made it clear that we need to get this right, which is why we will organise a pilot.

Christine Jardine (Edinburgh West) (LD): I was delighted to hear the Minister say that he would listen to what is said about the changes that will have to be made. Does that mean that he will accept the necessity for a guarantee that vulnerable people on existing legacy benefits need not apply, that there will be some way of ensuring that they are being moved successfully on to universal credit before their legacy benefits are stopped, and that someone from the DWP will visit them at home to ensure that they are receiving what they are entitled to, and are completely aware of the changes?

Alok Sharma: As the hon. Lady will know, home visits are already available under the welfare system and the universal credit arrangements. However, she has raised an important point about the need to ensure that no one who is vulnerable falls through the cracks. We want to ensure that as well, which is why we are working with health charities and others to make certain that we get this absolutely right.

Alison McGovern (Wirral South) (Lab): A quarter of households in receipt of universal credit are lone-parent households, and we know that as people move on to universal credit, 50% more of those households will lose rather than gain. Given the tax cuts that the Government have handed out to the richest households, can the Minister give me a single reason why any lone-parent household should be worse off rather than better off? Can he give me a single justification for that?

Alok Sharma: If the hon. Lady is so keen to support lone-parent households, she should have supported us and voted for the work allowances that we introduced in the Budget.

Hywel Williams (Arfon) (PC): It has long been the Department's intention to allow universal credit applications to be made through the medium of Welsh in Welsh-speaking areas, particularly in north and west Wales, but that facility has been denied to people so far by deficiencies in the computer system. What will be the impact of the "managed migration test phase", restricted to 10,000 claimants, on that rather larger and more long-term policy intention?

Alok Sharma: I will double-check and write to the hon. Gentleman if I am wrong, but I believe that we have put in place the arrangements required to enable people in certain jobcentres in Wales to communicate in Welsh.

Liz Kendall (Leicester West) (Lab): It sounds as if the Minister thinks that all the lessons have been learnt and all the problems with universal credit have been solved, but let me tell him that in Leicester, one of the areas in which the roll-out has occurred later, too many people are still waiting too long. They are getting into debt, and there has been a huge increase in demand for food banks. May I urge the Minister, even before any pilot involving people on existing legacy benefits, to stop and carry out a fundamental review with all the experts and charity groups, so that we can secure the reform that we need and my constituents do not have to fear the future?

Alok Sharma: Payment timeliness may be one of the issues to which the hon. Lady refers. The position has improved. When people cannot receive their full payments at the end of the first period, it is often because we have been unable to obtain verification because no information on housing or childcare costs has been provided, but support is available in the system. If there are individual cases in which the hon. Lady thinks that things have not gone well, she should come and talk to me: I would be very happy to have that discussion.

Grahame Morris (Easington) (Lab): Yesterday, during DWP questions, the hon. Member for Clacton (Giles Watling) said that he struggled with online applications, which caused some mirth on the Government Benches. May I pursue the question asked by the hon. Member for Edinburgh West (Christine Jardine)? I tabled some written questions about the number of requests for face-to-face assessment interviews. I was told that since March 2015 there had been 144,000, of which only 308 had been home consultations. Can the Minister explain why so few people have been offered home assessments? If he cannot do so, will he conduct an investigation in the Department to find out why so many sick and disabled people are being denied such assessments?

Alok Sharma: There are a number of ways in which people can claim universal credit. There is, of course, the online process, and help with that can be provided in jobcentres. There is also the Freephone telephone line, and people can also have appointees. As the hon. Gentleman has said, there are home visits, but, again, I would be happy to discuss the issue with him.

Mr Kevan Jones (North Durham) (Lab): Many people going on to universal credit find it difficult to manage their finances. May I ask the Minister to give serious consideration to local working with credit unions? I am

[Mr Kevan Jones]

a director of NE First Credit Union for the North East, which offers people simple bank accounts and affordable finance. Would the Minister consider linking credit unions with the DWP so that people can not only receive advice, but stop getting into the hands of loan sharks?

Alok Sharma: I would be happy to meet the hon. Gentleman to discuss that suggestion and see what is possible, but, as he will know, we have a new arrangement with Citizens Advice and Citizens Advice Scotland to ensure that advice is given to people to help them as they move on to universal credit. That arrangement will kick off formally in April. We have made £39 million available, and of course we want the process to work well.

Patrick Grady (Glasgow North) (SNP): The Minister must accept that he is kicking the can down the road and that managed migration is of no comfort to people in Glasgow North who are making new claims, are on a natural migration waiting weeks for the first payment or are subject to the mendacious two-child policy. If the UK Government cannot fix the flaws they themselves admit exist in UC, is it not time to devolve these powers fully to the Scottish Parliament and Government, who will put fairness and dignity at the heart of social security?

Alok Sharma: I would like to think that I have a good working relationship with my opposite number in the Scottish Government and of course we will continue to work with them on a range of issues. It is important that we get this process right for everyone and that is our intention.

Ms Karen Buck (Westminster North) (Lab): I served in 2011 on the Welfare Reform Bill which paved the way for UC, and it is clear that the questions the Government could not answer then about UC they still cannot answer now, eight years later—and a little humility on the part of the Minister would be very welcome. Does he recognise that managed migration clients will not for the most part be the same as roll-out clients? There will be a higher level of vulnerability, with many people unable—and will continue to be unable—to work because of sickness and disability? What extra provision is he building into the system to make sure even this pilot does not leave people with a debt crisis and at risk of losing their home?

Alok Sharma: The hon. Lady gets to the point of the pilot phase, as that is precisely what we want to make sure happens: we want to get this right particularly for the most vulnerable. We are working with a range of stakeholders. I set out in an earlier answer the work-streams we are working on, and we will continue to do that until we get this right.

Richard Burden (Birmingham, Northfield) (Lab): In an area such as mine where UC has already been rolled out, if somebody on legacy benefits who has more than two children reports a change of circumstances, they are told they must migrate on to UC only then to be told that because they have more than two children that migration cannot take place. By the time they have been

told that, their housing benefit and council tax benefit and other benefits will have been stopped. It takes weeks to sort that out and real hardship is caused in the meantime. Small wonder therefore that food bank use and indebtedness are rocketing. Can the Minister say plainly that there are practical problems with the current system of roll-out, and what will he do to sort it out?

Alok Sharma: We have been fixing problems, and we will continue to do that. Again I say—I make this offer in all sincerity, not least because this is how we will learn in this process—that where the hon. Gentleman has a specific case I will be happy to sit down with him and talk it through and see what we can do to make sure that the system works for others who come after his constituent.

Laura Pidcock (North West Durham) (Lab): The Government always try to individualise our constituents' problems, but these are systemic flaws in the system. People every single day are made deliberately worse off under this scheme which makes them wait five weeks. Deep design and administrative flaws have been listed exhaustively in numerous reports. Is it acceptable to continuously test and learn on people? Is it acceptable that every single day we have people naturally migrating on to UC, because they are no less vulnerable and deserving of protections than those on managed migration? Will the Minister please halt the natural migration and the managed migration?

Alok Sharma: The roll-out of UC has already taken place across all jobcentres. UC is continuing; I have set out the timetable, as the Secretary of State did yesterday. But the hon. Lady is right that we need to make sure we get this right and that is why we have the test phase. I am pleased that at least some colleagues on the Opposition Benches have acknowledged that this is an important part of making sure we get this right in terms of managed migration.

Chris Bryant (Rhondda) (Lab): There is a fundamental flaw that I think is utterly pernicious in terms of UC—the first five-week wait. I had a constituent in my surgery before Christmas who was in tears, because, she explained, “I have never been in debt in all my life, and now I have had to go into debt, and it is the system that is encouraging me to do that. In fact, I heard the Prime Minister on television last night say that it is a good thing that I can take out a loan which I pay back.” We must stop pushing the poorest people in our country, who are often the proudest people in our country, into debt.

Alok Sharma: Of course we do not want to push anyone into debt, but may I just be clear that these advances are interest-free, so over a—[*Interruption.*] Over a 12-month period people will get their monthly payment and then their additional advance which they pay back over that period, and of course we will be extending that to allow people to pay that back over 16 months. Many people have welcomed the advances and now about 60% of those coming on to UC are taking out advances.

Alison Thewliss (Glasgow Central) (SNP): Will the Minister look at a serious flaw in debt repayment between legacy systems and the UC system? A constituent of

mine has been diligently repaying an historical tax credit debt but that debt also moved when she moved on to UC. HMRC deducted £11 a month, but the DWP wants to take £79.46 from an income of only £317.82 per month after housing costs. Will the Minister meet me to discuss this case and the unfairness in the system, because people cannot live on this amount of money?

Alok Sharma: Of course I will meet with the hon. Lady, as I have done previously on issues she has raised. As a general rule, one would not expect deductions to be more than 40% of a standard allowance, and of course that figure will come down to 30%.

Diana Johnson (Kingston upon Hull North) (Lab): May I express to the Minister my concern about the worry and anxiety that people face when making UC claims? We had the roll-out in December in Hull. If there is a pilot from the middle of 2019 will some of the pilot numbers come from Hull, and will people in Hull be in any way penalised if they do not make a claim in time?

Alok Sharma: Of course we want to support people as they come on to UC, whether they are naturally migrating or in the test phase. We have now put in place a provision with Citizens Advice to make sure people are provided with that consistent support across the country and I want that to work well.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): My constituent lost his job in October and waited five weeks for his first payment of UC, receiving £149 at the beginning of December, which has to last him until the middle of this month. He received an advance payment of £549.79 in November which he used to pay for his rent. This has been deducted from his future payments, hence causing hardship to him, and the DWP is unable to reduce the repayments during the current assessment period and has not agreed to do so from January. However, he was left over Christmas with no money to live on and no access to other possible funding. What will the Minister do to make the assessment period more flexible in order to protect claimants from suffering such obvious hardship?

Alok Sharma: The assessment period is five weeks. We of course did away with the seven-day waiting period that was in place previously, and of course 100% advances are available on day one if people require them. The hon. Gentleman raises a detailed individual case, however, and I would be very happy to talk to him about it, perhaps after this urgent question.

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): Nearly 30% of eligible households in my constituency are already on UC, but many cases that I deal with

involve people whose legacy benefit was incorrectly withdrawn and who are then forced to apply for UC and find themselves with a lower award, and there is no transitional support for these people. What will the Minister do to address that? Surely at a minimum they should be allowed to stay on the legacy benefit?

Alok Sharma: Without knowing the individual cases the hon. Gentleman raises I cannot comment in any detail—[*Interruption.*] I have been asked to answer on policy, and that is precisely what I am doing. The reality is that we have now rolled out UC across the country, so new claimants or those who have a change of circumstance will move on to UC. But again, I am happy to discuss individual cases.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The regulations that the Government intended to lay did have provision for back payments for those who transitioned through natural migration and lost their entitlement to severe disability premium. Given that both women's aid organisations in my constituency, Clydebank Women's Aid and Dumbarton District Women's Aid, are gravely concerned about the impact of transition not just on those vulnerable women fleeing domestic abuse but those who have children who are disabled, will the Government now bring forward regulations to initiate these back payments and ensure no one loses out in the future? A yes or no answer would be helpful.

Alok Sharma: I am very happy to talk to the hon. Gentleman about this. I assume that he refers to the run-on of the DWP legacy benefits from 2020, and of course this will apply to claimants on managed migration and to those who naturally migrate, provided that they do not have a break in their claim.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Since as far back as 2013, Inverness and then the rest of my constituency suffered through the pilot and on through the full-service roll-out of universal credit. The new year front page of *The Inverness Courier* newspaper described the rise of poverty in our community, and that was directly attributed to universal credit. Over nearly six years, the UK Government have failed to listen to any of the agencies, the charities, the council or the people who have been affected. What does the Minister say to those people who have suffered directly over all that time from having their plight ignored by this Government?

Alok Sharma: I have a lot of respect for the hon. Gentleman, and I am sorry that we are ending this urgent question on a discordant note, but respectfully, I do not agree that we have not listened. That is precisely what we have been doing, and we will continue to do so through the test phase and beyond.

Seaborne Freight

1.41 pm

Andy McDonald (Middlesbrough) (Lab) (*Urgent Question*): To ask the Secretary of State for Transport if he will make a statement on the awarding of a contract to Seaborne Freight as part of his no-deal contingency planning.

The Secretary of State for Transport (Chris Grayling): The Government are working towards ensuring that we leave the European Union in March with a sensible agreement for the future, through the withdrawal agreement that the House will consider next week, but any responsible Government need to plan for all eventualities. As part of that work, the Department for Transport has been undertaking a wide range of activities to mitigate the impact on the transport system of a potential no-deal EU exit, particularly around the movement of freight. For example, my Department has been delivering measures such as the Haulage Permits and Trailer Registration Act 2018, which puts systems in place if a permit system is required to ensure that UK heavy goods vehicles can continue to be used in the EU.

We have also put in place Operation Brock as a replacement for Operation Stack, in order to deal with disruption at the channel ports. This is not simply a Brexit-related measure. We do not want to see any repeat of the issues that Kent faced in 2015, with the closure of the M20. If there is any disruption at the ports, for whatever reason, Operation Brock should keep the motorway open while we prepare the long-term solution of a lorry park. Yesterday, Kent County Council and my Department carried out a live trial of one part of Brock, on the route from Manston. We were satisfied with the number of vehicles that took part, which was more than enough to determine a safe optimum release rate from Manston to the port of Dover via the A256 and caused minimal traffic disruption along the route.

This is a range of examples of the sensible contingency planning that a responsible Government are carrying out to ensure that we are prepared for a range of outcomes. We remain committed to ensuring that movement across the UK border is as frictionless as possible, whatever the outcome. However, without planning, there could be significant disruption to the Dover strait, particularly if no agreement is reached. Given the importance of these routes to the UK economy, it is vital that we put in place contingency plans to mitigate any disruption that might occur in a no-deal scenario.

The Department is working with the port of Dover and the channel tunnel—as well as with our French counterparts, at both official and ministerial level—to ensure that both operate at the maximum possible capacity in all instances. Those discussions are positive and I am confident that everyone is working constructively to ensure that the Dover-Calais route—particularly at the port of Dover—and the tunnel continue to operate fluidly in all scenarios. However, in order to ease any pressure on those routes, my Department has completed a proper procurement process to secure additional ferry capacity between the UK and the EU. Following this process, three contracts were awarded to operators, totalling a potential of £103 million. Almost 90% of that was awarded to two well-established operators:

£46 million to Brittany Ferries and about £42 million to DFDS. These contracts provide additional capacity on established routes, and through additional sailings and, in some cases, additional vessels, into ports in northern Europe and other parts of France.

A third, smaller contract, which is potentially worth £13.8 million, was awarded to Seaborne Freight, a new British operator, to provide a new service between the port of Ramsgate and Ostend. Let me stress that no money will be paid to any of these operators unless and until they are actually operating ferries on the routes we have contracted. No money will be paid until they are operating the ferries. No payment will be made unless the ships are sailing, and of course, in a no-deal scenario, money will be recouped through the sale of tickets on those ships.

As I believe the House knows, Seaborne is a new operator looking to reopen that route, which closed five years ago. As a result of this, we ensured that its business and operational plans were assessed for the Department by external advisers, including Slaughter and May, Deloitte and Mott MacDonald. These included Seaborne's plans to charter vessels for service, as is common across many transport modes including airlines and rail operators. We also conducted searches on the directors of Seaborne via a third party, and found nothing that would prevent them from contracting with the Government.

I make no apology for being willing to contract with a new British company, particularly one that has a large number of reputable institutional backers. We contracted with Seaborne Freight because the service it proposes represents a sensible contingency in the event of disruption on other routes. I am also pleased that this award supports the port of Ramsgate, which operated as a commercial ferry port as recently as 2013 and has taken roll-on roll-off services as recently as last year. I am looking forward to seeing ferry services resume from this port. The infrastructure work required to make that possible has already started, and it is one of the most visible and symbolic elements of how seriously my Department is taking contingency planning for all Brexit eventualities.

Andy McDonald: The Transport Secretary has awarded a £14 million contract to a company with no money, no ships, no track record, no employees, no ports, one telephone line, and no working website or sailing schedule. Two of Seaborne Freight's directors would not pass normal due diligence requirements. One of them, Ben Sharp, is already under investigation by a Government Department. Did the Department for Transport consult other Departments about Mr Sharp's fitness as a company director? Ben Sharp quit his business activities in the Gulf leaving a trail of debt behind him. His company, Mercator, was merely a shell finding vessels for security companies. Is it correct that he operated without the licence he needed pursuant to the Export Control Order 2008? Did he operate without that licence? Yes or no?

It is abundantly clear from the promissory note published by "Channel 4 News" that Sharp owed and still owes Mid-Gulf Offshore more than \$1 million, and many more companies besides. How is it that Slaughter and May, Deloitte and Mott MacDonald were instructed to restrict their due diligence examination to the face value of the presentation put to them by Seaborne? Why on

earth have they been allowed to restrict their investigation to the present company and not to consider the trading history of the individuals concerned, particularly Ben Sharp? The mayor of Ostend has made it clear that Seaborne cannot berth at his port as it has no bank guarantees and no contract with Ostend. It is without capital. Who is investing in Seaborne? Who is paying for the dredging of Ramsgate?

This is a shoddy and tawdry affair, and the Secretary of State is making a complete mess of it. This contract is likely to be unlawful and it violates every current best practice guidance issued by Whitehall. When will he realise that this country cannot continue to suffer the consequences of his gross incompetence? Why is this calamitous Secretary of State still in post?

Chris Grayling: I am not even going to address the idiocy that the hon. Gentleman has just come up with. He has made a number of allegations, which I suggest he goes and makes elsewhere. I am simply going to say this: the Government have let a contract for which we will pay no money until and unless ferries are running. That is responsible stewardship of public money. On other matters, from the due diligence we have done, there is no reason to believe that anyone involved in this business is not fit to do business with the Government. I say this again: we are not spending money unless these ferries operate.

Mr Owen Paterson (North Shropshire) (Con): Many of us would agree that much the best end solution for the talks between the Government and the EU would be a wide-ranging free trade agreement, as offered by President Tusk in March, with zero tariffs. However, to bring the EU to the table, to counter the arrogant boasting of Mr Selmayr in the *Passauer Neue Presse*, which many of us have been reading since we heard about it yesterday, and to show that we are deadly serious, it is obvious that we must prepare for World Trade Organisation terms. I therefore commend the Secretary of State for his various actions to show that we are serious about preparing this country to work under those terms, through which we work with the rest of the world.

Chris Grayling: I am grateful to my right hon. Friend. It is absolutely right and proper that we prepare for all eventualities. The sad thing is to see the Labour party trying to destroy Brexit and taking a destructive approach to any sensible measures that this Government take to prepare for all Brexit eventualities. Frankly, Labour is not fit to be in opposition let alone in government.

Alan Brown (Kilmarnock and Loudoun) (SNP): Seaborne Freight has no boats, negative equity of £374,000 and no history of running ferry or freight services. The current director, Brian Raincock, and chief executive Ben Sharp both had companies liquidated owing Her Majesty's Revenue and Customs money, with Raincock's debt at £600,000. HMRC is us, the taxpayer, so what constitutes due diligence? What red flags were identified? How did that company get handpicked for direct negotiations for operating out of a port that is not even ready?

The Secretary of State's written statement indicated that direct negotiation was possible under regulation 32 of the Public Contracts Regulations 2015, which relates

to emergency situations brought about by unforeseeable events. However, the Government claim to have been planning for no deal for over two years. What legal advice was provided? What level of madness exists to contract contingency planning to a company with no track record of such service?

Saying that the company will get paid only if it can deliver misses the point, because if it does not deliver the so-called emergency contingency service, that would leave us high and dry. Is that the project for which the ministerial direction was required? Is there a central Government instruction and process for the awarding of such no-deal Brexit contracts? If so, can we see it? Does this contract comply with that guidance? If so, that highlights the shambles of this Government's no-deal preparations. When will the Secretary of State do the right thing and go?

Chris Grayling: This procurement was done properly and in a way that conforms with Government rules. It secures the position of the taxpayer by ensuring that no money will change hands unless and until the ferries are running. The hon. Gentleman does not seem to listen.

Sir Bernard Jenkin (Harwich and North Essex) (Con): I join my right hon. Friend the Member for North Shropshire (Mr Paterson) in supporting my right hon. Friend the Secretary of State's determination to be prepared for all eventualities. He has succeeded on aviation services, the transit convention and other things that will ensure that trade keeps flowing. However, what lessons can be learned from this situation? No matter how good this company might be, this is a difficult contracting environment in which things must be done quickly under intense political and public scrutiny. Will my right hon. Friend ask the permanent secretary to conduct a quick lessons-learned exercise so that companies with which the Government are contracting are better prepared than this one for the scale of public scrutiny to which it has been subjected?

Chris Grayling: My hon. Friend makes a valid point about public scrutiny. This contract was properly signed off by my Department's accounting officer, and it was done in the best possible way when dealing with a new business, which is to ensure that the business will be paid only when it delivers the service. That is a responsible use of taxpayers' money.

Lilian Greenwood (Nottingham South) (Lab): I have already written to the Secretary of State with a long list of questions about his Department's procurement of additional ferry services as part of no-deal planning, and I look forward to receiving his response. Yesterday, however, Lloyd's Loading List reported some extraordinary remarks from the CEO of Seaborne Freight, Jean-Michel Copyans, about the proposed Ramsgate to Ostend route. He said:

"Then we've had to identify the vessels best suited to the type of crossing, which we're keeping a secret for the moment."

With no crew, no signed contracts in place with Ramsgate or Ostend, no clear plans to bring the infrastructure back into service and now "secret" ships, is there not a huge question mark over the deliverability of the service?

Chris Grayling: My officials and I have confidence in the deliverability of the service, but if the firm fails to deliver it, we do not pay.

Charlie Elphicke (Dover) (Con): Does my right hon. Friend agree that no-deal contingency planning is very much in the national interest? Will he join me in condemning those who want to try to prevent no-deal planning through parliamentary wrecking tactics and sabotage, and through Trump-style Government shutdown threats? Does he agree that such tactics from the Labour party would make problems in Kent and elsewhere more likely, and that they are irresponsible, reckless and wrong?

Chris Grayling: I completely agree with my hon. Friend. He will agree that it is right and proper that we do everything we can to keep trade flowing through the port of Dover and the channel tunnel as smoothly as possible. We are taking prudent measures to ease potential pressures on those ports, which is the sensible thing to do. The risk to the taxpayer is not there, because we will not pay unless the service is delivered. The Labour party does not seem to believe in no-deal Brexit planning.

Hilary Benn (Leeds Central) (Lab): The Secretary of State takes a rather unusual approach to contract letting, because as soon as he is questioned about the ability of the firm with which he has contracted to deliver on what it has promised, he tells the House, "If they don't do it, we won't pay." He said a moment ago that he is confident that the company will be able to run the service, so will he answer a very simple question? Has Seaborne Freight told the Department which vessel it has acquired in order to provide the service, which could be needed in just over two months' time?

Chris Grayling: The company has told my Department in great detail about its plans, which are being finalised commercially. We are confident that the firm will deliver the service.

Sir Nicholas Soames (Mid Sussex) (Con): My right hon. Friend will be aware that Seaborne Freight has had it in mind for well over two years to start the Ostend-Ramsgate route. Does he agree that the constant denigration of the contract, which means that the contractor will not get a single penny of anyone's money until it fulfils the contract, is damaging to sensible work? Finally, if we were—God forbid—to crash out on WTO terms in the extreme circumstances mentioned by my right hon. Friend the Member for North Shropshire (Mr Paterson), will the Secretary of State tell the House whether he would have any arrangements to take up shipping from trade?

Chris Grayling: My right hon. Friend makes a good point. There seems to be visceral hatred of small business on the other side of the House and a visceral belief that the Government should not be willing to contract with small business. The Government are told time and again that we should contract and work with small business, and help small businesses to develop, but when we do so, we get nothing but a wall of criticism from Opposition Members. The Labour party hates business. This new Labour party is very different from the one of 10 years ago—it simply hates business.

I say to my right hon. Friend that if we find ourselves in a no-deal situation, there are other measures that we can bring forward. We are actively looking at how we would do so.

Diana Johnson (Kingston upon Hull North) (Lab): I have never seen a Minister bluster and bluff quite as much as this Minister has today. Following everything that the Secretary of State has heard from the shadow Secretary of State and the Chair of the Transport Committee, does he not have one iota of concern about the contract being let to this shyster?

Chris Grayling: Mr Speaker, that is an inappropriate thing for any Member to say, and I am not going to respond to it.

Mr Speaker: I simply say that the Secretary of State is perfectly entitled to his assessment of whether it is appropriate in political terms. No breach of order has taken place procedurally, but the Secretary of State has made his judgment, and I accept that.

Dr Sarah Wollaston (Totnes) (Con): I am glad to hear the Secretary of State confirm that no money will change hands, but there will undoubtedly be vast manpower and bureaucracy costs in no-deal planning, and we know that there are actual costs when it comes to commissioning refrigerated warehousing and special air freight. All that could be avoided if the Government ruled out no deal. No deal would be catastrophic, and no sensible Government should inflict that on their people.

Chris Grayling: Of course, the best way of avoiding no deal is to ensure that the deal passes through this House, and I will vote for it next week.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It feels like we are on the set of a film called "Carry On Brexit". *Le Figaro* described the contract as ferries "sans bateaux". The firm's terms and conditions are from a pizza delivery company, so we wonder whether the MV Hawaiian and the MV Pepperoni will be sailing the route. To get away from "Carry On Brexit", the serious point is that the Secretary of State is saying that if the company does not deliver ferries, there will be no payment, but if it does not deliver the ferries, what will be the fall-back, stopgap or contingency? If there are no ferries, the whole thing falls apart—it is "Carry On Brexit"!

Chris Grayling: What a load of absolute tripe. I can tell the hon. Gentleman has not been listening to me. Ninety per cent. of this contract has been awarded to substantial and established ferry operators—DFDS and Brittany Ferries. We did not have a reason to exclude a small business from taking a small part of the contract with a legitimate, valid bid.

Craig Mackinlay (South Thanet) (Con): It is remarkable, is it not? If the Government were to do no planning for all Brexit eventualities, they would be condemned. Now they are doing sensible planning, they face derision. I have met Seaborne Freight, which has shown itself, over a number of years, to be the only party interested in running new services between Ramsgate and Ostend—that was even before this contingency planning. Personally, I welcome the dredging and improvements now taking shape at the port of Ramsgate at no cost to local taxpayers. We will have a regeneration bonus, no matter what, and I welcome that.

Thanet District Council and the people of Ramsgate will do all they possibly can for Brexit provision, so I welcome the measures the Secretary of State has taken, but there are people in this House who do not seem to be listening. Will he say once more that there will be no cash for Seaborne Freight if it does not run the services?

Chris Grayling: I am very happy to reiterate that. It is a responsible approach to a new contract with a new business that we will pay when the business delivers. It is disappointing to hear that the Labour party is so opposed to the regeneration of the port of Ramsgate. It was not so long ago that the Labour party represented Ramsgate in Parliament but, given this negative attitude, it does not deserve ever to do so again.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): One of the directors of Seaborne Freight has been named by the *Financial Times* as Brian Raincock, whose previous company went into liquidation in April 2017 owing £585,000 to its main creditor, HMRC, which is essentially the British taxpayer. Is the Secretary of State content that this excruciating fact apparently did not come up during his Department's due diligence on Seaborne Freight before it awarded the contract? Whether or not Seaborne Freight delivers the ships, it has still been awarded a £14 million contract, so hon. Members on both sides of the House rightly have an issue with the Secretary of State and his response today.

Chris Grayling: I keep telling the hon. Lady that the £14 million will not be paid unless Seaborne Freight delivers a service. I will not comment on the tax affairs of an individual, and nor should she. The due diligence on all those participating in the company found no reason why they are unfit to do business with the Government.

James Duddridge (Rochford and Southend East) (Con): I congratulate the Secretary of State on his detailed preparations, but will he also consider how south Essex can support those preparations at Tilbury, London Gateway and London Southend airport? London Southend airport has experience of just-in-time delivery to Dagenham and is run by Stobart Group, an excellent freight haulage firm.

Chris Grayling: I absolutely agree. Of course, if we find ourselves in a no-deal scenario, a number of other ports, including Tilbury, will play a part. I hope we do not reach that point, and I think we all agree that we want a sensible free trade agreement with the European Union after 29 March, but the reality is that we need to make sure we are prepared for all eventualities. In such a situation, many of our ports up the east coast and along the south coast will play an important part in making sure that trade flows freely.

Joanna Cherry (Edinburgh South West) (SNP): I am very concerned about the legality of this procurement process. In his statement yesterday, the Secretary of State said that he had proceeded under regulation 32 of the Public Contracts Regulations 2015, which allows the Government to circumvent the normal, transparent and EU-mandated procedures. I have a copy of the contract notice here, which is freely available on the internet, and it says that the basis for proceeding under

regulation 32 is "extreme urgency." As my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) said, the idea that no deal is a possibility and, to quote the Prime Minister, that no deal is better than a bad deal has been around for some time, so how can the Government, at this late stage, justify proceeding with procurement that is appropriate only in the case of extreme urgency?

I have two questions for the Secretary of State and, just for once, my constituents would like to hear an answer. First, will he release the legal advice that permitted him to proceed under regulation 32? Secondly, as he will be aware, if he has proceeded wrongly under regulation 32, his Department and the Government are open to legal action. How much money has been set aside for the contingency of court action about the illegality of the procurement process and a claim for damages?

Chris Grayling: It is my view that, as we move towards leaving the European Union, preparing for all eventualities is a matter of extreme urgency, which is also the advice that my Department has received and has given to me.

Mr Steve Baker (Wycombe) (Con): If Opposition Members had an ounce of sense and concern for the national interest, they would welcome the fact that the Department for Transport is preparing to leave the European Union under all circumstances and they would recognise the courage of the Secretary of State, his Ministers and his officials in testing and operationalising their plans. Does he share my disbelief at the policies that are being urged on him by Opposition Members, and will he reassure me that he will continue his excellent work to prepare this country for leaving?

Chris Grayling: I am very grateful to my hon. Friend for his comments. I give him an absolute assurance that I will continue that work. Frankly, the tragedy is that the Labour party seems to have abandoned interest in the national interest.

Tom Brake (Carshalton and Wallington) (LD): The train timetable fiasco, the drone disruption, the Manston lorry park carry-on and, now, ferrygate—the Secretary of State is the embodiment of the Peter principle.

On the earlier point about competition, can the Secretary of State explain the

"extreme urgency brought about by events unforeseeable by the contracting authority"?

Can he explain what was unforeseeable about no deal, for which the Government have been planning for the past couple of years and to which they have referred many, many times in this place? What was unforeseeable about that?

Chris Grayling: Sadly, what was unforeseeable is the attitude of many hon. Members, mostly Opposition Members, towards the Prime Minister's sensible agreement. The agreement meets all their requirements, and they are now saying they oppose it anyway.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): The shadow Secretary of State and I both represent Middlesbrough, which voted overwhelmingly

[Mr Simon Clarke]

to leave, so I found his comments attacking the Secretary of State for making robust preparations for no deal very surprising.

Will the Secretary of State commit to engaging Teesport in the preparations for any scenario that may arise from Brexit? It is important that we make all the preparations required for all contingencies.

Chris Grayling: I am very grateful for my hon. Friend's comments. I reiterate that we are looking to involve other ports across the country as we make preparations for an eventuality that I hope will not happen. The reality is that the people of Middlesbrough voted clearly to leave, and they will not understand why the hon. Member for Middlesbrough (Andy McDonald) is letting down their 2016 vote.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): If this contract fails, our country will have even greater problems with the continuity of trade, so it will be the public who pay the price—it will not be just the central contractor that loses money.

I seek a bit of accountability from the Secretary of State. The front page of today's *Financial Times* says that the Department for Transport commissioned a study showing that just an extra 70 seconds of analysis or discussion of each truck crossing the channel could lead to a six-day queue for vehicles getting on a ferry. Has he seen that study? Is the study accurate, and will he publish it now?

Chris Grayling: We have made it very clear to the House that queues will be caused if the French seek to impose maximum control and put in place limited checks. Why on earth does the hon. Gentleman think we are putting some of these contingency measures in place? He asked what happens if the contract does not go ahead, but I have said that 90% of the extra capacity is being provided by two established operators that will continue to deliver the services we have contracted.

Bob Stewart (Beckenham) (Con): Will my right hon. Friend reassure the House that the Port of Dover and Eurotunnel are making detailed contingency plans in case of no deal?

Chris Grayling: I give my hon. Friend that assurance. We are working with both organisations, and we are also having detailed discussions with the French. The leadership in Nord-Pas-de-Calais and Paris, and the leadership of the port and the tunnel on the French side, are as keen as we are to see fluidity continue through those ports. We are taking contingency measures, but our prime focus is on making sure that trade flows freely, whatever checks are required.

Alison Thewliss (Glasgow Central) (SNP): The Transport Secretary's colleague the Home Secretary has been trying to stop people getting across the channel while the Transport Secretary is busy contracting with companies that have no ferries at all. Is his next whizzo move to contract people who are doing people smuggling in dinghies?

Chris Grayling: That is an absurd question that does not merit an answer either.

Damian Collins (Folkestone and Hythe) (Con): If there are delays in processing freight through the channel tunnel in my constituency or the port of Dover, is the Secretary of State convinced that his contingency planning means that we will not see a return to Operation Stack and that the M20 motorway will remain open in both directions if there are delays? Will he also update us on when he expects his Department to produce its site list for the potential long-term off-road lorry parking solution in Kent?

Chris Grayling: It is my belief that Operation Brock will prevent the closure of the M20. That is my prime concern—what happened in 2015 should not be repeated. I think there is sufficient capacity to ensure that that will not take place. We have completed the infrastructure works that are necessary on the motorways to ensure that the flow in both directions can continue, and we are now doing the detailed testing to understand flows of traffic and how to manage them to make sure that we do not see the kind of disruption we saw in 2015. I am hopeful that we will move quickly from the consultations we are having now to being able to decide a permanent location and get the thing dealt with once and for all.

Grahame Morris (Easington) (Lab): Any members of the public watching this debate will be absolutely amazed. They will think it is bizarre that we have a Transport Secretary who signs a shipping contract with a shipping company with no ships. Given that the company is going to hire in ferries, does he have any idea what plans it has to crew its ferries and whether UK crews would be used?

Chris Grayling: There is a complete lack of understanding of business models on the Opposition Benches. Opposition Members should understand that when they go on holiday next summer there is a fair chance they will be flying with an airline that owns no planes. The reality is that transport operators do not always own their own assets; they contract or charter them in and they operate the service. I do not think that Opposition Members understand that. As to the crewing of the ships, that is a matter for the company itself.

Victoria Prentis (Banbury) (Con): Will the Secretary of State confirm to me that it is normal to award contracts, in a small part, to new operators and that while perhaps 90% of operators used by the Department are established, it is perfectly normal for the Department properly—acting legally as part of its procurement process—to include new operators as part of the consideration?

Chris Grayling: My hon. Friend is absolutely right; that is normal, and we do not actually do enough of it. The Government are frequently criticised for contracting only with big business and not with small business. Ironically, now we are contracting with small business for a small part of a package we need, we are getting criticised for it, so we cannot win either way.

David Hanson (Delyn) (Lab): Further to the question asked by my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger), will the Secretary of State confirm that one director of this company owes £580,000 to HMRC from a previous

failed administration? Will he say what due diligence was undertaken on that contract? Will he also tell us how we are going to repay that money to the Treasury?

Chris Grayling: I am not going to comment on individual tax affairs. All I am going to say is that due diligence was carried out into the participants in this business and no reason was found why they should not contract with Government.

Mr Marcus Fysh (Yeovil) (Con): It is very reassuring to hear about my right hon. Friend's discussions with the ports of Dover and Calais and the contingency plans that he is putting in place. Will he tell us more about how companies can get to know what they have to do to make sure that their declarations are appropriately communicated to the port? That seems to me to be a potential pinch point that we need to look at.

Chris Grayling: Certainly one part of the no deal preparations that we are now going through—HMRC is very actively engaged in this—is about the declaration processes that businesses would need to go through. The reality is that this happens already. Goods are shipped from this country to Switzerland, for example, through established processes in this country and on the continent. We will need to ensure in the run-up to a no-deal Brexit that business is up to speed with what it needs to do. A huge amount of work in this respect is already happening.

Sir Mark Hendrick (Preston) (Lab/Co-op): Things are getting bad when a former Conservative party chair accuses this Government of using Dr Strangelove tactics. This is a perfect example. Instead of trying to prepare for a no-deal scenario, why do the Government not just look at extending article 50 so that we can avoid this catastrophe?

Chris Grayling: Two things: first, I think it would be wrong to block Brexit. Secondly, I think it is right that the Government prepare for all eventualities. They would be accused of being irresponsible if they did not do so.

Helen Whately (Faversham and Mid Kent) (Con): The view from my constituency, which has the M20 and the M2 running through it, is that we must not have another Operation Stack, so I welcome all contingency measures that my right hon. Friend is taking, but the reality is that whatever happens, the vast majority of our freight will have to continue to go through Dover-Calais. Therefore, the flow of that route is absolutely critical. Will he advise us of how ready the French are to carry out any customs checks that might be required in the event of a no-deal Brexit?

Chris Grayling: We have had detailed discussions with the French. I am very optimistic that they have the same ambition that we do, and they are putting in place plans to ensure that happens. I have had personal commitments from the leadership in Nord-Pas-de-Calais, and of course there is a legal requirement for them put those plans in place, particularly with regard to the tunnel, as the treaty of Canterbury requires them to keep trade and traffic flowing smoothly through the tunnel. I have every reason to believe the French will uphold that commitment.

Richard Burden (Birmingham, Northfield) (Lab): In April 2018, Seaborne Freight issued in writing an investor briefing that claimed:

“Detailed port agreements with Ramsgate and Ostend negotiated and agreed”,

but it is now clear that no such agreements exist to this day. Indeed, the Mayor of Ostend has given an interview in which he said:

“A start-up in March is simply impossible. There is currently no agreement with Ramsgate and also with Ostend”.

If the Secretary of State has satisfied himself that due diligence checks have been carried out that confirm the suitability of Seaborne Freight to receive a £13.8 million Government contract, will he tell us what weight he has attached to the fact that Seaborne Freight has issued inaccurate investor briefings? Will he also finally answer the question asked by my right hon. Friend the Member for Leeds Central (Hilary Benn), the Chair of the Brexit Committee, and name just one ship that due diligence checks have revealed Seaborne Freight is likely to be able to bring into service by March?

Chris Grayling: I am not sharing, nor is it my responsibility to share, the company's commercial information. I simply remind the hon. Gentleman that no money will change hands unless the company is running this service. That seems to me to be the best possible protection for the taxpayer's money.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): Will my right hon. Friend expand on the discussions he has had with the management team and what expertise and experience they are bringing to the table to operate this service?

Chris Grayling: My officials have had detailed discussions with the management team and have gone through their plans in detail. My hon. Friend might have seen the article in *Lloyd's List*, which has also been shown the business plan and gave it a thumbs-up as being a viable option. This is a team of people who have experience in this industry and who we believe will deliver this service, but of course they will be paid only if they do so.

Stephen Morgan (Portsmouth South) (Lab): Some 95% of fresh produce in the Channel Islands gets there via Portsmouth international port. Delays at our port would mean empty shelves in the Channel Islands in 48 hours. What guarantee can the Secretary of State give today to ensure uninterrupted delivery from all our ports of critical goods such as fresh food and medicine?

Chris Grayling: On incoming freight, we intend not to put in place complex checks at the border. We have been clear all along that the Government's priority, apart from security, will be to ensure free movement of trade. Of course, goods arriving from the Channel Islands will not be subject to the kind of constraints we might see going in at Calais, and the issues around transport blockages really relate only to the short straits around Dover and the tunnel, not to other ports, where the movement of ships is not on a sufficient scale to cause significant blockages.

Matt Warman (Boston and Skegness) (Con): It would be irresponsible not to prepare for no deal, of course, but would it not be even more irresponsible to be spending money where we did not need to?

Chris Grayling: That is why we are not going to spend the money until the ships are available and running. The reality is that we do need to spend money to prepare for a no-deal Brexit. I hope that money proves not to be needed—I want us to have a sensible partnership in the future—but believe me, if we were here now facing a no-deal Brexit and no preparation had been done, the shouting from the Labour party would be enormous.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The Secretary of State talks about supporting entrepreneurialism. I am a big fan of “Dragons’ Den”, and I think this is one of those pitches that everybody would have been cringing at had they actually seen it, but it seems to be good enough for the Secretary of State. He talks about a no-deal Brexit. I think the Government should rule out a no-deal Brexit, but if he is insistent on planning ahead for it he needs sure delivery of freight capacity on shipping routes. The Ministry of Defence has immediate access to four roll-on roll-off ferries. Why on earth has he not committed to using those assets, which are immediately available to him, instead of insisting on a highly risky contractual arrangement with a dubious private contractor?

Chris Grayling: What I have done is insist on a highly substantial commercial arrangement with two very established cross-channel ferry operators and given a small amount of business to a new operator. If there is a no-deal Brexit, which I hope will not happen, we have several other measures that we can bring into place.

Rebecca Pow (Taunton Deane) (Con): Will my right hon. Friend assure the House that he is in consultation with not only Dover and Calais but other ports about what would happen in the event of no deal, which I sincerely hope will not happen? The way to avoid no deal, of course, is to vote for the deal. In Taunton Deane, many businesses, lots of them small, rely on exporting and ferries. They must not be hampered and we must act responsibly to give them assurances.

Chris Grayling: The clearest assurance that I can give is that I have been to Calais and met my French counterpart to talk about this issue, I have met the president of the Nord-Pas-de-Calais, and officials have had discussions, and I have had no sense from any of those conversations that the French want anything other than to maintain the fluid movement of trade through the channel ports. That is something to which we should all aspire.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does not this sorry episode clearly indicate that the absurd mantra of a managed no deal is a contradiction in terms?

Chris Grayling: As I say, the Government do not aspire to a managed or an unmanaged no deal—we want to secure a deal—but it is not responsible not to prepare for all eventualities.

Mr Philip Hollobone (Kettering) (Con): I commend the Secretary of State for recognising that it is absolutely in the national interest to make preparations for a no-deal Brexit, not least because it strengthens our negotiating hand, even at this late stage. Will he tell the House what the common transit convention is, not only

for the benefit of the House but in particular for the benefit of those on the Opposition Front Bench, and explain how it will mitigate the worst effects of impeded traffic flows in the event of no deal?

Chris Grayling: The common transit convention is the international agreement by which trade flows across multiple countries. It has already been announced that in leaving the European Union the United Kingdom will remain part of that convention, which will play a significant part in ensuring that trade flows freely in all situations. None the less, we need to make sure that we cannot get blockages at key ports, and that is what we are working to do.

Wayne David (Caerphilly) (Lab): In the interests of transparency, will the Secretary of State indicate to the House which companies were considered for the contracts?

Chris Grayling: We received three compliant bids, all of which we judged acceptable and accepted. Two of them were from major operators that will provide around 90% of the capacity, plus there was this small additional contract. Should we choose to return to the market, there is also potential interest in the provision of extra capacity. I hope we will not need that, because I hope that we will have a proper deal come next week.

Douglas Chapman (Dunfermline and West Fife) (SNP): It has certainly been an “I see no ships” sort of week, but what consideration has the Secretary of State given to utilising ports in other parts of the UK—namely, the high-exporting country of Scotland? I hear really good things about the potential for a Rosyth-Zeebrugge ferry link, for which potential ships have actually been identified. Is not Scotland losing out? How can we realise Scotland’s potential in this Brexit fiasco?

Chris Grayling: I appreciate that the Scottish National party does not support Brexit and, indeed, would like to do everything it can to stop Brexit, but we will work to make sure that every part of the United Kingdom, including Scotland, is able to continue to trade freely around the world and gain from the benefits that will be achieved in this country in a post-Brexit world.

Kevin Brennan (Cardiff West) (Lab): I see no ships, but I do smell something fishy, and I think other colleagues do as well. Is the Secretary of State really saying to the House that the best choice for the contract was a company that cut and pasted its terms and conditions at the last minute from a fast-food company? Is his new Brexit mantra “A meal deal’s better than no deal”?

Chris Grayling: Of course, it is not a single contract. There are multiple contracts, of which 90% is going to two of the biggest cross-channel operators—something the Labour party appears to be completely ignoring. The fact is that we have chosen to give a small proportion of the business to a legitimate bid from a small start-up business, and I think that is something the Government should do more often, not less.

Chris Stephens (Glasgow South West) (SNP): I think our plea to the contractors is that we want these ships, not excuses. Quite astonishingly, in answer to a question from the hon. Member for Easington (Grahame Morris),

we heard from the Secretary of State that there will somehow be driverless ferries—that there will be no staff—so presumably there is no national minimum wage requirement in the contract. First, will the Secretary of State publish the legal advice that he says he was given? That seems sensible, given the House's concerns. Secondly, will he tell us what were the procurement requirements in relation to equipment, such as ferries, or indeed in respect of the socioeconomic impact in relation to wages, for example?

Chris Grayling: In effect, what we are doing is buying tickets in advance on cross-channel ferries on a number of routes around the country. That is what we are doing. It is no more and no less than that.

Alex Sobel (Leeds North West) (Lab/Co-op): It is quite incredible that the Secretary of State has awarded a contract to a company with no ships, no investors, no customers, no credible business plan, no employees and no premises. Is he aware that Seaborne Freight tried to get an option to purchase the following four ships: the Hartmut Puschmann, the Espresso Catania, the Espresso Ravenna and the Via Adriatico? They all operate in the southern Mediterranean and would need a complete refit to be able to operate in the channel. In addition, two of the ships failed EU safety inspections. On top of that, Tirrenia, which owns the ships, said that it would not sell them because it did not believe that Seaborne Freight had the money. I visited Tirrenia's website and found that I could go on a Mediterranean cruise on the four vessels in April. Was the Secretary of State aware of that?

Chris Grayling: I am not going to comment on the commercial plans of Seaborne Freight. I am satisfied that it will have the ships necessary to operate the service, but if it is not able to deliver them, it will not be paid.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Brittany Ferries has been awarded a no-deal ferry contract but, unlike Seaborne, it actually has ferries. No-deal sailings into Millbay port in Plymouth will increase traffic by 50%. Will the Secretary of State point to where on the 200 metres of tarmac between the ferry port and Plymouth city centre he expects facilities to be built for the lorry park, the customs checks, the veterinary checks and the environmental health checks?

Chris Grayling: Let me say two things. First, I thought it would be good for the port of Plymouth to have more traffic; I am sorry that the hon. Gentleman does not agree. Secondly, the reality is that, as I said earlier, we do not intend to impose a hard border for traffic coming into the United Kingdom. We intend to focus on the fluidity of trade as our priority. It will be security first and fluidity second, and other matters will come well afterwards. We are not imposing a hard border on this side of the channel.

Points of Order

2.27 pm

Danielle Rowley (Midlothian) (Lab): On a point of order, Mr Speaker. Following the revelation by a former universal credit helpline employee that call handlers are instructed to use “deflection scripts” to hurry people off the phone when they have phoned up for help with universal credit, my office submitted a freedom of information request to the Department for Work and Pensions to ask to see the scripts. The response I received was that there are no scripts, but that there are “agent-led processes” and “supportive lines available”. The Department did not provide any detail of those lines, which was the clear intention of the FOI request. I do not think that the Department should be able to use semantics to avoid scrutiny. I have requested a review of the response and asked whether I could be provided with the relevant materials.

The code of practice on FOI rules states that requests should be acknowledged and replied to within 20 days. Even accounting for the Christmas break, that date has now passed and I have not received a response. The Government appear to be flouting the mechanisms set up to ensure that they are transparent and can be held to account by Parliament. Will you please advise me, Mr Speaker, on what I should do to receive this important information, to which I am entitled under freedom of information legislation, as the Government have not complied?

Mr Speaker: I am grateful to the hon. Lady for her point of order and for her characteristic courtesy in giving me advance notice of her intention to raise it. I am sorry to disappoint her, but I am not sure that I can help her today. The reason is that responses to freedom of information requests by Government Departments are a matter for those Departments; the Chair has no locus in relation to the subject. It is perfectly open to the hon. Lady to continue to pursue the matter, but she does so under a regime that is informed by statute and in relation to which she will, I imagine, have rights, and quite possibly rights of appeal. As I am sure the hon. Lady will know, the issues fall within the purview of the Information Commissioner. However, whereas in relation to answers to parliamentary questions there is a direct parliamentary ownership and the Chair does have locus, in this case I do not. That said, the hon. Lady has made her point with force and alacrity, and it will have been heard on the Treasury Bench.

Mr Steve Baker (Wycombe) (Con): On a point of order, Mr Speaker. I am absolutely certain that if in the urgent question anything disorderly had happened you would have immediately corrected it, but I wonder whether there is any way that the House could be asked to reflect on how much longer privilege can survive in a democratic society if it seems to appear that privilege is used for party political purposes to smear those who, perhaps, do not deserve to be smeared.

Mr Speaker: I note what the hon. Gentleman says and I thank him for his courtesy in accepting that I would rule out of order something that, under our procedures, warranted such a decision.

[Mr Speaker]

The hon. Gentleman, who is both a noted intellectual—sometimes an iconoclastic intellectual—and someone who always likes to explore new subjects, has raised a most interesting matter appertaining to privilege. He could usefully busy himself by reading the literature on the subject of privilege. There is, for example, an ongoing debate about whether the House should work, as it does, using traditional methods in relation to privilege, or whether there is a case for a modern statute on the subject. I do have views on that matter, but I will not burden either him or the House with them at this time, but I just have this image of him beetling off to the Library and reading scholarly tomes on the subject, and ere long we will probably hear his thoughts on the future of privilege.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): On a point of order, Mr Speaker. During Business, Energy and Industrial Strategy questions this morning, the hon. Member for Stirling (Stephen Kerr), who is no longer in his place but who has been notified that I am making this point of order, asked the Minister what his response was to the conclusion of the report of the BEIS Committee, published last week, which includes myself as a Front-Bench spokesman. The report said:

“The consistent and overwhelming message expressed by these sectors is that to make business decisions they need certainty and it is for that reason they support the Withdrawal Agreement.”

What he failed to do, I am sure inadvertently, was to add that it said:

“Leaving the EU without a deal would have catastrophic consequences and must be avoided. That said, no businesses that we have taken evidence from held the view that—from an industry perspective—the Withdrawal Agreement and Political Declaration provide a deal as good as the one we already have with the EU.”

How do I go about correcting the record, Mr Speaker?

Mr Speaker: I think the hon. Gentleman knows that he has found his own salvation—he has just done that. I am bound to say to him—I hope that he will take this in the right spirit—that over the past three and a half years or so, certainly since the 2015 election, spats between members on the Scottish National party Benches and on the Government Back Benches, particularly involving those on the Scottish Government Back Benches, have become an increasing sport. They have become not merely an increasing spectator sport, but, increasingly, a participant sport. The hon. Gentleman has corrected the record as he sees it, and I hope that, as a consequence, he will go about his business for the rest of the day with an additional glint in his eye and a spring in his step.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): On a point of order, Mr Speaker. It relates to the point of order raised by my hon. Friend the Member for Midlothian (Danielle Rowley) about parliamentary scrutiny. I tabled a written question to the Government—in this

case the Home Office—asking them when they intend to announce the new contracts for the asylum seeker accommodation in Scotland and I received a reply yesterday saying that they would be announced in “due course”. I have now heard through the press and through social media that they have in fact announced the contracts today, and the Mears Group will take over from Serco. Surely that sort of ambiguity and obfuscation is really disrespectful to Members. It also flouts the whole process of having written parliamentary questions if the Government can be so vague in their responses.

Mr Speaker: I will go so far as to say that I agree with the hon. Gentleman that the answer to his question was not helpful. Moreover, I hope that he is with me when I say that, ordinarily, the deployment of the three words, “In due course,” tends to suggest and to be interpreted by Members to mean not for quite some time. It is therefore at least mildly surprising that the hon. Gentleman got such an uninformative response, but one that perhaps suggested that progress would not be speedy only to discover indirectly, rather than at first hand, that the announcement had in fact been made. I do understand his discontent, and I can only repeat my view that ministerial replies to parliamentary questions should be both speedy and substantive. In providing such replies, it would always be helpful if Ministers saw it as a proper courtesy to answer Members first. If there are no further points of orders—

Sir Desmond Swayne (New Forest West) (Con) *rose*—

Mr Speaker: Has the right hon. Gentleman got a point of order?

Sir Desmond Swayne: If I might offer an observation, Mr Speaker, on your response to the point of order raised by my hon. Friend the Member for Wycombe (Mr Baker).

Mr Speaker: I am now all agog. I am always excited and in a state of eager anticipation to hear what the right hon. Gentleman has to say on everything.

Sir Desmond Swayne: I just wish to offer the opinion that, with respect to the answer that you gave to my hon. Friend, Mr Speaker, change is always for the worse.

Mr Speaker: I cannot say that I am entirely surprised to hear the right hon. Gentleman volunteer that view. He and I came into the House together in May 1997, so I have known him for nearly 22 years. I think that he is probably well familiar with, and even given to regularly reciting to himself, that old adage of Lord Falkland, which is that if it is

“not necessary to change, it is necessary not to change.”

I think we will leave it there for now, but I will always profit from the right hon. Gentleman’s counsels.

International Development Assistance (Palestinian National Authority Schools)

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

2.37 pm

Dame Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to prohibit international development assistance to schools operated by the Palestinian National Authority that do not promote values endorsed by the United Nations Educational, Scientific and Cultural Organization; to require the Secretary of State to publish an annual report on the extent to which such development assistance for schools operated by the Palestinian National Authority supported the promotion of those values; and for connected purposes.

I know from the many speeches that I have delivered in this House on this topic that the conflict between Israel and the Palestinians provokes strong passions. Tragically, the past five years have seen the total absence of a political process that brings both sides together to make painful but necessary compromises to resolve this conflict. There is still vital work that we can do to strengthen the civic society foundations on which any lasting settlement must be built. We must recognise the threat posed to these peace-building efforts by those who incite hatred, glorify violence and promote terror. The reality is that the Palestinian Authority is at the heart of this threat. We can no longer turn a blind eye to what British aid is helping to foster: not the infrastructure of a democratic, independent and peaceful Palestinian state, but a body promoting values that are inimical to the establishment of that state.

My right hon. Friend the Member for Enfield North (Joan Ryan) suggested in her debate last July that

“it is vital that old hatreds and prejudices are not passed on to new generations of children and young people.”—[*Official Report*, 4 July 2018; Vol. 644, c. 165WH.]

The Palestinian Authority is acting as a transmission belt for those very hatreds and prejudices.

The focus of my Bill is education, which is crucial in shaping young minds and it is the focus of the Department for International Development's aid to the Palestinian Authority. The memorandum of understanding that governs this British aid is explicit: as a condition of funding, the PA must adhere to the principles of non-violence and respect for human rights. Ministers tell us repeatedly that their unpublished reviews suggest that the PA upholds those principles. The facts show otherwise.

For example, take the naming by the Palestinian Authority of schools, summer camps and sports tournaments after terrorist murderers and Nazi collaborators. At least 20 PA schools in the west bank and Gaza are named after terrorists, and three after Nazi collaborators. Those include Salah Khalaf, the head of Black September, a terror group whose name will forever be associated with the torture and murder of 11 Israeli athletes at Munich in 1972; Nash'at Abu Jabara, a member of Hamas, who built the suicide belts used by bombers in numerous terror attacks on Israeli civilians; and Amin Al-Husseini, the Grand Mufti of Jerusalem during the British mandate, a Nazi collaborator who moved to Berlin during the second world war, was responsible for an SS division and fought against the release of 5,000 Jewish children who perished in the gas

chambers. These are not choices made by obscure local officials. They are deliberate decisions taken by the Palestinian Authority at the highest levels.

Ministers in this country do not appear concerned. Last year, the Department for International Development claimed ignorance on whether any of the thousands of teachers and public servants whose salaries it pays work in schools named after these purveyors of hate, whose names should be consigned to the history books. Outside the classroom, too, children are subjected to a barrage of vicious antisemitic propaganda. Children's programmes on official PA TV feature children reciting poems calling Jews “barbaric monkeys”, “the sons of pigs” and the “most evil among creations”.

According to the Institute for Monitoring Peace and Cultural Tolerance in School Education, or IMPACT-se, the reformed school curriculum for primary and secondary schoolchildren introduced last September is

“more radical than ever, purposefully and strategically encouraging Palestinian children to sacrifice themselves to martyrdom”.

Five-year-olds are taught the word for “martyr” as part of their first lessons in Arabic, 11-year-olds are taught that martyrdom and jihad are

“the most important meanings of life”,

and teenagers are taught that those who sacrifice themselves will be rewarded with

“72 virgin brides in paradise”.

Arabic language books describe terrorists such as Dalal Mughrabi—who led the infamous coastal road massacre in which 38 Israelis, including 13 children, were massacred—as “heroes”.

These lessons in hate are all-pervasive, infesting every aspect of the curriculum, and this curriculum drips with vile antisemitic tropes—that Jews sexually harass Muslim women and that they attempted to kill the Prophet Mohammed. There is no suggestion that peace with Israel is desirable or possible. References to peace agreements, summits and proposals previously present in school books have been expunged. In their place are lies about the al-Aqsa mosque being under threat and calls to “eliminate the usurper”—to conquer Haifa and Jaffa.

Young Palestinian minds are being poisoned. The opportunity for Britain to help promote the values of peace, reconciliation and coexistence is being squandered. This is not about a peaceful future. It is a scandal.

DFID Ministers were warned 18 months ago about the content of the new curriculum. They dismissed those concerns. Promised reviews have never materialised. Last September, the Minister of State, Department for International Development, the right hon. Member for North East Bedfordshire (Alistair Burt), claimed that the PA had

“taken action to help address concerns raised”.

IMPACT-se research shows that there have been no major changes in the current school year. Indeed, the PA has deceived international donors for nearly 20 years with the suggestion that controversial schoolbooks are simply being “piloted”. Ministers have been repeatedly asked to suspend all aid to the PA that directly or indirectly finances those teaching and implementing this curriculum until fundamental changes are made. They have refused to do so. It is now time to require them to act.

[*Dame Louise Ellman*]

My Bill calls for two actions: first, that teaching programmes in Palestinian Authority schools financed by the UK should promote common values such as peace, freedom, tolerance and non-discrimination; and secondly, that Ministers should conduct and publish an annual review to ensure that UK funds are spent in line with UNESCO-derived standards of peace and tolerance in education. British aid should support the goal, shared by Members across this House, of a two-state solution. It cannot and must not make that goal harder to achieve, but that is precisely what our support for these lessons in hatred is currently doing. It is time to stop this pernicious policy that works against a peaceful future for Palestinians and Israelis.

2.45 pm

Sir Hugo Swire (East Devon) (Con): I rise to oppose this Bill and start by drawing the attention of the House to my chairmanship of the Conservative Middle East Council.

The British Government have already agreed to a proper review of the Palestinian curriculum that is due to report by September this year. Surely, it makes sense to wait for that investigation to run its course and only then to consider—when we have seen all the evidence—whether there is any need to legislate on this difficult matter.

It is worth reminding the House that, according to DFID,

“no UK taxpayers’ money to the Palestinian Authority goes to schools or to fund education materials that incite violence.”

I do not completely understand where the hon. Member for Liverpool, Riverside (*Dame Louise Ellman*) is coming from—whether she wants to assess the overall curriculum and textbooks used by the Palestinian Authority, or whether she wants to assess each individual’s teaching and interpretation of the curriculum. In 2013, a team of American, Israeli, Palestinian and international education experts carried out a study funded by the US State Department, finding that dehumanising or demonising is rare in both Palestinian and Israeli textbooks.

With the United Nations Relief and Works Agency facing its greatest financial crisis ever and the PA nearing a financial breakdown, surely this is not the time to add pressure by making further cuts. Both the PA and UNRWA are in serious financial trouble after the completely misguided recent US termination of support for UNRWA and of its wider assistance to the Palestinians, as well as new Israeli legislation aiming to withhold Palestinian clearance revenues as of 2019.

According to DFID,

“UK financial assistance to the Palestinian Authority...has paid the salaries of up to 39,000 teachers, doctors, nurses, midwives and other health and education public servants”

in the west bank and Ramallah in 2018. These staff have

“immunised up to 3,700 children and provided around 185,000 medical consultations annually; and educated around 24,000 young Palestinians.”

If the Department for International Development—I would be very interested to hear the Minister’s answer to this point—were to withdraw funding for education, as is suggested, this would inevitably create a vacuum.

Given the law of unintended consequences, I think that people need to be very aware of who might fill that vacuum. For example, countries such as Qatar could well exploit the vacuum created if DFID were to withdraw its funding, and we all know what the inevitable results of that could be.

No one in this House would doubt that education is a major tool for international development. Most Israelis I know pride education above almost everything else, not least because of its ability to transform lives, and many of the moderate Israelis I know would be appalled by the suggestion that this funding should be cut.

Once, when I was a Minister of State at the Northern Ireland Office, we took a group of former loyalist paramilitaries to Jerusalem to talk about reconciliation and people living together and alongside each other. I took time off and visited the Hand in Hand school—the Max Rayne-funded school in Jerusalem where Jews and Arabs are funded and educated alongside each other; they have a shared education. That, surely, is something we should be concentrating on, rather than penalising the Palestinians, who, after all, are penalised enough as it is at the moment.

For those of us who are genuinely committed to a two-state solution and genuinely concerned for the plight of the Palestinians, not least in Gaza—we will talk about that at some other point—this Bill would be a regressive step. We really do fundamentally believe that the best hope for the people of that region, and indeed for peace in the wider world, is a two-state solution. Those of us in this House who are genuinely committed to justice for the Palestinians alongside justice for the Israelis want some kind of solution rather than just subscribing to the vague concept of it by kicking the ball ever forwards to avoid having to address it. We should be looking towards better ways of supporting a stable Palestinian Authority that can act as a creative partner for peace with Israel in preparing the ground for a two-state solution before it is finally too late.

Question put (Standing Order No. 23) and agreed to.
Ordered.

That *Dame Louise Ellman*, *Joan Ryan*, *Ian Austin*, *Theresa Villiers*, *Stephen Crabb*, *Jim Shannon*, *Rachel Reeves*, *John Howell*, *John Spellar*, *Andrew Percy*, *Guto Bebb* and *Bob Blackman* present the Bill.

Dame Louise Ellman accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 8 March and to be printed (Bill 311).

FINANCE (NO. 3) BILL (PROGRAMME) (NO. 2)

Ordered.

That the Order of 12 November 2018 (Finance (No. 3) Bill (Programme)) be varied as follows:

1. Paragraphs 10 and 11 of the Order shall be omitted.
2. Proceedings on Consideration shall be taken in the order shown in the first column of the following Table.
3. 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.

Table

Proceedings	Time for conclusion of proceedings
New Clauses, new Schedules and amendments relating to the effect of any provision of the Bill on child poverty or equality	Two hours after the commencement of proceedings on the Motion for this Order
New Clauses, new Schedules and amendments relating to the subject matter of any of Clauses 68 to 78, 89 and 90	Three and a half hours after the commencement of proceedings on the Motion for this Order
New Clauses, new Schedules and amendments relating to tax thresholds or reliefs; new Clauses, new Schedules and amendments relating to tax avoidance or evasion; remaining new Clauses, new Schedules and amendments to Clauses and Schedules; remaining proceedings on Consideration	Five hours after the commencement of proceedings on the Motion for this Order

4. Proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion five hours after the commencement of proceedings on the Motion for this Order.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion six hours after the commencement of proceedings on the Motion for this Order.—
(*Mel Stride.*)

Finance (No. 3) Bill

Consideration of Bill, as amended in the Committee and the Public Bill Committee

New Clause 1

IMPACT OF PROVISIONS OF SECTION 5 ON CHILD POVERTY AND EQUALITY

‘(1) The Chancellor of the Exchequer must review the impact of the provisions of section 5 and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the impact of the changes made by section 5 on—

- (a) households at different levels of income,
- (b) people with protected characteristics (within the meaning of the Equality Act 2010),
- (c) the Treasury’s compliance with the public sector equality duty under section 149 of the Equality Act 2010,
- (d) different parts of the United Kingdom and different regions of England, and
- (e) levels of relative and absolute child poverty in the United Kingdom.

(3) In this section—

“parts of the United Kingdom” means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

“regions of England” has the same meaning as that used by the Office for National Statistics.’—
(*Peter Dowd.*)

This new clause would require the Chancellor of the Exchequer to review the impact of clause 5 on child poverty and equality.

Brought up, and read the First time.

2.53 pm

Peter Dowd (Bootle) (Lab): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Dame Eleanor Laing): With this it will be convenient to discuss new clause 5—*Review of public health and poverty effects*—

‘(1) The Chancellor of the Exchequer must review the public health and poverty effects of the provisions of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider—

- (a) the effects of the provisions of this Act on the levels of relative and absolute poverty in the UK,
- (b) the effects of the provisions of this Act on life expectancy and healthy life expectancy in the UK, and
- (c) the implications for the public finances of the public health effects of the provisions of this Act.’

Peter Dowd: I rise to speak to new clause 1 in my name and that of my right hon. Friend the Leader of the Opposition and other Members.

In opening for the Opposition today, I shall start with a few general comments on the Bill before moving on to my substantive remarks on child poverty and equality. First, I must mention the new schedule the Government have tabled, at this late stage, on intangible fixed assets. It is yet another example of the Government’s absolute

[Peter Dowd]

contempt for parliamentary processes—a result of their desperation to cling to power. Although the Chancellor announced this proposal at the Budget, the introduction of this detailed schedule at this stage of the Bill guarantees that Members are denied the opportunity to scrutinise it properly. It circumvents the Public Bill Committee process, which was created to ensure that technical measures such as this one receive forensic and detailed analysis. This is no way for any Government to conduct legislation. With that in mind, perhaps the Minister could explain why this measure has been included at the final stage of this Bill, denying Members the opportunity to properly scrutinise it. Is it a deliberate decision to once again circumvent parliamentary process? Will he consider withdrawing the schedule and including it in the next Finance Bill later this year, ensuring that it receives the proper parliamentary scrutiny it actually warrants?

It appears that Ministers are hellbent on starting this new year in the same fashion that they ended the last—by treating Members of this House as a peripheral part of the law-making process, bypassing parliamentary processes and breaking long-established conventions. The vast majority of Members in this House are fed up to the back teeth with the Government's attempts to avoid parliamentary scrutiny.

Simon Hoare (North Dorset) (Con): Given the heinousness of the charges that the shadow Minister has laid against Her Majesty's Government, I presume that this is further grist to his party's mill for a no-confidence vote. When will that be tabled and debated in this place?

Lyn Brown (West Ham) (Lab): I don't think he is taking it seriously.

Peter Dowd: My hon. Friend is absolutely right. We are here debating the Finance Bill and the Government's dreadful performance in bringing legislation to the House for much-needed scrutiny. They seem to be incapable of doing that. They seem to be incapable of doing very much these days.

Has it not occurred to the Government that had they entered this place in a spirit of co-operation, they might not have suffered defeat after defeat on this legislation? This Finance Bill is the product of a Government on the run—a Tory party totally consumed by its Brexit civil war, unable and unwilling to posit even the feeblest domestic agenda here for fear of upsetting its nasty, hard-right faction. The Prime Minister's speech about fighting burning injustices has turned to ash. Her claim that she would end austerity lies in tatters. She occupies our highest public office, and yet the public have no confidence in her—neither do many of her own Back Benchers, for that matter.

Meanwhile, the view is even worse from the Treasury. The Institute for Fiscal Studies said that the Chancellor was gambling with the public finances at this Budget, and it seems that even before the Bill has left this place, he has already lost that bet. The Office for National Statistics recently blew a £12 billion hole in the Chancellor's spreadsheets by returning student debt to the Government's books.

So one has to wonder, what is the point of the Tory party—unable to deliver a competent Brexit deal, unable to secure our economic future, unable to meet its own

fiscal rules, and unable to deliver a domestic policy programme? It is a party still reliant on the old dogmas of neoliberalism and austerity, unable to see the evidence of its failures. An example of this absurd neoliberal dogma came over the break when, as we heard today, the Transport Secretary awarded a ferry contract to a company with no ferries. If he is looking for expertise in this matter, perhaps I can invite him down to Merseyside, where we have been running ferries since 1330, very successfully—and they are publicly run, I have to say. I invite him to have a go on a ferry up the River Mersey and get the feel for how it works, basically. He will have diplomatic immunity and will not be thrown overboard—I can guarantee that as well.

3 pm

The Prime Minister is right that under this Government, nothing has changed, but, worse still, nothing is changing. This is all while families suffer. After nine years of punishing austerity, one in five of our citizens live in poverty, and 4.1 million of those are children. Of those children in poverty, two thirds live in a household where someone is working. That is a stain on this Government and a testament to the total failure of their economic policies over the last nine years. We have seen the longest period of wage stagnation since Napoleonic days, occurring at the same time as deep cuts have been made to the safety net. The Government have taken billions of pounds and channelled them into tax cuts for corporations and already wealthy people.

As we have said before, after so many years of failed austerity, Labour will not stand in the way of any additional income for those on low and middle incomes, but there is another option here, which is to ask the wealthiest to pay their fair share. Under our manifesto plans, all those earning £18,000 or less would be protected from any further tax increases, while the richest few and corporations would reasonably pay more. We would introduce a minimum wage of £10 an hour, to give millions of working parents and their children a living wage. We would invest in childcare under our plans for a national education service, to transition to an affordable, high-quality childcare service. We would stop the roll-out of universal credit and reform the social security system, so that it acts as a proper safety net for all in their time of need.

We believe that new clause 1 will highlight the Government's total inaction on the devastating social crisis that their austerity has brought about. It would force the Government to stare the horrors of UK poverty in the face and review their policies in the light of the very real threat of a major reversal in the prospects of children across this country. Let us not forget that it was this Government who scrapped the child poverty targets that helped the last Labour Government to make enormous progress towards ending child poverty once and for all. That has been reversed by the Tories. They promised a life chances strategy to replace the targets, but sadly that has been pushed on to the Prime Minister's scrapheap.

Mr Jim Cunningham (Coventry South) (Lab): Did my hon. Friend notice yesterday that the Government are beginning to backtrack on universal credit? Although they say they will introduce it for 10,000 people, in essence they are backtracking. He may also have noticed

the announcement today by an independent organisation that we need to build something like 3 million social houses, not in the private sector, over a 10-year period. Does he agree that that should be looked at and done through council housing?

Peter Dowd: My hon. Friend is right, and the reality is that we are not going to get it from the Conservative party—it is as simple as that. It seems incapable of doing anything that is in any way constructive for the social fabric of our country.

The Government now pick and choose whichever target provides cover for their devastating treatment of children across the UK, including—when it suits them—using the very targets that they themselves scrapped. That is why new clause 1 is so important. The Government can no longer be allowed to ignore the plight of millions of children across the country.

The statistics do not lie. They show quite clearly that, prior to the Conservative Government coming to power in 2010 with their Liberal Democrat partners, child poverty in the UK was falling. The new Social Metrics Commission, which draws on the widest possible set of poverty measures, states concretely that there are now half a million more children living in relative poverty than there were just five years ago. The whole country knows that austerity is to blame, and we all know who introduced austerity—it was the Government.

Alison Thewliss (Glasgow Central) (SNP): I completely agree with the point that the hon. Gentleman is making. Does he agree that the two-child cap, which will apply to all new universal credit claimants from 1 February this year, and other measures that the Government are pushing mean that up to an additional 3 million children will apparently go into poverty?

Peter Dowd: The hon. Lady is right. The Government appear to want to put misery upon misery on families and children.

Despite the claims from Conservative Members, austerity was not some necessity nobly chosen by the Government of the day, but a political and ideological choice—it is as simple as that. If it was the only option, why did the United States not embark on a similar venture? Why did the likes of Germany and France not undertake a similar level of spending cuts, or Japan, or, for that matter, Australia? *[Interruption.]* Conservative Members are chuntering, but those are the questions that we need answering.

Kevin Foster (Torbay) (Con): The shadow Minister referenced public spending in the United States of America. Is he seriously arguing that we should look to adopt its system of welfare and healthcare spending?

Peter Dowd: The hon. Gentleman knows that I am not saying that. He can twist his party's policies if he wants, but he should not twist Labour's policies.

Mr Jim Cunningham: We should remind those on the Government Benches that the crash, if we want to call it that, actually started in America with the Lehman Brothers and that the Obama Administration pumped \$80 billion into the motorcar industry. The rest is history, as we say.

Peter Dowd: My hon. Friend makes an excellent point and backs up the point that I was making.

Those countries acknowledged a hard economic fact that appears to have stumped this Government: we cannot cut our way to growth. That has failed repeatedly, from its early use under US President Herbert Hoover, which turned the stock market crash into the great depression, to the International Monetary Fund programmes that have been imposed in developing countries and the economic and social devastation inflicted on Greece. This Government's austerity agenda is yet another failure to add to that list. They have missed every economic target they have set, and it is the poorest in society who have paid the price.

Chris Elmore (Ogmore) (Lab): It is interesting to listen to my hon. Friend's informed explanation of how austerity has not worked across history. Does he agree that up until the 2010 general election, because of the fiscal stimulus put in place by the Chancellor Alistair Darling and the Prime Minister Gordon Brown, those first two quarters were successive periods of growth, and the economy fell off a cliff because of the austerity introduced by the Conservative party?

Peter Dowd: My hon. Friend is right. The economy thereafter, with the help of the Liberal Democrats, started to go down the pan. To this day, we have not recovered, and the Government's own figures indicate that this will go on for many more years. We will have more of the same, and it is not working. When will they learn the lesson? They seem to be incapable. Even the IMF recognises the failure of austerity and has called for increased public spending to offset the negative economic effects of Brexit.

Simon Hoare: I am grateful to the hon. Gentleman for this fascinating tour de force on the period since 2010. If the Labour party in government was doing so fantastically well, growth was going so well and its economic management was prized highly by the electorate, why did it lose the general election in 2010 and then in 2015? If all was going so well, why did it lose?

Peter Dowd: I am sure the House would be delighted to hear my psephological analysis of the general election, but we are talking about the Finance Bill. You are very generous, Madam Deputy Speaker, but I do not think even you would be sufficiently generous as to hear my psephological comments.

Madam Deputy Speaker (Dame Eleanor Laing): It gives me great pleasure to agree with the hon. Gentleman. He was doing very well on new clause 1.

Peter Dowd: Thank you, Madam Deputy Speaker.

The UN special rapporteur has concluded that the rising level of child poverty is a result of political choices, underpinned by the Government's callous austerity agenda. I will draw my comments to a conclusion because I know that lots of Members want to comment on how dreadful the Government are, how they try to stitch up Committees, how they do not allow us to have proper debates and how—for the first time since Winston Churchill introduced the notion—they have circumvented the amendment of the law motion. They talk about

[*Peter Dowd*]

bringing back control to the House of Commons, but they are bringing back control to about two or three people on the Front Bench, and that does not include the Treasury Ministers.

The Finance Bill before us is yet another Bill of broken promises. It offers further tax reliefs for the rich and for multinational corporations, and it prolongs austerity for yet another year, condemning many families and many children to abject poverty. Labour's new clause 1 would require the Government finally to assess the impact of their economic policies on the most vulnerable in our society. It would require the Government to face up to their responsibility to come and explain to this House why they are not yet changing their economic policies, despite the obvious evidence that they are doing dreadful—I repeat, dreadful—damage to this country and to our communities.

Vicky Ford (Chelmsford) (Con): I am grateful, Madam Deputy Speaker, for the opportunity to speak at this stage of our proceedings. I am extraordinarily concerned about new clause 1, because it would delay the implementation of clause 5, which is a key part of the Bill because it sets the very level at which people in this country start to pay tax. If we are to address the issues that affect those in our country on the lowest incomes, the best way to help them will be to allow them to keep more of their money in their pockets.

That is why a key part of this Government's economic strategy has been to make sure, year after year, that those on the lowest incomes are able to keep more of what they earn and to help themselves to build their way out of poverty. That means that 34 million people in this country are paying less tax than previously, and many millions of people have been taken out of tax altogether. This was the No. 1 recommendation of the tax reform commission, which I worked on back in 2006, and I am absolutely delighted that it was among the first steps taken first by the coalition Government, then by the 2015 Government and now by the 2017 Government. This Finance Bill means that raising the level before anyone pays tax to £12,500 is being introduced faster than we ever thought possible.

Mrs Anne Main (St Albans) (Con): Given the Front-Bench speech that we heard from the Opposition, it is worth noting that the allowance was only £6,475 when Labour left power, but is now £12,500 under this Conservative Government.

Vicky Ford: Absolutely. That is exactly the point, because we know that the best way to address poverty is to make sure that more people can earn their way out of poverty. That does not work for everyone, but for those who can do so, this makes a significant difference, and that is exactly why poverty is now at record lows.

Bob Stewart (Beckenham) (Con): According to Department for Work and Pensions figures, there are 1 million fewer people in absolute poverty since 2010, with 300,000 fewer children in the same situation.

Vicky Ford: Absolutely. That is exactly the point: absolute poverty is now at record lows. That also has an impact on children—my hon. Friend made that point—

because the number of children living in workless homes has fallen to the lowest level since records started.

Maria Caulfield (Lewes) (Con): Would not the situation for working families be even worse under a Labour Government, with the proposal announced at the Labour party conference of £500 billion of public spending, which would mean a doubling of VAT, a doubling of national insurance, a doubling of income tax and a doubling of council tax? They are not my words, but those of a Labour MP, the hon. Member for Nottingham East (Mr Leslie).

Vicky Ford: I thank my hon. Friend for that precise contribution. I cannot understand why the Labour party has voted against increases to the level at which people start to pay tax, because helping people to keep more of their earnings in their own pockets is fundamental to increasing house ownership and to building a fairer economy.

Simon Hoare: I trust that my hon. Friend's question was not a rhetorical one, but perhaps I can try to answer it. As far as socialism is concerned, it is absolutely fine until Labour Members have run out of other people's money to spend. That is why they are opposed to these things.

Vicky Ford: I thank my hon. Friend for that point.

I also want to talk about fairness. Yes, it is true that the provision also increases the rate at which people start to pay a slightly higher rate of tax, but the biggest impact is on those on the lowest level of tax. That is why the tax gap—the difference between the highest and lowest levels of income—has actually fallen. The ratio of the average income of the top fifth to that of the bottom fifth of households has fallen, after taking into account all benefits and taxes.

3.15 pm

I was very concerned by what the hon. Member for Bootle (Peter Dowd) said about precedents, somehow suggesting that such a clause should not be in the Bill. I have had a quick look back at previous Finance Bills, and it is absolutely normal to have a clause that looks like clause 5, which sets out the level at which the Exchequer should start taking tax. If such a provision is not in the Finance Bill, where should it be? Of course it should be in the Finance Bill—it is an absolutely fundamental element of it.

Peter Dowd: The hon. Lady has got two facts wrong. First, we did not vote against these proposals, as she suggested. Secondly, I was actually talking about the new schedule, not clause 5. If she is going to attack us, she should get her facts right, for goodness' sake.

Vicky Ford: Perhaps this should be better drafted on the amendment paper, because the Opposition's explanatory statement clearly refers to the "impact of clause 5".

I agree that one should always take impacts into consideration, but I strongly believe that the issue raised by the hon. Gentleman of needing to address poverty is best addressed by allowing this Bill to go forward today, especially the elements that involve raising the level at which people start to pay tax, so that they can keep

more money in their own pockets. That is fundamental to building a fairer economy, to having a lower gap between those on the highest incomes and those on the lowest incomes, and to encouraging more people in this country to take up the work opportunities available to them under this Conservative Government, with the continuing growth of the economy.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): It gives me great pleasure to speak to new clause 5, which is in my name and those of colleagues. As I have previously stated, I declare an interest as chair of the all-party group on health in all policies, and as a fellow of the Faculty of Public Health, following 20 or so years of national and international work in this field.

Under new clause 5, the Chancellor

“must review the public health and poverty effects of the provisions of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act...A review...must consider...the effects of the provisions of this Act on the levels of relative and absolute poverty in the UK”.

There has been a lot of talk about absolute poverty levels, and we would of course welcome any reductions in absolute poverty levels. Those are the most severe levels of poverty, when people are unable to meet basic physiological needs, such as for food, water and shelter. However, relative poverty is a really important measure that we must reflect on, so I want to stress that the review would look at both relative and absolute poverty in the UK. I also want the review to assess

“the effects of the provisions of this Act on life expectancy and healthy life expectancy in the UK, and...the implications for the public finances of the public health effects of the provisions of this Act.”

Yesterday, the Government announced their new 10-year plan for the NHS. In his statement to the House, the Health Secretary talked about the importance of reducing health inequalities—absolutely, I could not agree more—and how we need to reduce the demands on health services. I do hope that the Government will take new clause 5 seriously as an opportunity to ensure that their policies actually meet the objectives they have set out, because it will help to do exactly that.

As important as the 10-year NHS plan is to improve our nation's health, overwhelming evidence shows that the most important thing we can do is to reduce the poverty and inequality that too many of our citizens face today. The most effective way to do that is to focus upstream by assessing policies, as they are developed, for their effects on poverty, inequality and, ultimately, the health of our citizens. That was why I tabled the new clause.

As the UN special rapporteur on extreme poverty and human rights said recently, the cuts and reforms introduced in the past few years have brought about misery and torn at the social fabric of our country. There are 14 million people living in relative poverty in the UK, 8 million of whom are working. That is the highest level ever—I advise those who may not be familiar with the most recent data to refer to the Joseph Rowntree Foundation report published last month. Two thirds of the 4 million children living in poverty are from working households. How are young people who are living in extreme poverty and who are hungry going to excel at school?

What about disabled people? They are twice as likely to live in poverty as non-disabled people, because of the costs associated with their disability. As we heard from Labour's Front-Bench spokesman, policies on not just taxation but public spending and particularly social security are having a devastating impact on disabled people, and that includes universal credit. More than 4 million disabled people are living in poverty today. They are increasingly isolated and confined to their homes, and I am afraid that the situation is going to get worse, because we have had no real confirmation from the Government of how they will protect disabled people in relation to universal credit.

As analysis from the Institute for Fiscal Studies and others has shown, the lowest income decile has lost proportionately more income than any other group since 2015 as a consequence of personal taxation and social security changes. Last autumn's Budget had only marginal impacts on the household income of the poorest, while reducing the number of higher rate taxpayers by 300,000. The Government's regressive measures have done nothing to reduce the gap between the rich and poor.

Last week's Fat Cat Friday heralded the fact that top executives now earn 133 times more than their average worker; it was 47 times more in 1998. In the first three days of January, FTSE 100 bosses earned what an average full-time worker will earn in a year. That is the unequal society that this Government have allowed to run rampant.

When cuts to household incomes are combined with the cuts to public spending and services, the impact is even more dramatic. We have seen disproportionate cuts in Government funding to towns and cities across the north. The effects of all this on life expectancy are now being seen, with gains made over decades falling away. Life expectancy has been stalling since 2011 and is now flatlining, particularly in older age groups, for older women and in deprived areas.

The regional differences in how long people live reflect the socioeconomic inequalities across the country. People may be aware of these figures, because I mentioned them when I spoke in November, but life expectancy for men in the Windsor and Maidenhead local authority, which covers the Prime Minister's constituency, stands at 81.6 years, while in my Oldham and Saddleworth constituency, it is 77 years.

Even within those areas there are differences in how long people will live. In Windsor and Maidenhead, the life expectancy gap is 5.8 years for men and 4.8 years for women, while in my constituency there is an 11.4-year difference for men and a 10.7-year difference for women. We should really concentrate on those figures. Those health inequalities are reflected across the country.

Inequalities in life expectancy are mirrored by inequalities in healthy life expectancy—how long somebody can be expected to live in good health. Healthy life expectancy at birth across local authority areas varies by 21.5 years for women and 15.8 years for men. In addition, according to the Office for National Statistics, women's healthy life expectancy at birth decreased by three months between 2009 and 2011. How have the Government responded? They have actually increased the state pension age: people are living shorter lives, and living shorter lives in good health, but we are increasing the time they will be expected to work.

[Debbie Abrahams]

The gains Labour made in reducing health inequalities are now being reversed. The recent Royal College of Paediatrics and Child Health report showed that infant mortality has started to increase for the first time in 100 years. Four in 1,000 babies will not reach their first birthday in the UK, compared with 2.8 in the EU. Those are the unacceptable consequences of austerity.

Last month's report by Public Health England investigating these inequalities in life expectancy confirmed what many of us have been saying: austerity has wrought misery and poverty, and has ultimately brought an early death for too many. If the Prime Minister is committed to tackling burning injustices and ending austerity, she needs to commit to her policies being independently assessed for their effects on poverty, inequality and public health, as my new clause outlines.

Reducing the gap between rich and poor benefits not just those who are lifted out of poverty. As the International Monetary Fund's report five years ago showed, if we increase inequality, we reduce growth, and if we reduce inequality, we increase growth. Trickle-down economics has been shown not to work. As evidence from totemic reports such as "The Spirit Level" shows, society as a whole benefits from decreased inequality, with increases in life expectancy, educational attainment, social mobility, trust between communities and much more. Fairer, more equal societies benefit everyone. Inequalities are not inevitable; they are socially reproduced. They are about political choice, and they can be changed.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. Before I call the next speaker, I should take the opportunity to inform the House—this is not very exciting; it is just to set the record straight—that some names that were intended for amendments to the Agriculture Bill were added in error to amendments to this Bill. [*Interruption.*] I did warn the House that it is not very exciting, but it is important to keep the record straight. For the sake of clarity, let me tell the House that the name of Mike Gapes should not appear on new clause 1, and the name of Kerry McCarthy should not appear on new clauses 10, 17, 8 and 18, and amendments 39 to 41. Having got that important matter straight, I will happily call Mr Kevin Foster.

Kevin Foster: Thank you, Madam Deputy Speaker. Hearing your announcement that the hon. Member for Ilford South (Mike Gapes) is not in fact a signatory to new clause 1 has, of course, completely changed my view. Clearly that has changed the whole speech I was about to give.

It is useful to be here for this debate on new clauses 1 and 5. I found the speech by the hon. Member for Bootle (Peter Dowd) of interest, as always. I know from one of our previous exchanges in the Chamber he will be very disappointed to hear that I am not going to give that promised talk on unpacking the holy trinity today. Even in the two hours available, that is probably not quite something that I can effectively manage. I am, however, going to go through an issue on which Members across the House generally have strong views and about which they are passionate: how we best tackle equality issues so that our policies are effective in ensuring that those who are in poverty have a route out of it.

It was not in pure jest that I made a comment in my intervention on the shadow Minister about spending levels in the United States. People talk about the US not having gone down the austerity route, but instead having had a spur or fiscal stimulus. To spend the same as the US, we would have had to make significant cuts to the public sector to get down to US levels of social spending, and in particular healthcare spending. The US has bizarre outcomes from its healthcare system: it spends more of its GDP on healthcare while achieving worse outcomes. No one in the House would wish to implement that system in this country given that failing of spending more and, bluntly, getting a lot less. It is therefore bizarre for that spending to be cited as a great stimulus. It most certainly was not. The US was still spending far less than us after our programme of austerity to bring the deficit under control.

3.30 pm

It is interesting to hear the list of Opposition promises and pledges and to contrast them with the comments of the hon. Member for Nottingham East (Mr Leslie), who is probably the last credible shadow Chancellor from the Labour party. He made it very clear what he felt about that list of promises. We have just had the festive season, but some people in this Chamber still want to write their letter to Santa. Anyone can sit in opposition pledging the earth, with truly unbelievable amounts of spending on this, that and the other, while saying "It's alright, someone else is going to pay." There is always a mythical someone else. No one with any credibility believes that the Opposition's tax rises would be limited to those earning over £80,000 a year.

We can see the result of the type of policies the Leader of the Opposition has advocated over the past 20 and 30 years when we take a look at Venezuela. To be fair, I suppose relative poverty might be going down in that country, but that is only because the entire country is being completely impoverished. This is where I have always had a slight concern about using relative measures. An argument is often made about numbers dropping in relative measures between 2009 and 2010, but that was because the economy was declining and the whole country was getting poorer. Therefore, the difference in relative poverty between groups was declining. In theory, collapsing the economy would remove relative poverty, but no one feels that that is the way we should go about delivering policy—well, except perhaps those who are fervent advocates of the approach adopted in Venezuela.

The two new clauses ask the Chancellor to review the impact of certain provisions. They do not ask for an independent review; they ask for the Chancellor to review his own policies. Perhaps that reflects how much confidence the Opposition have in the Chancellor. He might be reassured to know that they feel that if the Chancellor reviews the impact of the provisions it will be an excellent analysis that they will want to follow. Again, this is not about creating something truly independent, but about asking the Government to produce a report on Government policies.

Kirsty Blackman (Aberdeen North) (SNP): Is that not a slightly bizarre argument? I think the Opposition are trying to ask the Government to take into account in the review the priorities we have, rather than the Government's priorities. For example, they may be putting

policies in the Finance Bill to raise taxes to do something specific, whereas we are asking them to look at public health impacts.

Kevin Foster: New clause 1 says what it says: it asks the Chancellor to produce a review of the impact of provisions and to lay a report of that review before the House. It does not require anything to be done. It does not set out a detailed list of policy changes and how they would be paid for. I do not really see where the hon. Lady is coming from. Members can generally debate all matters that are put before the House, what they believe their impact will be and whether they will make a difference.

I have to say—my Scottish colleagues like to raise this point—that in some areas, for example the Scottish education system, it would be interesting to look at how help is being provided to children so that they have a route out of poverty. In the past, the Scottish education system was one of the highest rated in the world, but I think the Scottish National party has now pulled Scotland out of the global rankings—not because it is going up them, it is safe to say. We can certainly have reviews both ways, and it will be interesting to hear whether comments from SNP Members reflect the impact that aspects of Scotland's domestic policy, for which it has been responsible for most of the past decade, have had on some of the statistics they wish to complain about.

I welcome the fact that the Bill again increases the earnings that someone can receive before becoming an income tax payer.

Debbie Abrahams: Will the hon. Gentleman give way?

Kevin Foster: In a moment—I did not intervene on the hon. Lady.

Again, those with the lowest incomes will be able to keep more of what they earn. The days when earning £6,500 was considered enough for someone to start paying tax have disappeared. We were actually able to bring forward the increase in tax-free earnings for millions of people. That is a positive measure, which really makes work pay and helps the lowest earners the most.

Debbie Abrahams: What will be the effects of the Government's increase in the personal allowance on the life expectancy of citizens of this country?

Kevin Foster: Any policy that encourages people to be in work and keep more of what they earn, and allows them to save, will help improve their overall health. One of the things that most improves someone's life outcomes is being in employment. *[Interruption.]* It is bizarre to be heckled for saying that.

Luke Graham (Ochil and South Perthshire) (Con): My hon. Friend is giving an insightful speech. One impact of the Government's policies is the improvement in our Gini coefficient, which is widely recognised as an objective international measure of inequality. According to that objective international measure, our inequality has reduced since 2009-10. Nothing is perfect, but it seems that the direction of policies is working.

Kevin Foster: As always, my hon. Friend makes a well argued and succinct point. He demonstrates the positive difference that Government policies are making for his

constituents and the UK as a whole. It must be said that that difference is being made by a whole package of policies, not just by the Bill. I know that a range of measures will help tackle the health inequalities in my patch, including intervention, better services, better urgent care, ensuring that we realise the benefits of technology in primary care, dealing with things such as rising obesity, ensuring that people have proper diets and continuing the welcome decrease in the smoking rate. It is bizarre that those who can least afford to smoke end up being impacted most by it, worsening already poor health inequalities.

The Bill is welcome. I do not think either new clause brings much to the debate, other than highlighting that people want reviews and statistics. With a genuine review, we think about our policy conclusions at the end, yet we hear Opposition Members say, "We want a review—but by the way, here are all our conclusions about the policies we believe should be adopted, even though we can't really outline how we would pay for them, other than with a massive borrowing splurge that would need to be paid for by a future generation."

It is welcome that, as has been pointed out, the number of people in absolute poverty is at a record low—1 million fewer people overall and 300,000 fewer children are in absolute poverty. *[Interruption.]* We hear a groan, but those are the statistics—the sorts of statistics the Opposition seek through their new clauses. The number of children living in workless homes has fallen to its lowest since records began. Being in work makes a positive difference to people's lives.

Debbie Abrahams *rose—*

Kevin Foster: If the hon. Lady wishes to argue with that, I am only too happy to give way.

Debbie Abrahams: No, I would like to ask the hon. Gentleman whether he believes in policy-based evidence or evidence-based policy. He seems to be talking about policy-based evidence. His argument is absolutely facile. He has no evidence to support it. It is absolutely ridiculous.

Kevin Foster: For policy-based evidence, we need only look to those who continue to argue that the Leader of the Opposition and the shadow Chancellor should be leading this country, despite the increasing evidence of what their economic policies would do to this nation. Anyone who takes a trip to Caracas will see the outcome there, and still some argue that we should bring those policies to this country. *[Interruption.]* It is lovely to be heckled all the way through my speech. I sometimes do it myself.

It is somewhat strange for the Government to be accused of not basing their policies on evidence by a party that crashed the UK economy eight years ago, and to continue to hear the excuse that the financial crash merely happened because of bankers in the United States, despite it being a former Labour Prime Minister who, just before the problem with the banks, predicted that a golden era for the City of London was about to start and set up the regulatory system that so badly failed to prevent this country from being exposed to the financial risks and shockwaves. It is somewhat strange to get that lecture on evidence, when there is plenty of evidence of what went wrong a decade ago, when we were left needing to make savings that Labour was planning to make anyway.

Mrs Main: My hon. Friend prompted me when he mentioned a golden era. Does he remember when a certain Labour Chancellor thought it an excellent idea to sell off our gold reserves at a record low?

Kevin Foster: Absolutely. We could spend a long time analysing the decision to flog the gold reserves. It was the same Chancellor who claimed to have abolished boom and bust—to be fair, he was right: he managed to end the boom at the end of his term, although he did very little to take us away from the bust. The economic cycle is still there, and those who pretended it did not exist were deluding themselves. They kept betting that things would always go up and then things started to go down.

The other thing that has made a difference in Torbay, whose economy has many jobs in the service sector, the hospitality industry and the care sector, is the introduction of the national living wage, because of which many people have had a salary increase. It is easy for an Opposition to pledge all sorts of things, but it is very different to actually deliver in government an income rise for the lowest earners. More people are being paid more than the national living wage—local employers in Torbay are paying beyond that level to attract the staff they need, given the fall in unemployment. We cannot say that the Government's fiscal policies have had nothing to do with that; they have made a positive difference to the lives of people in my community and others across the UK.

Colin Clark (Gordon) (Con): Does my hon. Friend agree that it is this Government who are trying to build a fairer economy and that, in my constituency and his, the gap between the highest and the lowest incomes has fallen since 2010?

Kevin Foster: Absolutely. It is worth remembering, when we hear how the Opposition want to tax people and what our tax policies are, that the highest earners in this country are paying a higher percentage today than they did for all but the last few weeks of the previous Labour Government. The claim that the Government are being much more generous to the highest earners through income tax is completely false. Sadly, my hon. Friend now represents the highest-taxed part of the United Kingdom. I refer to the work of the SNP in making Northumberland a tax haven from its policies, which have hit a range of people on middle incomes. I am concerned that the impacts in Scotland of that policy will see its representatives here in Westminster blaming those impacts on Bills such as this one, when they are due to policies that the SNP, not this Parliament, has imposed on the Scottish people.

Kirsty Blackman: The Scottish Government's Budget ensures that 90% of businesses will pay less in business rates than they would if they were anywhere else in the UK. Does the hon. Gentleman believe that his Government should change their policies to match Scotland's?

Kevin Foster: I certainly do not believe that the Westminster Government should change their policies to match the SNP's income tax raid on middle earners and those who drive the economy. On business rates, anyone who has sat through my speeches on the high street will know that I have taken the view for some time

that we need to look at how we tax the high street in future. The era of large corner premises being the most profitable place to sell goods and wares is long gone. I have to say that I do not think I will be looking at the SNP's record for much inspiration when it comes to the question of how to stimulate the economy and boost people's earnings.

Luke Graham *rose—*

Colin Clark *rose—*

Kevin Foster: I will go to Ochil and South Perthshire first.

Luke Graham: The hon. Member for Aberdeen North (Kirsty Blackman) made a point about being able to lower business rates in Scotland. That has been fantastic. Will my hon. Friend join me in thanking the Chancellor for putting more than £40 million into the Scottish budget so that we could fund such a business rate cut?

3.45 pm

Kevin Foster: Absolutely. That support was very welcome. However, one of the issues that I am surprised SNP Members do not want to be raised—although perhaps it is not a surprise, when I think about what would be said—is what the impact would be in all these areas if the Bill included a border between England and Scotland, making it harder for business to be done between those two parts of our great United Kingdom. What would be the impact on the economy if Scotland had to experience SNP Members' overall economic and fiscal policies? Surprisingly, I do not think that they want that kind of analysis to be included in the review.

Colin Clark: I was quite surprised by what my constituency neighbour the hon. Member for Aberdeen North (Kirsty Blackman) said. She is well aware that the north-east of Scotland—its very engine room, and the area that she represents—has ended up picking up half the business rates in Scotland. Does my hon. Friend agree that it is dangerous for business rates to damage particular parts of the economy and to unbalance it disproportionately, whether in Scotland or in England?

Kevin Foster: I could not have put it better myself. If business rates unbalance the economy, that is clearly a real issue. It is no surprise that two years ago, when voters in the north-east of Scotland—which is, as my hon. Friend says, the powerhouse of Scotland's economy—had to decide which party would be the best to drive forward economic policies and represent their interests, the area, funnily enough, suddenly turned quite a pleasant shade of blue, with only a dot of yellow in the middle. That reflected the confidence of those voters in this Government's policies.

I am conscious that I have been speaking for a little while, and that others wish to contribute. Let me end by saying that I do not believe the two new clauses add anything to the Bill. They were tabled by Members who regularly like to give us policy-based evidence, and who advocate a form of economic management for the country that has failed many times in other countries. There is no reason why it would not fail again here if they were given the chance to implement it. I hope that the House

will not accept the new clauses, but will accept that the Bill will make a difference to working families across the country, will help to drive our economy forward, and will have a positive effect on the country overall.

Vernon Coaker (Gedling) (Lab): I support the two new clauses. Unlike the hon. Member for Torbay (Kevin Foster), I think that they are very measured. They simply ask the Government to review the impact of the Bill on poverty and inequality.

I do not know what other Members think, but let me describe what I think the vast majority of people in all our constituencies believe, and what they believe this Parliament should be saying and doing. They believe that the current levels of inequality in our country are simply and utterly unacceptable. They believe that the levels of child poverty are simply and utterly unacceptable. They are not interested in someone being able to tell them that there are 2 million children living in terrible poverty, or 1,850,000 children living in absolute or, indeed, relative poverty. That is what those people are sick of, and what I am sick of, and what this Parliament should be reflecting.

Across the country, people are asking, “Can you not do any better? Can you not do something about the fact that there are still pensioners in one of the richest countries in the world who cannot heat themselves properly in cold weather, including at Christmas?” They are asking, “What is Parliament doing when we see children living in absolute poverty who cannot afford to go to school, with shoes and clothes and food being given to them as an act of charity by people in those schools?” They are not interested in whether the figures have gone up by 0.5% or down by 1%. They are interested in what this Parliament is doing about it, and what we are saying.

All these new clauses do is say to the Government, “If you believe, for example, that clause 5, through allowing people to keep more of their income when in work, addresses some of those issues, let’s have a review to see whether or not that is the case.” That is what people would expect.

I am sick of this myself. When I drive around, not just my constituency but the country, I see enormous wealth. I am not talking about people who have worked hard and done well, which we all want to see; I am talking about massive accumulated wealth—not just income—with people able to afford to pay astronomical sums on different ways of life, while half a mile down the street there is a kid in a household that cannot afford to put any proper food on the table.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that it is terrible to think of all the many places in the country where there are so many more food banks, and that the year-on-year increase the Trussell Trust has told us about is deeply worrying?

Vernon Coaker: That is right. Every Member of this House would no doubt say, “Isn’t it great that there are food banks and so many volunteers at them?” I agree with that; I agree that it is good to see in communities across this country, in every part of the UK, so many people who volunteer their time with others donating to them. What I object to is that food banks, which are there as a charity, are used as an instrument of public

policy—they are used as a way of tackling poverty. What on earth have things come to in 2018 and 2019 when food banks are a public policy mechanism for dealing with poverty? They are supposed to be charitable organisations for people who have somehow slipped through the net, not places where someone at the DWP sends people with tokens. That is an absolute outrage, and this Parliament should be seething about it. In saying that, I do not decry the volunteers; this brings the very best out of people, but—goodness me—is that public policy now?

That is what the Minister should be addressing. The challenge that I think every Member of this House would make to the Government would be to ask what is being done to address these issues. We do not want some academic debate about a bit of research here or there which means that the hon. Member for Torbay can say, “There’s 1,000 fewer here and 2% less there.” The levels of poverty and inequality in our country are a fundamental disgrace; why are the Government not raging about that and doing something about it through their Budget?

Laura Smith (Crewe and Nantwich) (Lab): Does my hon. Friend agree that when he speaks to the food bank volunteers they say to him that they do not want to be doing this work as it should not be necessary because people should be able to pay for the food for their families without having to rely on handouts? They do not want to be volunteering for this because this problem should not exist in 2019.

Vernon Coaker: I agree with my hon. Friend.

In my relatively brief contribution I just want to ask the Government why there is disagreement about these perfectly reasonable new clauses that ask the Government to review the impact on poverty and inequality. When the Minister responds, will he say whether he refuses to keep under review any of the budgetary measures to be implemented through this Finance Bill to see whether they impact on poverty and inequality? Is that honestly what he is saying? If he is not saying that, why cannot he accept a new clause that is asking him to review this? Who disagrees with looking at whether our Government’s policies are actually tackling poverty and inequality? I find this absolutely incredible.

The Minister can say that this is all rhetorical nonsense, but let us see what he says about how he intends to review the impact of the Government’s policies. For example, he knows that one of the key challenges for Government policy is that, despite what they have tried to do, the number of working people in poverty is increasing. That is a policy challenge. It is not a Labour-Tory thing; it is a policy challenge. If the Minister simply retrenches on this, he is not acting as a Minister of the Crown or a Government Minister responsible for our country; he is acting as a Tory party politician, and that is not what a Minister of the Crown should be doing.

Martin Whitfield (East Lothian) (Lab): I find it sad to have to ask this, but does my hon. Friend agree that perhaps the reason why the Government will not accept the new clauses is that they would provide the evidence that these policies are wrong and that they are harming our citizens?

Vernon Coaker: I agree. I am not sure if the Minister is listening, but that is the point. Surely the Government would want to know whether their policies were working, so that they could do more of them. And if their policies were not working, all of us would want the Government to change tack.

Poverty and inequality should be at the heart of everything the Government do and of everything this Parliament demands. All that the new clauses and amendments are doing is saying to the Government, “Look at what your policies are doing. Look at the impact out there. What are you doing to tackle the utterly unacceptable inequality, child poverty and increased use of food banks that we see in our country? How are your policies going to address this?” That is the purpose of the new clauses, which I totally support.

Helen Whately (Faversham and Mid Kent) (Con): It is a pleasure to follow the hon. Member for Gedling (Vernon Coaker). In fact, I agree with some of the sentiments that he has expressed. The level of poverty is still unacceptable, and that makes me unhappy. I am also unhappy about the level of inequality across the country and in my own constituency, but I want to support a Government who are doing something about it, not just through words but through actually taking steps to make these things better.

I have enormous respect for the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), who introduced her new clause 1 earlier. It proposes a review of the impact of clause 5 on child poverty and equality—that is, the impact of raising the level of the personal allowance after which people start paying tax. She also spoke to new clause 5, which proposes a review of the public health and poverty impact of the whole Act. It is enormously tempting to say yes, we should do this. All of us in this Chamber care enormously about poverty and inequality levels. I have a background in healthcare, and I feel very strongly about reducing health inequalities. I am also conscious of the different life expectancies within my own constituency, which are substantial, but we must be careful not to be lured into a sense that reviewing a specific part of an Act will give us an accurate picture of all that is being done and of its impact on, for example, reducing health inequalities.

Debbie Abrahams: I want to reciprocate by expressing my respect for the hon. Lady and for the work that she does in this place on mental health. I have huge experience in this area. I spent more than 20 years working on health inequalities and specifically on the assessment of policies to ensure that we get them right. That is part of the reason that I came into Parliament, and I know that this can be done. As my hon. Friend the Member for Gedling (Vernon Coaker) said, if we are all so committed to reducing poverty and inequality, let us assess our policies before they are implemented, to ensure that they do just that.

4 pm

Helen Whately: I thank the hon. Lady for her intervention, but we should be a little cautious about assessing a particular bit of policy in isolation without considering other policy areas, because that might result in false information. For instance, if we examined a specific bit of Government spending, it may appear to be doing a fantastic job, but if we do not consider the

counter-effect and the money that is being taken away from people elsewhere, it does not provide the whole picture and might lead to poor policy decisions.

I want us to look at the overall impact of Government policy in the round. For example, we should look not only at the impact of raising the personal tax allowance, which is positive because it enables people on low incomes to retain more of what they earn, but at where the Government are investing money. For health inequalities, we should look harder at the extra £20.5 billion going into healthcare and the impact of the NHS long-term plan, published yesterday, which has a particular focus on directing funding to reduce inequalities and increasing funding for primary and community care. Those things will particularly help those in the most deprived areas and those with some of the worst health outcomes.

I know that it is enormously controversial, but universal credit—I will probably get booed by the other side of the Chamber—is helping people into work and is doing so hand in hand with an economy that is strong overall, leading to unemployment in my constituency halving since 2010.

Dr Philippa Whitford (Central Ayrshire) (SNP): I totally support what the hon. Lady is saying about importance of inequalities and health inequalities, but does she not recognise that two thirds of children in poverty have a working parent? People are trapped in low-paid work, and they are still poor, and she knows from her time on the Health and Social Care Committee that poverty is the biggest driver of ill health and health inequalities.

Helen Whately: I recognise that there is poverty in working families, but I do not agree with her use of the word “trapped”. It is important to ensure that people are in work, because that is the best way out of poverty, and then to ensure that we support people to raise their earnings. One way of doing that is through the support available through the jobcentre when people resume universal credit, which now tends to help people to move up and earn more money, and the other is by looking at the wider economy. As the hon. Lady will know, the minimum wage has risen and is rising, but we are also seeing wages rising independent of the minimum wage as a result of a more productive economy. What is actually key to a better level of wellbeing and fewer people being in poverty is having more people in work, which is the case, and a more productive economy, which means that people earn more. We can achieve that through driving up skills and technology, increasing exports and a swath of other things that would take me into a whole other conversation.

Mrs Main: My hon. Friend has mentioned some of the benefits of having a working parent or family member, but it also sets an enormously good example for the children. Children brought up in workless households have low aspirations and ambitions when it comes to obtaining work themselves, so somebody being in work is not just about money, it is about psychological and educative factors, too.

Helen Whately: My hon. Friend is absolutely right. While education standards are rising in our schools—readings levels, for example, are increasing substantially, leading to better opportunities for children—low levels

of aspiration are still a problem and, as the teacher I was speaking to at a primary school in a deprived area said the other day, raising young people's aspirations is key.

Laura Smith: I am completely insulted by the point made by the hon. Member for St Albans (Mrs Main). I grew up in in-work poverty. My parents were working, and I saw them struggle day in, day out, but I assure the House that my aspirations were not stopped. It may do some Members good to understand what people living in such conditions have to go through day in, day out, and Members should not patronise people when they simply do not understand the situation.

Helen Whately: I thank the hon. Lady for her contribution and for the example she sets. Although she has described a very tough childhood, she is a role model and is playing her part in Parliament.

To be clear, what I said was from a conversation with a teacher, who is doing a very good job in a very deprived school, about her experience. The hon. Lady's experience might be different but, from this teacher's experience, although there is so much she can do to help children learn to read, write and perform better in their education, what would make the next difference for those children is for their aspirations to be raised and for them to have a sense of the opportunities for them beyond their needs and environment.

Laura Smith: Will the hon. Lady give way?

Helen Whately: I have already taken an intervention from the hon. Lady, so she has had a chance to make her point.

Vicky Ford: Does my hon. Friend agree that making sure people can keep more of their earnings before they pay tax, introducing the national living wage and reducing the very high taper rate for people on legacy benefits will all contribute to helping people to get out of the in-work poverty trap?

Helen Whately: My hon. Friend is absolutely right, and she reminds me of a constituency case, before universal credit, of a mum who was looking to raise her income but who was coming up against a threshold. If she worked more than 16 hours a week, she would not benefit, so she was trapped in poverty—the hon. Member for Central Ayrshire (Dr Whitford) used the word “trapped” earlier—because it did not make sense for her to increase her hours of work.

Luke Graham: My hon. Friend is making an important point about aspiration. In this House we often get caught on economics and money, but social capital is just as important. In many communities right across the United Kingdom, we need to be helping people to see the true opportunities, both inside and outside their communities, to allow them to realise their true potential. It is important that we consider the social alongside the monetary in all these debates.

Helen Whately: I absolutely agree and that is one reason why we have to look at policies in the round. I completely support the policy of taking people out of income tax, but let us look not just at that. Let us look,

for example, at the strong economy, at the opportunities that gives people and, beyond that, at the strength provided by having a family and community around people, which also provides the social capital to be able to make the most of their lives.

Sir Oliver Heald (North East Hertfordshire) (Con): Does my hon. Friend agree that the challenge for Parliament changes over time? In the Labour years we were very concerned in Parliament about the number of workless households—there were 3 million then. There are now a lot more people in work, but there is this issue, which has been rightly raised, of the quality of that work, of the skills involved and of whether it rewards people adequately. That is the new challenge, but we are making progress.

Helen Whately: I thank my right hon. and learned Friend for his intervention.

The hon. Member for Gedling spoke earlier of his frustration. He did not want people to talk about changes in percentages and there being perhaps a few fewer people in poverty, but actually the numbers do matter. The numbers tell us what is happening, and the numbers are moving in the right direction, which is really important. The fact that the numbers are moving in the direction of our having fewer workless households should not be sniffed at or dismissed. Achieving that has been a challenging job, and it has involved a significant effort from many people.

Laura Smith: Will the hon. Lady give way?

Helen Whately: I think I should conclude my remarks, as I am aware that I have been speaking for a while.

New clauses 1 and 5, which call for reviews on specific aspects, have been advocated in a way that suggests that one side of the House cares more about poverty, for instance, than the other, but that is not the case at all. Members on the Conservative Benches care very deeply about poverty and equality within society.

What really matters is the track record of governing parties in these areas. I would raise these questions with the House. Which party in government oversaw an increase in unemployment from 5% to 8%? Which party left office with nearly 4 million workless households? Which party left office with rising absolute poverty? All of us know that it was Labour.

In contrast, under this Government, we have more than 3 million more people in work, the lowest unemployment since the 1970s, 600,000 fewer children living in workless households, falling absolute poverty and rising wages. When it comes down to it, this is what matters—getting right those policies that improve people's lives, reduce inequality, reduce poverty and make life better for everybody. That is what we should all be backing.

Simon Hoare: It is a pleasure to follow my hon. Friend the Member for Faversham and Mid Kent (Helen Whately).

I rise to oppose new clause 1, and I do so for these reasons. If any Members were so inclined, they should please come and visit my constituency of North Dorset. If they visited North Dorset, they could easily be forgiven for thinking that everything in the garden was rosy. There are pretty villages, attractive market towns, lush fields,

[Simon Hoare]

healthy-looking cattle grazing and a strong local economy where unemployment is virtually zero. If Polly Toynbee or the hon. Member for Bootle (Peter Dowd) were to arrive in North Dorset and say to me, “Simon, would you take me to your most deprived ward?” I could not, because I do not have one, but I know that I have pockets of deprivation and of poverty in each village and market town in my constituency.

One of the big challenges facing any suite of financial policies is recognising that poverty manifests itself in various ways and guises, but right the way across our nation. It is, I would suggest, far easier to identify large pockets of urban deprivation and poverty. The real public policy challenge is also to recognise and address those of rural poverty, often in sparsely populated areas where the instinct—maybe it is part of the rural community DNA—is slightly to shy away from asking the state, either local or national, for support and to demonstrate a strong sense of resilience and smaller communities trying to work together, although that is no excuse for any Government to shy away from focusing like an Exocet on trying to deliver policies that help to address rural poverty.

I am motivated by this every day. I know the figures move around, but the average national salary for the UK is in the region of £24,000 or £24,500 per annum, as I understand it. In North Dorset, when I was first elected in 2015, the figure was £16,500 and it has just risen to about £18,000, but rural jobs always pay less, if people are in the agricultural sector, food production or the hospitality trade. In those rural areas we do not have those big, high-paying employers. That is why we should always focus on trying to deliver support.

Laura Smith: I find myself agreeing with what the hon. Gentleman is saying about rural poverty. I am an MP in Cheshire, and our local food bank expresses real concern about the rise in the number of people who live in rural areas having to access the food bank. He is right about pride, and another relevant group is elderly people, who often will not access help and support, so it is important to mention rural poverty.

4.15 pm

Simon Hoare: I am grateful to the hon. Lady for her intervention. I am not entirely sure whether her support of me or my support of her has damaged her career more than it has damaged mine. We will leave our respective Whips to adjudicate on that. Nevertheless, she is absolutely right, and she is absolutely right to highlight that often incredibly annoying sense of pride when a retired person comes to an advice surgery. I say, “Look, we can try to help you to get this, that and the other,” and they say, “No, I don’t want to, Mr Hoare. I don’t think it is right. I have never asked the state for anything.” There is some locked-up pride among some of our retired citizens and we must forever say to them that the state in all its manifestations is there to provide. The second duty of the state, after keeping the country safe, is to provide that safety net that delivers self-respect and the opportunity for people to live with some semblance of dignity and happiness, particularly in their later lives.

Those in later life are a group that is often hard to reach. They will never be contacted through the digital economy; they need to be outreached to. I make the

point again—I know the hon. Member for Crewe and Nantwich (Laura Smith) will agree with me—that one of the great challenges in sparsely populated rural areas is that outreach is often harder, because there is not that dense concentration such that at almost every door one knocks on in an area one would say “Yes, this is the area that requires most attention.”

Vicky Ford: I thank my hon. Friend for painting this clear picture of rural poverty, but pockets of poverty occur in urban constituencies such as mine, too. Does he agree that poverty is about not only how much someone earns but the cost of living? That is why it is so important that we focus not just on the relative poverty measures that the Labour party focuses on, but on reducing absolute poverty, which is the measure that this Government have succeeded in dealing with.

Simon Hoare: My hon. Friend is absolutely right to pinpoint the cost of living. Opposition spokesmen sometimes dispute this, but it is more expensive to live in a rural area. It is more expensive to heat one’s home. Travel costs are higher, usually in the absence of public transport, meaning that the running of a car is not a luxury but a necessity if one is to access even the most basic of public or retail services.

Martin Whitfield: Will the hon. Gentleman give way on that point?

Simon Hoare: If the hon. Gentleman will forgive me, I will not, because I want to refer to the speech by the hon. Member for Gedling (Vernon Coaker). I hope that he will not think it is untoward for me to say this, but the passion with which he delivered his speech was powerful and incredibly compelling. He struck on a point that I was going to make and on which I had jotted down a note or two, and it is a point I have been making in recent speeches around the place. I often admire the Labour party—

Thelma Walker (Colne Valley) (Lab): Stop there. [Laughter.]

Simon Hoare: There is always a “but”, though. [Interruption.] My right hon. Friend the Financial Secretary to the Treasury says that my career has definitely gone now. I did not even know that I had a career, so that is going to be interesting.

There is usually no embarrassment on the Labour side at talking with passion about the burning injustices that we see in all our constituencies and having a clear determination to do something about them. There is no inhibition at all on the Labour side. On my side—I say this as somebody who has been a member of our party since 1985—I occasionally find that we get slightly inhibited about talking from the heart. Other Members have referred to this. We can bandy the statistics about—relative or absolute, percentage this versus percentage that, up, down, more in this, fewer than the other—but it does not matter, because if someone is poor, the statistics do not affect them: they are poor. They want to know that their elected representatives, locally, in this place and those in Whitehall are doing their damndest to make their life just a little better.

I make this plea to my colleagues on the Treasury Bench: we on the Conservative Benches do not talk enough about the whys of politics. We talk a lot about the whats, but we do not say why. We find homelessness gut-wrenchingly upsetting. We find the closing down of hope, aspiration and life expectancy intensely moving, and we burn with the desire to help. It certainly motivates me every morning to get out of bed and to do my best for my constituents in whatever way I can by supporting policies that I fundamentally believe have the power to make our local economy, and therefore my constituents' lives, better. If anybody in this House is not motivated by that fundamental political passion to stir up the soul to go and do something about it, I say to them with the greatest of respect that they should not be here. That, I think, must be our principal function. Members from both sides of the House want to arrive at a place where aspiration, hope and opportunity are available for as great a number of our citizens as we can possibly facilitate.

We also want to make sure that the economy is buoyant. Why? Because warm words butter no parsnips. The emotional speeches may salve our consciences, but we need the economic policies that deliver the taxes and pay for the safety net below which, I am determined, none of my constituents should, or will, ever fall on my watch. We need to be ever vigilant to make sure that our economic policies are delivering that growth.

Martin Whitfield: I am very grateful to the hon. Gentleman for giving way. I say with the greatest respect that he is making a very good speech for the two new clauses. The knowledge gained from reviewing policy implementation feeds into the decisions that go forward, so, at this stage, I invite him to support the two new clauses.

Simon Hoare: The hon. Gentleman is—what's the phrase?—pushing his luck on that. I think that the divide here will be on the theoretical and the practical. I am always conscious that we can go to any Minister's office, or any Department, or any local council, and find gathering dust, spiders and dead flies on many a window sill reports, reviews and assessments of this, that and the other, and they have a pretty short shelf life. I would much prefer to spend Government time focusing on delivering those policies of hope and growth.

Laura Smith *rose*—

Simon Hoare: The hon. Lady has winked at me in such a beguiling way that of course I will give way to her.

Laura Smith: I would just like to put it on the record that I absolutely did not.

Simon Hoare: You winked.

Laura Smith: It was just a northern smile; that was all.

Does the hon. Gentleman not see that he has massively contradicted himself? His speech, as my hon. Friend the Member for East Lothian (Martin Whitfield) has said, would indicate that he should really be supporting these new clauses, and yet, when pushed on it, he is not.

Does he not agree that that is why people in the outside world become frustrated with politicians who are very good at speaking in one way, but who act in another?

Simon Hoare: It was all going so well, wasn't it? I agree with the hon. Lady that many people become incredibly frustrated when a Minister of any political persuasion delivers a speech that makes them think, "Something good is going to flow from this", but then very little has actually happened when they come to think about it.

I would prefer to do the doing rather than the reviewing. I do not need a whole series of reviews to tell me that there are poor, deprived people who live in North Dorset. I do not need tables of statistics to tell me that I am going to hold the Government to account to ensure that policies are delivered to provide support for those who need it, to encourage a ladder of expectation and aspiration for those who wish to scale it, and to put policies in place to ensure that we remain a civilised and humane society. I do not need a whole bookcase of learned treatises to tell me this. It was strange that the hon. Member for Gedling made exactly that point—that he did not need a whole load of statistics and reviews—when that is actually what new clauses 1 and 5 are calling for.

I do not need these pieces of paper to tell me that it is the first duty of a Government of any colour—even if it were the hon. Member for Bootle (Peter Dowd) sitting on the Government Benches and my right hon. Friend the Minister sitting on the Opposition side—to try to ensure that the economy grows and that opportunities are presented.

Rachel Maclean (Redditch) (Con): As well as not needing to do these reviews, does my hon. Friend agree that we should be looking at our track record—at what has actually happened when it comes to getting the deficit and the debt down? Surely that is what people will be looking at. What gives them the most comfort that we will be able to deliver on our promises in the future is that we have delivered on them in the past.

Simon Hoare: My hon. Friend is right, but I think people will look at it differently. I think that most people in this country come to an evaluation of an Administration, irrespective of which party happens to be in power, based on whether they and their family group feel more secure, more prosperous and more confident about their opportunities, and on whether they can see that the opportunities for the next generation of their family are going to be deeper and wider than those presented to them when they were making their first choices.

Victoria Prentis (Banbury) (Con): If I may say so, my hon. Friend is making the speech of his life. In a finance debate, it is particularly good to hear a speech about burning injustices, and I agree with him that this is the right place to be having this debate. In turn, does he agree with me that employment is at the base of dealing with all those injustices?

Simon Hoare: My hon. Friend is right. I think that the hon. Member for Crewe and Nantwich (Laura Smith) slightly misheard my hon. Friend the Member for St Albans (Mrs Main). My hon. Friend the Member

[Simon Hoare]

for St Albans said precisely what the hon. Member for Crewe and Nantwich said, which was that although the hon. Member for Crewe and Nantwich was in a tight or low-income household, it was a house of work.

Laura Smith: Will the hon. Gentleman give way?

Simon Hoare: Of course, but let me just finish this point with my hon. Friend the Member for Banbury (Victoria Prentis).

Where did we all learn that it was normal and expected to get out of bed in the morning, have a bit of a wash and a tidy-up, get ourselves to school and then on to work, and all the rest of it? It was from our parents. Growing up in Cardiff, I can remember large council estates where worklessness was endemic, and where the welfare state had not been that support, safety net or springboard, but had instead become a way of life for too many people. If that is the case, how on earth can we expect anybody to learn the work ethic?

I chaired the all-party parliamentary group for multiple sclerosis, which two years ago held an inquiry into people with MS who were in work and wanted to stay in work. Without reducing employability to a utilitarian argument, for people to feel that, even with a painful degenerative condition, they could still play an active, productive role in their family's life, in the life of their community and thereby in the life of the economy nationally, had a huge impact on their mental health. I therefore entirely agree with my hon. Friend the Member for Banbury, who speaks with great passion on this issue.

An understanding of employment and the benefits that flow from it has to be rehearsed again and again by Treasury Ministers and other Ministers. We take this for granted, possibly because it is in our DNA and possibly because it is the only thing that we have ever known, but we must be conscious that there are others in our country who have not. We should be advocates, apostles, evangelisers and any other word one could think of in shouting from the rafters the strong benefits of employment.

4.30 pm

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): Does my hon. Friend agree that not only has employment benefited but, since 2010, this Government have delivered a reduction of 661,000 in the number of children living in workless households—so over half a million young people are now growing up in a home where they are getting those lessons on the importance of work—and have also reduced the number of children living in absolute poverty by 200,000?

Simon Hoare: My hon. Friend helps me and my hon. Friend the Member for Banbury by amplifying the point.

I said earlier that I was born and brought up in Cardiff. One of my abiding memories was of my late grandmother, who was born in 1908, and what motivated her throughout the whole of her life. She was the daughter of Irish immigrants. When she was at school—a Catholic primary school called St Patrick's in Grangetown—a teacher brought a child to the front of the class, theatrically held their nose, and said, "Boy, go home, you smell."

I can remember, in different circumstances in the 1970s, my Catholic primary school in Cardiff called St Mary's. It was the school that my mother had gone to as well. It drew from a mixed economic demographic. There was a family with three children—I can see them now. If I sound emotional on this point, it is because I am. I am emotional because I can remember—although this may sound entirely preposterous and pompous—how I felt as an eight or nine-year-old, as I was, seeing this family. The mother always looked underfed. The father always looked harassed to death. The children, one of whom was in my class, had a colour of poverty. They had a smell of poverty. Poverty has a smell about it. It has a posture about it. It says, "We are beaten." At the age of eight, nine or 10, I can remember looking at my classmate and thinking, "What can I do?" I realised that I could do nothing apart from provide a bit of friendship and support, and I did it as best I could, as I am sure that anybody would.

But that impotence of an eight-year-old has disappeared, and I can now stand here as a 49-year-old—[Interruption.] Yes, only 49—I know. I have had a hard life—that is what I tell my wife, anyway. I burn with the sense of injustice that the hon. Member for Gedling expressed. We are all in a position in this place where we are not impotent—we can actually do something about this. If I thought that Her Majesty's Government were not as committed as I am on this issue, I would be in the Lobby with Opposition Members, but I do not think that. I think that the strategy of the Finance Bill is right. Our values and our principles must shine through. I urge Treasury Ministers and other Ministers to talk a little more about the why of what we are doing in our politics and a little less about the percentages and statistics.

Kirsty Blackman: I want to talk about a few issues, many of which have been brought up during the debate. The first is the subject of new clauses 1 and 5, both of which I support, and the way in which they have been written. I stress to the Government, and particularly to the hon. Member for Torbay (Kevin Foster), that the reason why the new clauses call for reviews is that we have no amendment of the law resolution, which means that we cannot put forward more robust amendments that ask the Government to do things. If we could have tabled more robust amendments, we would have done so, and I am sure that the Labour party would have done so as well. The Government have chosen to hamstring us and, as I have said before, when Conservative Members are sitting on the Opposition Benches, they will regret this behaviour. The fact that they chose not to move an amendment of the law motion makes it much more difficult for us to table any substantive amendments, but we are doing our best.

The things that we have managed to do during these Finance Bill debates are unparalleled in the Scottish National party's history. We have managed to have two substantive amendments accepted to the Bill. I had two amendments accepted to the previous Finance Bill, but they were particularly minor. These ones are much more substantive and call for reviews. One of those amendments fits nicely in this section of our proceedings, as it relates to the public health effects of gambling. I am pleased that that amendment continues to be in the Bill, and I look forward to the Minister bringing forward that review in the next six months, as we have called for him to do.

There are various reasons why a Government can choose to change or introduce taxes. They can choose to have a tax to raise funds for the Government. They can choose to have a tax relief to encourage positive behaviour, or a tax to discourage negative behaviour. They can choose to have a tax to do one of the things that the Opposition and the hon. Member for North Dorset (Simon Hoare) have been keen to talk about. They can choose their priorities. They can choose to have a tax system that aims to reduce child poverty, reduce inequality and increase life expectancy, and we are asking for that to be the Government's focus when they are setting taxes.

The Government should be looking at the life chances of the citizens who live on these islands and doing what they can to improve those life chances. That is the most important thing—it is why these reviews are being asked for. Whether or not the taxes that the Government have set are appropriate, we are asking for a change of focus and a change of priority, and I think the hon. Member for North Dorset was agreeing with that.

Mhairi Black (Paisley and Renfrewshire South) (SNP): Forgive me if I am stating the obvious, but do we not also need these reviews because we have Brexit coming up, and we have to be able to reflect on and evidence things?

Kirsty Blackman: That is correct. One of the difficult things about looking at the potential outcomes of Brexit is that those stats do not exist. It is all well and good to talk about the fact that there are reviews sitting on shelves gathering dust, but we need stats. We need stats to be able to prove that Government policy does what it says on the tin.

The Minister can stand up and say, "This policy will raise £100 million for the Government," but I would like to see not only the working beforehand, but the review afterwards that proves that the policy did what the Government intended it to do. I have been clear on a number of occasions that I do not think the Government do enough of that evidencing. The reviews being asked for would allow the Government to provide us with that evidence. Evidence written by the Government, rather than an independent individual, is still a legitimate thing that we can look at. The hon. Member for Torbay seemed to suggest that we would doubt information were it to come from the Chancellor of the Exchequer—surely not! It would be good for him to provide that.

I want to talk about a few things that the SNP has been doing in Scotland and the changes we have chosen to make to not only our tax system, but other systems, and particularly those that affect the issues raised in new clauses 1 and 5. We have mitigated the bedroom tax, which has been a major factor in us having the lowest child poverty rate of any country in the UK. We have increased the number of people from disadvantaged areas who are going to university. We are making major changes to the care system for looked-after children. Those young people have had some of the poorest life chances in the past, and what the Scottish Government are doing on that is hugely important for ensuring that their life chances are improved.

We have increased the pregnancy and baby grant to £600. We are improving access to childcare, and we have the baby box scheme. We are the best country in the UK

at paying the living wage—not the pretend living wage, but the real living wage. People working in Scotland are more likely to be paid the living wage than those working in England. About half of taxpayers in England pay more than they would if they lived in Scotland, and that is the half of taxpayers who are earning the least. We think that that is a progressive measure that is assisting people to get out of poverty.

Luke Graham: The hon. Lady is bringing out the successes of the SNP Administration in Edinburgh, but does it not still stand that, after a decade in power and with powers over taxation and healthcare, men and women in Scotland live for two years less than other people in the United Kingdom? In fact, we have the lowest life expectancy in the whole United Kingdom. There may be some successes—I support those on care—but certainly on the one thing that matters most, which is keeping people alive the longest, the SNP is an abject failure.

Kirsty Blackman: We have not had taxation powers for 10 years, and we do not have the full range of powers. For example, we do not have the full range of powers over public health, so we do not have in Scotland powers such as the public health taxation measures—the sugar tax—that were brought forward in the previous Budget. We do not have the full range of powers, and if Scotland were to be an independent country, with the full range of powers, we would be putting the things we are discussing today at the heart of our Government's agenda. Our Government have done this and we will continue to do this—we are pushing for fairness.

I will wrap up, because I am aware that I am relatively short of time, but I want to talk about the people who are the poorest and, by the way, the most disadvantaged by the way in which this society is set up. Following the changes to universal credit, those in the bottom 30% of incomes will gain less from the work allowance than they will lose in the benefit freeze. The benefit freeze is costing them more than the changes to the work allowance will give them. Those people, who have no recourse to public funds, are the poorest individuals I see coming through my door, and this Government have caused that situation. This Government have caused a situation in which asylum seekers have got absolutely nothing. This is about the very poorest people, who have got the worst life chances as a result, and this Government are completely failing to do anything to support them or to improve their life chances. This is about people on disability benefits, who are really struggling, and at every turn, this Government have made their lives worse, rather than better. This is about lone parents, who are disadvantaged as a result of universal credit. This is about the increases in food bank usage.

The Government talk about people working their way out of poverty. I do not understand how people can have hope when they do not have enough to eat.

The Financial Secretary to the Treasury (Mel Stride): I thank everybody who has made a contribution in this very important debate. There have been some extremely passionate and well-argued speeches.

Part of the debate has been exemplified by the hon. Member for Gedling (Vernon Coaker) and my hon. Friend the Member for North Dorset (Simon Hoare),

[*Mel Stride*]

who spoke in effect about who cares about these issues. We need to recognise that Members on both sides of this House—I include the Opposition in my remarks—care very deeply about whether our fellow citizens in our great nation are impoverished, are in dire straits, do not have enough to make ends meet, do not have enough to feed their children, or have children who do not have the opportunities in life that we wish for our children in turn. Those things matter considerably, and I congratulate my hon. Friend on the quality of the speech he delivered, particularly in that respect.

Something else that lay at the heart of the debate between the hon. Member for Gedling and my hon. Friend the Member for North Dorset, is whether the numbers matter. Do the figures matter? I think it was the contention of the hon. Member for Gedling that, in a sense, the figures do not matter. In a curious way, that is rather at odds with the notion of supporting new clause 1, because it calls for more figures to inform our decisions. In one sense, of course, the figures do not matter, because what matters is the condition of the people who live in our country. However, figures do matter when it comes to formulating the policy responses we need to address the situation, and if we are, in any meaningful way, to chart the progress, or otherwise, that Governments—ours and the Labour Governments who preceded us—have made on this extremely important issue.

4.45 pm

The crux of the argument against new clauses 1 and 5 is that the figures that are being asked for by way of review are either difficult to establish and disproportionately expensive to corral together, or do not lend themselves—even if we did manage to get them—to any meaningful form of analysis. That is the context in which we should consider new clauses 1 and 5. If I may, I will turn now to their specifics.

Debbie Abrahams: I do not know whether the Minister is aware of this, but the European Commission does this sort of analysis every year on its programme of policies, so it is not that this cannot be done. Its work covers not just quantitative but qualitative data, which relates to the points my hon. Friend the Member for Gedling (Vernon Coaker) made. There needs to be more than what the Government are doing—they do not know what the impacts of their policies will be.

Mel Stride: I think I have been misunderstood, and I apologise to the hon. Lady if I was not clear enough. I am certainly not saying that data does not matter—quite the opposite. What I am saying is that we need to have the right kind of data for the exercise to be meaningful and worth while.

New clause 1 would require the Chancellor to report on the impact of changes to the personal allowance and the higher rate threshold on households of different levels of income, on child poverty, on equality and on those individuals with protected characteristics. New clause 5 would require the Chancellor to report on the Bill's effect on child poverty, life expectancy and public health.

Let me first address the question of the Treasury's compliance with its public sector equality duty, as referenced in new clause 1(2)(c). Equality and fairness continue to

lie right at the heart of the Government's agenda, and we take our compliance with this duty deeply seriously while deciding policy. That means that Government decisions are explicitly informed by the evidence available of the implications of those decisions for those sharing protected characteristics. I have no hesitation in saying that the Treasury complies with the public sector equality duty.

Further provisions in new clauses 1 and 5 call for the publication of different forms of analysis for clause 5 and for the whole Bill in turn. The Government have been, and continue to be, transparent—more transparent than any other. Changes to the tax system are always accompanied by a tax information and impact note, and each Budget is accompanied by detailed distributional analysis.

TIINs, in particular, are relevant to the questions discussed today. These notes provide Parliament and taxpayers with information on the expected effects of changes to the tax system, and form a vital part of the Government's commitment to transparency and accountability around tax decisions. In the context of clause 5, for example, the TIIN already sets out the impact on groups of taxpayers according to their age, gender and income tax band, and this data is readily available to HMRC through tax returns.

Vernon Coaker: That is the point: the assumptions on distributional analysis are assumptions. What we want is to see whether those assumptions turn into reality.

Mel Stride: I will come to the very issue that the hon. Gentleman rightly raises.

Clause 5 will benefit households across the UK. Due to the information collected by HMRC through tax returns, we have various pieces of information on geographical distribution, as sought under new clause 1(2)(d). That is an important point, because much of the information being requested is actually already available.

In addition, the distributional analysis published by the Treasury already sets out the impact of tax changes on households with different levels of income. To be completely clear, the analysis shows how the living standards of households in each tenth of the income distribution will be affected by the decisions the Chancellor and Prime Minister have taken since they took office in 2016. Not only does the analysis meet the intention of new clause 5(2)(a) regarding the effects of the Government's tax changes on different households, it actually goes beyond that by including changes to welfare and spending on public services, and by considering changes in addition to those announced at each fiscal event since the autumn statement in 2016.

There is, as I suggested at the outset of my remarks, much that we can agree on across the House. Child poverty, public health, life expectancy and inequality are among the greatest issues of our age. We have got on with the job. Absolute poverty rates are at record lows. One million fewer people are in poverty now than under Labour. I say to the hon. Member for Gedling that 1 million is indeed a number, but for every one of those million, their lives have been enhanced. That includes 300,000 fewer children in poverty than under Labour. As we know, the best route out of poverty is through work. There are 3 million more people in work now

than in 2010, with 637,000 fewer children in workless households. That is a record of which we should be proud. I urge the House to reject the new clauses.

Peter Dowd: If I may rephrase St Augustine, who said “O Lord, make me chaste, but not yet,” what we have here is a Government saying, “O Lord, make me charitable and compassionate, but not just now. Let’s do it in the future.” It comes to something when the British Government, with an expenditure of approximately £840 billion a year, say that it will be difficult to get statistics, either qualitative or quantitative, from which they can make policy. That is how it seems to me, but I tell you what: every day when I am in my constituency I see people who are homeless. What have the Government done about that? Nothing. I see food banks opening up all the time. What are the Government doing about that? Absolutely nothing. What are the Government doing about the 24% of homeless people who are from the LGBT community? Absolutely nothing. And then we heard the dross coming out—that is what it is, dross—about intergenerational worklessness. The Joseph Rowntree Foundation—through evidence, through statistics, through analysis—found that that was not a significant factor in homelessness. So we hear all this talk about charity, compassion and working together, but I am afraid it does not wash when it comes from the mouths of Tories.

Question put, That the clause be read a Second time.

The House divided: Ayes 294, Noes 312.

Division No. 285]

[4.52 pm

AYES

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
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cable, rh Sir Vince

Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Sir Alan
Campbell, Mr Ronnie
Carden, Dan
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Charalambous, Bambos
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Daby, Janet
Dakin, Nic
Davey, rh Sir Edward
David, Wayne
Davies, Geraint
Day, Martyn
De Cordova, Marsha
De Piero, Gloria

Dent Coad, Emma
Dhesi, Mr Tanmanjeet Singh
Docherty-Hughes, Martin
Dodds, Anneliese
Doughty, Stephen
Dowd, Peter
Drew, Dr David
Dromey, Jack
Duffield, Rosie
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Dame Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Field, rh Frank
Fitzpatrick, Jim
Flint, rh Caroline
Fovargue, Yvonne
Foxcroft, Vicky
Frith, James
Furniss, Gill
Gaffney, Hugh
Gapes, Mike
Gardiner, Barry
George, Ruth
Gethins, Stephen
Gibson, Patricia
Gill, Preet Kaur
Glendon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Grogan, John
Gwynne, Andrew
Haigh, Louise
Hamilton, Fabian
Hanson, rh David
Hardy, Emma
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Sir Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hill, Mike
Hillier, Meg
Hobhouse, Wera
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Huq, Dr Rupa
Hussain, Imran
Jardine, Christine
Johnson, Diana

Jones, Darren
Jones, Gerald
Jones, Helen
Jones, rh Mr Kevan
Jones, Sarah
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Khan, Afzal
Killen, Ged
Kinnock, Stephen
Kyle, Peter
Laird, Lesley
Lake, Ben
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, 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
McMorin, Anna
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
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
 Pidcock, Laura
 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
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth

Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Colleen Fletcher and
Thangam Debbonaire

NOES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh 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
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey

Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh 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
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 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 Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, rh Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Glen, John
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pngelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark

Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 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, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Rory
 Streeter, Sir 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, 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:
Wendy Morton and
Iain Stewart

Question accordingly negated.

New Clause 3

REVIEW OF POWERS IN CONSEQUENCE OF EU WITHDRAWAL

“The Chancellor of the Exchequer must, no later than a week after the passing of this Act and before exercising the power in section 89(1), lay before the House of Commons a review of the following matters—

- (a) the fiscal and economic effects of the exercise of the powers in section 89(1) and of the outcome of negotiations for the United Kingdom’s withdrawal from the European Union giving rise to their exercise;
- (b) a comparison of those fiscal and economic effects with the effects if a negotiated withdrawal agreement and a framework for a future relationship with the EU had been agreed to;
- (c) any differences in the exercise of those powers in respect of—
 - (i) Great Britain, and
 - (ii) Northern Ireland;
- (d) any differential effects in relation to the matters specified in paragraphs (a) and (b) in relation between—
 - (i) Great Britain, and
 - (ii) Northern Ireland.”—(*Jonathan Reynolds.*)

This new clause would require the Chancellor of the Exchequer to review the fiscal and economic effects of the exercise of the powers in clause 89(1) before exercising those powers.

Brought up, and read the First time.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op):
I beg to move, That the clause be read a Second time.

Mr Deputy Speaker (Sir Lindsay Hoyle): With this it will be convenient to discuss the following:

New clause 7—Review of effect of carbon emissions tax on climate targets—

“The Chancellor of the Exchequer must review the expected effect of the carbon emissions tax on the United Kingdom’s ability to meet its internationally agreed climate targets and lay a report of that review before the House within six months of the passing of this Act.”

New clause 12—Review of expenditure implications of Part 3—

“(1) The Chancellor of the Exchequer must review the expenditure implications of commencing Part 3 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) No regulations may be made by the Commissioners under section 78(1) unless the review under subsection (1) has been laid before the House of Commons.”

This new clause would require a review within 6 months of the expenditure implications of introducing a carbon emissions tax. It would prevent part 3 (carbon emissions tax) coming into effect until such a review had been laid before the House of Commons.

New clause 13—Report on consultation on certain provisions of this Act (No. 2)—

“(1) No later than two months after the passing of this Act, the Chancellor of the Exchequer must lay before the House of Commons a report on the consultation undertaken on the provisions in subsection (2).

(2) Those provisions are—

- (a) sections 68 to 78,
- (b) section 89, and
- (c) section 90.

(3) A report under this section must specify in respect of each provision listed in subsection (2)—

- (a) whether a version of the provision was published in draft,
- (b) if so, whether changes were made as a result of consultation on the draft,
- (c) if not, the reasons why the provision was not published in draft and any consultation which took place on the proposed provision in the absence of such a draft.”

This new clause would require a report on the consultation undertaken on certain provisions of the Bill – alongside New Clause 11, New Clause 14 and New Clause 15.

New clause 19—Review of powers in consequence of EU withdrawal (No. 2)—

“(1) The Chancellor of the Exchequer must, no later than a week after the passing of this Act and before exercising the power in section 89(1), lay before the House of Commons a review of the following matters—

- (a) the fiscal and economic effects of the exercise of the powers in section 89(1) and of the outcome of negotiations for the United Kingdom’s withdrawal from the European Union giving rise to their exercise;
- (b) a comparison of those fiscal and economic effects with the effects if a negotiated withdrawal agreement and a framework for a future relationship with the EU had been agreed to;
- (c) any differences in the exercise of those powers in respect of—
 - (i) England,
 - (ii) Scotland,
 - (iii) Wales, and
 - (iv) Northern Ireland;
- (d) any differential effects in relation to the matters specified in paragraphs (a) and (b) in relation between—
 - (i) England,
 - (ii) Scotland,
 - (iii) Wales, and
 - (iv) Northern Ireland.”

This new clause would require a review of the economic and fiscal impact of the use of the powers in section 89 in the event of no deal and in event of a withdrawal agreement passing.

Amendment 16, in clause 78, page 51, line 32, after “may” insert

“(subject to section (Review of expenditure implications of Part 3))”.
See *New Clause 12*.

Amendment 1, in clause 89, page 66, line 38, at end insert—

“(1A) The Chancellor of the Exchequer must, no later than a week after the passing of this Act and before exercising the power in subsection (1), lay before the House of Commons a review of the following matters—

- (a) the fiscal and economic effects of the exercise of those powers and of the outcome of negotiations for the United Kingdom’s withdrawal from the European Union giving rise to their exercise;
- (b) a comparison of those fiscal and economic effects with the effects if a negotiated withdrawal agreement and a framework for a future relationship with the EU had been agreed to;
- (c) any differences in the exercise of those powers in respect of—
 - (i) Great Britain, and
 - (ii) Northern Ireland;
- (d) any differential effects in relation to the matters specified in paragraphs (a) and (b) in relation between
 - (i) Great Britain, and
 - (ii) Northern Ireland.”

This amendment would require the Chancellor of the Exchequer to review the fiscal and economic effects of the exercise of the powers in subsection (1) before exercising those powers.

Amendment 13, page 67, line 7, leave out subsection (5) and insert—

“(5) No statutory instrument containing regulations under this section may be made unless a draft has been laid before and approved by a resolution of the House of Commons.”

This amendment would make Clause 89 (Minor amendments in consequence of EU withdrawal) subject to the affirmative procedure.

Amendment 7, page 67, line 19, at end insert—

“(7) The provisions of this section only come into force if—

- (a) a negotiated withdrawal agreement and a framework for the future relationship have been approved by a resolution of the House of Commons on a motion moved by a Minister of the Crown for the purposes of section 13(1)(b) of the European Union (Withdrawal) Act 2018, or
- (b) the Prime Minister has notified the President of the European Council, in accordance with Article 50(3) of the Treaty on European Union, of the United Kingdom’s request to extend the period in which the Treaties shall still apply to the United Kingdom, or
- (c) leaving the European Union without a withdrawal agreement and a framework for the future relationship has been approved by a resolution of the House of Commons on a motion moved by a Minister of the Crown.”

This amendment would prevent the Government implementing the “no deal” provisions of Clause 89 without the explicit consent of Parliament for such an outcome. It would provide three options for the provisions of Clause 89 to come into force: if the House of Commons has approved a negotiated withdrawal agreement and a framework for the future relationship; if the Government has sought an extension of the Article 50 period; or the House of Commons has approved leaving the European Union without a withdrawal agreement and framework for the future relationship.

Amendment 8, page 67, line 19, at end insert—

“(7) The provisions of this section shall not come into force until the House of Commons has come to a resolution on a motion made by a Minister of the Crown agreeing its commencement.”

Amendment 14, in clause 90, page 67, line 22, after “may” insert

“(subject to subsections (1A) and (1B))”.

See *Amendment 15*

Amendment 15, page 67, line 24, at end insert—

“(1A) Before proposing to incur expenditure under subsection (1), the Secretary of State must lay before the House of Commons—

- (a) a statement of the circumstances (in relation to negotiations relating to the United Kingdom’s withdrawal from the European Union) that give rise to the need for such preparatory expenditure, and
- (b) an estimate of the expenditure to be incurred.

(1B) No expenditure may be incurred under subsection (1) unless the House of Commons comes to a resolution that it has considered the statement and estimate under subsection (1A) and approves the proposed expenditure.”

This amendment would require a statement on the circumstances (in relation to negotiations) giving rise to the need for, as well as an estimate of the cost of, preparatory expenditure to introduce a charging scheme for greenhouse gas allowances. The amendment would require a Commons resolution before expenditure could be incurred.

New clause 18—Review of effects on measures in Act of certain changes in migration levels—

“(1) The Chancellor of the Exchequer must review the effects on the provisions of this Act of migration in the scenarios in subsection (2) and lay a report of that review before the House of Commons within one month of the passing of this Act.

(2) Those scenarios are that—

- (a) the United Kingdom does not leave the European Union,
- (b) the United Kingdom leaves the European Union without a negotiated withdrawal agreement,
- (c) the United Kingdom leaves the European Union following a negotiated withdrawal agreement, and remains in the single market and customs union,

(d) the United Kingdom leaves the United Kingdom on the terms of the draft withdrawal agreement of 14 November 2018.

(3) In respect of each of those scenarios the review must consider separately the effects of—

- (a) migration by EU nationals, and
- (b) migration by non-EU nationals.

(4) In respect of each of those scenarios the review must consider separately the effects on the measures in each part of the United Kingdom and each region of England.

(5) In this section—

“parts of the United Kingdom” means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

“regions of England” has the same meaning as that used by the Office for National Statistics.”

This new clause would require a review of effects on measures in the Bill of certain changes in migration levels.

Jonathan Reynolds: This group of amendments relates to the tax and fiscal implications of the UK’s withdrawal from the EU.

Throughout the last year Parliament has been asked to approve a series of Bills giving the Government the power to deliver every type of Brexit deal conceivable, and this Finance Bill is no different. I said when closing the Second Reading debate on the Bill for the Opposition that this approach was one of “give us the powers now and we will make the decisions later,” and as it currently stands Brexit represents the biggest transfer of power to the Executive in modern constitutional history. That is disappointing for anyone who thought Brexit would see greater powers for this Parliament, but it is also a recipe for very bad decisions, and there is a classic culprit in this Finance Bill in the form of clause 89. Innocently named “Minor amendments in consequence of EU withdrawal”, it gives the Government power to amend tax legislation without any of the usual due process in the event that the UK leaves the EU without a deal.

The Government always tell us—I am sure they will do so again—that this is simply a safeguarding provision that we will never have to use, but all of us here today know that as it stands the Government have absolutely no chance of getting their deal through, because that deal does not deliver the basics of what this country needs. It does not deliver smooth, low-friction borders for manufacturing and supply chains, nor does it deliver market access for financial services. It also fails to resolve the big question: after we leave the EU, will we prioritise market access or trade autonomy? Because of that, we will almost certainly end up in the backstop arrangements, a halfway house without any say for the UK—the very worst of all worlds.

The new clauses and amendments are therefore of seminal importance, and I am extremely grateful to the Chair of the Home Affairs Committee, my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper), for laying amendment 7 before the House today. It is clearly a cross-party amendment, supported by the Chairs of the Treasury, Exiting the European Union and Business, Energy and Industrial Strategy Committees, but it has the Opposition’s support because it offers Parliament a chance to make a clear statement rejecting a no-deal outcome—a statement that cannot come soon enough.

Anyone pretending that crashing out without a deal is simply about resorting to World Trade Organisation schedules is dangerously misinformed. As *The Economist* magazine said last month:

“A no-deal Brexit is about a lot more than trade—it would see many legal obligations and definitions lapse immediately, potentially putting at risk air travel, electricity interconnections and a raft of financial services”.

It would mean tariffs on trade with the EU, but it would also affect trade beyond the EU as all our current trade agreements negotiated as an EU member would immediately cease to apply. Agriculture, aerospace, the automotive sector—all these major sectors of our economy—would face potentially irreparable damage, and while tariffs may be reduced over time, excise duties and health checks on food, plants and livestock cannot be reduced so easily. Researchers at Imperial College London have calculated that just two minutes more transit time per lorry at Dover and the Channel tunnel translates into a 47 km traffic jam, and for perishable items like food, delays of that magnitude simply could not be sustained. When we add to that higher prices through tariffs and further inflationary pressure from another inevitable fall in the value of the pound, it is a recipe for significant pressure on living standards. That is why the Opposition say that no deal is not a real option.

There has been some suggestion that the Government might accept amendment 7.

Mr John Baron (Basildon and Billericay) (Con): Does the hon. Gentleman not acknowledge that by ruling out preparations for no deal one is in effect tying the hands of one’s negotiating team, which in effect makes a trade deal—which we all, I think, would prefer to leaving on WTO terms—more difficult to achieve and therefore makes leaving on WTO terms more likely?

Jonathan Reynolds: The facts are as they are. It is far too late for that. Everyone knows the position that this country is in. The Government have run down the clock. They lost their majority through a general election that they did not need to call, and it is far too late to start applying the logic that might have applied several years ago. Because of that, our vulnerability is evident for everyone to see. No one should underestimate the likelihood of a no-deal outcome at this stage. No one should be pretending, through semantics or parliamentary chicanery, that we might be able to present no deal as a way of giving us greater leverage in negotiations. I am afraid that the Government have got us to the point of ruin if that is the strategy that Conservative Members wish to pursue.

5.15 pm

There has been some suggestion that the Government might accept amendment 7 at some point today in order to avoid defeat. Usually the Opposition would welcome that, but unfortunately, if that capitulation comes, it will show that the Government have absolutely no strategy for anything other than surviving until the end of each day. I have begun to think that they will accept almost any amendment to a Finance Bill to avoid defeat, regardless of what it proposes or of how incoherent it would make the legislation, because that is the only objective they seem able to pursue. That is no strategy

for delivering the most important decision this country has taken for 70 years. That is why the Opposition have tabled new clauses 3 and 7 and amendment 1 to address some other serious issues in the Bill.

Kevin Brennan (Cardiff West) (Lab): Given that the Business Secretary said in the House earlier that no deal should not be contemplated, and that my hon. Friend is outlining the possibility of the Government accepting amendment 7, would it not be right for the Government to say clearly at the end of business today that they are ruling out no deal because it would be so damaging to this country?

Jonathan Reynolds: I absolutely agree with my hon. Friend. We all know that several members of the Government take that view, even though they may not be able to say it on the record. They are quite clear as to what no deal would mean, and they would not contemplate going down that route. It would be far simpler and far better to get to a position where ruling out no deal was clearly the Government's intent.

New clause 3 would oblige the Government to publish a review of the fiscal and economic effects of the exercise of the powers in clause 89, as well as the differences between exercising those powers in Great Britain and in Northern Ireland. As we edge closer to the reality of crashing out without a deal, clause 89 is not simply hypothetical. We are now just two and a half months away from the UK's exit without an agreement. It is therefore of critical importance that we have a full and transparent view of the implications of a clause of this kind.

Crispin Blunt (Reigate) (Con): I am afraid that the hon. Gentleman is going to have to do a bit better than this. He talks about crashing out without a deal, but he needs to get into the detail of the implications. Perhaps he is going to start talking about planes, but amazingly, the planes are going to keep flying. Amazingly, we are still going to have drugs supplied into the United Kingdom. He needs to get down into the detail of exactly what the implications will be, because if we are faced with the reality of no overall agreement, there will be a barrow-load of minor agreements to ensure that the common interests of the United Kingdom and the European Union survive the transfer to WTO terms on 29 March with minimum impact on the citizens of the EU and the UK. It is time he got real and stopped this nonsense—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order.

Jonathan Reynolds: Thank you, Mr Deputy Speaker.

I have just talked about some of the consequences of crashing out without a deal. I have talked about relationships, about tariffs on products and about the legal definitions under the common agreements that this country has undertaken with other European countries. We all know this—the information is readily available—so I am not quite sure what point the hon. Gentleman is making. I think he is aware of the dangers of taking this course of action.

Lyn Brown: He is frustrated with his own Government.

Jonathan Reynolds: And yes, people are frustrated with the Government.

Mr Kenneth Clarke (Rushcliffe) (Con): With respect, it is quite right to concede that some of the fears being raised about no deal are grossly exaggerated, but the problems are quite real enough. If we leave with no deal, we will be the only developed country in the world that has no trade agreement at all with anybody and that is having to fall back on WTO rules, which are made to sound marvellous by the Brexiteers but which do not actually amount to very much. We will also be erecting new barriers to trade and investment around the borders of the United Kingdom, including along the Irish border, and that is bound to disadvantage our economy very seriously indeed.

Jonathan Reynolds: The Father of the House is as accurate as ever. Some colleagues are pursuing a dangerous argument that all our trading relationships with countries that are not in the EU are somehow currently under WTO terms, which is an absurd misconception. We have entered into trade agreements as a member of the EU that account for something like 16% of our goods exports.

Regardless of the significant impacts of a no-deal outcome, we could go further and say that to leave the EU having not secured a deal—an acrimonious departure—would damage our relationship with our most important trading partner for years to come and fundamentally undermine our credibility on the world stage. I cannot see how any serious-minded Member of this House could understand that that would not be of severe consequence for the United Kingdom, which is why it is so important that this House makes a clear statement today about the dangers of no deal.

John Redwood (Wokingham) (Con): Can the hon. Gentleman name a single country that has a free trade agreement with the EU that will not transfer it to the UK under the novation procedures?

Jonathan Reynolds: We simply do not know the answer to that question. I always listen to what the right hon. Gentleman has to say in Treasury and Finance Bill debates, but he is one of the archetypal Members who come to the House and pursues what I call the BMW argument: "Everything will be fine because we buy BMWs and everyone will give us what we want." That argument is still being pursued in these debates, but it has been proved completely untrue by the stage of the negotiations that we are at. It is simply not good enough to say, "It will all be alright on the night. Everyone will transfer over the benefits we currently have. It will be as straightforward as that." If that were case, the Government would not be in this morass and the country would be in a far better position.

Chris Philp (Croydon South) (Con): First, is it not the case that the UK and, indeed, the entire EU currently trade with major economies, such as the USA and China, under WTO terms? Therefore, while not desirable, they can be made to work. Secondly, if we adopt the shadow Minister's approach and rule out no deal, we have no choice but to remain in the EU or to accept whatever the EU sees fit to give us, which is not a great negotiating position.

Jonathan Reynolds: I thoroughly agree that what the Government have got us into is not a great negotiating position, but that is because the negotiations have been

driven by the best interests of the internal politics of the Conservative party. If the national interest had been considered, we would be in a completely different place.

Trade can exist on WTO terms. It is not that the UK would somehow no longer be a trading nation, but that is not the test of good Government policy. The test is to consider the ramifications of that decision and to decide whether it is in the UK's best interests, but I cannot believe that anyone would look rationally at what a no-deal outcome means and say, "I would find that acceptable for this country."

Kate Hoey (Vauxhall) (Lab): Does not my hon. Friend think that it would be irresponsible for any Government not to be making contingency plans for WTO rules in these circumstances? Does he also agree that the Irish Taoiseach has in the past few days looked for the first time at making some changes to his intransigent approach to the backstop, precisely because the Republic of Ireland would suffer so much more from WTO terms than the United Kingdom?

Jonathan Reynolds: The merits of the Government undertaking contingency measures are different from the political case that we must consider, which is whether we would find it desirable to undertake a course of action that would mean that we had to use those contingency measures. The focus of the debate in this Finance Bill should be a seriously hard-headed look at the consequences of no deal, and there should be a statement from Members on both sides of the House that that is not what we seek for the UK and that we do not believe that it is possible.

Charlie Elphicke (Dover) (Con) *rose—*

Daniel Kawczynski (Shrewsbury and Atcham) (Con) *rose—*

Jonathan Reynolds: I will take an intervention from the hon. Member for Dover (Charlie Elphicke), and I may come to the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) if the intervention is good enough.

Charlie Elphicke: The hon. Gentleman is making an interesting speech. My concern is with how he can support undermining the making of contingency preparations that are in the national interest, which is the effect of amendment 7. It is just the wrong thing to do, and the Labour party ought to be more responsible than that.

Jonathan Reynolds: I completely disagree with the hon. Gentleman, and a little humility from Conservative Members on the point about responsibility for the Brexit negotiations would be appreciated. For my entire lifetime, this country's European policy has been dictated by the internal politics of the Conservative party. Every Conservative Prime Minister in my lifetime has been brought down by the issue of Europe. To suggest that any other political party or actor in this country needs to have more regard for the national interest, when it is the Conservative party that has never been able to do so, is not something I will take.

Daniel Kawczynski: Bearing in mind that 95% of the world's growth over the coming decades will come from outside the European Union, what assessment has he

made of the opportunities that will be afforded to the United Kingdom by our being able to tailor-make bilateral trading agreements?

Jonathan Reynolds: I am extremely glad that that issue has come up, because the opportunities created by growth outside the EU have no relationship to our membership of the EU, and could possibly be undermined by our leaving the EU. If we want to compete in competitive emerging markets around the world, what better way is there to do so than from within the single market? I would wager with the hon. Gentleman that a country like Germany will do far better from that growth around the world through its continued membership of the European Union than we will. I am afraid that it is because of such statistics, which have no bearing on serious Government policy or reality, that this debate has got to where it is, but I will move away from a wider debate on Brexit and return to the Finance Bill before you tell me to do so, Mr Deputy Speaker.

I will now come to clause 89 and the relationship between Great Britain and Northern Ireland. Under the draft withdrawal agreement it is widely accepted that, under the backstop arrangements, Northern Ireland will remain in regulatory alignment with the European Union, which would be particularly the case for EU customs law but it would also apply to compliance with elements of EU single market regulation in the technical regulation of goods, state aid and other areas of north-south co-operation between Northern Ireland and the Republic. Of course, Northern Ireland would be included in parts of the EU VAT and excise regimes and in the single electricity market.

With that in mind, it is clear that the powers handed to the Treasury by this Bill may not be applicable in Northern Ireland in the legal and regulatory areas under which EU authority would remain. We are therefore seeking a review that clearly sets out any difference in application of these powers in respect of Great Britain and Northern Ireland, and I urge Members on both sides of the House to support new clause 3.

New clause 7 relates to clause 90 on establishing an emissions reduction trading regime. It would require the Government to review the expected effect of the carbon emissions tax on the UK's capacity to meet internationally agreed climate targets. There has never been a more critical time to take urgent action on climate change to avoid environmental catastrophe. The report from the UN Intergovernmental Panel on Climate Change, published in October 2018, shows that we have just 12 years left to make unprecedented changes to prevent global warming increases above 1.5° C. Our exit from the European Union must not be used as an excuse to step back from action on climate change. Worryingly, clause 90 contains one of the Bill's very few passing references to environmental issues, and our review, proposed in new clause 7, would ensure that the Government are held accountable for making progress on reducing emissions without using Brexit as an excuse for stalling.

This is evidently a Government in chaos, seemingly without any plan or strategy at all. The new clauses and amendments in this group would improve both the Finance Bill and the process by which we leave the European Union. They are sensible, proportionate and timely, and I commend them to the House.

Nicky Morgan (Loughborough) (Con): I realise that time is short and that many hon. and right hon. Members want to speak on this group, which shows the appetite of Members on both sides of the House to have their say on this critical issue. There is a deep frustration that debate was curtailed last month before we got to the meaningful vote on the Prime Minister's draft withdrawal agreement.

I rise to support amendment 7, which was tabled by the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and to which I have added my name, and amendment 8.

5.30 pm

It is clear that Brexit can happen without this country, or this Government, having to undermine our economy, our constitution and our values as a country. Those who have signed amendment 7 represent different parties. We have different views on Brexit and the way forward. We have different views on the 2016 referendum and how we voted in it, but it is right that parliamentarians from all parts of the House should rule out the most damaging option that could happen on 29 March.

Mr Baron: My right hon. Friend is very gracious in giving way. Does she accept that the UK trades profitably with the majority of the world's GDP on World Trade Organisation terms? Therefore, this is not the cliff edge or crashing out that many people paint.

Nicky Morgan: I have great respect for my hon. Friend, but I think that it would have been better to have had this debate in 2016 rather than in 2019, because the honest truth is that the Brexit that some Members on these Benches and some people out in the country say that they want was not outlined in any way, shape or form in the 2016 referendum. I refer to one Member, who said at the time, "Only a madman would leave the single market." Yet now, that is exactly what he is proposing should happen.

I do not agree with my hon. Friend the Member for Basildon and Billericay (Mr Baron) about the advantages of WTO, and I will tell him why: if it was so good, Members who are backing the WTO option—a no-deal option—would not be so keen to get into negotiating free trade agreements so quickly with countries around the world. I do not know whether it was my hon. Friend, but one Member just now talked about trading with America and China, yet free trade agreements with America and China are touted all the time by those in favour of Brexit as agreements that need to be negotiated as quickly as possible.

The honest truth is that to make trade work around the world, all countries will seek to enter into agreements with countries they want to trade with in order to lift or to lower tariffs and non-tariff barriers. That is what we have done, very successfully, in our relationship with the European Union since we joined over 40 years ago.

Mr Baron: May I intervene?

Nicky Morgan: Very briefly.

Mr Baron: My right hon. Friend is being very gracious and I very much appreciate that.

Many of us in this place—I would like to think the majority of us—would prefer a good trade deal to WTO. That is not inconsistent, but I think what my right hon. Friend misses is that on a bad deal versus WTO we have got to get the balance right, because the EU has had such a bad track record on negotiating trade deals. We trade with the rest of the world on WTO terms very profitably and very successfully, even though many of us would prefer a good trade deal.

Nicky Morgan: Trade deals are immensely complicated. While Members know how I voted in 2016, I accept that this country will be leaving the European Union on 29 March—with regret, I have to say, but I do accept it—but one of the debates that we have not even started to have is how the House is going to approach the approval of trade deals. I can tell my hon. Friend that this is a real worry to those who are going to be negotiating those agreements. We saw with the Transatlantic Trade and Investment Partnership just how politically contentious that agreement was, even though it did not even reach the House as an agreement. We are going to spend the next few decades in the House negotiating and approving trade deals, which everybody, for various constituency reasons, will have problems with.

Sir Nicholas Soames (Mid Sussex) (Con): My right hon. Friend is making an extremely powerful argument. Does she recall that the trade deal between America and Canada, which was a "willing buyer, willing seller" trade deal, took many, many years? The idea that this is some wonderfully easy, smooth, simple process is, frankly, rubbish.

Nicky Morgan: I have great respect for my right hon. Friend, and on this issue he speaks much good sense, as always. I hope that right hon. and hon. Members will listen to what he has to say. I am conscious of the time, so shall move on.

Over the past two years, we have heard it said in the House that no deal is better than a bad deal. I have to say that no deal is a terrible deal and it would be a gross dereliction of the responsibility of Members of this House to inflict no-deal on our constituents.

Sir Bernard Jenkin (Harwich and North Essex) (Con)
rose—

Nicky Morgan: I am afraid I am going to make some progress. My hon. Friend will be able to intervene on other Members.

Those who wanted Brexit talked often about the taking back of control. I have not had time to watch the film broadcast on Channel 4 last night, but I understand that that was a key part of it. As I have said before, it is right that control should come back to this Parliament, and it is right and it is time for Members of Parliament on all sides to make it clear to the Government that a no-deal Brexit outcome is absolutely unacceptable.

It will have been noticed that many of those who have put their names to amendment 7 are Chairs of Select Committees. The Treasury Committee took evidence in December—I am grateful to all Committee members, who have varying views on Brexit—and we produced a unanimous report. One thing that was made very clear is that, compared with today's trading arrangements, and assuming no change to migration arrangements, our GDP would take a 7.7% hit on a modelled no-deal

scenario. That is greater than the impact of the 2008 financial crisis. Members who have been in the House since 2010, and perhaps just before, will know the impact of the financial crisis on our constituents.

Finally, as a wise general said to me a few weeks ago, Britain is renowned for its confidence and competence. Currently, we are demonstrating neither. A no-deal Brexit will completely destroy any reputation we have for confidence and competence. The Government decided to put off the meaningful vote, although hopefully we will get it either this week or next. It is time for Members of Parliament on all sides to start ruling out options that would be deeply damaging to our country. That is what amendment 7 and 8 are about, and I will be delighted to support them both, should they be voted on.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): It is a pleasure to follow the right hon. Member for Loughborough (Nicky Morgan), because although we represent different parties and disagree on many issues, and although we will take different positions on the Prime Minister's deal when it comes to a vote, on this issue we agree. I rise to speak to amendment 7 and to support amendment 8.

We agree on the dangers of no deal to the country. I tabled amendment 7 because I am really worried that delays, drift or brinkmanship mean that there is now a serious risk that we will end up crashing out of the EU with no deal in just 80 days' time. I am worried that we could come to the crunch and Parliament would not have the powers to stop it happening. We have a responsibility not just to stand by. I believe that the Government should rule out no deal but, if they will not, Parliament must make sure that it has the powers to do so if it comes to the crunch.

Amendment 7 has support from across the House. It has been signed by Chairs of cross-party Committees—it has the support of the Chairs of the Treasury Committee, the Exiting the European Union Committee, the Liaison Committee and the Business, Energy and Industrial Strategy Committee and others, too—and it is supported by those with a wide range of views on the best way forward. It is supported by those who support the Prime Minister's deal and those, like me, who do not, and it shows that those who take a wide range of views on the best way forward have come together to say that we should rule out the worst way forward.

Charlie Elphicke: Just to clarify, does the right hon. Lady herself intend to support or oppose the Prime Minister's deal?

Yvette Cooper: As I just said, and as I said when I spoke in the debate before Christmas, I am opposed to the Prime Minister's deal. It is a blindfold deal that does not address some of the policing and security challenges, as well as customs union issues for manufacturing. I accept, though, that we take different views on that throughout the House. There are very different perspectives and views, which is why the opportunity to come together and rule out no deal is such an important one.

Mr Marcus Fysh (Yeovil) (Con) *rose*—

Yvette Cooper: I will give way in a second. I am conscious of the time, so let me set out what the amendment would do and I will then of course give way to the hon. Gentleman.

The amendment applies to clause 89 of the Bill, which the Government say they need for minor amendments to tax-raising powers in the event of no deal. In practice, clause 89 is drafted much more widely than that, but that is the point that the Government have made. The amendment says that, if the Government want to use clause 89 powers to implement no deal, they first need to give Parliament a vote on no deal and to have Parliament's support for no deal. The amendment provides a safeguard to make it harder for the Government to go ahead with no deal without even going back to Parliament.

Mr Fysh: I am still not clear. What could the Government do under clause 89 that this amendment deals with to rule out no deal? Can she say how exactly the amendment rules out no deal?

Yvette Cooper: The amendment provides a parliamentary safeguard. It does not, in itself, solve any of the many Brexit issues that we have, but it does provide an additional parliamentary safeguard that says that the Government cannot use the powers in clause 89 to implement no deal without first coming back to Parliament to ask for permission and support for a no deal. The hon. Gentleman is right that there may be other powers that the Government may choose to use. There may be other issues that they may choose to pursue, but this is our opportunity within this Bill to address these powers. That is why it is an important one to come around.

I have heard four sets of objections to the amendment. Some say that it is irresponsible; that it is somehow holding the Government to ransom on powers that they need. Some say that it is undesirable and perhaps even unpatriotic because they think that no deal is a good outcome and should not be ruled out. Some say that it is unnecessary because the Prime Minister's deal is the best way forward. Some suggest that it is unstrategic because we need the threat of no deal to force a decision one way or another. I want to take each of those objections in turn because each of them is wrong.

First, on the charge that this is an irresponsible amendment, the amendment does not affect the normal Treasury and Government operations; those carry on as normal. It simply requires the Government to get Parliament's permission if they want to use these powers to pursue no deal. Even if there is deadlock, the amendment provides a way forward. Let us suppose that Parliament votes against any deal that is put and also votes against no deal, and the Government still desperately want to use the clause 89 powers. In that event, they could follow paragraph (b) of the amendment if they still want to use the powers they need to apply to extend article 50. So in fact, this is an extremely responsible amendment. The irresponsible thing to do would be just to stand back and hope for the best, or to stand back and allow the Government to drift towards no deal without any attempt to put the safeguards in place to prevent that from happening.

The second objection is from those who think that no deal is a good option, or at least a good enough option not to rule it out. That is reckless. The damage to manufacturing industry, on which many of our constituencies rely, would be too serious. One local factory has said to me that the cost of its imports will double in price if we go to WTO tariffs. Another has

[Yvette Cooper]

told me that its European parent company would be under pressure to switch production to continental factories to avoid delays. Burberry has hundreds of jobs in my constituency, making clothing that is sold all over the world. It has written to me about the risks and concerns about delays to its supply chain. Its letter says:

“My hope in writing to you is that you will work with your colleagues across Parliament to ensure that there is no scenario possible where a No-Deal Brexit is a possibility.”

That is what I am doing.

Rachel Reeves (Leeds West) (Lab): I thank my right hon. Friend for tabling this amendment, which is so important. The Business, Energy and Industrial Strategy Committee has taken evidence from a number of businesses in the past few weeks, including Nestlé, Toyota and Airbus. Each one of them, and many others too, have said that the most dangerous thing would be to leave the European Union without a deal, which would have catastrophic impacts on their businesses and on the people who work for them. For that reason alone, anything that we can do to avoid a hard Brexit and going on to WTO rules, as some Members suggest, is the most important thing. This amendment at least helps to provide some safeguards to stop that from happening.

5.45 pm

Yvette Cooper: My hon. Friend is exactly right. This is about dealing with risk, delays and increased costs. There is the risk that border delays will hit tight cross-border supply chains, but the CBI also estimates that the impact of WTO tariffs will mean a £4 billion to £6 billion increase in costs on our exports. The Environment Secretary—the leave campaigner himself—has said that WTO tariffs on beef and sheepmeat will increase by over 40%.

Mr Baron: The right hon. Lady is being very generous in giving way, but may I encourage her to temper her dire warnings about WTO terms? There were many forecasts and predictions from business organisations, the Bank of England and the International Monetary Fund about the disastrous consequences if we voted to leave the EU in 2016, including predictions of 500,000 extra unemployed by Christmas 2016. Those predictions did not materialise because investment is about comparative advantage such as low taxes and more flexible labour market practices. That is what determines investment at the end of the day.

Yvette Cooper: I am not drawing on macroeconomic predictions about the overall impact on the economy, although I note that there are predictions of a 9% reduction compared with the level at which we might otherwise be. I am actually focusing on the microeconomic impact on individual businesses across the country of simply seeing those costs go up. That is a real impact of the tariffs. It is not about confidence, levels of investment and so on; it is about the real impact of those costs on consumers, manufacturers, exporters and importers that is the real consequence of WTO tariffs.

Ms Angela Eagle (Wallasey) (Lab): I am sure my right hon. Friend has noticed that the Office for Budget Responsibility said in its report on the recent Budget that there has been a loss of 1.5% of GDP since the

referendum, and that the uncertainty was likely to make that worse, at least in the medium term. This Parliament has a duty to ensure that we mitigate that as much as possible, which is why I will be supporting her amendment.

Yvette Cooper: My hon. Friend is right that we have a responsibility not to make life harder for our manufacturers, which face huge pressure and huge international competition. We also have a responsibility not to make life harder for our consumers, who could see significant increases in prices. The British Food Importers & Distributors Association warns that WTO rules could mean that food prices go up by over 20%.

Crispin Blunt: The hon. Member for Leeds West (Rachel Reeves) has just cited Nestlé, which is a Swiss company. The right hon. Lady will be aware that Britain and Switzerland, which is able to make arrangements for the future, negotiated an agreement on 14 December 2018 to be able to continue trade, even if there is no agreement between the UK and the EU. Once this House has rejected the withdrawal agreement, that is exactly where the European Union and the United Kingdom will be. We will need to make the best of the situation in which we find ourselves. That is precisely why both sides will, under article 24 of the general agreement on tariffs and trade, move towards a free trade agreement to ensure that we do not put tariffs in place at all after 29 March. That is where we should be and those are the realities that are going to descend once we are through the “Project Fear” phase.

Yvette Cooper: The same cheery optimism that the hon. Gentleman and others have expressed that everybody will suddenly magically come to an agreement once we are through this phase and if we are on WTO terms is exactly the same cheery optimism they had that we were going to end up with a deal by now—and we have not, because it is actually a lot tougher than hon. Members suggest. The reality is that we are going to have a big hike in prices in April if we have no deal, and that has consequences for our manufacturers, businesses and consumers right across the country.

Anna Soubry (Broxtowe) (Con): I shall be supporting the right hon. Lady’s amendment. She talks about the manufacturing sector and I believe that there are a number of manufacturing jobs in her constituency. Has she heard any argument that falling back on WTO rules would ensure that those critical, just-in-time supply chains are able to continue, and does she agree that this issue is very important to the many millions of people across the country who rely on those just-in-time supply chains, because if we fall back on WTO rules, it is they who will be losing their jobs, not hon. Members?

Yvette Cooper: I completely agree with the right hon. Lady. What I am saying just comes from listening to employers in my constituency who have told me that they have bought all the storage capacity they can find in order to stockpile, but they cannot stockpile more than 10 days’ worth of some of their products, and they are really concerned about the impact of the delays on just-in-time technology.

John Redwood: Does the right hon. Lady agree, in wanting to promote stronger and better industry once we have left, that the Government should set zero tariffs

on all imported components, which we would be free to do, which would make them cheaper from non-EU countries and preserve zero tariffs for EU components?

Yvette Cooper: It is not clear to me how that strengthens our negotiating position with countries all over the world that might then keep their tariffs extremely high on our goods. The whole point is that, if we crash out on WTO terms, it undermines our negotiating power. Whether one thinks that is about negotiating with the EU or negotiating with other countries, we are weakening our position abroad.

We also have the impact on the NHS, which is spending £10 million on fridges: it will have to put more money into this which could be put into patient care. The police have warned that we will be less safe. They and the Border Force would immediately lose access to crucial information that they check 500 million times a year to find wanted criminals, dangerous weapons, sex offenders and terror suspects. We will not be able to use European arrest warrants to catch wanted criminals who fled here having committed serious crimes abroad. We use those warrants 1,000 times a year to send people back to face justice in the countries where those crimes have been committed. If those 1,000 suspects commit more crimes here, MPs will need to explain to the victims why we took away the power from the police to arrest and extradite them by tumbling into no deal.

Mr Speaker: Order. I am listening to the right hon. Lady, as always, with great interest and enormous respect, but may I just very gently point out that we need to hear from other Members with amendments in the group and from the Minister? I am not certain how many more Members we need to hear, but my guesstimate is at least four, and we have 31 and a half minutes.

Yvette Cooper: Thank you, Mr Speaker. I apologise to anybody else who wants to intervene, but I will not take any further interventions and try to conclude my remarks.

Some of those who say they support no deal have said that it is unpatriotic to rule it out. I understand that there are strong emotions, but I hope we could be more respectful of each other than that, because I believe that it is patriotic to stand up for manufacturing, for families who may be on the breadline and face increases in food prices, for our NHS, and for British citizens abroad who could lose their rights.

The other objection that people have raised is that this is unnecessary because the Prime Minister's deal is the one they want as the way forward. I simply disagree, but I think the reality is not about my view but the view in the House: there is not, at this stage, support for the Prime Minister's deal, and I do not think there could be. We have to be able to respond to what happens next.

Finally, I have heard some say that they want the imminent threat of no deal to persuade people to back the Prime Minister's deal, if not now, then later. But brinkmanship in Parliament is not the way to resolve this and get the best deal for the country. This is too serious for us to play a massive Brexit game of chicken. The country cannot afford to wait to see who blinks first.

I hope that Ministers, as may have been rumoured, will accept this amendment and accept the principle behind it. The Government should get agreement on a

deal before 29 March, get explicit agreement on no deal before 29 March, or, if that fails, commit to seeking an extension of article 50, so that there is time to sort this out. The amendment does not solve the Brexit challenges that we have ahead and the many intense debates that we will no doubt have about the best way forward, but it gives us an opportunity to rule out the worst way forward and to do so in a way that is calm, measured and sensible. That is why I hope that amendment 7 will have support from across this House.

Several hon. Members rose—

Mr Speaker: An extremely brief speech, I feel sure, from Sir Oliver Letwin.

Sir Oliver Letwin (West Dorset) (Con): Thank you, Mr Speaker. I rise to support amendment 7, to which I am a signatory.

My right hon. Friend the Member for Mid Sussex (Sir Nicholas Soames), who is sitting next to me, and I have calculated that we have been in the House, collectively, for 56 years, and we have only ever, either of us, voted once against the Conservative Whip. This will be the second time that we will both be voting against the Conservative Whip, and I want to explain why. First, I want to say one thing about what this amendment is not. The right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and my right hon. Friend the Member for Loughborough (Nicky Morgan) gave eloquent expositions, but what they did not mention is that, in contrast to some things that have been suggested, it has no impact whatsoever on the Government's ability to prepare for Brexit—it is about what the Government do after Brexit.

Secondly, clause 89 is an item that those of us who have been Ministers for a number of years will recognise as an “abundance of caution” clause. Some group of lawyers somewhere stuck in the bureaucracy clearly alerted Ministers to the possibility that they did not have certain unspecified powers and said it would be a good idea to have some unspecified powers in case the lack of unspecified powers turned out to be important. I do not think therefore that this amendment, in itself, will be likely to have a huge impact, if any, on the Government of this country.

That brings me to the question of why I am supporting this amendment. The answer is that it is most extraordinarily important to make it clear to the Government that it is not just this amendment. It is the precedent that this amendment sets, which is that on any power taken in any Bill in relation to the exit of the UK from the EU, if there is a majority in the House today and there continues to be a majority against no deal, it will be possible to bring forward similar amendments. It is my proposal that we should indeed do that. I want to make it abundantly clear to those of my hon. Friends who are thinking of voting against the Prime Minister's deal, which I shall be supporting, that the majority in this House, if it is expressed tonight, will sustain itself, and we will not allow a no-deal exit to occur at the end of March.

My last point is on why I am so passionate about not allowing such an exit. Many Members, including the Father of the House, have spoken eloquently about the long-term dangers to our economy of WTO trading

[*Sir Oliver Letwin*]

and so on. My right hon. Friend the Member for Wokingham (John Redwood), for example, very much disagrees with that. I do not take a particular view about that. My preference is for a continued free trade deal with the EU, which is by far our largest trading partner, but in contrast to some, I do not want to argue that there would be a disaster in principle if we were on WTO terms. I do not believe it would be disastrous. I think it is suboptimal but not disastrous.

For five long years, I was in charge of the resilience of this country. During that period, I saw many examples of our civil service, military and security apparatus being prepared or not being prepared for certain issues that closely affected the wellbeing of our country. That is one reason why two years ago I passionately argued—my right hon. Friend the Member for Wokingham will recall an occasion a year ago when I made that argument even more forcefully—that the Government should undertake serious preparation for a no-deal exit. That would have had the effect that some of my hon. Friends mentioned. It would have altered our negotiating position. It was not done.

I have been in awesome detail through the papers produced. I have listened to the briefing for Privy Counsellors. I have consulted senior officials across Whitehall. I know what the RAG ratings of red, yellow and green mean—nothing. I know what it is actually to have prepared for dealing with the gas interconnectors, the electricity interconnectors and the many other details concerned.

Some of my hon. Friends and others in the country believe they can assure that under circumstances where we wreck the deal, refuse to make all the payments that the EU is expecting and falsify its expectations of a reasonable departure, the EU will then reasonably set out to work with us in a calm and grown-up way to ensure a smooth departure. It may be so. I am in no position to deny that it will be. I do not make lurid projections. Anybody who believes that they know it will be so is deluded.

I do not believe that we in this House can responsibly impose on our country a risk that may be severe or serious short-term disruption, for the sole purpose of gratifying the possibility that we avoid certain eventualities that certain Members of Parliament would prefer to see avoided and on which nobody in this country ever voted because they were never asked to vote on it. Under those circumstances, I will be voting with the right hon. Member for Normanton, Pontefract and Castleford against my own Government and very much against my own will, and I will continue to do so right up to the end of March, in the hope that we can put paid to this disastrous proposal.

Mr Speaker: The right hon. Gentleman's succinctness is a textbook of how to help the House, and I hope it will now be closely studied.

Kirsty Blackman: In the interests of time, I will be very brief. I want to make it clear to the House that the SNP intends to push new clause 18 to a vote. I will briefly speak to some of the other new clauses and amendments that we have put forward. A couple of them relate to the expenditure implications of the UK

now having to take charge of carbon and greenhouse gas taxes. They are about making sure that the Government are clear with the House about why they are spending this money and about the money they intend to spend before they do so. This is an additional cost that would be associated with the UK leaving the EU, which is a concern of ours. Obviously, we would not have to spend this money if we remained in the EU.

6 pm

New clause 13 relates to a report on consultations. The Government have not consulted on nearly as many of the measures in this Finance Bill as we would like to see them consult on. Usually, they are produced in draft format, but many of them were not produced in draft format this year. Concerns have been raised by various external agencies about this, and new clause 13 relates to that. I think the Government could do a better job next year; they have done a better job in some previous years. They could pull together the notices in draft form, and we would therefore have better legislation that had been more properly scrutinised by external organisations in advance of being part of the Finance Bill.

Finally, new clause 18 relates to migration levels. The political declaration confirms the intention to end free movement. This is a significant problem, and something the SNP has argued against at every possible opportunity. We do not think we should leave the EU, but if the UK is determined to leave the EU and have an immigration policy of its own creation, it needs one that does not have a £30,000 limit and it needs one that allows people to come to live and work in Scotland. If the UK Government are not willing to do that, they should devolve the powers to Scotland so that we can do that, or Scotland should have the chance to become an independent country again so, again, that we can have a better immigration policy.

The Scottish population is ageing faster than the population in the rest of the UK. In the UK, 15% of the agriculture and food sector is staffed by EU nationals. However, I have spoken to a local company in my area in which over 50% of the staff are EU nationals. In Scotland as a whole, 7% of our citizens are international migrants, and the percentage of people born outside the UK is far higher in Aberdeen.

It is incredibly important for Scotland to have a migration system that works. We have tabled new clause 18 so that we can push the Government on looking at the migration system. We want a migration system that is not about saying, "We're just going to stop migration", but one that is evidence-led. It should be done by asking: what will be the impact to the Exchequer of reducing migration, and what will be the impact on public services continuing to run if migration is reduced? The Government have failed to do so.

That is why we are incredibly keen that new clause 18 is accepted by the Government and, more widely, that the Government make changes to migration policy. If they are not willing to concede some of the points we are putting forward about migration, they should at least be honest with people about the cost to the country of reducing migration, and about the fact that those who come to live and work here are net contributors to our economy and that the Exchequer benefits as a result of those people choosing to live and work here. If the

Government are planning to change that and to reduce migration, they need to be clear that they will have less money to spend as a result.

In pushing this, we want to make it clear that our position is very different from the Government's: we would like to protect the right of people who live and work in Scotland to continue to do so.

Nick Boles (Grantham and Stamford) (Con): I will be very brief, not least because my right hon. Friends the Members for Loughborough (Nicky Morgan) and for West Dorset (Sir Oliver Letwin) have described much better than I ever could why I am going to support amendment 7, which I signed almost while it was hot off the presses before Christmas. The one point I want to address is the question that has been raised, and indeed the accusation that has been made, that in doing so I and other Conservative Members are breaking faith with our constituents and somehow breaking a manifesto commitment. I believe this to be utterly wrong, and also a rather disgraceful suggestion to make.

In the referendum campaign on our membership of the European Union, I supported and indeed voted remain. However, the argument of my colleagues who voted and campaigned for leave that I found most powerful and most emotionally impactful was that Parliament is sovereign and should take control of all the decisions that affect the lives of my constituents. That was the argument that the leave campaign made that I found the most difficult to resist and the most difficult to say was worth compromising for the sake of our membership of the European Union. It is therefore somewhat extraordinary that the very same people who made that argument so eloquently and effectively during the referendum campaign should somehow have the temerity to criticise me or other hon. and right hon. Members for doing what we believe is right in the interests of our constituents and in the national interest.

Mr Kenneth Clarke: I cannot think of a single leading Conservative Brexiteer who would have changed his opinions on membership of the EU in the slightest had the remain side won the referendum. They made it quite clear that they had no intention whatever of abandoning their long-held, quite sincere views, which they would have carried on arguing in this House and voting for. Does my hon. Friend share my view?

Nick Boles: The Father of the House is completely right. I have to say—I am sure the same is true of him—that I rather admire them for it. I admire my hon. Friend the Member for Stone (Sir William Cash) for making the same arguments passionately and with principle for 40 years—longer, practically, than many Members have been alive.

I want briefly to address the question of the Conservative manifesto commitment. I should point out that quite large chunks of the Conservative manifesto were junked by the Prime Minister during her own election campaign, so I do not know quite why we have elevated it to be a sort of Moses-style tablet. Nevertheless, it contained a sentence saying that we maintain that no deal is better than a bad deal. I agree, and I agreed then, in my hospital bed, when I agreed to stand as a candidate in the election, that that was the right position for the Government to take. As my right hon. Friend the

Member for South Dorset (Sir Oliver Letwin)—West Dorset; apologies to the people of Dorset—explained, it was entirely right for the Government to want to prepare for no deal. Unfortunately, as he pointed out, they failed to do so.

However, what we did not say in that manifesto is that no deal is better than any deal; we said no deal is better than a bad deal. I remind my hon. Friends that we have a deal; it is a deal that the 27 nations of the European Union have agreed, that the Prime Minister, who recently won a confidence motion in the Conservative party, and her Cabinet have endorsed and advocate, and that, at the last count, about 200 Conservative Members, including myself, intend to support when the vote is finally put. It is simply not possible to suggest that by saying that I will not countenance no deal, I am breaking that manifesto commitment. We do not have a bad deal; we may have a deal that you, individually, do not like—not you, Mr Speaker, but individual hon. and right hon. Members—but nobody can claim that we do not have a deal that it is reasonable for Conservative Members to support. It is therefore reasonable for us to say that, at this late stage, with the Government having prepared as woefully as they have for no deal, we will on no account countenance a no-deal Brexit.

Finally, I join my right hon. Friend the Member for West Dorset in very clearly saying this: I will vote on any motion, on any amendment, on any piece of legislation, proposed by whomsoever in this House to ensure that we leave the European Union on 29 March with a deal or not at all.

Several hon. Members rose—

Mr Speaker: Order. Just before I call the next Member, we must hear from the Minister, and the Opposition Front Bench should really have the chance, very briefly, to comment on its own lead new clause before we come to the vote.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I will be brief, Mr Speaker. I will want to move amendment 8, which stands in my name and in those of many hon. Members on both sides of the House. In many ways, it complements amendment 7, which was tabled by my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper).

Amendment 8 would institute a commencement motion for the powers that the Treasury is seeking. Clause 89 might have been wrapped up as fairly minor and inconsequential, but essentially the Government are asking for pretty whopping permission to start legislating for no-deal arrangements. At this stage in the game, I really do not think that right hon. and hon. Members should be delegating our powers entirely to Ministers in this way without question. I know it is difficult for the right hon. Member for West Dorset (Sir Oliver Letwin) to rebel for a second time, on amendment 7, but I would like to persuade him to do so for a third time on amendment 8. A commencement motion is an important adjunct so that we can give the House and hon. Members the chance to express how they wish Brexit to go forward—so that we have the opportunity to express our view. A commencement motion would allow hon. Members the chance to do just that.

As things stand—certainly if the Government's Brexit proposal is negated next week—there could be 21 days or perhaps another seven days before anything is voteable

[Mr Chris Leslie]

on in this place. My own view is that before we start delegating powers to Ministers on these issues, or indeed on others, we need to start saying that enough is enough. Hon. Members need a chance to help to guide the way forward. There are many different views on these particular issues—the hon. Member for Grantham and Stamford (Nick Boles) has his particular preference and I have mine—but we need to provide for ourselves the time and the space to express them. Amendment 8 would simply provide for a commencement motion.

I hope that the Minister will recognise there is a strong cross-party opinion that we need now to give voice to Parliament. We cannot just drift into a no-deal situation. Parliament does want to take back control. He should concede and accept the amendment now.

The Exchequer Secretary to the Treasury (Robert Jenrick): I am grateful to all right hon. and hon. Members for the debate.

Delivering the deal negotiated with the EU remains the Government's central priority. It is neither our preference nor our expectation that we will leave the EU without a deal. However, as a responsible Government, we must prepare for all scenarios. In the Budget, we furthered that commitment by confirming an additional £500 million of funding in 2019-20, taking the total Government investment on preparing for EU exit to over £4 billion. At the Budget, to help to ensure that the tax system can continue to function under any EU exit outcome, we announced a series of modest, sensible provisions, which included a power to make necessary minor technical amendments to UK tax legislation. It also allowed, as we have heard, for the Government to introduce a carbon emissions tax to replace the EU emissions trading system in the event of no deal. By including those measures in the Finance Bill, our foremost motivation is to provide certainty to taxpayers—the kind of certainty that one would expect from any responsible Government.

Let me turn to amendment 7, which was tabled by the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper). Prior to proceedings in the Committee of the whole House, which considered clause 89, I placed a list of changes envisioned under the clause in the House of Commons Library. Right hon. and hon. Members who have taken the trouble to review the list will see that they are indeed minor technical changes, and out of minor and technical changes, these are the most minor and technical. Since then, we have received no indication from any Member to the contrary. Clause 89 is simply prudent preparation to provide our taxpayers with the certainty they deserve.

As I made clear, the Government do not want or expect a no-deal scenario. That was why we negotiated the withdrawal agreement, which will see us leave the EU in a smooth and orderly way on 29 March and sets the framework of our future relationship. As we heard from my right hon. Friend the Member for West Dorset (Sir Oliver Letwin) and my hon. Friend the Member for Grantham and Stamford (Nick Boles), the best way of avoiding a no-deal scenario, if that is of grave concern to Members, is to support the withdrawal agreement next week.

6.15 pm

Unless Parliament agrees a deal, the UK will leave the European Union on 29 March with no deal, as that was the agreement we all knew when we voted to trigger article 50. That is now the law, and amendment 7 does not change that simple truth.

Dr Sarah Wollaston (Totnes) (Con): Will the Minister clarify his last sentence? Is he saying that if the deal is voted down next week, it will become the Government's stated objective to deliver no deal?

Robert Jenrick: The point I have just made is that the law of the land is that the UK will leave the European Union on 29 March, and nothing contained in amendment 7 will change that. As I will come on to say, the only difference that the amendment will implement is to make the UK somewhat less prepared for that eventuality. The purpose of clause 89 is to provide taxpayers and—

Sir Oliver Letwin *rose—*

Robert Jenrick: I give way to my right hon. Friend.

Sir Oliver Letwin: I am grateful to my hon. Friend, who is doing a valiant job—I do not envy him. Does he accept that although, as he says, the law at present is that we will leave on 29 March, the House of Commons, with the House of Lords and Her Majesty, has the ability to change that provision?

Robert Jenrick: The House of Commons has the right to make the law, but the law as it is today is that we will leave on 29 March. The point I am making is that, whatever the intentions of the right hon. Member for Normanton, Pontefract and Castleford and those who may wish to support amendment 7, all that will be achieved by supporting it is denying our citizens and taxpayers the degree of certainty that we wish to give them.

Sir Oliver Letwin *rose—*

Mr Kenneth Clarke *rose—*

Robert Jenrick: I will give way one last time, but I have only a couple of minutes.

Mr Clarke: I, too, extend my sympathies to my hon. Friend, who drew the short straw of responding to the debate. He is trying very eloquently to minimise the significance of the whole thing, but of course he realises there are big issues behind this. Can he tell us what contingency arrangements the Treasury has made for the fiscal impact of leaving with no deal, and its likely impact on our trade, our manufacturing industry and so on? He must concede that the published figures for future deficits, debts and so on will be made utterly meaningless if we leave with no deal, and a fiscal crisis will occur. Is the Chancellor planning the emergency Budget he will probably require?

Robert Jenrick: My right hon. and learned Friend and constituency neighbour tempts me to go into areas that I should not, but the Chancellor has said that we will be prepared and that we have fiscal room available—that was what he stated in the Budget, as certified by the Office for Budget Responsibility. My right hon. and

learned Friend appears to be making the case for prudent preparations in case of a no-deal scenario, which is all that clause 89 seeks to achieve.

Yvette Cooper *rose*—

David T. C. Davies (Monmouth) (Con) *rose*—

Robert Jenrick: I will give way one last time to my hon. Friend—I apologise to the right hon. Lady, but I only have a couple of minutes.

David T. C. Davies: With all due respect to my hon. Friend's Department, is it not the case that it published a series of figures about the economic disaster that was allegedly going to occur if we voted to leave the European Union, although none of that has happened, and that what we have here is an attempt to blackmail the Government into not going ahead with a decision that was taken after a majority of the population voted to leave the European Union?

Robert Jenrick: We are leaving the European Union. We wish to do so with a deal. The House will vote on the deal next week, but we must and will prepare for all scenarios.

Yvette Cooper *rose*—

Robert Jenrick: I give way to the right hon. Lady because, of course, amendment 7 is hers.

Yvette Cooper: Will the Minister confirm that he will still be able to use clause 89 powers if he either gives the House a chance to vote on no deal or, alternatively, takes the opportunity to apply for an extension of article 50?

Robert Jenrick: Clause 89 would give the Government the ability to provide certainty to taxpayers now. That is what we want to ensure. We do not want to inhibit the ability of HMRC and the Government to provide that critical certainty. Who would want to do that? Who would want to diminish certainty for taxpayers at this time? The right hon. Lady listed a number of businesses. Those businesses want certainty, and by supporting her amendment, we would diminish that certainty and our preparedness—admittedly only modestly—for a no-deal scenario.

We will not be deterred from making sensible preparations—the public expect us to do so—and using the Finance Bill to prevent or frustrate preparation for any eventuality is unwise and irresponsible. I therefore urge the House to reject all the amendments and new clauses tabled against clauses 89 and 90 so that we give our constituents and taxpayers across the country the degree of certainty they deserve.

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

Mr Speaker: Order. If the right hon. Gentleman feels able and willing to express his views in a minute, I will be delighted to hear him—I hope he will not be offended—but otherwise I will call the Opposition Front-Bench spokesperson.

Sir Vince Cable: Thank you for your indulgence, Mr Speaker. I just want to say a few words in support of amendments 7 and 8. They are Brexit-neutral, in the sense that they require the House to approve any change, but of course they relate primarily to no deal. The fiscal issues, as the right hon. Member for West Dorset (Sir Oliver Letwin) explained them, were arcane and rather gentle. I tabled a more brutal amendment that was not called.

In the 30 seconds left, I want to relate an incident from this morning, when I went to the ferry port at Portsmouth. It is very clear that the Government are totally and utterly unprepared for the chaotic impact that there will be on the road system, including access to the naval base, if a no-deal Brexit occurs. Despite repeated requests from the council and others, the Department for Transport and the Ministry of Defence are refusing to co-operate, and the police now say that the M3 motorway will have to be closed from Winchester to Basingstoke in order to provide a lorry park. Repeated efforts to get Ministers to respond have not been heeded. A meeting was held for 19 regional MPs last week, but only one attended, so I am taking on the job of representing a no-deal Brexit. It is a task I undertake with all the enthusiasm of an arsonist trying to put out a bushfire, but I will do it.

Jonathan Reynolds: This has been a significant and important debate. In fact, it is clear that the House desires a longer and broader debate—that point was well made by the Chair of the Treasury Committee. No deal is some people's preferred outcome, and they are the same people who told us that doing a deal would be the easiest thing in history. They were wrong then and they are wrong now. I feel that the case against the unilateral use of these no-deal powers has been comprehensively made, and I urge all Members to vote for our amendments, because that is best for jobs, prosperity and the national interest.

6.23 pm

Three and a half hours having elapsed since the commencement of proceedings on the programme motion, the debate was interrupted (Programme Order, this day).

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

The House divided: Ayes 292, Noes 314.

Division No. 286]

[6.23 pm

AYES

Abbott, rh Ms Diane
Abrahams, Debbie
Ali, Rushanara
Allin-Khan, Dr Rosena
Amesbury, Mike
Antoniazzi, Tonia
Ashworth, Jonathan
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
Burden, Richard
Burgon, Richard
Butler, Dawn

Byrne, rh Liam
 Cable, rh Sir Vince
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Sir Alan
 Carden, Dan
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Daby, Janet
 Dakin, Nic
 Davey, rh Sir Edward
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Dame Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary

Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Sir Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, rh Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 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
 McMahan, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 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
 Pidcock, Laura
 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
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Thangam Debbonaire and
Colleen Fletcher

NOES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward

Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh 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
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinanage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh 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
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 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 Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew

Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, rh Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris

Pincher, rh Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 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
 Shanon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Rory
 Streeter, Sir 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, 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:
Wendy Morton and
Iain Stewart

Question accordingly negated.

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

Clause 89

MINOR AMENDMENTS IN CONSEQUENCE OF EU WITHDRAWAL

Amendment proposed: 7, page 67, line 19, at end insert—

“(7) The provisions of this section only come into force if—

- (a) a negotiated withdrawal agreement and a framework for the future relationship have been approved by a resolution of the House of Commons on a motion moved by a Minister of the Crown for the purposes of section 13(1)(b) of the European Union (Withdrawal) Act 2018, or
- (b) the Prime Minister has notified the President of the European Council, in accordance with Article 50(3) of the Treaty on European Union, of the United Kingdom’s request to extend the period in which the Treaties shall still apply to the United Kingdom, or
- (c) leaving the European Union without a withdrawal agreement and a framework for the future relationship has been approved by a resolution of the House of Commons on a motion moved by a Minister of the Crown.”—(*Yvette Cooper.*)

This amendment would prevent the Government implementing the “no deal” provisions of Clause 89 without the explicit consent of Parliament for such an outcome. It would provide three options for the provisions of Clause 89 to come into force: if the House of Commons has approved a negotiated withdrawal agreement and a framework for the future relationship; if the Government has sought an extension of the Article 50 period; or the House of Commons has approved leaving the European Union without a withdrawal agreement and framework for the future relationship.

Question put, That the amendment be made.

The House divided: Ayes 303, Noes 296.

Division No. 287]

[6.39 pm

AYES

Abbott, rh Ms Diane	Blackman-Woods, Dr Roberta
Abrahams, Debbie	Blomfield, Paul
Ali, Rushanara	Boles, Nick
Allen, Heidi	Brabin, Tracy
Allin-Khan, Dr Rosena	Bradshaw, rh Mr Ben
Amesbury, Mike	Brake, rh Tom
Antoniazzi, Tonia	Brennan, Kevin
Ashworth, Jonathan	Brock, Deidre
Bailey, Mr Adrian	Brown, Alan
Bardell, Hannah	Brown, Lyn
Bebb, Guto	Brown, rh Mr Nicholas
Beckett, rh Margaret	Bryant, Chris
Benn, rh Hilary	Buck, Ms Karen
Benyon, rh Richard	Burden, Richard
Berger, Luciana	Burgon, Richard
Betts, Mr Clive	Butler, Dawn
Black, Mhairi	Byrne, rh Liam
Blackford, rh Ian	Cable, rh Sir Vince
Blackman, Kirsty	Cadbury, Ruth

Cameron, Dr Lisa	Grady, Patrick
Campbell, rh Sir Alan	Grant, Peter
Carden, Dan	Gray, Neil
Carmichael, rh Mr Alistair	Green, Kate
Champion, Sarah	Greening, rh Justine
Chapman, Douglas	Greenwood, Lilian
Chapman, Jenny	Greenwood, Margaret
Charalambous, Bambos	Grieve, rh Mr Dominic
Cherry, Joanna	Griffith, Nia
Clarke, rh Mr Kenneth	Grogan, John
Clwyd, rh Ann	Gwynne, Andrew
Coaker, Vernon	Gyimah, Mr Sam
Coffey, Ann	Haigh, Louise
Cooper, Julie	Hamilton, Fabian
Cooper, Rosie	Hanson, rh David
Cooper, rh Yvette	Hardy, Emma
Corbyn, rh Jeremy	Harman, rh Ms Harriet
Cowan, Ronnie	Harris, Carolyn
Coyle, Neil	Hayes, Helen
Crawley, Angela	Hayman, Sue
Creagh, Mary	Healey, rh John
Creasy, Stella	Hendrick, Sir Mark
Cummins, Judith	Hendry, Drew
Cunningham, Alex	Hepburn, Mr Stephen
Cunningham, Mr Jim	Hill, Mike
Daby, Janet	Hillier, Meg
Dakin, Nic	Hobhouse, Wera
Davey, rh Sir Edward	Hodgson, Mrs Sharon
David, Wayne	Hollern, Kate
Davies, Geraint	Hosie, Stewart
Day, Martyn	Huq, Dr Rupa
De Cordova, Marsha	Hussain, Imran
De Piero, Gloria	Jardine, Christine
Dent Coad, Emma	Johnson, Diana
Dhesi, Mr Tanmanjeet Singh	Jones, Darren
Djanogly, Mr Jonathan	Jones, Gerald
Docherty-Hughes, Martin	Jones, Helen
Dodds, Anneliese	Jones, rh Mr Kevan
Doughty, Stephen	Jones, Sarah
Dowd, Peter	Jones, Susan Elan
Drew, Dr David	Kane, Mike
Dromey, Jack	Keeley, Barbara
Duffield, Rosie	Kendall, Liz
Eagle, Ms Angela	Khan, Afzal
Eagle, Maria	Killen, Ged
Edwards, Jonathan	Kinnock, Stephen
Efford, Clive	Kyle, Peter
Elliott, Julie	Laird, Lesley
Ellman, Dame Louise	Lake, Ben
Elmore, Chris	Lamb, rh Norman
Esterson, Bill	Lammy, rh Mr David
Evans, Chris	Lavery, Ian
Fallon, rh Sir Michael	Law, Chris
Farrelly, Paul	Lee, Karen
Farron, Tim	Lee, Dr Phillip
Fellows, Marion	Leslie, Mr Chris
Fitzpatrick, Jim	Letwin, rh Sir Oliver
Fovargue, Yvonne	Lewell-Buck, Mrs Emma
Foxcroft, Vicky	Lewis, Clive
Freeman, George	Lewis, Mr Ivan
Frith, James	Linden, David
Furniss, Gill	Lloyd, Stephen
Gaffney, Hugh	Lloyd, Tony
Gapes, Mike	Long Bailey, Rebecca
Gardiner, Barry	Lucas, Caroline
George, Ruth	Lucas, Ian C.
Gethins, Stephen	MacNeil, Angus Brendan
Gibson, Patricia	Madders, Justin
Gill, Preet Kaur	Mahmood, Mr Khalid
Glindon, Mary	Mahmood, Shabana
Godsiff, Mr Roger	Malhotra, Seema
Goodman, Helen	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
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, rh Nicky
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Neill, Robert
 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
 Pidcock, Laura
 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
 Sandbach, Antoinette

Saville Roberts, Liz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Soames, rh Sir Nicholas
 Sobel, Alex
 Soubry, rh Anna
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeter, Wes
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaizey, rh Mr Edward
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Wollaston, Dr Sarah
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Thangam Debbonaire and
Colleen Fletcher

NOES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Amess, Sir David

Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve

Baldwin, Harriett
 Barclay, rh Stephen
 Baron, Mr John
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 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
 Davis, rh Mr David
 Dinanage, Caroline
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Mr Nigel
 Evennett, rh Sir David
 Fabricant, Michael

Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffiths, Andrew
 Hair, Kirstene
 Halfon, rh Robert
 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 Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hoare, Simon
 Hoey, Kate
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian

Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Leigh, rh Sir Edward
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 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
 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, rh Julian
 Smith, Royston
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Rory
 Streeter, Sir Gary
 Stride, rh Mel
 Stringer, Graham
 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, Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:

Wendy Morton and
 Iain Stewart

Question accordingly agreed to.

Amendment 7 agreed to.

Amendment proposed: 8, page 67, line 19, at end insert—

“(7) The provisions of this section shall not come into force until the House of Commons has come to a resolution on a motion made by a Minister of the Crown agreeing its commencement.”—(*Mr Leslie.*)

Question put, That the amendment be made.

The House divided: Ayes 292, Noes 303.

Division No. 288]

[6.57 pm

AYES

Abbott, rh Ms Diane	Creagh, Mary
Abrahams, Debbie	Creasy, Stella
Ali, Rushanara	Cummins, Judith
Allen, Heidi	Cunningham, Alex
Allin-Khan, Dr Rosena	Cunningham, Mr Jim
Amesbury, Mike	Daby, Janet
Antoniazzi, Tonia	Dakin, Nic
Ashworth, Jonathan	Davey, rh Sir Edward
Bailey, Mr Adrian	David, Wayne
Bardell, Hannah	Davies, Geraint
Bebb, Guto	Day, Martyn
Beckett, rh Margaret	De Cordova, Marsha
Benn, rh Hilary	De Piero, Gloria
Berger, Luciana	Dent Coad, Emma
Betts, Mr Clive	Dhesi, Mr Tanmanjeet Singh
Black, Mhairi	Docherty-Hughes, Martin
Blackford, rh Ian	Dodds, Anneliese
Blackman, Kirsty	Doughty, Stephen
Blackman-Woods, Dr Roberta	Dowd, Peter
Blomfield, Paul	Drew, Dr David
Brabin, Tracy	Duffield, Rosie
Bradshaw, rh Mr Ben	Eagle, Ms Angela
Brake, rh Tom	Eagle, Maria
Brennan, Kevin	Edwards, Jonathan
Brock, Deidre	Efford, Clive
Brown, Alan	Elliott, Julie
Brown, Lyn	Ellman, Dame Louise
Brown, rh Mr Nicholas	Elmore, Chris
Bryant, Chris	Esterson, Bill
Buck, Ms Karen	Evans, Chris
Burden, Richard	Farrelly, Paul
Burgon, Richard	Farron, Tim
Butler, Dawn	Fellows, Marion
Byrne, rh Liam	Fitzpatrick, Jim
Cable, rh Sir Vince	Fovargue, Yvonne
Cadbury, Ruth	Foxcroft, Vicky
Cameron, Dr Lisa	Frith, James
Campbell, rh Sir Alan	Furniss, Gill
Carden, Dan	Gaffney, Hugh
Carmichael, rh Mr Alistair	Gapes, Mike
Champion, Sarah	Gardiner, Barry
Chapman, Douglas	George, Ruth
Chapman, Jenny	Gethins, Stephen
Charalambous, Bambos	Gibson, Patricia
Cherry, Joanna	Gill, Preet Kaur
Clarke, rh Mr Kenneth	Glendon, Mary
Clwyd, rh Ann	Godsiff, Mr Roger
Coaker, Vernon	Goodman, Helen
Coffey, Ann	Grady, Patrick
Cooper, Julie	Grant, Peter
Cooper, Rosie	Gray, Neil
Cooper, rh Yvette	Green, Kate
Corbyn, rh Jeremy	Greening, rh Justine
Cowan, Ronnie	Greenwood, Lilian
Coyle, Neil	Greenwood, Margaret
Crawley, Angela	Grieve, rh Mr Dominic

Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Gyimah, Mr Sam
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 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
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, rh Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Karen
 Lee, Dr Phillip
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 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
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moran, Layla
 Morden, Jessica
 Morgan, rh Nicky
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 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
 Pidcock, Laura
 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
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Sobel, Alex
 Soubry, rh Anna
 Spellar, rh John

Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh Stephen
 Baron, Mr John
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Bole, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, Colin

Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Wollaston, Dr Sarah
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Thangam Debbonaire and
Colleen Fletcher

NOES

Clark, rh Greg
 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
 Davis, rh Mr David
 Dinanage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh 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
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark

Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Griffiths, Andrew
 Hair, Kirstene
 Halfon, rh Robert
 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 Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hoare, Simon
 Hoey, Kate
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkins, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Leigh, rh Sir Edward

Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 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
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 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
 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, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Rory
 Streeter, Sir Gary
 Stride, rh Mel
 Stringer, Graham
 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, Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:

**Wendy Morton and
 Iain Stewart**

Question accordingly negated.

The Minister of State, Department for Transport (Jesse Norman): On a point of order, Mr Speaker. I understand that in the previous debate there was some unhappy and unfortunate talk about the potential for the M3 to be closed in connection with a lorry park. I want to put it on the record, from the Government's perspective, that the Government have absolutely no intention whatever of closing the M3 in connection with a lorry park. Therefore, the record should stand corrected as from now.

Mr Speaker: I am very grateful to the hon. Gentleman for what he has said, which is on the record and will be widely observed.

Mr Marcus Jones (Nuneaton) (Con): On a point of order, Mr Speaker. Several media outlets are quoting that I have signed a letter to the Prime Minister saying that I will vote against a no-deal Brexit. I would like to put it on the record that this is not correct. Can you advise me whether it is in order for a Member of this House to put another Member's name to a letter when they have not given their consent to doing so? Given the febrile environment at the moment, can you make the point to the media that they should check their facts before they publish such information?

Mr Speaker: The hon. Gentleman arrogates to me almost superhuman powers if he thinks that I can advise the media upon the imperative of first checking facts before printing a story. I appreciate his confidence in me, but I fear that he has an assessment of my capabilities that is sadly unmatched by the reality. Nevertheless, he has put his point on the record, and doubtless he will circulate it more widely amongst the people of Nuneaton.

New Clause 2

REVIEW OF THE EFFECTIVENESS OF ENTREPRENEURS' RELIEF

“(1) Within twelve months of the passing of this Act, the Chancellor of the Exchequer must review the effectiveness of the changes made to entrepreneurs' relief by Schedule 15, against the stated policy aims of that relief.

- (2) A review under this section must consider—
- (a) the overall number of entrepreneurs in the UK,
 - (b) the annual cost of entrepreneurs' relief,
 - (c) the annual number of claimants per year,
 - (d) the average cost of relief paid per claim, and
 - (e) the impact on productivity in the UK economy.”—
(Anneliese Dodds.)

This new clause would require the Chancellor of the Exchequer to review the effectiveness of the changes made to entrepreneurs' relief by Schedule 15.

Brought up, and read the First time.

Anneliese Dodds (Oxford East) (Lab/Co-op): I beg to move, That the clause be read a Second time.

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

New clause 9—*Review of changes to entrepreneurs' relief*—

“(1) The Chancellor of the Exchequer must review the impact on investment in parts of the United Kingdom and regions of England of the changes made to entrepreneur's relief by Schedule 15 to this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.

- (2) A review under this section must consider—
- (a) the effects of the provisions on business investment,
 - (b) the effects of the provisions on employment, and
 - (c) the effects of the provisions on productivity.

- (3) In this section—
- “parts of the United Kingdom” means—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland; - “regions of England” has the same meaning as that used by the Office for National Statistics.”

This new clause would require a review of the impact on investment of the changes made to entrepreneurs' relief which extend the minimum qualifying period from 12 months to 2 years.

New clause 10—*Review of geographical effects of provisions of section 9*—

“The Chancellor of the Exchequer must review the differential geographical effects of the changes made by section 9 and lay a report of that review before the House of Commons within six months of the passing of this Act.”

This new clause would require a geographical impact assessment of income tax exemptions relating to private use of an emergency vehicle.

New clause 16—*Personal allowance*—

“The Chancellor of the Exchequer must, no later than 5 April 2019, lay before the House of Commons an analysis of the distributional and other effects of a personal allowance in 2019-20 of £12,750.”

This new clause would require a distributional analysis of increasing the personal allowance to £12,750.

New clause 17—*Review of changes to capital allowances*—

“(1) The Chancellor of the Exchequer must review the effect of the changes to capital allowances in sections 29 to 34 and Schedule 12 in each part of the United Kingdom and each region of England and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the effects of the changes on—

- (a) business investment,
- (b) employment, and
- (c) productivity.

(3) The review must also estimate the effects on the changes if—

- (a) the UK leaves the European Union without a negotiated withdrawal agreement
- (b) the UK leaves the European Union following a negotiated withdrawal agreement, and remains in the single market and customs union, or
- (c) the UK leaves the European Union following a negotiated withdrawal agreement, and does not remain in the single market and customs union.

(4) In this section—

“parts of the United Kingdom” means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

“regions of England” has the same meaning as that used by the Office for National Statistics.”

This new clause would require a review of the impact on investment, employment and productivity of the changes to capital allowance in the event of: Brexit with no deal; Brexit with single market and customs union membership; Brexit without single market and customs union membership.

New clause 24—*Review of changes to capital allowances* (No. 2)—

“(1) The Chancellor of the Exchequer must review the effects of the changes made by sections 29 and 30 of this Act within six months of the passing of this Act.

(2) A review under this section must include an assessment of—

- (a) the cost to the Exchequer of these changes,
- (b) changes to business behaviour that are likely to arise as result from these changes, including (but not limited to) levels of business investment in buildings, plant and machinery, and
- (c) the impact of these changes on businesses in regions of England.

(3) A review under this section must compare these assessments, so far as practicable, with an assessment of the impact of replacing non-domestic rates in England with a tax on the value of commercial land.

(4) In this section, “regions of England” has the same meaning as that used by the Office of National Statistics.”

This new clause would require the Government to assess the effects on businesses and the public finances of new capital reliefs introduced by this Act and require the Government to compare these reliefs with replacing business rates with a tax on commercial land values.

Amendment 12, in clause 5, page 2, line 24, leave out subsection (4)

This amendment would delete provisions removing the legal link between the personal allowance and the national minimum wage.

Government amendment 2.

Amendment 34, in schedule 15, page 297, line 42, leave out “29 October 2018” and insert “6 April 2019”.

Amendment 34, along with Amendment 35, would remove the retrospective effect of the new qualifying conditions for entrepreneurs relief.

Government amendment 3.

Amendment 35, in schedule 15, page 298, line 10, at end insert—

“(6) In relation to disposals on or after 29 October 2018, the amendments made by this Schedule to the definition of “personal company” do not apply in relation to any day before 29 October 2018.”

See Amendment 34.

New clause 4—Review of late payment interest rates in respect of promoters of tax avoidance schemes—

“(1) The Chancellor of the Exchequer must review the viability of increasing any relevant interest rate charged by virtue of the specified provisions on the late payment of penalties for the promoters of tax avoidance schemes to 6.1% per annum and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) In this section, “the specified provisions” means—

- (a) section 178 of FA 1989, and
- (b) sections 101 to 103 of FA 2009.”

This new clause would require the Chancellor of the Exchequer to review the viability of increasing interest rates on the late payment of penalties for the promoters of tax avoidance schemes to 6.1%.

New clause 15—Report on consultation on certain provisions of this Act (No. 4)—

“(1) No later than two months after the passing of this Act, the Chancellor of the Exchequer must lay before the House of Commons a report on the consultation undertaken on the provisions in subsection (2).

(2) Those provisions are—

- (a) section 15 and Schedule 3,
- (b) section 16 and Schedule 4,
- (c) sections 19 and 20,
- (d) section 22 and Schedule 7,
- (e) section 23 and Schedule 8,
- (f) sections 46 and 47,
- (g) section 83.

(3) A report under this section must specify in respect of each provision listed in subsection (2)—

- (a) whether a version of the provision was published in draft,
- (b) if so, whether changes were made as a result of consultation on the draft, (c) if not, the reasons why the provision was not published in draft and any consultation which took place on the proposed provision in the absence of such a draft.”

This new clause would require a report on the consultation undertaken on certain provisions of the Bill – alongside New Clause 11, New Clause 13 and New Clause 14.

Government new clause 6—Intangible fixed assets: restrictions on goodwill and certain other assets.

New clause 8—Review of changes to Oil activities and petroleum revenue tax—

“(1) The Chancellor of the Exchequer must review the effect of the changes to Oil activities and petroleum revenue tax in sections 36 and 37 and Schedule 14 in Scotland and the United Kingdom as a whole and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) A review under this section must consider the effects of the changes on—

- (a) business investment,
- (b) employment, and
- (c) productivity.”

This new clause would require the Government to review and publish a report on the investment, employment and productivity impact of the Bill's fiscal measures on the North Sea sector.

New clause 11—Report on consultation on certain provisions of this Act—

“(1) No later than two months after the passing of this Act, the Chancellor of the Exchequer must lay before the House of Commons a report on the consultation undertaken on the provisions in subsection (2).

(2) Those provisions are—

- (a) section 5,
- (b) section 6,
- (c) section 8,
- (d) section 9,
- (e) section 10,
- (f) Schedule 15,
- (g) section 39,
- (h) section 40,
- (i) section 41, and
- (j) section 42.

(3) A report under this section must specify in respect of each provision listed in subsection (2)—

- (a) whether a version of the provision was published in draft,
- (b) if so, whether changes were made as a result of consultation on the draft, and
- (c) if not, the reasons why the provision was not published in draft and any consultation which took place on the proposed provision in the absence of such a draft.”

This new clause would require a report on the consultation undertaken on certain provisions of the Bill – alongside New Clause 13, New Clause 14 and New Clause 15.

New clause 14—Report on consultation on certain provisions of this Act (No. 3)—

“(1) No later than two months after the passing of this Act, the Chancellor of the Exchequer must lay before the House of Commons a report on the consultation undertaken on the provisions in subsection (2).

(2) Those provisions are—

- (a) section 61, and
- (b) Schedule 18.

(3) A report under this section must specify in respect of each provision listed in subsection (2)—

- (a) whether a version of the provision was published in draft,
- (b) if so, whether changes were made as a result of consultation on the draft,
- (c) if not, the reasons why the provision was not published in draft and any consultation which took place on the proposed provision in the absence of such a draft.”

This new clause would require a report on the consultation undertaken on certain provisions of the Bill – alongside New Clause 11, New Clause 13 and New Clause 15.

New clause 23—Review of income tax revenue—

“(1) The Office for Budget Responsibility must review the revenue raised by income tax within six months of the passing of this Act.

(2) A review under this section must consider revenue raised by—

- (a) the rates of income tax specified in sections 3 and 4, combined with
- (b) the basic rate limit and personal allowance specified in section 5.

(3) A review under this section must also consider the effect on revenue of—

- (a) raising each of the rates of income tax specified in sections 3 and 4 by one percentage point, and
- (b) setting the basic rate limit for the tax years 2019-20 and 2020-21 at £33,850.

(4) A review under this section must also include a distributional analysis of the effect of introducing the policies specified in paragraphs (3)(a) and (3)(b).

(5) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion."

This new clause would require the OBR to estimate how much money would be raised by increasing all rates of income tax by 1p and freezing the higher rate threshold.

New clause 26—Review of changes made by sections 79 and 80—

"(1) The Chancellor of the Exchequer must review the effects of the changes made by sections 79 and 80 to TMA 1970, and lay a report on that review before the House of Commons not later than 30 March 2019.

(2) The review under this section must include a comparison of the time limit on proceedings for the recovery of lost tax that involves an offshore matter with other time limits on proceedings for the recovery of lost tax, including, but not limited to, those provided for by Schedules 11 and 12 to the Finance (No. 2) Act 2017.

(3) The review under this section must also consider the extent to which provisions equivalent to section 36A(7)(b) of TMA 1970 (relating to reasonable expectations) apply to the application of other time limits."

This new clause would require the Treasury to review the effect of the changes made by sections 79 and 80 and compare them with other legislation relating to the recovery of lost tax including specifically the loan charge provisions of Schedules 11 and 12 to the Finance (No. 2) Act 2017.

Government new schedule 1—Intangible fixed assets: restrictions on goodwill and certain other assets.

Government amendments 4 to 6.

Amendment 22, in clause 53, page 34, line 14, at end insert—

"(5) The Chancellor of the Exchequer must review the expected effects on public health of the changes made to the Alcoholic Liquor Duties Act 1979 by this section and lay a report of that review before the House of Commons within one year of the passing of this Act."

This amendment would require the Chancellor of the Exchequer to review the impact of the revised rates on cider and wine on public health.

Amendment 23, in clause 60, page 44, line 17, at end insert—

"(3) The Chancellor of the Exchequer must review the effects of a reduction in air passenger duty rates from 1 April 2020 and lay a report of that review before the House of Commons within six months of the passing of this Act.

(4) A review under subsection (3) must in consider the effects of a reduction on—

- (a) airlines,
- (b) airport operators,
- (c) other businesses, and
- (d) passengers."

This amendment would require the Chancellor of the Exchequer to review the effects of a reduction in air passenger duty.

Amendment 36, in clause 79, page 52, line 24, leave out "12 years" and insert "8 years".

Amendments 36 to 45 would reduce the time limits HMRC have to make an assessment of income tax or capital gains tax (Clause 79) and inheritance tax (Clause 80) to eight years, rather than 12 years, where there is non-deliberate offshore tax non-compliance.

Amendment 37, page 52, line 27, at end insert—

"(2A) Where the loss of tax is brought about carelessly by the taxpayer, an assessment may be made at any time not more than 12 years after the end of the year of assessment to which the lost tax relates. This is subject to section 36(1A) above and any other provision of the Taxes Acts allowing a longer period."

See Amendment 36.

Amendment 38, page 53, line 22, after "(2)" insert "or (2A)".

See Amendment 36.

Amendment 39, page 53, line 28, at end insert—

"(7A) An assessment may also not be made under subsection (2) or (2A) if—

- (a) before the time limit that would otherwise apply for making the assessment, information is made available to HMRC by the taxpayer on the basis of which HMRC could reasonably have been expected to become aware of the lost tax, and
- (b) it was reasonable to expect the assessment to be made before that time limit."

See Amendment 36.

Amendment 40, page 53, line 34, at end insert—

"(8A) Subsection (7A) will not apply in cases where the taxpayer is subsequently found to have failed to provide all relevant information available to HMRC, or to have provided misleading information.

(8B) For the purposes of subsection (7A), whether information has been made available to HMRC is to be determined in line with section 29(6) above."

See Amendment 36.

Amendment 41, page 53, line 35, after "(2)" insert "or (2A)".

See Amendment 36.

Amendment 25, page 54, line 1, leave out "2013-14" and insert "2019-20".

This amendment, alongside Amendment 26, would mean that new section 36A of the Taxes Management Act 1970 did not apply retrospectively.

Amendment 26, page 54, line 5, leave out "2015-16" and insert "2019-20".

This amendment, alongside Amendment 25, would mean that new section 36A of the Taxes Management Act 1970 did not apply retrospectively.

Amendment 42, in clause 80, page 54, line 19, leave out "12 years" and insert "8 years".

See Amendment 36.

Amendment 43, page 54, line 20, at end insert—

"(2A) Where the loss of tax is brought about carelessly by a person liable for the tax (or a person acting on behalf of such a person), proceedings for the recovery of the lost tax may be brought at any time not more than 12 years after the later of the dates in section 240(2)(a) and (b)."

See Amendment 36.

Amendment 44, page 55, line 2, at end insert—

"(7A) Proceedings may also not be brought under this section if—

- (a) before the last date on which the proceedings could otherwise be brought, information is made available to HMRC by a person liable for the tax (or a person acting on behalf of such a person) on the basis of which HMRC could reasonably have been expected to become aware of the lost tax, and
- (b) it was reasonable to expect the proceedings to be brought before that date."

See Amendment 36.

Amendment 45, page 55, line 8, at end insert—

“(8A) Subsection (7A) will not apply in cases where a person liable for the tax (or a person acting on behalf of such a person) is subsequently found to have failed to provide all relevant information available to HMRC, or to have provided misleading information.

(8B) For the purposes of subsection (7A), whether information has been made available to HMRC is to be determined in line with section 29(6) TMA 1970.”

See Amendment 36.

Amendment 27, in clause 82, page 58, line 9, leave out from “section” to “may” in line 10.

This amendment would provide for all regulations under the new power (EU double taxation directive) to be subject to the affirmative procedure.

Amendment 28, page 58, leave out lines 13 to 17.

See Amendment 27.

Amendment 18, in schedule 1, page 148, line 34, at end insert—

“21A The Chancellor of the Exchequer must review the expected revenue effects of the changes made to TCGA 1992 in this Schedule, along with an estimate of the difference between the amount of tax required to be paid to the Commissioners under those provisions and the amount paid, and lay a report of that review before the House of Commons within six months of the passing of this Act.”

This amendment would require the Chancellor of the Exchequer to review the effect on public finances, and on reducing the tax gap, of the changes made to capital gains tax in Schedule 1.

Amendment 17, in schedule 2, page 177, line 21, at end insert—

“PART 1A

REVIEW OF EFFECTS ON PUBLIC FINANCES

17A The Chancellor of the Exchequer must review the expected revenue effects of the changes made to capital gains tax returns and payments on account in this in this Schedule, along with an estimate of the difference between the amount of tax required to be paid to the Commissioners under those provisions and the amount paid, and lay a report of that review before the House of Commons within six months of the passing of this Act.”

This amendment would require the Chancellor of the Exchequer to review the effect on public finances, and on reducing the tax gap, of the changes made to capital gains tax in Schedule 2.

Amendment 29, page 177, line 42, at end insert

“unless the amendment relates to a disposal of an asset or assets resulting in a capital loss between the completion date of the disposal in respect of which the return is made and the end of the tax year in which the disposal is made.

(2A) In that case, an amendment may be made to take into account any capital losses which have arisen after the completion date and within the same tax year.”

This amendment would allow UK residents to submit an amended residential property return where a capital loss on non-residential assets is incurred after the completion of the residential disposal and within the same tax year.

Amendment 19, in schedule 5, page 211, line 45, at end insert—

“PART 2A

REVIEW OF EFFECTS ON PUBLIC FINANCES

34A (1) The Chancellor of the Exchequer must review the revenue effects of this Schedule and lay a report of that review before the House of Commons within six months of the passing of this Act.

(2) The review under sub-paragraph (1) must consider—

- (a) the expected change in corporation tax paid attributable to the provisions in this Schedule, and
- (b) an estimate of any change, attributable to the provisions in this Schedule, in the difference between the amount of tax required to be paid to the Commissioners and the amount paid.”

This amendment would require the Chancellor of the Exchequer to review the effect on public finances, and on reducing the tax gap, of Schedule 5.

Amendment 21, in schedule 6, page 221, line 26, at end insert—

“13 The Chancellor of the Exchequer must review the expected change to payments of Diverted Profits Tax and any associated changes to overall payments made to the Commissioners arising from the provisions of this Schedule, and lay a report of that review before the House of Commons within 6 months of the passing of this Act.”

This amendment would require the Chancellor of the Exchequer to review the effect on public finances of the diverted profits tax provisions in the Bill.

Anneliese Dodds: As my hon. Friends have set out a number of times already today, this is a Finance Bill that continues the Government’s previous programme of austerity for the many while the very best-off people are protected. This Conservative Government chose to tie the hands of this House with regard to amending the Bill, so there are very few means we can adopt to have an impact on any of these measures. None the less, new clauses 2 and 4 would require the Government to at least review their regressive policy approach. I realise that I need to compress my remarks, so I will speak briefly to each of those new clauses and then to new clause 26, which pushes in the same direction, and new schedule 1, which in many respects exemplifies this Government’s slipshod approach, particularly to tax policy making.

7.15 pm

New clause 2 would require a review of the likely efficacy or otherwise of the Government’s very minor changes to entrepreneurs’ relief set out in the Bill. Overall, it has been estimated that the revenue forgone through tax reliefs amounts to the same as all the revenue raised through corporation and council tax, business rates, fuel duty and stamp duty. A full £2.7 billion of that forgone revenue comprises entrepreneurs’ relief.

The official Opposition are committed to properly reviewing tax reliefs as forgone revenue, to ensure that they are appropriately targeted to achieve public policy outcomes. No such analysis has been conducted by this Government, including of entrepreneurs’ relief, despite the fact that there is little evidence that it promotes entrepreneurialism or productivity to any large extent. Indeed, just 6,000 people receive entrepreneurs’ relief on gains of more than £1 million. Independent bodies such as the IFS and the Resolution Foundation have thus been deeply critical of it. At the very least, we need to know whether the Government’s reforms in the Bill are anything more than cosmetic. That is what new clause 2 asks for.

Beyond the apparently limited changes to entrepreneurs’ relief, the Bill includes a number of cases where those with the broadest shoulders are exempted from their contribution to taxation. I will just mention three. First, a proportional rather than absolute value is used to exempt non-residents from the anti-enveloping rule,

which means they will be less likely than residents to be subject to capital gains tax. That is a farce, given that the measure was meant to ensure a level playing field. Secondly, the Bill has a new discriminatory trading exemption for capital gains tax that is available only to non-UK investors. Finally, we see the imposition of longer investigatory time limits for offshore tax affairs for income and inheritance tax, but not for corporation tax, thus privileging those who can incorporate and large multinational corporations.

New clause 4 is an attempt to highlight the systematic bias in the Government's approach by contrasting the level of interest paid on penalties incurred by tax avoidance promoters with the interest payable on student loans. I am sure that many Members have seen the research released by the TUC yesterday, which highlighted the fact that households are now subject to record levels of debt. The research indicated that, excluding mortgages, average debt per household shot up by £886 last year to a new peak of £15,385.

Peculiarly, some people have tried to criticise that analysis by pointing out that it includes student loan debt, but surely we should all be deeply concerned by the fact that so many young people face such a mountain of debt, which is what it feels like. As I am sure many Members have heard from their constituents, we now have a situation where former students work incredibly hard all year and try to pay off their loan, but it is larger at the end of the year than it was at the beginning because of the interest rate of 6.1%. Let us compare that with the current interest rate on late payment of penalties for promoters of tax avoidance schemes. That interest rate, I am sure Members will be interested to hear, is 3.25%. It is essential that the Government look into that carefully. We will not press new clause 4 to a vote, but we hope the Government will look into that in much more detail than they have up to now.

Under this Government, there is often one rule for the very best-off and another rule for everyone else. That is what we see when it comes to the loan charge, which is covered by new clause 26. The activities targeted by the loan charge were a form of tax avoidance, but the Government's approach to dealing with them has been deeply unfair.

Anna Turley (Redcar) (Lab/Co-op): Will my hon. Friend give way?

Anneliese Dodds: I do not believe I can, as I have been told that I have to proceed quickly.

For many years, the Government failed to take action, before clamping down purely on taxpayers and doing little to nothing to the enablers of this form of tax avoidance. I hope the Minister will be clear about this. He has talked about the promotion of defective schemes. When taxpayers are described as having done something illegal, which is what HMRC has said about the behaviour of those subject to the loan charge, why will the Government not say that those who promoted those schemes also promoted something illegal? They use this language about defective systems. I am sorry, but that is pusillanimous. Those who were unwittingly led into schemes that are now described as illegal must themselves be able to take action against those who wrongly advised them.

I hope that the Minister will look at that very carefully and accept the new clause. If he does not, I hope that he will accept my backstop, to coin a phrase, and have a

meeting with me. I am glad he has intimated that he may be willing to do so to talk about how we can better help people who have ended up in a very difficult situation—some of them with their eyes wide open, but many of them not realising the impact of these schemes.

Nicky Morgan: I rise to speak briefly—I know time is short in this debate—about new clause 26. For the avoidance of doubt among those on the Treasury Bench, I will not be supporting the new clause, but, as Chair of the Treasury Committee, I want to put on the record some concerns about the loan charge on behalf of the many individuals who have contacted the Committee and of the Committee members who have expressed concerns about it. I hope that Ministers will listen and engage with MPs across the House on this issue.

The Committee has raised concerns about the loan charge in evidence sessions with my right hon. Friend the Chancellor, and with HMRC and the Chartered Institute of Taxation. As the hon. Member for Oxford East (Anneliese Dodds) said, it is right that people should pay their fair share of tax on their earnings, and we do not support anything that seeks to get around that. It is right that HMRC should act swiftly and firmly to close down such avoidance schemes.

However, tax law sets out time limits within which HMRC can open inquiries and make tax assessments. Normally, those time limits take account of whether a taxpayer has taken reasonable care to comply with their tax obligations, has been careless or has deliberately decided not to comply. They are seen as valuable taxpayer protections, giving a degree of certainty that takes appropriate account of taxpayer behaviour.

It is certainly concerning to me—I am not sure I can speak on behalf of the whole Committee, but I think it is fair to say that I speak on behalf of many of its members—that HMRC's contractor loan settlement opportunity requires people who want to put their affairs straight to waive those protections, with the threat of the loan charge looming over them. It is not clear why it is necessary for that settlement opportunity to pressure people into paying tax for years that HMRC calls "not protected"—years where HMRC is out of time—even though it may have had the information it needed to open inquiries or raise assessments at the proper time.

Dame Cheryl Gillan (Chesham and Amersham) (Con): I support the way in which my right hon. Friend is addressing new clause 26, on which I find myself in a similar position to her. Although we want people to pay the correct taxes, I have constituents who may face losing their homes over this, after entering into what they thought were perfectly legal and allowable arrangements. Does she agree that the Treasury must address that?

Nicky Morgan: I very much agree with my right hon. Friend. It will probably turn out that most of us have constituents who are affected in that way. There are some who perhaps did know what they were doing when they entered into these tax arrangements, and some who clearly did not. It is absolutely right that the correct tax is applied, but, equally, it cannot be right that people are facing serious situations that will undermine their financial security and also their mental health.

John Redwood: Is my right hon. Friend aware that not only did quite a few people take advice, but they notified the Revenue of what they were doing and no objections were made at the time?

Nicky Morgan: Yes, I absolutely agree with my right hon. Friend. That was raised in the Westminster Hall debate led by my fellow Committee member, my hon. Friend the Member for Wycombe (Mr Baker).

I say to the Minister that it is troubling to hear that tens of thousands of people who want to settle with HMRC before the 5 April deadline have yet to receive calculations from HMRC. It is impossible for them—I think it would be for most of us—to settle large bills within a matter of months if they do not know what they will be asked to pay, let alone if they cannot start to make arrangements for how to pay them. These individuals need to know how much they have to pay, and I ask Treasury Ministers to step in and make clear what will happen to those people if they do not hear from HMRC by 5 April.

I will leave that with Ministers. I hope they can tell that there are MPs on both sides of the House who are concerned about this. By working together, we can make sure that the right tax is paid, but also that people are treated fairly.

Kirsty Blackman: I am aware that we are fairly short of time, so I will not rerun many of the things I said in Committee—I am sure the Minister and those on the Opposition Front Bench will be delighted to hear that.

I want to highlight a few of the SNP amendments and new clauses in this group. We have a couple of new clauses asking once again whether the Government's provisions will do what they intend. For example, we want them to review the changes to entrepreneurs' relief. We also want them to look at the changes in relation to emergency vehicles, because we are particularly concerned about the potential rural impact. Those who have emergency vehicles in rural areas may have more cause to use them outside work time than people who use them in cities. We felt that that issue was not drawn out enough in Committee or in the information the Government provided previously.

New clause 17 is about Brexit analysis. It is important to note that, since the Brexit vote in June 2016, over \$1 trillion has been pulled from UK equity funds, which is obviously a really large number. In any changes or preparations the Government carry out in relation to Brexit, therefore, they should note the impact on the economy, which, according to the Bank of England, has cost individual families £900 each so far, and there is also the impact on financial services, for example, which have historically been very strong in the UK.

New clauses 15, 11 and 14 again ask the Government to provide information through consultation reports. It is important that the Government tell us the consultation they did on the draft clauses they brought forward. On the ones they did not bring forward, why did they not do so?

On that point, I should mention that the Government have included a new schedule in this group. That is a relatively unusual thing for the Government to do at this stage, given that they could have included the schedule in the original Bill or brought it forward in Committee. Because the new schedule was not brought

forward in the initial stages, the explanatory memorandum provided by the Government does not include details about it. It would have been helpful if it had been considered at an earlier stage or if the Members who sat through the Bill Committee had been notified that it was likely to come forward. Presumably, the Government knew about it before the Christmas recess, and it did not just appear out of the ether. That process could be improved.

The main thrust of my contribution in the short time I have remaining is about the removal of the link between the personal allowance and the minimum wage. I understand that the Government have removed it on the basis that the personal allowance has now reached £12,500 and that they therefore believe they do not need to keep the link. I understand why they are making that case, but if that link had been kept, with the Government required to do a review if the personal allowance threshold was set at less than £12,500, future Governments would have continued to be bound by it. That would have meant that the protection the Government felt was necessary for people on the lowest incomes would still be there in the future. I understand that the Government do not intend to reduce the personal allowance, but that protection could have been left in place without the law causing any problems. That is something I am concerned about.

It is particularly concerning when the living wage the Government have put in place is not a real living wage, but a pretend living wage. It also does not apply to anyone under 25, which is an issue the SNP has raised over and over again. Just because someone is 24 does not mean that their living costs are less than they would be if they were 26—they could have the same number of children and live in exactly the same accommodation. However, the Government believe that it is okay to pay them less just because they are under that age threshold. That is exacerbated by the fact that the minimum wage increases the Government have introduced this year increase by a higher percentage—not just a higher monetary value—the minimum wage received by those who are over 25. The gap is widening: those who are over 25 are getting a bigger increase in the minimum wage, while there is a smaller increase for the younger age groups. The Government need to take seriously the fact that they are saying apprentices are worth pennies, frankly, and that 16 and 17-year-olds are worth far less than people under the age of 25. We raised our concerns in Committee in relation to the removal of the number. I do not think it would have cost the Government anything to leave in the link to protect future generations.

Mrs Main: I wanted to have more time to be able to say what a great job the Government have been doing: a 43-year low for unemployment rates, 1,000 jobs a day created and bringing in the personal allowance upgrade even earlier. We do not have time to go through all that, but I believe that getting people into work and out of poverty is the way forward for many families.

The Government were absolutely right to target business rates as a way of helping the high street and small businesses, with a cut of 33% in rates for businesses with a rateable value of under £51,000. In areas like mine with high property values, however, it is not having the impact the Chancellor might have hoped. The new rate simply provides a cliff edge that penalises successful

businesses in areas that are plagued by high property values. We must devise a system that helps small businesses and pubs to thrive, not just those with a low retail value. I recently met pub owners in my constituency who have been hit extremely hard by business rates. I have cut out an awful lot of my speech, but I am pleased to say that I have secured a Westminster Hall debate on this matter next Tuesday. I look forward to exploring the matter further with a Minister. Pubs in areas such as St Albans are seeing massive hikes in business rates, not the help that was intended.

Time is pressing, but I want to touch on new clause 26 tabled by the right hon. Member for Kingston and Surbiton (Sir Edward Davey). I have serious concerns about the retrospective nature of the tax being collected. Several of my constituents have raised cases with me and I am extremely concerned about how the process has been handled. Many make the case that this was not illegal tax evasion; they were advised to use the scheme as a way of keeping more of their own money. It is worth remembering that these people are not employees. They take on more risk, with no sick pay, maternity pay or other forms of support offered to an employee. I want to give a couple of personal examples, because I think that is key and we have so little time.

One of my constituents, who worked as an IT professional in the FinTech industries, is being pursued for £900,000 by HMRC for the loan charge. He is extremely worried—many are on the brink emotionally—and this has put him and his family under considerable stress. He had been advised that what he had done was lawful and he considered it to be so. He told me, worryingly, that he tried to settle the case with HMRC for about £700,000, but that that had been rejected. Many people who find themselves in tax difficulties manage to make negotiated settlements with HMRC. It appears that this particular group of people are being treated very unfairly and are being left in the very difficult situation of not knowing exactly how much they owe or how quickly they have to pay.

Colin Clark: Other colleagues will be aware that the oil industry had a lot of contractors who were using what effectively turned out to be disguised schemes. Does my hon. Friend agree that there is a duty on HMRC? We have heard today from another hon. Member that customers should not be unduly disadvantaged if they have not managed to settle their claim to date, because after 5 April it will be significantly more.

Mrs Main: Exactly. I have also been advised by a former constituent, who, despite no longer living in the UK, is being pursued by HMRC for thousands of pounds of unpaid tax. Another person was advised that this mechanism truly was lawful and it has come as a huge shock to his financial planning that he is left in this position.

There are reportedly over 1,000 people being pursued for unpaid tax. No one is disputing that people should pay tax that is due. The issue is the way it is being requested. People have been badly advised. They have never been able to check whether anything they were doing was illegal, because they were being advised that it was not illegal at the time. It is a loophole that has now been closed.

Luke Graham: Will my hon. Friend give way?

Mrs Main: It will have to be very quick, because I am aware other people need to speak.

Luke Graham: My hon. Friend is making a very valid point. One of my constituents, an IT contractor, was advised by his own accountant. A review would be very helpful in ensuring that people receive proper advice, so that laws can be followed and taxes collected.

Mrs Main: My hon. Friend is exactly right. There are many versions of that story. I have constituents who say that HMRC was made aware of these arrangements but no objection was raised until many years later. That has to be fundamentally wrong. What more due diligence can anyone do?

I will conclude, because I know the right hon. Member for Kingston and Surbiton wishes to speak. The huge pressure and distress—even suicidal thoughts—that this measure has put in people's minds is totally unacceptable. I say to the Minister: if we do nothing else tonight, can we accept new clause 26? There is a clear ambiguity in the law that applied at the time—perhaps clarity has been provided now. The fact that people cannot negotiate a reasonable settlement even though they acted in good faith at the time, and are being pursued to the point of the destruction of their careers, homes, family lives and marriages, is completely unacceptable. We clearly need a review, and I hope the Minister takes that on board and accepts new clause 26. If it is pressed to a vote, I shall vote for it.

Sir Edward Davey (Kingston and Surbiton) (LD): I thank the hon. Member for St Albans (Mrs Main) for her passionate speech. I also thank the right hon. Member for Loughborough (Nicky Morgan), who chairs the Treasury Committee, and right hon. and hon. Members from across the House, who have campaigned as a Parliament against this measure and supported new clause 26. It is my wish to divide the House on the new clause if the Minister does not accept it.

Let me make it crystal clear from the start that I support the Treasury's aim of closing tax loopholes and stopping tax avoidance. The introduction of loan charges in the Finance Act 2017 to stop future abuse was correct, and the review my new clause proposes would not seek to prevent the Treasury from stopping that abuse from the 2016 Budget announcement. Instead—somewhat inelegantly, due to the rules of Finance Bill debate—new clause 26 aims to focus the minds of Treasury Ministers on the gross unfairness of the way the 2017 Act went about closing an unacceptable tax loophole.

I believe that the review envisaged in the new clause would reveal the unfairness of the retrospective nature of the current loan charge legislation in two ways. First, it would show how that retrospective nature is even more severe than non-retrospective but backward-looking proceedings for the recovery of lost tax elsewhere in our tax legislation. Secondly, it would show that the test of reasonableness included in proposed new section 36A, if applied to the loan charge, would in fact prevent any retrospective tax collection from the loan charge.

Let me remind the House why the Treasury should, after the review, ditch the retrospective nature of this measure, delay April's implementation and amend the charge so it focuses only on payments made after 2016.

[*Sir Edward Davey*]

It is because the loan charge, as introduced, offends against the rule of law. It is the sort of taxation that led the barons to rebel against King John and gave birth to Magna Carta. It is simply not acceptable for a Government to introduce a law that makes illegal something someone did years ago, when that action was considered legal. That is a clear principle.

Ruth Cadbury (Brentford and Isleworth) (Lab): I thank the right hon. Gentleman for giving way—I realise time is short—and for tabling new clause 26, which I, too, support. Does he agree that it is unreasonable for people to be expected to have kept records going back 20 years when they were reassured at the time that the scheme was legitimate?

Sir Edward Davey: The hon. Lady is absolutely right, and I thank her for her support. Let us remember that these people—our constituents—were given professional tax advice and behaved in a way they thought was right and lawful at the time.

Tommy Sheppard (Edinburgh East) (SNP): I fully support the right hon. Gentleman's comments and will vote for new clause 26 if it is pressed to a Division. I wonder whether he will reflect briefly on my concern that some people who support the Government's position have implied that, in seeking justice and fairness for our constituents, we in some way condone tax avoidance. In fact, the opposite is the case—we say that there should not be tax avoidance or evasion. The real culprits in this are not the individuals who were conned and duped by professionals into taking out these schemes and now face bankruptcy, but the firms that designed and sold them the schemes in the first place, some of which are still operating.

Sir Edward Davey: The hon. Gentleman is right on all the points he makes. When my hon. Friend the Member for Eastbourne (Stephen Lloyd) tabled the early-day motion that got cross-party support when this campaign was getting going, those were exactly the points he made. We all condemn tax avoidance and support the Treasury, but this retrospective approach to taxation is simply unacceptable.

Crispin Blunt: I congratulate hon. Members and hon. Friends on their speeches and wholly agree with them. It is grossly unfair that one of my constituents, a contractor between 2004 and 2006, is expected to repay tax from this period. It goes against the whole principle of fairness and surely would not survive any challenge in the European Court of Human Rights.

Sir Edward Davey: Indeed. HMRC knew about these tax schemes for years and took no action. They were widely used—as we have heard, right hon. and hon. Members from around the House have constituents affected—and widely advertised and yet were ignored by the tax authorities. People could only take some public sector positions if they agreed to be paid via these schemes, and it emerged ahead of the Westminster Hall debate that even some HMRC contractors were paid through such a scheme.

Wes Streeting (Ilford North) (Lab): I am grateful to the right hon. Gentleman for tabling the new clause. I found HMRC's answers to the Treasury Committee wholly unsatisfactory. There remain serious questions to be asked of the promoters of these schemes, of the employers, including public sector employers, who promoted them to contractors, and also of HMRC. If people were given tax advice and followed it, and if HMRC was aware of these schemes but did not take action in any previous tax year, how on earth could any reasonable person have concluded that they were doing anything wrong?

Sir Edward Davey: I totally agree, and I am grateful for the hon. Gentleman's intervention.

Sir William Cash (Stone) (Con): Will the right hon. Gentleman give way?

Sir Edward Davey: I cannot resist.

Sir William Cash: It is not often that I agree with the right hon. Gentleman, as he knows, but I strongly agree with him on this issue. Retrospective legislation is bad in principle. This is an unjust provision, unreasonable and unfair, and I urge the Government to take note of the arguments put forward.

Sir Edward Davey: Having taken that wonderful intervention, I bring it to the House's attention that the hon. Member for Wellingborough (Mr Bone) has signed my new clause. It is bringing the House together at a time when elsewhere it is divided.

I end on what this loan charge and its retrospective nature have meant for our constituents. It has caused misery. It has affected people's lives, their health, their families. It has caused gross misery. Some people believe they will have to go bankrupt if they are forced to pay, or that they might lose their homes, and that is why the House is united against this retrospective action. I really hope that the Minister will get to his feet, accept the new clause, go ahead with the review and bring it back before the end of the tax year, so that the House can see it and vote on it.

Bambos Charalambous (Enfield, Southgate) (Lab): I rise to speak in support of new clause 2. I was staggered to learn that entrepreneurs' relief costs the Treasury an estimated £2.7 billion, and this to allow people selling companies worth up to £10 million to keep half the money they would otherwise pay in capital gains tax.

I was even more surprised to learn that this tax relief was concentrated among a few very wealthy individuals, with 6,000 people making gains of over £1 million and averaging £450,000 in tax relief each. This relief is only benefiting the very wealthy and should be reviewed as to its effectiveness. If it is scrapped, the £2.7 billion could be used to fund schools buckling under the pressure of funding cuts and provide huge investment in special educational needs and children and adolescent mental health needs. It could also go some way to funding children's services and social care in local authorities and policing.

This is not the only area where the Government are giving away money that could otherwise be put to better use. Under amendment 22, in the name of the hon. Member for Aberdeen North (Kirsty Blackman), the

Government are being asked to review the expected effects on public health of the changes made to the Alcoholic Liquor Duties Act 1979. The Alcohol Health Alliance has stated that the Government's own figures show that alcohol duty cuts from 2013-14 have cost the Treasury £4 billion, which is the equivalent yearly cost of employing over 100,000 teachers. The figure is expected to rise to £9.1 billion by 2024. Considering the pressures on budgets as a result of austerity, that is not an insignificant amount.

The freeze on duty on beer, spirits and cider for 12 months from February 2019 is in effect a cut, as it is not keeping in line with inflation. Indeed, it has not done so for six of the last seven years. Cheap alcohol has a tremendous effect in causing damage to people's health, the economy and wider society. Alcohol is the leading risk factor in respect of the deaths of people aged 15 to 49. In England alone, there are more than 1 million hospital admissions and 24,000 deaths related to alcohol every year. That is a clearly an impact that the Government need to consider when they set duties on beer, spirits and cider. Cuts in alcohol duty have a double effect. They reduce revenue for the Treasury, which in turn reduces the amount of funding for the NHS, while simultaneously increasing demand and costs in the NHS by encouraging the consumption of cheap alcohol. I therefore ask the Government to review the impact of the alcohol duty freeze on public health.

7.45 pm

Let me now say something about new clause 26, tabled by the right hon. Member for Kingston and Surbiton (Sir Edward Davey). When it comes to collecting taxes from individuals, the Treasury, via HMRC, has been brutal in its demands from contractors who have been paid through loans. I should make it clear that I have no time for tax dodgers and tax avoiders, and that I believe the disguised remuneration scheme was used by some people colluding with businesses to avoid paying tax. That is wrong and tax avoidance should be dealt with severely. However, I have met a number of people at my local surgeries and heard their stories of being mercilessly pursued for alleged unpaid taxes going back many years, and it is clear to me that HMRC has adopted a "shoot first and ask questions later" approach.

Liz Twist (Blaydon) (Lab): Does my hon. Friend agree that the stories we hear from our constituents suggest that some of them are not only afraid of losing their homes and livelihoods, but are actually having suicidal thoughts because of the pressure that is being put on them to pay the money?

Bambos Charalambous: That is an excellent point, which I was about to make myself. While the large accountancy firms have gone unpunished for creating tax avoidance schemes for big banks, those individual contractors are bearing the brunt of HMRC's powers. I have been informed by the Loan Charge Action Group of suicides, bankruptcies and relationship breakdowns as a result of the stress involved in their dealings with HMRC. The group has said that many of the people being pursued by HMRC unwittingly signed up to loan-based schemes, but the promoters of the tax avoidance vehicles have not been targeted.

I ask the Minister to reconsider these measures and to ensure that people are not punished when they should not be.

Mel Stride: Given the limited time that is available to me to summarise a debate that has covered a large number of amendments and new clauses, I shall confine my remarks principally to the issue that has been raised most frequently, which relates to new clause 26. The new clause requires the Government to lay before the House a report reviewing the effects of changes made by clauses 79 and 80 no later than 30 March 2019. While I should note that such a report will come too soon for the measures to have had a real effect, the Government of course remain committed to setting out the rationale for their policies as well as their impact, and in that spirit we will not oppose the new clause.

I do, however, echo many of the comments made by Members about what these schemes are truly about, which is gross aggressive tax avoidance. The way in which disguised remuneration typically works is that, instead of an employer's paying an employee by way of a salary in the normal way, which attracts PAYE income tax and employees' and employers national insurance, the payment is made as a loan. Typically, those so-called loans, which are not really loans at all—there is no intention of ever repaying them—are routed out via an offshore trust in a low or no-tax jurisdiction, and then routed back to the United Kingdom to be received by the end recipient. That is extremely unfair. It is unfair to our public services, because we have a duty as a Government to collect the tax that is due to fund them, and it is unfair to the vast majority of taxpayers who do the right thing, which is not to get involved in aggressive tax avoidance schemes in the first place and to pay their fair share of tax.

One issue that has been raised on a number of occasions is the question of whether HMRC's loan charge arrangements are themselves retrospective. They are not retrospective because, critically—this is where I take issue with the right hon. Member for Kingston and Surbiton (Sir Edward Davey)—at the time when they were entered into they were defective. No matter how far we go back, the scheme typically—I have described the way it works—was defective. It did not work then, it does not work now and the tax is due.

These schemes have been taken through the courts on many occasions. A scheme used to the benefit of Rangers Football Club was taken to the Supreme Court—the highest court in the land—and was found to be defective.

Dr Wollaston: Will my right hon. Friend give way?

Mel Stride: I will not, simply because I have two minutes and 30 seconds left and I want to cover some of the other issues raised this evening.

However, as I have said, the Government will accept this new clause. It is absolutely right that, when HMRC deals with the public, it has a strict duty of care, a duty of proportionality and a duty to be as sympathetic as it can be relevant to the circumstances of those with whom it is dealing. In my dealings with HMRC, I have made those points forcefully clear. As the right hon. Gentleman will know, HMRC has recently come forward to say that those earning £50,000 or less—which is over twice the average national salary of somebody working in our country—will automatically be granted, without requirement for additional paperwork, a minimum of five years' time to pay as an arrangement to settle their affairs. Of course for those who come forward before

[Mel Stride]

April there is effectively in most cases no penalty as such; they will simply be required to pay that tax which was due in the past—and it was always due in the past—plus the interest that is rightly applied.

I have less than a minute left and want to say a little about amendment 12, tabled by the hon. Member for Aberdeen North (Kirsty Blackman), on the national minimum wage lock. She will know that, because we have increased the personal allowance now to £12,500 for every year of the forecast period, there will be no necessity for that lock to be in place. She makes the point that there could be a projection beyond that point. That will be a matter for a future Government of course and it is not for this Parliament to bind its successors.

I conclude on the suggested entrepreneurs' relief review and new clause 2, which the hon. Member for Oxford East (Anneliese Dodds) spoke to. We had a review that was published in December 2017, which reported on this particular matter, and it showed that a third of those using entrepreneurs' relief went on to reinvest in new businesses and half of those who were aware of entrepreneurs' relief said that it significantly influenced their decision to enter into an entrepreneurial activity. It is an important element of the business tax landscape and we will of course, as we do with all taxes, keep that relief under review.

In the six seconds I have left, I urge that the House accepts the Government new clauses and, with the exception of new clause 26, rejects the Opposition amendments.

7.53 pm

Five hours having elapsed since the commencement of proceedings on the programme motion, the debate was interrupted (Programme Order, this day).

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

The House divided: Ayes 289, Noes 312.

Division No. 289]

[7.53 pm

AYES

Abbott, rh Ms Diane	Bradshaw, rh Mr Ben
Abrahams, Debbie	Brake, rh Tom
Ali, Rushanara	Brennan, Kevin
Allin-Khan, Dr Rosena	Brock, Deidre
Amesbury, Mike	Brown, Alan
Antoniazzi, Tonia	Brown, Lyn
Ashworth, Jonathan	Brown, rh Mr Nicholas
Austin, Ian	Bryant, Chris
Bailey, Mr Adrian	Buck, Ms Karen
Bardell, Hannah	Burden, Richard
Barron, rh Sir Kevin	Burgon, Richard
Beckett, rh Margaret	Butler, Dawn
Benn, rh Hilary	Byrne, rh Liam
Berger, Luciana	Cable, rh Sir Vince
Betts, Mr Clive	Cadbury, Ruth
Black, Mhairi	Cameron, Dr Lisa
Blackford, rh Ian	Campbell, rh Sir Alan
Blackman, Kirsty	Carden, Dan
Blackman-Woods, Dr Roberta	Carmichael, rh Mr Alistair
Blomfield, Paul	Champion, Sarah
Brabin, Tracy	Chapman, Douglas

Chapman, Jenny	Hamilton, Fabian
Charalambous, Bambos	Hanson, rh David
Cherry, Joanna	Hardy, Emma
Clwyd, rh Ann	Harman, rh Ms Harriet
Coaker, Vernon	Harris, Carolyn
Coffey, Ann	Hayes, Helen
Cooper, Julie	Hayman, Sue
Cooper, Rosie	Healey, rh John
Cooper, rh Yvette	Hendrick, Sir Mark
Corbyn, rh Jeremy	Hendry, Drew
Cowan, Ronnie	Hepburn, Mr Stephen
Coyle, Neil	Heron, Lady
Crawley, Angela	Hill, Mike
Creagh, Mary	Hillier, Meg
Creasy, Stella	Hobhouse, Wera
Cruddas, Jon	Hodgson, Mrs Sharon
Cummins, Judith	Hollern, Kate
Cunningham, Alex	Hopkins, Kelvin
Cunningham, Mr Jim	Hosie, Stewart
Daby, Janet	Huq, Dr Rupa
Dakin, Nic	Hussain, Imran
Davey, rh Sir Edward	Jardine, Christine
David, Wayne	Johnson, Diana
Davies, Geraint	Jones, Darren
Day, Martyn	Jones, Gerald
De Cordova, Marsha	Jones, Helen
De Piero, Gloria	Jones, rh Mr Kevan
Dhesi, Mr Tanmanjeet Singh	Jones, Sarah
Docherty-Hughes, Martin	Jones, Susan Elan
Dodds, Anneliese	Kane, Mike
Doughty, Stephen	Keeley, Barbara
Dowd, Peter	Kendall, Liz
Drew, Dr David	Khan, Afzal
Duffield, Rosie	Killen, Ged
Eagle, Ms Angela	Kinnock, Stephen
Eagle, Maria	Kyle, Peter
Edwards, Jonathan	Laird, Lesley
Efford, Clive	Lake, Ben
Elliott, Julie	Lamb, rh Norman
Ellman, Dame Louise	Lammy, rh Mr David
Elmore, Chris	Lavery, Ian
Esterson, Bill	Law, Chris
Evans, Chris	Lee, Karen
Farrelly, Paul	Leslie, Mr Chris
Farron, Tim	Lewell-Buck, Mrs Emma
Fellows, Marion	Lewis, Clive
Fitzpatrick, Jim	Linden, David
Flint, rh Caroline	Lloyd, Stephen
Fovargue, Yvonne	Lloyd, Tony
Foxcroft, Vicky	Long Bailey, Rebecca
Frith, James	Lucas, Caroline
Furniss, Gill	Lucas, Ian C.
Gaffney, Hugh	MacNeil, Angus Brendan
Gapes, Mike	Madders, Justin
Gardiner, Barry	Mahmood, Mr Khalid
George, Ruth	Mahmood, Shabana
Gethins, Stephen	Malhotra, Seema
Gibson, Patricia	Mann, John
Gill, Preet Kaur	Marsden, Gordon
Glindon, Mary	Martin, Sandy
Godsiff, Mr Roger	Maskell, Rachael
Goodman, Helen	Matheson, Christian
Grady, Patrick	Mc Nally, John
Grant, Peter	McCabe, Steve
Gray, Neil	McCarthy, Kerry
Green, Kate	McDonagh, Siobhain
Greenwood, Lilian	McDonald, Andy
Greenwood, Margaret	McDonald, Stewart Malcolm
Griffith, Nia	McDonald, Stuart C.
Grogan, John	McDonnell, rh John
Gwynne, Andrew	McFadden, rh Mr Pat
Haigh, Louise	McGinn, Conor

McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 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
 Pidcock, Laura
 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
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin

Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Colleen Fletcher and
Thangam Debbonaire

NOES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh 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
 Brady, Sir Graham

Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 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
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh 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
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger

Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 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 Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline

Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, rh Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 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, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Rory
 Streeter, Sir 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, 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:

Iain Stewart and
 Wendy Morton

Question accordingly negated.

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

Schedule 15

ENTREPRENEURS' RELIEF

Amendments made: 2, page 291, line 31, leave out paragraph 2 and insert—

“2 (1) Chapter 3 of Part 5 of TCGA 1992 (transfer of business assets: entrepreneurs' relief) is amended as follows.

(2) In section 169K(1B) (disposals associated with relevant material disposal), for paragraph (a) (together with the “and” at the end of it) substitute—

“(a) the ordinary shares disposed of constitute at least 5% of the company's ordinary share capital and are shares in the individual's personal company (and section 169S(3A)(a) to (c) apply here but as if the reference to the final day of the period mentioned in section 169S(3A)(a) were to the date of the disposal), and”.

(3) In section 169LA (relevant business assets: goodwill transferred to a close company)—

(a) for subsection (1) substitute—

“(1) Subject to subsection (1A), subsection (4) applies if—

(a) as part of a qualifying business disposal, a person (“P”) disposes of goodwill directly or indirectly to a close company (“C”), and

(b) immediately after the disposal, P meets any of the personal company conditions in the case of C or any company which is a member of a group of companies of which C is a member.

(1ZA) For the purposes of subsection (1)(b)—

(a) the reference to the personal company conditions is a reference to any of the conditions in 169S(3)(a), (b), (c)(i) or (ii), and

(b) P is taken to have all the rights and interests of any relevant connected person.

(1ZB) For the purposes of subsection (1ZA)—

(a) section 169S(3) is treated as having effect with the omission of the references to “by virtue of that holding”,

(b) section 169S(3A)(a) and (b) are to apply for the purposes of section 169S(3)(c)(ii) but as if the reference to the final day of the period mentioned in section 169S(3A)(a) were to the time immediately after the disposal, and

(c) the condition in section 169S(3)(c)(i) is to be read as containing two separate conditions (one relating to profits and the other relating to assets).”, and

(b) in subsection (1A)(a), for “subsection (1)(aa)” substitute “subsection (1)(b)”.

(4) In section 169S (interpretation of Chapter), for subsections (3) and (4) substitute—

(3) For the purposes of this Chapter a company is a “personal company” in relation to an individual if—

(a) the individual holds at least 5% of the ordinary share capital of the company,

(b) by virtue of that holding, at least 5% of the voting rights in the company are exercisable by the individual, and

(c) either or both of the following conditions are met—

(i) by virtue of that holding, the individual is beneficially entitled to at least 5% of the profits available for distribution to equity holders and, on a winding up, would be beneficially entitled to at least 5% of assets so available, or

- (ii) in the event of a disposal of the whole of the ordinary share capital of the company, the individual would be beneficially entitled to at least 5% of the proceeds.

(3A) In determining whether subsection (3)(c)(ii) applies for the purposes of any provision of this Chapter under which a question arises as to whether or not a company is the individual's personal company at any time in a particular period—

- (a) it is to be assumed that (so far as this is not otherwise the case) the whole of the ordinary share capital is disposed of at that time for a consideration equal to its market value on the final day of the period,
- (b) it is to be assumed that the amount of the proceeds to which the individual would be beneficially entitled at that time is the amount of the proceeds to which, having regard to all the circumstances as they existed at that time, it would be reasonable to expect the person to be beneficially entitled, and
- (c) the effect of any avoidance arrangements is to be ignored.

(3B) For the purposes of subsection (3A)(c)—

- (a) arrangements are “avoidance arrangements” if the main purpose of, or one of the main purposes of, the arrangements is to secure that any provision of this Chapter applies or does not apply, and
- (b) “arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).

(3C) For the purposes of subsection (3) if the individual holds any shares in the company jointly with one or more other persons, the individual is to be treated as the sole holder of so many of them as is proportionate to the value of the individual's share (and references in subsection (3) to the exercise of voting rights or beneficial entitlement are to be read accordingly).

(3D) A modified version of Chapter 6 of Part 5 of CTA 2010 (group relief: equity holders and profits or assets available for distribution) applies for the purposes of subsection (3) reading references to company A as references to the individual.

(3E) The reference here to a modified version of Chapter 6 of Part 5 of CTA 2010 is to the provisions of that Chapter having effect as if—

- (a) for the purposes of section 158(1)(b), a person carrying on a business of banking were not a loan creditor of a company in respect of any loan capital or debt issued or incurred by the company for money lent by the person to the company in the ordinary course of that business,
- (b) sections 171(1)(b) and (3), 173, 174 and 176 to 181 were omitted, and
- (c) any modifications were made as are necessary for the purpose of applying that Chapter as if the individual were company A.”

Amendment 3, page 298, line 7, at end insert

“but, in the case of a disposal made before 21 December 2018, section 169LA(1ZA)(a) of TCGA 1992 has effect as if the reference to section 169S(3)(c)(ii) of that Act were omitted”.—(*Mel Stride.*)

New Clause 6

INTANGIBLE FIXED ASSETS: RESTRICTIONS ON GOODWILL AND CERTAIN OTHER ASSETS

“Schedule (Intangible fixed assets: restrictions on goodwill and certain other assets) contains provision about the debits to be brought into account for corporation tax purposes in respect of goodwill and certain other assets.”—(*Mel Stride.*)

Brought up, and added to the Bill.

New Clause 18

REVIEW OF EFFECTS ON MEASURES IN ACT OF CERTAIN CHANGES IN MIGRATION LEVELS

“(1) The Chancellor of the Exchequer must review the effects on the provisions of this Act of migration in the scenarios in subsection (2) and lay a report of that review before the House of Commons within one month of the passing of this Act.

(2) Those scenarios are that—

- (a) the United Kingdom does not leave the European Union,
- (b) the United Kingdom leaves the European Union without a negotiated withdrawal agreement,
- (c) the United Kingdom leaves the European Union following a negotiated withdrawal agreement, and remains in the single market and customs union,
- (d) the United Kingdom leaves the United Kingdom on the terms of the draft withdrawal agreement of 14 November 2018.

(3) In respect of each of those scenarios the review must consider separately the effects of—

- (a) migration by EU nationals, and
- (b) migration by non-EU nationals.

(4) In respect of each of those scenarios the review must consider separately the effects on the measures in each part of the United Kingdom and each region of England.

(5) In this section—

“parts of the United Kingdom” means—

- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland;

“regions of England” has the same meaning as that used by the Office for National Statistics.”—(*Kirsty Blackman.*)

This new clause would require a review of effects on measures in the Bill of certain changes in migration levels.

Brought up.

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

The House divided: Ayes 288, Noes 311.

Division No. 290]

[8.9 pm

AYES

Abbott, rh Ms Diane	Brown, Alan
Abrahams, Debbie	Brown, Lyn
Ali, Rushanara	Brown, rh Mr Nicholas
Allin-Khan, Dr Rosena	Bryant, Chris
Amesbury, Mike	Buck, Ms Karen
Antoniazzi, Tonia	Burden, Richard
Ashworth, Jonathan	Burgon, Richard
Austin, Ian	Butler, Dawn
Bailey, Mr Adrian	Byrne, rh Liam
Bardell, Hannah	Cable, rh Sir Vince
Barron, rh Sir Kevin	Cadbury, Ruth
Beckett, rh Margaret	Cameron, Dr Lisa
Benn, rh Hilary	Campbell, rh Sir Alan
Berger, Luciana	Carden, Dan
Betts, Mr Clive	Carmichael, rh Mr Alistair
Black, Mhairi	Champion, Sarah
Blackford, rh Ian	Chapman, Douglas
Blackman, Kirsty	Chapman, Jenny
Blackman-Woods, Dr Roberta	Charalambous, Bambos
Blomfield, Paul	Cherry, Joanna
Brabin, Tracy	Clwyd, rh Ann
Bradshaw, rh Mr Ben	Coaker, Vernon
Brake, rh Tom	Coffey, Ann
Brennan, Kevin	Cooper, Julie
Brock, Deidre	Cooper, Rosie

Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Daby, Janet
 Dakin, Nic
 Davey, rh Sir Edward
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Debbonaire, Thangam
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 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
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue

Healey, rh John
 Hendrick, Sir Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hermon, Lady
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Helen
 Jones, rh Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike
 Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 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, 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
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol

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
 Pidcock, Laura
 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
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela

Smith, Cat
 Smith, Eleanor
 Smith, Jeff
 Smith, Laura
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Swinson, Jo
 Tami, rh Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Ayes:
Patrick Grady and
Marion Fellows

NOES

Adams, Nigel
 Afolami, Bim
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, rh 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
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex

Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 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
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, rh 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
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, rh Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John

Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 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 Sir John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hoare, Simon
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, rh Sir Edward
 Letwin, rh Sir Oliver

Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, rh Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 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, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Rory
 Streeter, Sir 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, 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:
Iain Stewart and
Wendy Morton

Question accordingly negated.

New Clause 26

REVIEW OF CHANGES MADE BY SECTIONS 79 AND 80

“(1) The Chancellor of the Exchequer must review the effects of the changes made by sections 79 and 80 to TMA 1970, and lay a report on that review before the House of Commons not later than 30 March 2019.

(2) The review under this section must include a comparison of the time limit on proceedings for the recovery of lost tax that involves an offshore matter with other time limits on proceedings for the recovery of lost tax, including, but not limited to, those provided for by Schedules 11 and 12 to the Finance (No. 2) Act 2017.

(3) The review under this section must also consider the extent to which provisions equivalent to section 36A(7)(b) of TMA 1970 (relating to reasonable expectations) apply to the application of other time limits.”—(*Sir Edward Davey*.)

This new clause would require the Treasury to review the effect of the changes made by sections 79 and 80 and compare them with other legislation relating to the recovery of lost tax including specifically the loan charge provisions of Schedules 11 and 12 to the Finance (No. 2) Act 2017.

Brought up, and added to the Bill.

New Schedule 1

INTANGIBLE FIXED ASSETS: RESTRICTIONS ON GOODWILL AND CERTAIN OTHER ASSETS

1 Part 8 of CTA 2009 (intangible fixed assets) is amended as follows.

2 In section 711 (overview of Part) in subsection (8) after paragraph (f) (but before the following “and”) insert—

“(fa) Chapter 15A (debts in respect of goodwill and certain other assets).”.

3 In section 715 (application of Part to goodwill) in subsection (2) for the words from “section 816A” to the end substitute “Chapter 15A (debts in respect of goodwill and certain other assets).”.

4 In section 746 (“non-trading credits” and “non-trading debits”) in subsection (2) for paragraph (ba) substitute—

“(ba) sections 879C(3), 879I(3), 879K(5) and 879O(3)(b) (debts in respect of goodwill and certain other assets treated as non-trading debits).”.

5 Omit section 816A (restrictions on goodwill and certain other assets).

6 After section 879 insert—

“CHAPTER 15A

DEBITS IN RESPECT OF GOODWILL AND CERTAIN OTHER ASSETS

Introduction

879A Introduction

(1) This Chapter contains special rules about the debits to be brought into account by a company for tax purposes in respect of relevant assets.

(2) In this Chapter “relevant asset” means—

- (a) goodwill in a business or part of a business,
- (b) an intangible fixed asset that consists of information which relates to customers or potential customers of a business or part of a business,
- (c) an intangible fixed asset that consists of a relationship (whether contractual or not) between a person carrying on a business and one or more customers of that business or part of that business,
- (d) an unregistered trade mark or other sign used in the course of a business or part of a business, or

(e) a licence or other right in respect of an asset within any of paragraphs (a) to (d).

Requirement to write down at a fixed rate

879B Requirement to write down at a fixed rate

(1) This section applies if a company acquires or creates a relevant asset on or after 1 April 2019.

(2) The company is to be treated as having made an election under section 730 to write down the cost of the asset for tax purposes at a fixed rate.

(3) In its application in relation to the asset, section 731 (writing down at fixed rate: calculation) has effect as if in subsection (1)(a) for “4%” there was substituted “6.5%”.

(4) The Treasury may by regulations amend subsection (3) so as to alter the percentage substituted for 4%.

Restrictions on debits: pre-FA 2019 relevant assets

879C Restrictions on debits: pre-FA 2019 relevant assets

(1) This section applies in respect of a relevant asset of a company if it is a pre-FA 2019 relevant asset.

(2) No debits in respect of the asset are to be brought into account by the company for tax purposes under Chapter 3 (debts in respect of intangible fixed assets) or Chapter 15 (adjustments on change of accounting policy).

(3) Any debit in respect of the asset that is brought into account by the company for tax purposes under Chapter 4 (realisation of intangible fixed assets) is treated for the purposes of Chapter 6 as a non-trading debit.

(4) Sections 879D to 879H set out the cases in which a relevant asset of a company is a pre-FA 2019 relevant asset for the purposes of this Chapter.

879D Pre-FA 2019 relevant asset: the first case

(1) For the purposes of this Chapter a relevant asset of a company is a pre-FA 2019 relevant asset if—

- (a) the company acquired or created the asset during the period beginning with 8 July 2015 and ending with 31 March 2019, and
- (b) the asset was a chargeable intangible asset in relation to the company at any time during the period beginning with 29 October 2018 and ending with 31 March 2019.

879E Pre-FA 2019 relevant asset: the second case

(1) For the purposes of this Chapter a relevant asset of a company (“C”) is a pre-FA 2019 relevant asset if—

- (a) another company acquired or created the asset during the period beginning with 8 July 2015 and ending with 31 March 2019,
- (b) it was a chargeable intangible asset in relation to that other company at any time during the period beginning with 29 October 2018 and ending with 31 March 2019, and
- (c) C acquired the asset on or after 1 April 2019 otherwise than in case A or case B from a person who was a related party in relation to C.

(2) Case A is where—

- (a) C acquired the asset from a company that was within the charge to corporation tax at the time of the acquisition, and
- (b) the asset was not a pre-FA 2019 relevant asset in the hands of that company immediately before the acquisition.

(3) Case B is where C acquired the asset from a person (“the intermediary”) who acquired the asset on or after 1 April 2019 from a third person—

- (a) who was not at the time of the intermediary’s acquisition a related party in relation—
 - (i) to the intermediary, or

- (ii) if the intermediary was not a company, to a company in relation to which the intermediary was a related party, and

- (b) who is not, at the time of the acquisition by C, a related party in relation to C.

(4) References in this section to one person being (or not being) a related party in relation to another person are to be read as including references to the participation condition being met (or, as the case may be not being met) as between those persons.

(5) References in subsection (4) to a person include a firm in a case where, for section 1259 purposes, references in this section to a company are read as references to the firm.

(6) In subsection (5) “section 1259 purposes” means the purposes of determining under section 1259 the amount of profits or losses to be allocated to a partner in a firm.

(7) Section 148 of TIOPA 2010 (when the participation condition is met) applies for the purposes of subsection (4) as it applies for the purpose of section 147(1)(b) of TIOPA 2010.

879F Pre-FA 2019 relevant asset: the third case

(1) For the purposes of this Chapter a relevant asset of a company (“C”) is a pre-FA 2019 relevant asset if—

- (a) the relevant asset was created on or after 29 October 2018,
- (b) C acquired the relevant asset on or after 1 April 2019 from a person (“the transferor”) who was a related party in relation to C at the time of the acquisition,
- (c) the value of the relevant asset derives in whole or in part from another asset (“the other asset”), and
- (d) the other asset meets the preserved status condition (see section 879G).

(2) But if only part of the value of the relevant asset derives from the other asset—

- (a) the relevant asset is to be treated for the purposes of this Chapter as if it were two separate assets—
 - (i) one representing the part of the value of the relevant asset that does so derive, and
 - (ii) the other representing the part of the value of the relevant asset that does not so derive, and
- (b) subsection (1) applies only in relation to the separate asset representing the part of the value of the relevant asset that does so derive.

(3) For the purposes of this section the cases in which the value of a relevant asset may be derived from another asset include any case where—

- (a) assets have been merged or divided,
- (b) assets have changed their nature, or
- (c) rights or interests in or over assets have been created or extinguished.

(4) Section 879G supplements this section.

879G The preserved status condition etc

(1) For the purposes of section 879F the other asset meets the preserved status condition if subsection (2) or (3) applies.

(2) This subsection applies if the other asset—

- (a) was acquired or created by a company during the period beginning with 8 July 2015 and ending with 31 March 2019, and
- (b) was a chargeable intangible asset in the hands of that company at any time during the period beginning with 29 October 2018 and ending with 31 March 2019 when—
 - (i) that company and C were related parties, or
 - (ii) that company and the transferor were related parties.

(3) This subsection applies if the other asset was a pre-FA 2019 relevant asset in the hands of a company at any time during the period beginning with 1 April 2019 and ending with the acquisition mentioned in section 879F(1)(b) when—

- (a) that company and C were related parties, or

(b) that company and the transferor were related parties.

(4) It does not matter for the purposes of section 879F(1)(a) who created the relevant asset.

(5) Any apportionment necessary for the purposes of section 879F(2) must be made on a just and reasonable basis.

(6) Section 879E(4) to (7) applies for the purposes of section 879F and this section.

(7) Expressions used in this section have the same meaning as in section 879F.

879H Pre-FA 2019 relevant asset: the fourth case

(1) For the purposes of this Chapter a relevant asset of a company is a pre-FA 2019 relevant asset if—

- (a) the company acquired the asset on or after 1 April 2019 directly or indirectly in consequence of, or otherwise in connection with, a disposal of a relevant asset by another person, and
- (b) the asset disposed of would have been a pre-FA 2019 relevant asset in the hands of the company had the person transferred it to the company at the time of the disposal.

(2) For the purposes of this section it does not matter whether—

- (a) the asset disposed of is the same asset as the acquired asset,
- (b) the acquired asset is acquired at the time of the disposal, or
- (c) the acquired asset is acquired by merging assets or otherwise.

Restrictions on debits: no business or no qualifying IP assets acquired

879I Restrictions on debits: no business or no qualifying IP assets acquired

(1) This section applies in respect of a relevant asset of a company if the company acquires the asset on or after 1 April 2019 otherwise than as part of the acquisition of a business.

(2) This section also applies in respect of a relevant asset of a company if—

- (a) the company acquires the asset on or after 1 April 2019 as part of the acquisition of a business, and
- (b) the company does not acquire any qualifying IP assets as part of the acquisition of the business for use on a continuing basis in the course of the business.

(3) No debits in respect of the asset are to be brought into account by the company for tax purposes under Chapter 3 (debts in respect of intangible fixed assets) or Chapter 15 (adjustments on change of accounting policy).

(4) Any debit in respect of the asset that is brought into account by the company for tax purposes under Chapter 4 (realisation of intangible fixed assets) is treated for the purposes of Chapter 6 as a non-trading debit.

879J Meaning of qualifying IP asset

(1) In section 879I “qualifying IP asset”, in relation to a company, means an intangible fixed asset that meets the following two conditions.

(2) The first condition is that the asset is—

- (a) a patent, registered design, copyright or design right, plant breeders’ right, or right under section 7 of the Plant Varieties Act 1997,
- (b) a right under the law of a country or territory outside the United Kingdom corresponding or similar to a right within paragraph (a), or
- (c) a licence or other right in respect of anything within paragraph (a) or (b).

(4) The second condition is that in the hands of the company the asset—

- (a) is not to any extent excluded from this Part by Chapter 10, and
- (b) is not a pre-FA 2002 asset (see section 881).

(5) The reference in subsection (2)(c) to a licence or other right does not include a licence or other right that permits the use of computer software but does not permit its manufacture, adaptation or supply.

(6) The Treasury may by regulations amend the meaning of qualifying IP asset for the purposes of this Chapter.

Restrictions on debits: acquisition from individual or firm

879K Restrictions on debits: acquisition from individual or firm

(1) This section applies in respect of a relevant asset of a company if—

- (a) the company acquires the asset on or after 1 April 2019 directly or indirectly from an individual or firm (“the transferor”),
- (b) the related party condition is met, and
- (c) the third party acquisition condition is not met.

(2) The related party condition is met if—

- (a) in a case where the transferor is an individual, the transferor is a related party in relation to the company at the time of the acquisition;
- (b) in a case where the transferor is a firm, any individual who is a member of the transferor is a related party in relation to the company at that time.

(3) The third party acquisition condition is met if—

- (a) in a case where the relevant asset is goodwill—
 - (i) the transferor acquired all or part of the relevant business in one or more third party acquisitions as part of which the transferor acquired goodwill, and
 - (ii) the relevant asset is acquired by the company as part of an acquisition of all the relevant business;
- (b) in a case where the relevant asset is not goodwill—
 - (i) the transferor acquired the relevant asset in a third party acquisition, and
 - (ii) the relevant asset is acquired by the company as part of an acquisition of all the relevant business.

(4) No debits in respect of the asset are to be brought into account by the company for tax purposes under Chapter 3 (debts in respect of intangible fixed assets) or Chapter 15 (adjustments on change of accounting policy).

(5) Any debit in respect of the asset that is brought into account by the company for tax purposes under Chapter 4 (realisation of intangible fixed assets) is treated for the purposes of Chapter 6 as a non-trading debit.

879L Meaning of relevant business and third party acquisition

(1) This section applies for the purposes of section 879K(3).

(2) “Relevant business” means—

- (a) in a case where the relevant asset is within paragraph (e) of subsection (2) of section 879A, the business or (as the case may be) the part of the business mentioned in the paragraph of that subsection within which the licensed asset falls, and
- (b) in any other case, the business or (as the case may be) the part of the business mentioned in the paragraph of that subsection within which the relevant asset falls.

(3) The transferor acquires something in a “third party acquisition” if—

- (a) the transferor acquires it from a company (“C”) and, at the time of that acquisition—
 - (i) if the transferor is an individual, the transferor is not a related party in relation to C, or
 - (ii) if the transferor is a firm, no individual who is a member of the transferor is a related party in relation to C, or
- (b) the transferor acquires it from a person (“P”) who is not a company and, at the time of that acquisition—

(i) if the transferor is an individual, P is not connected with the transferor, or

(ii) if the transferor is a firm, no individual who is a member of the transferor is connected with P.

(4) But an acquisition is not a “third party acquisition” if—

- (a) its main purpose, or one of its main purposes, is for any person to obtain a tax advantage (within the meaning of section 1139 of CTA 2010), or
- (b) it occurs during the period beginning with 8 July 2015 and ending with 31 March 2019.

(5) In this section “connected” has the same meaning as in Chapter 12 (see section 842).

Partial restrictions on debits

879M When the partial restrictions apply: qualifying IP assets

(1) Section 879O (the partial restrictions on debits) applies in respect of a relevant asset (“the asset concerned”) of a company if—

- (a) the company acquires the asset concerned on or after 1 April 2019 as part of the acquisition of a business,
- (b) the company also acquires qualifying IP assets as part of the acquisition of the business for use on a continuing basis in the course of the business, and
- (c) the amount in subsection (3) is less than 1.

(2) But section 879O does not apply in respect of the asset concerned if either of the following sections applies in respect of it—

- (a) section 879C (restrictions on debits: pre-FA 2019 relevant assets);
- (b) section 879K (restrictions on debits: acquisition from individual or firm).

(3) The amount is—

$$\frac{A \times N}{B}$$

where—

A is the expenditure incurred by the company for or in connection with the acquisition of the qualifying IP assets mentioned in subsection (1)(b),

B is the expenditure incurred by the company for or in connection with the acquisition of the asset concerned and any other relevant assets acquired with the business, and

N is 6.

(4) The Treasury may by regulations amend the meaning of N.

(5) In this section—

“expenditure” means expenditure that is—

- (a) capitalised for accounting purposes, or
- (b) recognised in determining the profit or loss of the company concerned without being capitalised for accounting purposes,

subject to any adjustments under this Part or Part 4 of TIOPA 2010;

“qualifying IP asset” has the same meaning as in section 879I (see section 879J).

879N When the partial restrictions apply: acquisition from individual or firm

(1) Section 879O (the partial restrictions on debits) also applies in respect of a relevant asset of a company if—

- (a) the company acquires the asset on or after 1 April 2019 directly or indirectly from an individual or firm (“the transferor”),
- (b) the related party condition is met,
- (c) the third party acquisition condition is met, and
- (d) the amount in subsection (6) is less than 1.

(2) But section 879O does not apply in respect of the relevant asset if either of the following sections applies in respect of it—

- (a) section 879C (restrictions on debits: pre-FA 2019 relevant assets);
- (b) section 879I (restrictions on debits: no business or no qualifying IP assets acquired).
- (3) The related party condition is met if—
- (a) in a case where the transferor is an individual, the transferor is a related party in relation to the company at the time of the acquisition;
- (b) in a case where the transferor is a firm, any individual who is a member of the transferor is a related party in relation to the company at that time.
- (4) The third party acquisition condition is met if—
- (a) in a case where the relevant asset is goodwill—
- (i) the transferor acquired all or part of the relevant business in one or more third party acquisitions as part of which the transferor acquired goodwill, and
- (ii) the relevant asset is acquired by the company as part of an acquisition of all the relevant business;
- (b) in a case where the relevant asset is not goodwill—
- (i) the transferor acquired the relevant asset in a third party acquisition, and
- (ii) the relevant asset is acquired by the company as part of an acquisition of all the relevant business.
- (5) Section 879L (meaning of relevant business and third party acquisition) applies for the purposes of this section.
- (6) The amount is—

$$\frac{A}{B}$$

where—

A is the relevant accounting value of third party acquisitions (see subsections (7) to (9)), and

B is the expenditure incurred by the company for or in connection with the acquisition of the relevant asset that is—

- (a) capitalised by the company for accounting purposes, or
- (b) recognised in determining the company's profit or loss without being capitalised for accounting purposes,

subject to any adjustments under this Part or Part 4 of TIOPA 2010.

(7) In a case in which the relevant asset is goodwill, the relevant accounting value of third party acquisitions is the notional accounting value of the goodwill mentioned in subsection (4)(a)(i) (“the previously acquired goodwill”).

(8) In a case in which the relevant asset is not goodwill, the relevant accounting value of third party acquisitions is the notional accounting value of the relevant asset.

(9) The “notional accounting value” of the previously acquired goodwill, or the relevant asset, is what its accounting value would have been in GAAP-compliant accounts drawn up by the transferor—

- (a) immediately before the relevant asset was acquired by the company, and
- (b) on the basis that the relevant business was a going concern.

879O The partial restrictions on debits

(1) Where this section applies in respect of a relevant asset of a company, the following restrictions have effect.

(2) If a debit in respect of the relevant asset is to be brought into account by the company for tax purposes under a provision of Chapter 3 (debts in respect of intangible fixed assets) or Chapter 15 (adjustments on change of accounting policy), the amount of that debit is—

$$D \times RA$$

where—

D is the amount of the debit that would be brought into account disregarding this section (and, accordingly, for the purposes of any calculation of

the tax written-down value of the relevant asset needed to determine D, this section's effect in relation to any debits previously brought into account is to be disregarded), and

RA is the relevant amount (see subsection (6)).

(3) If, but for this section, a debit in respect of any of the relevant assets would be brought into account by the company for tax purposes under a provision of Chapter 4 (realisation of intangible fixed assets), the following two debits are to be brought into account under that provision instead—

- (a) a debit determined in accordance with subsection (4), and
- (b) a debit determined in accordance with subsection (5), which is to be treated for the purposes of Chapter 6 as a non-trading debit (“the non-trading debit”).

(4) The amount of the debit determined in accordance with this subsection is—

$$D \times RA$$

where—

D is the amount of the debit that would be brought into account under Chapter 4 disregarding this section (and, accordingly, for the purposes of any calculation of the tax written down value of the relevant asset needed to determine D, this section's effect in relation to any debits previously brought into account is to be disregarded), and

RA is the relevant amount (see subsection (6)).

(5) The amount of the non-trading debit is—

$$D - TD$$

where—

D is the amount of the debit that would be brought into account under Chapter 4 disregarding this section (but, for the purposes of any calculation of the tax written-down value of the relevant asset needed to determine D, this section's effect in relation to any debits previously brought into account is not to be disregarded), and

TD is the amount of the debit determined in accordance with subsection (4).

(6) In this section the “relevant amount” means—

- (a) in a case where this section applies in respect of the relevant asset by reason only of section 879M, the amount in subsection (3) of that section;
- (b) in a case where this section applies in respect of the relevant asset by reason only of section 879N, the amount in subsection (6) of that section;
- (c) in a case where this section applies in respect of the relevant asset by reason of both section 879M and 879N, the amount found by multiplying the amount in subsection (3) of section 879M by the amount in subsection (6) of section 879N.

Supplementary

879P Date of acquisition of relevant asset

(11) A company that acquires a relevant asset in pursuance of an unconditional obligation under a contract is to be treated for the purposes of this Chapter as having acquired the asset on the date on which the company became subject to that obligation or (if later) the date on which that obligation became unconditional.

(2) An obligation is unconditional if it may not be varied or extinguished by the exercise of a right (whether under contract or otherwise)."

7 (1) The amendments made by this Schedule have effect in relation to accounting periods beginning on or after 1 April 2019.

(2) For the purposes of sub-paragraph (1), an accounting period beginning before, and ending on or after, 1 April 2019 is to be treated as if so much of the accounting period as falls

before that date, and so much of the accounting period as falls on or after that date, were separate accounting periods.”—
(*Mel Stride.*)

Brought up, and added to the Bill.

Clause 25

INTANGIBLE FIXED ASSETS: EXCEPTIONS TO DEGROUPING CHARGES ETC

Amendments made: 4, page 14, line 29, at beginning insert “the exemption conferred by”.

Amendment 5, page 14, line 33, at end insert—

“(3) For the purposes of subsection (2)(a) ignore paragraph 6 of Schedule 7AC to TCGA 1992 (cases in which exemptions do not apply).”

Amendment 6, page 15, line 6, at end insert—

“(6) In its application in relation to a company that ceases to be a member of a group or ceases to meet the condition in section 785(2)(b) of CTA 2009 before 21 December 2018, section 782A of CTA 2009 has effect as if subsection (3) of that section was omitted.”—(*Mel Stride.*)

Madam Deputy Speaker (Dame Rosie Winterton): I will now suspend the House for no more than five minutes in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes. Following my certification, the Government will table the appropriate consent motion, copies of which will be made available in the Vote Office and will be distributed by Doorkeepers.

8.24 pm

Sitting suspended.

8.27 pm

On resuming—

Madam Deputy Speaker (Dame Rosie Winterton): I can now inform the House that I have completed certification of the Bill, as required by the Standing Order. I have confirmed the view expressed in the Speaker’s provisional certificate issued on 7 January. Copies of my final certificate will be made available in the Vote Office and on the parliamentary website.

Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. Copies of the motion are available in the Vote Office and on the parliamentary website, and have been made available to Members in the Chamber. Does a Minister intend to move the consent motion?

The Lord Commissioner of Her Majesty’s Treasury (Craig Whittaker) indicated assent.

The House forthwith resolved itself into the Legislative Grand Committee (England, Wales and Northern Ireland) (Standing Order No. 83M).

[DAME ROSIE WINTERTON *in the Chair*]

8.28 pm

The Second Deputy Chairman of Ways and Means (Dame Rosie Winterton): I remind hon. Members that, if there is a Division, only Members representing constituencies in England, Wales and Northern Ireland

may vote on the consent motion. As the knife has fallen, there can be no debate. I call the Minister to move the motion.

Motion made, and Question put forthwith (Standing Order No. 83M(5)).

That the Committee consents to the following certified clause of the Finance (No. 3) Bill:

Clause certified under Standing Order No. 83L(2) (as modified in its application by Standing Order No. 83S(4)) as relating exclusively to England, Wales and Northern Ireland and being within devolved legislative competence

Clause 3 of the Bill, as amended in Committee and the Public Bill Committee and on Report.—(*Mel Stride.*)

Question agreed to.

The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).

The Deputy Speaker resumed the Chair; decision reported.

Third Reading

8.29 pm

Mel Stride: I beg to move, That the Bill be now read the Third time.

Eight years ago, our country’s finances were in peril. For far too long, Labour had spent and borrowed more than our country could afford. The deficit was at a peacetime high and debt was spiralling out of control. [*Interruption.*] I would not keep repeating it if Labour Members had learned their lesson, but they clearly have not, so they need to be told. This Government came into office knowing that we had to rise to the challenge of working with the British people to bring expenditure back under control and to once again live within our means, and we have done just that, with the deficit now four fifths lower than it was when we came into office and debt beginning its first sustained fall in a generation.

But bringing down the deficit alone was not the limit of our endeavour. The manner in which we did so was equally important: reducing the deficit, yes, but remaining committed to funding our vital public services, giving tax cuts to millions of strivers right up and down the country, and building a tax system that rewards and incentivises business and growth—prudent but pro-business, and deeply invested in the idea that those who work hard should be rewarded. The results are clear to see: 3.3 million more people in work since 2010, unemployment at its lowest level since the 1970s, wages growing, and the rate of absolute poverty at a record low. This Bill continues that work.

At the heart of the Conservative ideal is the firm belief that people know how to spend their money better than Government do, and that those who work hard deserve to be rewarded. The best way for Government to serve that ideal is to cut taxes, especially for those on low and middle incomes—to get out of the pockets of the British people and let them decide what they do with the money that they have worked so hard to earn. When this Government came into office, the personal allowance was at £6,475 and the higher rate threshold was at £43,875. We were elected to raise those thresholds to £12,500 and £50,000 respectively. In this Bill, we deliver on that commitment not just in line with our manifesto but a full year early—at the earliest affordable opportunity. Those changes mean that, compared with 2015, we have cut taxes for 32 million people, with an additional 1.7 million people paying no tax at all, and

nearly a million fewer people having to pay the higher rate of income tax. We are also making sure that the extra money in people's pockets goes further. It is for that reason that we are freezing fuel duty, freezing air passenger duty on short-haul flights in real terms, and freezing the duty on beer, cider and spirits.

Also central to the mission of this Government is our steadfast support for business—our instinctive and deep-rooted understanding that it is never Government who generate the wealth and taxes that fund our vital public services, but the innovation and hard work of millions of people right up and down our country. The achievements of our businesses have been very significant, yet despite that, productivity has been subdued since the financial crisis, and business investment in our country, while strong, is lower than we would like it to be to make the most of the opportunities that lie ahead.

That is why in this Bill we are taking substantial action to boost private sector investment. We have introduced, at the request of the CBI, a new capital allowance for qualifying non-residential structures and buildings that will support business investment and improve the international competitiveness of the UK tax system. From 1 January, we are increasing the annual investment allowance to £1 million for two years, providing additional support for firms to invest and grow. Not least because of the relentless lobbying of my Conservative colleagues who represent constituencies in Scotland, we are legislating for a groundbreaking transferable tax history mechanism for late-life oil and gas fields.

A core pillar of this Government's approach to taxation is a belief in fairness—that everyone should pay what they owe when they owe it. This Government have an outstanding record in this area. We have protected more than £200 billion in revenue that would otherwise have gone unpaid since 2010, and we have introduced more than 100 avoidance and evasion measures since that time.

In this Bill, we continue that work, taking action against multinationals that keep their intangible property in low-tax jurisdictions in order to avoid UK tax; tackling profit fragmentation, whereby companies reduce their tax burden by artificially shifting their revenue; and cracking down on multinationals that attempt to erode the tax base—a tax system where enterprise is rewarded but everyone pays their fair share and our public services get the funding that they need.

I have been proud to take this Bill through the House. It provides a tax cut for 32 million people. It backs British businesses, introducing with measures to boost private sector investment and support jobs and growth, to ensure that our country is the country in which enterprise can thrive. I understand that the Labour party does not agree with every aspect of the Bill but will not divide the House on Third Reading, which is positive. Those on the Government Benches support tax cuts for millions of hard-working people. We support business growth and investment. We support job creation, and we are the side of the House to ensure that taxes are fair and paid. I commend the Bill to the House.

8.35 pm

Anneliese Dodds: This has been a Finance Bill of highs and lows. One high was the Government finally listening, albeit only when they were pushed to do so by

the prospect of losing a vote, as we have just seen in relation to the loan charge. Another high was the fact that we saw the House seize the initiative to act to protect our country from the negative consequences of a no-deal Brexit for our economy and for our safety and resilience, as set out by the right hon. Member for West Dorset (Sir Oliver Letwin) in what I thought was an extraordinary speech.

I understand that the vote a couple of hours ago on the amendment tabled by my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) was the first time that a Government have been defeated at this late stage of a Finance Bill since the summer of 1978. At that stage I was only four months old, so I cannot exactly say that this is the only time I have seen a Government defeat on a Finance Bill in my lifetime, but I suspect it was the first time for many other Members. It was an appropriate defeat, because it shows that this House has adopted responsibility when our Government have sadly been unwilling to do so.

All this has happened in a context where Government have systematically attempted to reduce the opportunities for this House to influence the Finance Bill. Conservative Ministers' decisions over recent years to prevent the House from substantively amending Finance Bills have been unprecedented. They have become a new norm and reflect the lack of confidence that this Government have in arguing their convictions. Surely that, above all, is the case with the Government's approach in this Finance Bill, which preserves austerity for the many while the very best-off people and profitable corporations continue to benefit, our productivity gap yawns, regional inequalities widen and we see the creation of unprecedented phenomena in this country, such as the fact that getting into work is no longer the ticket out of poverty that it once was.

We have seen this Government's unwillingness even to gather the figures and evidence about how their measures will affect child poverty or public health, in a context where life expectancy is for the first time going down in some of our communities. We have seen them bowing to lobbying pressure and introducing loopholes to protect many overseas investors from measures intended to level the playing field between them and domestic investors. Finally, we have seen the extraordinary contortion of a new schedule being inserted into the Bill just before Christmas to introduce a new tax relief for profitable corporations, not only very late in the day but without any information whatsoever about the cost that it will pose to the public purse. Indeed, we will not get that information before the measure is implemented.

The Government are spendthrift when it comes to profitable companies and the very best off, but miserly when it comes to the worst off. I see those on the Government Front Bench adopting a rather pantomime-style response to that. I am sorry to say that the overall package in this Finance Bill supports that contention, as do the figures, if only we could have them in front of us now.

Despite the considerable problems with this Bill, given the fact that it now contains provisions that militate against a no-deal scenario—surely the most significant risk currently to our economy and indeed to our security—we cannot and will not oppose it. I want to end by thanking all the civil servants and indeed staff of

[Anneliese Dodds]

this House who have worked so hard on this Bill, and who have helped us in the Opposition—[*Interruption.*] I see that the Minister wants to thank them, too. I also want to thank all my hon. Friends who have contributed to our debates on this Bill.

8.40 pm

Kirsty Blackman: It is great to have the chance to speak on the Third Reading of my fifth Finance Bill. Given my relatively short time in the House, that shows just how many Finance Bills we have had.

There is much this Government do that I would criticise, but I will start with three things that I am pleased are in this Finance Bill. The first, which the Minister mentioned, is the transferrable tax history. To be clear, I was calling for that when there was only one Scottish Conservative Member of Parliament in this place. Actually, I think there has been cross-party work on the transferrable tax history. I think the Government have worked well with industry in bringing it forward, and I am pleased that they have done so. I am really pleased that it is in the Bill, and I think it will make a big difference to the North sea in particular, given the fact that we can extract oil and gas from the North sea for a longer period as a result of the changes made. The jobs associated with that will be secured, which is particularly important for my constituents and those in constituencies around the north-east of Scotland, so I am pleased it is in the Bill.

I am also pleased that clauses 92 and 93 are in the Bill. Clause 92 was accepted by the Government in relation to tax avoidance. It was tabled by the SNP, and it requires a review of the effects of the provisions in reducing tax avoidance and evasion. The Government will have to bring forward this review within six months of the passing of the Act, and we look forward to them doing so. The Government chose to accept two of our amendments, neither of which I was involved in the debates on, so I am a little bit disappointed about that. My hon. Friend the Member for Glasgow Central (Alison Thewliss) led on this part of the debate, and my congratulations go to her on getting this through.

Clause 93 was also accepted as an SNP amendment. It was the result of the excellent work of my hon. Friend the Member for Inverclyde (Ronnie Cowan) on fixed odds betting terminals and the general work he has been doing on the public health impacts of gambling. Earlier, I made the point that we sometimes put in tax measures to discourage behaviour that we do not want to happen—for example, a harmful behaviour. I am really pleased that the Government will, as a result of the SNP's pressure, bring forward a review of the public health impacts of gambling and the changes made. When the Government are taking decisions about gambling and gaming duties, they should always be thinking about the public health impacts and have them front and centre of any explanatory memorandum for future Finance Bills.

I am not going to be overwhelmingly positive; I have some negatives as well. The process for this year's Finance Bill has been particularly—[*Interruption.*] Shamolic, yes. It has been particularly shamolic and inadequate, because the Government have failed to

consult on as many of the measures as they should have done. They did not put them forward in draft format, so companies and organisations were not able to make known their concerns or suggest ways in which the Bill could be changed to make it better. I fear that that is not good for scrutiny. Changes were introduced in this Finance Bill to correct errors made in previous Finance Bills or to strengthen provisions that were inadequate in previous Finance Bills. Again, I am concerned that, because of the process this year, we will see more of that in future years.

The other thing that is particularly poor in this Finance Bill—this is a real contrast with the decisions made in Scotland—are the tax changes. Tax changes that have been made on things that are devolved to Scotland, which I none the less feel able to criticise, are not the ones that I feel should have been made, because they are not made from the progressive point of view that we would like. The tax changes we are making in Scotland are on a much more progressive basis, and the Government would do well to look at what we are doing in Scotland. In England, about half of taxpayers pay more than they would if they were in Scotland, and those taxpayers are the ones at the lower end of the income spectrum. They are the people we think we should be supporting, rather than the people at the top end of the income spectrum.

I have just a last couple of points. Better scrutiny of the process is always required. I have called repeatedly for the Finance Bill to be subject to evidence sessions in Committee, and I will continue to make that call of the Government until they capitulate, because Finance Bill Committees should hear evidence. The other half of this—the spend process—has been improved very slightly, but it has not been improved nearly enough, and we need better and more adequate scrutiny of Government spend before it happens, rather than just doing it through the estimates process.

Lastly, I would like to take this opportunity to thank my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black), who was with me in Committee, as well as two members of staff, Jonathan Kiehlmann, who was involved in this, and Scott Taylor, without whose help I could not have gone through the Finance Bill Committee or the stages we are at now. I would like to offer my specific thanks to them.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

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

EXITING THE EUROPEAN UNION (ELECTRONIC COMMUNICATIONS)

That the draft Electronic Communications and Wireless Telegraphy (Amendment etc.) (EU Exit) Regulations 2019, which were laid before this House on 29 November, be approved.—(*Jeremy Quin.*)

Question agreed to.

PETITION

Maximum sentences for child cruelty offences

8.46 pm

Tom Tugendhat (Tonbridge and Malling) (Con): What a huge pleasure it is to be here this evening. May I start by paying tribute to some people in the Gallery just above us? Up there we have Paula Hudgell and her family. On her lap, we can see Tony. Tony is four years old, and he is an incredibly courageous young man. He was, sadly, incredibly brutalised by his birth parents, before his real parents took care of him. He was so cruelly treated in their care, and the assault on him was so great, that he lost both his legs. That is an extraordinary situation for anybody in our society to find themselves in, but where it happens to a child, at the hands of their parents, it is a wrong that screams out for justice.

That is why I am here this evening with a petition of 12,000 names—if I may, Madam Deputy Speaker, I will show you just a few of them—that Paula and Tony have collected to ask for a change in the law. How can it be right that, had Tony been an adult, and his attackers been charged with grievous bodily harm, they could have received a life sentence, but because he is a child, and because they were his parents, the maximum sentence was 10 years?

That is clearly wrong, and this petition expresses the wishes of the people not just of Kent, and not just of Kings Hill and Tonbridge and Malling, but of the whole country, who are speaking out for justice, speaking out for Tony, speaking out for the whole Hudgell family and, most of all, speaking out clearly about the wrong that we see today in our country and asking why it is not more severely punished.

Madam Deputy Speaker, thank you for letting me lodge this petition this evening. This is the first of a long series of parliamentary steps that I shall take alongside the Hudgells to change the law and to see justice done for children.

Following is the full text of the petition:

[The petition of residents of Tonbridge and Malling,

Declares that the sentence given to the abusers of Tony Hudgell will not act as a serious deterrent considering the life changing injuries Tony suffered at their hands; the reasons for this petition is not to change the sentence already given, but for Parliament to raise the threshold of maximum sentences for future cases.

The petitioners therefore request that the House of Commons urges the Government to introduce tougher sentences for child cruelty offences.

And the petitioners remain, etc.]

[P002308]

A40 in West Oxfordshire: Congestion

Motion made, and Question proposed, That this House do now adjourn.—(Jeremy Quin.)

8.48 pm

Robert Courts (Witney) (Con): I am delighted to see the Minister in his place again as I bring the matter of West Oxfordshire's roads before the House. I am delighted to have the opportunity to raise the issue of congestion on the A40, which is of enormous significance for those who travel on the road daily.

The A40 is one of the main trunk roads of this country and the main trunk road that travels through my constituency. Congestion is a particular concern between Witney and Oxford. There is a very good reason for my constituents' concern over the congestion that they face, many on a daily basis. It is not just from the major market towns of Witney, Carterton and Eynsham, but from the surrounding villages. Between 23,000 and 32,000 vehicles currently use the section between Witney and Oxford each day, which is above the road's capacity. During school term times, the average journey speed on the A40 between Cassington and Wolvercote in peak time is 17 mph, while on the worst days it can be as low as 10 mph.

The Oxfordshire strategic traffic model forecasts an increase in highway demand on the A40 between Witney and Oxford of between 70 and 140 movements per peak hour by 2031. Without improvements, that will lead to an even greater overcapacity on the road and increase the severity of the congestion that my constituents already suffer from. Peak journey times between Witney and Oxford could increase by about 15 minutes.

I have spoken of the major towns, but equally people living in towns and villages further afield, who may not even use the A40, are suffering the ill effects of the congestion on that road. For example, in Bladon, which is the village in which I live, we suffer from excessive traffic, particularly HGVs, which rat-run through our village on the A4095 to escape the congestion on the A40. Businesses across West Oxfordshire are shackled by the logjams on the A40 and I have lost count of the number of businesses that have said to me over the past two years that they could expand were it not for the barrier that the A40 presents because of the congestion on it.

The A40 is costing jobs and revenue. Because of the difficulties for people travelling in and out of West Oxfordshire, it is making recruitment for our NHS and our schools very difficult. The plain truth is that West Oxfordshire will never and can never reach its full potential until the congestion on the A40 is addressed.

Back in 2002, my predecessor remarked in this House that

"In west Oxfordshire, we have some of the best and brightest businesses in the country, but the gridlock on our main road is like a hand pressed against their windpipes. Business in west Oxfordshire must be allowed to breathe."—[Official Report, 12 June 2002; Vol. 386, c.308WH.]

He was right and his words remain true today. I do not rise in this debate to complain. I rise to be a voice of optimism and not to speak of the past, but to champion the opportunities and to explain to the Minister—I am very grateful to him for listening—what it is we need for our area. There is, in truth, more optimism now than

[Robert Courts]

there has been for decades. Progress is being made. If we are ambitious and bold in the years ahead, we might just be able to get to grips with this issue.

Jim Shannon (Strangford) (DUP): I had the opportunity to be in the hon. Gentleman's constituency through the armed forces parliamentary scheme. I have witnessed some of the problems he has on the roads in his constituency and I am very aware of the gridlock to which he refers. I am also very aware of the impact on the economic life of farming and the rural community. Does he feel that the changes he is proposing, and hoping that the Minister will respond to, will enable the rural life in his constituency to grow and have the economic life and strength it really needs?

Robert Courts: I thank the hon. Gentleman for that excellent intervention. He refers to two points to which I would like to draw attention. The life of rural communities is absolutely essential. I referred to the village in which I live, Bladon. It is a small village. It is one example of many villages which find that they are clogged up in turn because the A40 is so difficult.

Alex Chalk (Cheltenham) (Con): Not just villages, but towns such as Cheltenham beyond Witney are affected. The situation at the moment is that the A40 is like a furred up artery. If we could just unclog that artery, it would be good for jobs, businesses, social mobility and all the things we want to see in Gloucestershire as well as Oxfordshire. Does my hon. Friend agree?

Robert Courts: I could not agree more and I am very grateful to my hon. Friend for making that point. I tend to talk about the A40 in terms of Witney and West Oxfordshire, but we must not forget that the effects of the congestion on the road spill over into Gloucestershire and his constituency. [Interruption.] And of course I am reminded, from a sedentary position by my hon. Friend the Member for Banbury (Victoria Prentis), that it affects the whole of Oxfordshire, not just West Oxfordshire.

Victoria Prentis (Banbury) (Con): My hon. Friend is making an excellent speech. Does he agree that in Oxfordshire we are really getting behind the Government's housing programme and going for growth? His area and mine repeatedly top the leader board for the number of new houses built. Does he agree that our road arteries are holding us back?

Robert Courts: That is an excellent point. One point overrides all others—if there are to be new homes, the infrastructure must come with them. I will dwell on that a little more later, but my hon. Friend makes her point excellently.

The hon. Member for Strangford (Jim Shannon) referred obliquely to Brize Norton. That is terribly important. The people who work at that Royal Air Force base come not necessarily from Carterton but from further afield—sometimes 50 or 100 miles away—because of the nature of service life. This issue affects the Royal Air Force's functioning and efficiency, too, and we must address that.

There is no silver bullet for A40 congestion. We will require a combination of schemes from a variety of funding streams to tackle it. I will briefly cover some of the options and funding avenues, and ask for the Minister's help in securing the funding we need.

First, the park and ride scheme, for which a public consultation has just closed, is Oxfordshire County Council's most immediate project for A40 improvement. The intended funding stream for that is the Department for Transport's local growth fund. There are plans to build a park and ride at Eynsham, together with an eastbound bus lane between Eynsham and the Duke's Cut canal bridge near Wolvercote. Those proposals probably represent the biggest step forward on A40 congestion in a generation. They would bring real change and progress on an issue that affects the day-to-day lives of us all. We would see essential widening of the road and long-needed upgrades to public transport along the route. It would be a significant step—although perhaps not a conclusive one—in the right direction, and I will ask for the Minister's help in securing funding. However, it may be that those proposals on their own do not offer a final fix and that no aspect of this scheme can be seen in isolation. Work may need to continue—

Sir Geoffrey Clifton-Brown (The Cotswolds) (Con): I am grateful to my hon. Friend for raising this issue. On that theme, does he agree that part of the solution to any road congestion is improving the railways? Some while ago, I got funding for the doubling of the Cotswold line from Moreton to Evesham. Is it not now imperative that we get full doubling right through from Moreton-in-Marsh to Oxford? That would take a significant burden off the A40.

Robert Courts: Absolutely—I could not agree more. I am grateful to my hon. Friend for making that point. There are two ways of addressing road congestion: increasing the flow of the road—the furred artery, as my hon. Friend the Member for Cheltenham (Alex Chalk) referred to it—and taking cars off the road wherever possible. My hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) refers to redoubling the Cotswold line so we can have faster, more reliable and more frequent trains and take as many people off the A40 as possible. I feel particularly strongly about that—it is one of my pet projects—and I will refer to it again a little later.

The second aspect I would like to talk about is the Government's housing infrastructure fund. One of the biggest causes for optimism at the moment is Oxfordshire County Council's plan for road upgrades and the strong case it is making for a part of that £5 billion fund. I am delighted that it is making the most of that opportunity with a very strong bid for A40 upgrades, which it will submit later this year and no doubt will be highly competitive. I look forward to continuing to work with Oxfordshire County Council and neighbouring councils, and with the Government, to progress that bid.

The bid will seek to achieve upgrades for four strategic and interdependent road sections, including general roadway widening along critical sections of the A40 to complete the dualling from Witney to Eynsham, new bus lanes, additional cycle path links and—this is another thing I have campaigned for since being elected—a walking path to promote active travel between Eynsham

and Oxford. The B4044 community path in particular is something I have campaigned for consistently since being elected. I want to take this opportunity to praise the hard work of campaigners and put on the record my full support for enabling people to cycle as much as possible—to get out of cars and to cycle from Eynsham into the centre of Oxford, as I was lucky enough to be able to do along the excellent A44 path from Bladon to Oxford when I worked in the centre of Oxford, and I am delighted that the B4044 community path is included in Oxfordshire County Council's plan.

The bid is connected to delivery of the Oxfordshire-Cotswolds garden village, which will see 2,200 new homes built on the A40 corridor. This, along with further developments west of Eynsham and Witney, will put increased demand on the A40, and so the road's capacity must be enhanced if we are to cope. I look to the Minister for his help in achieving this funding. I have always been clear that transport upgrades—improvements to bus, road and rail—need to happen before, not after, new homes are occupied to ensure that new development does not place an unacceptable burden on existing residents.

These schemes will also assist our area in delivering improved housing choice, affordability for residents and reasonable commuting time to their place of employment. They will attract high-value knowledge businesses to go alongside the leading businesses in West Oxfordshire I have already referred to, further enhancing the dynamism of our area. West Oxfordshire is an economically successful region, but this comes at a price, and that price is increased pressure on our existing infrastructure, less reliable connections and less resilience. The deficiencies in our current transport network must be addressed before we start to think about additional growth.

I fully support Oxford County Council's efforts. I have no doubt it will submit a compelling bid that I sincerely and passionately hope will be successful, and I urge the Government to accept and support the bid. I am sure the Minister will offer his advice and advocacy to that very end.

In my last two or three points, I will refer to the major road network scheme, which, looking further into the future, I believe offers more promise of further A40 funding. I have campaigned for such a programme to ensure central Government funding for local major roads that fall outside the strategic road network, and I welcome the broad outline of the scheme. Considering the existing strategic road network together with major local authority roads is a welcome step, and providing a dedicated funding stream for the major road network will enable growth and development to be more effectively planned.

I well remember discussing this matter with the Transport Secretary—I am grateful to him for visiting—as we stood near Eynsham. He saw the congestion on the A40 for himself, and this scheme grew out of that visit. I explained how the A40 had been de-trunked in 2002 by the Labour Government and how that resulted in the road falling between the cracks, not receiving the significant central Government investment required to tackle the severe congestion on the road. The major road network proposals offer the potential of local authority-controlled roads being able to access central Government funding while not losing the important local democratic control provided by locally elected councillors.

I have submitted a consultation response on the MRN and was pleased to read the Government's response published just before Christmas. I am greatly encouraged by it, and the MRN shows great promise, but we now need to see the rhetoric transformed into decisive action, such that we begin to tackle the congestion issues on roads such as the A40.

I ought briefly to mention the Oxford to Cambridge expressway project. I appreciate that it will be some time yet before construction starts, but it demonstrates how much the Government value Oxfordshire and its growth. It is a key area for business growth, and housing growth is expected as well, but if we are to accept, as the Government have done, that Oxfordshire is a key growth area for the UK, of paramount strategic and economic significance, there is no excuse for neglecting our infrastructure needs. It is all well and good building a new expressway but, if we are to deliver the economic growth envisaged, we must address our current infrastructure deficiencies, such as on the A40, which affects Oxfordshire and Gloucestershire, with urgency.

Either the Oxford-Cambridgeshire corridor is a national priority for economic growth, or it is not, and if it is, this must be reflected in the Government's investment decisions, and those must help and benefit communities throughout the whole of Oxfordshire and Gloucestershire and beyond.

Sir Geoffrey Clifton-Brown: Considerable growth is due to take place in Cheltenham, Gloucester, the Cotswolds and Oxfordshire. Does my hon. Friend agree that if we do not relieve congestion in what is a narrow throat, growth will be inhibited not only in Oxfordshire but in Gloucestershire, and further afield in Wales as well?

Robert Courts: That is absolutely true. The focus tends to be on the Witney area, because that is where the A40 approaches the A44 and then joins the strategic network, but let us not forget the serious impact on communities further afield, such as the rural areas mentioned by the hon. Member for Strangford. I am thinking of the rest of Oxfordshire, of Cheltenham, and of rural communities elsewhere in Gloucestershire. This is a narrowing road that happens to reach a pinch point in my constituency, but affects the far wider areas represented by Members who have come to contribute to tonight's debate.

Alex Chalk: I have spoken to representatives of businesses in Eagle Tower, in the centre of Cheltenham, which are struggling to recruit people because they cannot persuade them to travel from London. Whether the company is GE Aviation, Spirax-Sarco or GCHQ, better communications mean better recruitment and are better for the local economy.

Robert Courts: My hon. Friend is absolutely right, and that problem affects not just Cheltenham but my constituency. It affects Witney, Eynsham, Carterton and the Royal Air Force, which is also struggling to recruit people. Business is suffering, but so are our essential public services. I mentioned that only briefly at the beginning of my speech, but it is a major issue. Recruitment difficulties in the NHS and teaching are also affected by people's inability to travel quickly in and out of the area where they need to be.

Victoria Prentis: I am grateful to my hon. Friend for mentioning public services. As he knows, because of what is, we hope, the temporary downgrade of Horton General hospital, people from both our constituencies need to gain access to essential public services in Oxford, which is very difficult to reach at times of peak traffic demand.

Robert Courts: My hon. Friend is right, and I entirely support her campaign to ensure that our important services are outside the centre of Oxford whenever possible so that that journey is not necessary. However, sometimes it is, and the A40, like other major roads, is sometimes impassable owing to congestion that poses not just an obstacle to business and public services but, in some instances, a safety threat to residents. That is clearly unacceptable.

I want to make a couple of points before, very gratefully, I allow the Minister to respond. I have spent much of the debate discussing the investment that I want to see in direct upgrades on the A40, but we must not forget—I am grateful to my hon. Friend the Member for The Cotswolds for his foreshadowing of the points that I now wish to make—the contribution to be made by West Oxfordshire’s railways in tackling A40 congestion. It is in everyone’s interests for fewer cars to use the A40 whenever possible, but we can see the modal shift that we need only if our railways can offer a feasible, practicable and reliable service as an alternative. If that is to happen, there is an urgent need for the remaining sections of the Cotswold line to be doubled, which would enable more frequent and more reliable trains to travel from Hanborough to Oxford.

I will continue to campaign for the reopening of the Cowley branch line for passengers, with a regular shuttle service to Hanborough, but if we improved bus and cycle links to and from Hanborough, we could create a public transport hub in West Oxfordshire, taking cars off the A40 and reducing congestion throughout our area. I want people to be able to leave their cars behind, and to use buses, trains and bikes whenever possible so that there is more room on the roads for those who must use cars. We need to build a truly integrated transport network in West Oxfordshire that will meet the needs of our area and enable residents and businesses to thrive in the years ahead.

For decades, congestion on the A40 has been one of the biggest issues facing West Oxfordshire, and I am determined to tackle it. We are moving in the right direction, with opportunities for investment from a number of central Government funds, so there is more cause for optimism than there has been for decades, but there is still much work to do if we are to deliver the improvements that are needed. Let me stress to the Minister that, as we have heard from everyone who has spoken in the debate, this is not just a matter of minor inconvenience for us; it is a blight on the lives of commuters, and a millstone around the necks of our businesses. It is vital that we work towards, and ultimately achieve, a final fix for the A40, because only then can West Oxfordshire, and the surrounding areas, achieve their full potential.

9.9 pm

The Minister of State, Department for Transport (Jesse Norman): I congratulate my hon. Friend the Member for Witney (Robert Courts) on securing the debate and

welcome the opportunity to speak about the A40 west of Oxford, although, unfortunately, such has been the Periclean—indeed Demosthenic—quality of his oratory that he has left me nine minutes of a 30-minute debate in which to respond. He and other colleagues raised many issues that it would be nice to touch on, so in a way it is a pity that there is not more time for the Government to give the account he seeks.

I understand the great importance of this road in the area and to the local people who regularly use it. It will be no secret to hon. Members that the A40 can experience congestion—at times severe congestion. It should be said that the chief glory of the road is that it leads to Herefordshire. I was astounded that my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) neglected to make that point when sketching the gap between Gloucestershire and Wales, thereby ignoring much—almost all—of what is of value in this.

There are considerable growth ambitions for the west of Oxford along this corridor and the debate is therefore timely. The county has a fast-growing and successful economy that contributes some £21 billion per year to national output. It competes well on a global stage as a centre of science and innovation, but infrastructure constraints there, as elsewhere across the country, are a barrier to housing development and job creation. That was why in November 2017 the Government announced that Oxfordshire would receive up to £215 million of new funding to support its ambition to plan for, and to support the delivery of, 100,000 homes by 2031. That is alongside a commitment to adopt an Oxfordshire-wide statutory joint plan by that year. This ambitious and comprehensive investment programme is designed to deliver sustainable development and growth, with a focus on the amenity, quality and liveability of the area and on affordable housing.

On 12 September 2018, the first of the planning flexibilities agreed as part of the deal was enacted by written ministerial statement. This has amended land supply policies for Oxfordshire, and the Government look forward to the county developing its joint statutory spatial plan, making use of these new flexibilities.

As my hon. Friend the Member for Witney acknowledged, the majority of local transport improvement schemes are funded through the local growth fund—it is not entirely a Department for Transport scheme. We are providing some £6.7 billion to that fund over the six years from 2015-16 to 2020-21. Funding also comes through local enterprise partnerships, with some 600 transport schemes being funded across England.

There is also considerable planned investment on the A40 through the local growth fund. The Oxford science transit scheme has been allocated £35 million of the fund to support the expansion of the integrated public transport system west of Oxford, including the provision of bus priority and of a 1,000-space park and ride at Eynsham, to which my hon. Friend referred. We hope that this will deliver major enhancements to the strategic route, connecting centres of innovation and economic growth. I understand that the county council aims to have the park and ride and bus lane open for use by April 2021. Improvements to public transport should provide a viable alternative to private car use and, as my hon. Friend rightly said, a substantial modal shift would help to address congestion and would also be of enormous public value in other ways. This scheme and other current and planned projects will provide congestion

relief in the short to medium term along the A40. Of course, there is also a £5.9 million local growth fund commitment to the Oxford North project, a package of measures to improve transport in the north of the city and to provide a new research space and new homes.

There are also wider aspirations to tackle congestion in the longer term. As my hon. Friend pointed out, a consultation has recently closed on plans for the first phase of these improvements, and my officials continue to work closely with Oxfordshire County Council to take the project forward.

The North Cotswold line is not strictly within the terms of this debate, but it has been raised and I am pleased to discuss it quickly. As with the road, its chief glory is that it leads to Herefordshire, so I have a certain stake in this issue, and of course colleagues representing constituencies along the line would like to see faster and more frequent services. Any proposals must be supported by a robust business case in accordance with the rail network enhancements pipeline. The Department will continue to provide advice to Lord Faulkner's taskforce, which has been established to develop a vision for the route between Worcester and Oxford—and, ultimately, of course to Herefordshire—and to develop proposals.

On the housing side, the autumn Budget provided an extra £500 million for the housing infrastructure fund, bringing the total funding available to £5.5 billion. In March 2018, the Government announced the areas that are being taken forward through co-development, where the Government work with local authorities to further develop their proposals. Oxfordshire is one of the designated areas for co-development. The Department works closely with other Departments and local partners to take forward these proposals. Final funding awards for the proposals will be determined by the Ministry of Housing, Communities and Local Government following the assessment of detailed business plans. I understand that Oxfordshire County Council intends to submit its own proposals early this year.

My hon. Friend has raised the issue of maintenance and potholes on many occasions, and indeed he secured a debate on the subject in July last year. As he will know,

the Government have since allocated a further £420 million of new money for local highways maintenance—not necessarily entirely as a result of that debate. That means an additional £7.4 million of funding for local roads in Oxfordshire, which adds to existing committed funding sources totalling some £28.2 million for the county.

My hon. Friend rightly mentioned the major road network. Oxford does have a section of the A40 that is eligible for the local roads network, in that it fits the criteria that we have set for that. It is now for local partners to gather evidence that demonstrates which improvements are priorities for their respective areas, and to bid for support. This is a major new Government initiative to create a package of support for schemes that are eligible along the future major road network. It therefore provides an opportunity across the country, not just in Oxfordshire. The Oxford to Cambridge expressway has also been raised, and my hon. Friend will know that considerable investment is being made in that area to improve transport connectivity and growth not just across Oxfordshire and the region, but for the benefit of the UK as a whole.

I think that my hon. Friend will recognise from this quick canter through the various pots of money and opportunities available that his county has done well and that if the bids can pass muster in this very competitive process, they will stand every chance of an attractive outcome. He knows that a series of bids have been placed, or are due to be placed, in front of the Government for those different pots, and I urge him, his county council and local partners to continue to build robust and compelling cases that can demonstrate to the Government that investment in key infrastructure is well worth while and will deliver the key targets that they have specified, along with benefits for current users and future growth and success.

Question put and agreed to.

9.18 pm

House adjourned.

Westminster Hall

Tuesday 8 January 2019

[MR GEORGE HOWARTH *in the Chair*]

Cancer Workforce and Early Diagnosis

9.30 am

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I beg to move,

That this House has considered early diagnosis and the cancer workforce in the NHS long-term plan.

It is a pleasure to see you presiding over our business this morning, Mr Howarth. I wish everyone a happy new year. I thank the Backbench Business Committee for supporting the bid of a number of colleagues for this debate, and the Chairman of Ways and Means for allowing it. I was lucky enough to be chosen as the chief sponsor, but I recognise the support of other Members in this Chamber. I will try to keep my remarks to 10 minutes or thereabouts.

I am grateful for the many briefings we have had—we have had briefings from the House of Commons Library, Barts Health NHS Trust, Cancer Research UK, Breast Cancer Care, the Fire Brigades Union, Macmillan Cancer Support, Breast Cancer Now, the Royal College of Pathologists, Maggie's, the British Lung Foundation, the Royal College of Physicians, CLIC Sargent and the Royal College of Nurses. I have had more briefings from interested parties on this debate than on any other in my 21 years here. Interestingly, they virtually all agreed on two basic points. First, they welcomed the fact that the Government have addressed their issues in the 10-year review and, secondly, they welcomed the new investment but asked for more detail about staff training, recruitment and retention.

Running through most of the briefings I received were questions about the publication of the NHS long-term plan, which was promised by the end of 2018. In very timely fashion, the Government published it yesterday. It has focused the debate but not eliminated the need for it.

I want to highlight some of the issues raised in the briefings. The Royal College of Pathologists cited disturbing statistics. Notably, just 3% of services reported that they have enough staff to meet clinical needs, and more than three quarters of departments reported vacancies for consultants. The royal college emphasised the need for early diagnosis and called for increased investment in pathology services, particularly in the recruitment and training of pathologists and scientists. It said that histopathologists should be listed on the shortage occupation list as there is a shortfall in that speciality. The Migration Advisory Committee currently includes no pathology specialities on the shortage occupation list. Placing histopathology on that list would help overseas qualified pathologists to obtain a visa to work in the UK.

Nick Thomas-Symonds (Torfaen) (Lab): I lost my mother to bowel cancer last year, and I have been campaigning to reduce the bowel cancer screening age to 50. I understand from my campaign and the debates

I have had that it is important that we get the pathology capacity right. Otherwise the reduction in the screening age will not work. Does my hon. Friend agree?

Jim Fitzpatrick: I certainly do. I am sorry to hear about the fatality in my hon. Friend's family. I am sure the Minister will talk about staff and I will come to it later in my speech. Without staff in diagnosis and pathology services, the reduction in the screening age will be pointless.

The Royal College of Pathologists identified a growing demand for pathology services and predicted a 28% shortfall in staff by 2010. Cancer Research UK said, as we all know, that the earlier a cancer is diagnosed, the more likely it is that it will be treated successfully. The Labour Government's initiative to reduce the time between an urgent GP referral to seeing a cancer consultant to two weeks was a success in ensuring swifter treatment, but 2018 was the first year in which that target was not met. I would be grateful if the Minister told us how the Government expect to address that slippage.

Cancer Research UK added that it expects new cancer cases to reach 500,000 a year by 2035—right now, it is 350,000. With more cases and more thorough screening measures, our NHS will need more diagnostic and treatment staff. Cancer Research UK highlighted that the promise to produce a workforce implementation plan after the 2019 spending review leaves the status of Health Education England's upcoming cancer workforce plan unclear. Will the Minister give us more information about how the two initiatives relate to each other?

Macmillan said that it recognises and welcomes the focus on cancer in the NHS long-term plan, including the Prime Minister's commitment radically to improve early diagnosis. However, it has concerns that the long-term plan will not adequately address the immediate and long-term pressures facing the NHS cancer workforce. It also asked when the workforce implementation plan can be expected this year. I note that the Health Secretary said yesterday that he expects Baroness Dido Harding to report to him by the end of March. I would be grateful therefore if the Minister can confirm that we can expect the publication of the workforce implementation plan by summer this year.

Breast Cancer Now made the point that only 18% of breast cancer screening units are adequately resourced with radiography staff, in line with breast screening uptake in its area. My area of north-east London is covered by Barts Health NHS Trust, the NHS North East London Commissioning Alliance and the East London Health and Care Partnership. Many of the points made by the national charities are apparent locally. Those bodies have made their concerns clear. They have raised the basic issue that cancer outcomes in north-east London are among the poorest in London and the country, and that presentation via the emergency route remains high and is clearly associated with advanced cancer and low one-year survival rates.

In my borough of Tower Hamlets, the one-year survival index of people diagnosed with cancer is 4% lower than the England average, and diagnosis through the emergency route remains high. The local NHS trust has plans to attack that problem with a new early diagnosis centre, which is due to open in December; the introduction of multi-diagnostic clinics, which were first introduced in Denmark and were supported here in the pilot phase by

[Jim Fitzpatrick]

Cancer Research UK; and new faecal immunochemical testing for colorectal cancer in primary care from April this year. It plans a health and wellbeing school spread across the whole of north-east London, based on the principle of making every contact count. It is raising population awareness and screening initiatives, including placing staff to promote screening in GP practices, promoting text reminders for cervical cancer screening, video competitions for schools to promote vaccinations, prostate cancer targets, breast and bowel cancer target ads on Muslim TV channels, and the reintroduction of bowel screening reminder calling and other initiatives.

The North East London NHS Foundation Trust conclusions are relatively simple. The workforce is a key factor in delivering a faster diagnosis standard, expected by 2020 and beyond; earlier diagnosis of cancer needs a resilient and sustainable radiology, endoscopy and pathology workforce; the high cost of living, the lack of affordable housing and the disparity in salaries across London are barriers to recruitment; and there is a need to look at technology such as artificial intelligence and digital pathology, and innovations in careers.

CLIC Sargent raised the problem of diagnosing child cancer and said, worryingly, that more than half of young people diagnosed visited their GP with their parents at least three times before their cancer was diagnosed. That is of particular concern.

Breast Cancer Care also raised the workforce plan, and asked how the commitments of the current cancer strategy and the ambitions of the long-term plan will be met. The Royal College of Physicians told me that, in London in 2018, 27% of physician consultant posts advertised were not filled, and that across the UK a total 45% of advertised consultant posts went unfilled due to a lack of suitable applicants.

The British Lung Foundation made two key points: that early diagnosis is essential because almost half of lung cancers are diagnosed at stage 4 when survival rates are very poor; and that there is an urgent need to train and employ more NHS staff to diagnose lung cancer earlier. The Royal College of Nursing stated that in England there are nearly 41,000 vacant registered nursing posts in the NHS. It predicts that the number will increase to almost 48,000 by 2023 if the Government do not take action.

The Commons Library briefings said that the cancer workforce plan devised in 2017 recommended that action be taken to ensure that enough staff with the right skills are trained to deliver the cancer strategy by 2021. In November last year, the highly respected Professor Sir Mike Richards—NHS England's cancer director—announced that cancer screening would be overhauled as part of the long-term plan. He also announced a review team to assess current screening programmes and a report is due this summer. I ask the Minister whether that timetable might coincide with the publication of the Government's workforce plan. The Library stated that there is no measure of the total NHS cancer workforce. Will the Minister comment on that anomaly?

I would be grateful if the Minister addresses the fundamental issue raised in all the briefings: how the workforce implementation plan fits in with the strategy, and when it can be expected. I look forward to his response. He is highly regarded in his post. I look

forward to the responses from the hon. Member for Central Ayrshire (Dr Whitford), the Scottish National party spokesperson, and from my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson), the shadow Health Minister, and to other colleagues' contributions.

Several hon. Members rose—

Mr George Howarth (in the Chair): Order. This is an important subject and many Members have signified that they wish to speak in the debate. I will not impose a time limit straight away. I will see how it goes. If hon. Members co-operate, I am sure that everybody will be able to speak.

9.40 am

Tim Farron (Westmorland and Lonsdale) (LD): Thank you, Mr Howarth. It is a pleasure to serve under your chairmanship. I wish everyone a happy new year and congratulate the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) on securing this incredibly important debate, which is timely in the light of yesterday's announcement of the NHS long-term plan.

I will restrict my remarks on the cancer workforce to the radiotherapy workforce and other issues relating to radiotherapy. Sadly, at some point in our lives, one in two of us will have cancer of some form or other, and one in two of those with cancer will receive radiotherapy treatment, so one in four of us will need radiotherapy. Roughly speaking, 1,500 people—clinicians, medical physicists and therapeutic radiographers—make up the entire radiotherapy workforce of the United Kingdom. In the plan that we have been digesting since yesterday, there are many things worthy of remark and which are to be welcomed, but many questions remain unanswered.

On radiotherapy, the focus on survival and early detection is clearly crucial. The United Kingdom is very low down in the league table of European countries when it comes to early detection of cancer, which is the chief reason why survival is so poor compared with other nations of similar prosperity. That is tragic on a personal level and deeply humiliating on a national level. If the Government, the National Health Service and we all are successful in our bid to detect cancer earlier at stage one and stage two, treat it effectively and cure patients—radiotherapy is eight times more likely to be curative than chemotherapy and 50% of those with cancer are already having radiotherapy—it stands to reason that the need for capacity for radiotherapy will increase manifold.

There are 52 radiotherapy centres in England with a number of other satellites. There is nothing in the plan that scopes forward how the national health service will cope with the additional work required if early diagnosis becomes more successful. It is worth bearing in mind that, as things stand, there are significant pressures with a workforce of 1,500. There are two ways of looking at it: one is that the workforce is a very small and precious resource that we need to protect, and the other is to remind ourselves that those are relatively small figures, and that with a relatively small amount of investment, we could make a significant difference to increase that workforce. Relatively small numbers equals a huge percentage, which equals the ability to tackle many more cancers and, indeed, to cure many of them.

I will focus briefly on one profession within the radiotherapy workforce—therapeutic radiographers. I do not know whether hon. Members are aware, but in the current academic year, there has been a 50% drop in applications to therapeutic radiography courses at UK universities. One of the leading universities had to cancel its entire intake altogether due to under-recruitment. The cause is almost certainly—99% certainly—the removal of the bursary from that programme. The standard applicant is a mature student who chooses to do something different with their life, having done something else first, and the withdrawal of the bursary has had a huge impact on those people. If the Minister wanted to do something quickly to tackle that workforce issue, I will throw out there the suggestion that he could reinstate the bursary for radiographers.

I am chair of the all-party parliamentary group on radiotherapy, and one of our vice-chairs is here—the hon. Member for Easington (Grahame Morris). We and many other hon. Members had a really good meeting with the Minister at the end of November last year. I am very grateful to him and to his staff for their time and attention. They have yet to respond to the manifesto that we presented to them that day, although I did not expect them to have done so by now. That manifesto calls for a number of things: new investment and more money—it would be surprising if we did not ask for that, but I will put it in context.

As I have said, half of those who have cancer in the United Kingdom will require radiotherapy, yet only 5% of the cancer budget goes on radiotherapy. That compares poorly with other countries. In Australia, the figure is about 5% but the European average is something like 7% or 8%. Our cross-party proposition is that the Government invest £100 million every year into machine upgrades for high-quality, targeted, stereotactic, and other advanced forms of radiotherapy. That fund would cover all trusts, which would not have to delve into their own reserves. We also propose a £250 million up-front, one-off investment so that people who live in communities like mine an awful long way from the nearest treatment can have a satellite unit developed close to them.

Many of my constituents in South Lakeland have to make three or four-hour round trips to get good treatment at Preston, but a large percentage—up to 50%—of those who could have radiotherapy in my constituency and in other parts of south Cumbria do not get it because they are considered to be too far away for it to be a reasonable journey time. Radiotherapy is so often more curative than chemotherapy, ergo people do not live as long because they live too far from treatment. That is why the radiotherapy satellite centre at Westmorland General Hospital in Kendal is a key example. Access and travel times are a problem in other parts of the country, which is why investment in satellite units is important. They do not necessarily involve that much more staffing because, with proper IT networking, we would be able to do many of those things remotely.

In conclusion, the NHS plan announced yesterday contains much that is interesting, but when it comes to radiotherapy, it is entirely a rehash of things that we already know. Some things are welcome, but there is nothing new. I look forward to the Government's response to its consultation on radiotherapy, which closed 12 months ago, and I ask for an update on that. I also ask that the National Cancer Advisory Group's 2018 report is released

as soon as possible. Finally, I very much look forward to the Government's response to the manifesto by the all-party parliamentary group on radiotherapy, which was presented to them in November.

Several hon. Members rose—

Mr George Howarth (in the Chair): I call Grahame Morris.

9.47 am

Grahame Morris (Easington) (Lab): Thank you very much for calling me to speak in this important debate, Mr Howarth. I congratulate my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), and I thank my friend the hon. Member for Westmorland and Lonsdale (Tim Farron), who chairs the all-party parliamentary group on radiography, of which I am also a member.

I do not want to repeat the arguments that have just been made, but some key threads run through the whole of the debate. Although the motion refers to “early diagnosis and the cancer workforce in the NHS long-term plan”, we have to marry some concepts. Yes, early diagnosis is important, but it has to be married with a skilled and effective workforce, as well as the most effective treatment available, by which I do not mean the treatment available in our capital city only, but across the whole country. I will touch on that issue as well.

I declare an interest: I am a cancer survivor. I was successfully treated with both chemotherapy and radiotherapy, thanks to a relatively early diagnosis. I am vice-chair of the all-party parliamentary group on radiotherapy. I am not alone in having benefited from radiotherapy. As was mentioned earlier, during the course of our lifetimes, almost half of us will suffer from cancer at least once, and about half of those people will receive radiotherapy.

Although I was fortunate and count my lucky stars, I am acutely concerned about particular cancers, notably prostate cancer, pancreatic cancer—yesterday, we heard a terrible story from the hon. Member for Crawley (Henry Smith) about his caseworker who passed away as a consequence of pancreatic cancer—and lung cancers and breast cancer. For a modern industrial nation, our cancer outcomes are poor. They should be far better. I hope that the 10-year forward plan that was published yesterday is an opportunity to address some of those fundamental problems. It is important for us to invest in modern accessible cancer diagnosis and treatments.

I want to talk about the long-term plan that the Prime Minister announced yesterday, on which we had a statement in the House. I will refer in particular to chapter 3, especially section 3.62, on treatment and radiotherapy. I must admit that I was optimistic after meeting the Minister, who I have known for some years. I think he is a decent and honourable individual, and he and his staff were very positive in our meetings. I therefore hoped that, based on the evidence presented, we would have a much more positive outcome from the 10-year plan.

The Government have promised to complete the £130 million investment in radiotherapy machines and to commission the proton machines—the two proton-beam

[Grahame Morris]

machines, at the Christie in Manchester and at University College Hospital, London—but, in all honesty, that is not a new commitment. Those machines are already or almost completed, so the commitment is a recycling of an existing announcement.

If we are to have a step change and to achieve a world-class set of outcomes and a world-class cancer treatment service, we need a modest increase—modest in relative terms—for advanced radiotherapy. As set out in the “Manifesto for Radiotherapy”—which I recommend that all Members read, because if they are not affected themselves, many of their constituents certainly will be—we ask for an initial one-off investment of £250 million, with an additional £100 million in each successive year for workforce, running costs and so on.

Radiotherapy is required in 50% of cases, but access is patchy. Access varies from 25% to 49%. For example, the hon. Member for Westmorland and Lonsdale represents a rural area, where the figures are low. The average is about 38%. Ideally, according to Cancer Research UK, patients should not have to travel more than 45 minutes to access such treatment and, if we are to achieve that, considerable investment is required. The Minister might be able to elaborate on this, but I do not think that anything concrete in the plan addresses that serious issue.

I welcome the Government commitment on early diagnosis to increase the number of patients diagnosed with stage 1 and 2 cancer by 25% and, for lung cancer, to increase the diagnosis of stage 1 patients by 47%. In practical terms, however, the Government will need more advanced radiotherapy machines to ensure that many of those stage 1 tumours can be cured, as well as additional radiotherapy machines to treat the stage 2 patients. The Government will need to rapidly expand the number of advanced radiotherapy facilities around the country, and how to do that is set out in the manifesto, which would achieve not only early diagnosis but improved survival and outcomes.

I want to give the Minister credit—he is looking a bit quizzical, but I had not intended to beat him up, because we are trying to be helpful. The aspiration and wish to improve cancer outcomes and to see a first-class service is shared in all parts of the House. I am therefore very pleased that he has recognised the representations made on hypofractionated treatment and the perverse incentive in relation to the tariff. The Government have said that they will address that issue, but I would like an assurance that it will be addressed quickly and not in 10 years’ time. The evidence is clear about that disincentive to the most appropriate form of treatment.

Many people want to speak in the debate, so I will wind up. I am pleased that the Government have admitted and accept that advanced radiotherapy is more effective and has fewer side effects. I would like to see a specification come out and to ensure that, when it comes out, we do not see what we have in effect at the moment, which is the rationing of effective treatment. Specialists in the field have told me that the specification under discussion now is in essence no different from that available a year ago. I therefore press the Minister to respond to our submissions.

I want to see an increase in the budget for advanced radiotherapy—fairly modest as part of the NHS budget, or even the cancer budget—from 5% to 6.5% of the

cancer budget. That would enable large numbers of cancer patients to live longer and more fulfilling lives and would achieve better NHS outcomes and positive economic benefits. I commend that proposal to the Minister, and I urge him to look at it as part of the ongoing cancer strategy and the NHS 10-year plan.

9.57 am

Thangam Debbonaire (Bristol West) (Lab): It is a pleasure to serve with you in the Chair, Mr Howarth. I thank my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) and other hon. Members for their contributions.

I will focus on cancer affecting children, teenagers and young adults. As hon. Members know, I have personal experience of breast cancer, but more expert people in the Chamber will talk about that, so I will discuss the form of cancer for which I recently set up the all-party parliamentary group on children, teenagers and young adults with cancer.

I set up the group because each year in the UK, 4,450 children and young people under 25 are diagnosed with cancer—that is 12 children and young people every day somewhere in the UK. Four out of five of them will survive for five years or more, but for the parent of a child such a survival rate seems minuscule. Most of us expect our children to survive far longer than that, so the survival rate can seem quite hard. Those of us who have had adult cancer might think, “Oh good—five years! I’ll still be around in five years’ time.” For adults, that feels like a success; for children, not so much.

Cancer remains the biggest killer by disease of children and young people under 25 in the UK. That is important, because one of the reasons why cancer is the biggest killer is that other diseases have declined. That is a good thing, but cancers still affect many children. We want the incidence to decrease, and the number of children surviving and being diagnosed earlier to increase. The all-party parliamentary group wants things to be better. The Minister knows that, because he has been good to the group and worked closely with us. We understand that the small number of children affected can make it difficult to identify real specifics that could make a big difference, but because the number is small, some of the things that we want might be relatively straightforward to do.

Last year, we held an inquiry into young people’s experience of childhood and young adult cancer. We now call on the Government and the NHS long-term plan to look at the impact of a young person’s route to diagnosis. Recent research by CLIC Sargent found that more than half of young people had to visit their GP at least three times before their cancer diagnosis. Katie, the young woman who was a panel member in our inquiry, said that because childhood and young people’s cancer is so rare, GPs did not expect to see it, so frequently signs and symptoms were misunderstood. I have the greatest sympathy for GPs and clinicians, and because those cancers are so rare, we would like a training and e-learning module for healthcare professionals.

CLIC Sargent and the Teenage Cancer Trust have teamed up to create such a module on the signs of cancer in children and young people, developed in partnership with the Royal College of GPs. We would like more support in the NHS workforce to improve

recognition of the signs, whether that is the e-learning module or something different. I hope the Minister will say something about that when he sums up. In the NHS long-term plan published yesterday I was really pleased to see a specific mention of childhood cancer, but I was disappointed that there was not more emphasis on skilling up the healthcare workforce to recognise the signs and symptoms. We all know that often the consequence of failing to make an early diagnosis is a very poor survival rate.

In our inquiry we recommended many measures, which the Minister has very kindly agreed to go through with his officials and respond to in some detail. Perhaps after the debate, will he liaise with my office about a time to meet? I am grateful to him for his willingness to do that, but we would like to make some progress in the first half of this year. Some of our recommendations are relevant to this debate. We say that the Secretary of State for Education should ensure that every young person receives health education that includes cancer signs and symptoms, done in an appropriate way. The Teenage Cancer Trust has developed an education module, which many of us will have seen recently when it was demonstrated in Parliament. I would like to see something such as that being used.

Craig Tracey (North Warwickshire) (Con): The hon. Lady makes an excellent case for education. As co-chair of the all-party parliamentary group on breast cancer, I want to raise the fact that about 3,500 breast cancers go undetected each year due to women not understanding the risk due to breast density. Education would seem critical as part of the long-term plan to get world-class outcomes, so that people understand their personal risk.

Thangam Debbonaire: The hon. Gentleman is absolutely right; education is critical across all cancers, particularly breast cancer. Many young women need more understanding of how their risk can be reduced by certain lifestyle choices. I say that carefully, without wishing to blame cancer survivors, because there is a difficult balance. Education is important, because the health service we want for the 21st century is about health rather than sickness. I wanted to see more emphasis in the NHS long-term plan on prevention.

Will the Minister respond to some of our recommendations in his reply to the debate? The all-party group thinks that an emphasis on prevention is critical to young people's long-term survival and long-term health—not long-term sickness. We are concerned about the shortage of radiographers and radiologists, but other Members will discuss that. If more children and young people with cancer are to survive longer than five years, early diagnosis is critical. Health professionals may see only one childhood cancer in their entire professional life, so they will need help. I ask the Minister to talk to us and to his officials about how to help the professionals to do better. We would like more education for young people on a range of cancer indicators and on ways to change their lifestyle, such as exercising more, reducing alcohol consumption and so on. We all know about those actions, but quite often it is too late; we could do with knowing them from an early age and building them into our way of life, starting when we are young.

I want to conclude, without getting too emotional, by paying tribute to CLIC Sargent and to the Teenage Cancer Trust in particular. They do so much, not just for children and young people but for parents and families. Members of my family received help from CLIC Sargent. My dear sister-in-law works for CLIC Sargent and she has been an inspiration to me on childhood cancer. I want the work they have done to be embraced by Ministers other than this Minister, who already has embraced it, to take that forward in the NHS long-term plan.

10.4 am

Stephen Lloyd (Eastbourne) (Ind): It is a privilege to serve under your chairmanship, Mr Howarth. I thank the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) for securing this important debate.

I will keep my remarks brief because quite a lot of people want to speak, so I will focus on one area of early diagnosis—that of bowel cancer. There are two reasons for that: bowel cancer is the fourth most common cancer, and it is the second biggest cancer killer, yet bowel cancer is not only treatable but curable, especially if diagnosed early. The Minister will know that since my re-election I have pressed him and the Department hard to reduce the bowel cancer screening age in England from 60 to 50. I was delighted when, a few months ago, the Minister agreed to that and announced that the reduction would take place.

I pay tribute to my constituent Lauren Backler, who started the campaign to reduce the screening age three years or so ago. Sadly, her mother died in her mid-fifties; it is very likely she would not have died had she lived in Scotland and had an early diagnosis. That prompted Lauren to launch a campaign, and it has been an unbelievable success in numbers alone: more than half a million people across the country have signed her petition. Colleagues in the Chamber and I have campaigned avidly for it for the last couple of years, and the Minister and the Department of Health announced the change a few months ago.

David Simpson (Upper Bann) (DUP): The hon. Gentleman will be pleased to know that in Northern Ireland, following the introduction of bowel cancer screening kits, participation is 60%. It is a fantastic result for Northern Ireland and we need to do more of it.

Stephen Lloyd: The hon. Gentleman is right. The introduction of the new faecal immunochemical test kits will make a huge difference.

I am speaking in this debate because, as the Minister will know and one or two people have alluded to, in yesterday's announcement there was no clear announcement about additional staff and capacity to ensure that the bowel screening age is brought down from 60 to 50. I commend the Government for listening to Lauren, hundreds of thousands of people across the country, my colleagues here and me, and reducing the age—it is quite clear statistically that many thousands of lives will be saved—but I am anxious that there was no announcement yesterday about the additional budget that will be required for new staff, and a plan for it to happen. I am keen to hear from the Minister not just that the Department of Health is behind it, but detail of when the announcement

[Stephen Lloyd]

will be made about additional staff capacity. I urge that particularly because, as the Minister knows, the budget decisions will be announced in March. I want some flesh to be put on the bones.

This is an issue where we know we have a solution. We in this Chamber understand that there are capacity and finance issues. We applaud the Government and the Department of Health for publicly stating that they will bring down the screening age limit. What we all need now is flesh on the bone and detail, so that Lauren Backler, following her remarkable campaign in tribute to her mother, can see in the next few months the first roll-out of the age reduction in screening for bowel cancer.

10.8 am

Nic Dakin (Scunthorpe) (Lab): I congratulate my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) on securing this important and timely debate.

We very much welcome the NHS long-term plan. It is a once-in-a-generation opportunity to improve cancer care significantly in this country. The plan rightly recognises that one of the biggest actions the NHS can take to improve cancer survival is to diagnose cancers earlier, and sets out welcome commitments to radically improve early diagnosis. I hope that as the plan develops there will be more specific plans for the less survivable cancers—pancreatic, brain, lung, stomach, liver and oesophagus—that account for more than 50% of all cancers.

As chair of the all-party group on cancer I was pleased to chair the Britain Against Cancer conference last month, which focused on future priorities for cancer care. There were many reasons to be cheerful, but one big concern was whether the workforce will be sufficient to deliver the care that will be needed in the future. There is still a lack of clarity about that, despite efforts in the long-term plan, so it is useful to have this opportunity to focus on that.

We know that the number of people diagnosed with cancer in the UK is increasing and that the changing needs of cancer patients present a challenge for professionals working in cancer care, who are dealing with rising case loads, and increasingly complex needs. The plan's ambition to diagnose three in four cancer cases at an early stage by 2028 is welcome, but unless we have a plan to deal with staffing shortages, backed up by significant investment, the NHS will struggle to maintain today's standards.

In NHS North Lincolnshire clinical commissioning group, only 71.9% of cancer patients receive their first treatment within 62 days of an urgent GP referral. That is well below the England average and below the national target of 85%. Delays to cancer waiting times are often caused by a diagnostic bottleneck, where there is not enough capacity to carry out the tests needed to confirm a cancer diagnosis so that the patient can begin treatment. I therefore welcome the announcement made just before Christmas of capital investment for Northern Lincolnshire and Goole NHS Foundation Trust, and of diagnostic equipment for Diana, Princess of Wales Hospital in Grimsby and Scunthorpe General Hospital. I hope that will make a significant difference.

To improve early diagnosis and match the best cancer outcomes in Europe, it is crucial to have the workforce in place to support growing patient need. Although the NHS long-term plan sets out ambitions for the future workforce, funding available for additional investment in that workforce in the form of training, education and continuing professional development through the Health Education England budget, has yet to be set out by the Government. Will the Minister—he is an excellent Minister—set out when that budget will be confirmed and say whether the Government intend to set out further funding arrangements as part of the comprehensive spending review?

NHS staff shortages in primary and acute settings have been consistently highlighted by organisations in the sector in recent years, and there is an urgent need to grow the cancer workforce. Cancer Research UK estimates that the cancer workforce needs to double by 2027. Similarly, Macmillan Cancer Support has estimated that the supply of adult cancer nurses must increase by 45% in the next 10 years. Those are big numbers.

Macmillan's workforce census last year highlighted considerable variation in vacancy rates for cancer nurse specialists across the country. That is also true for specialist chemotherapy nurses, with vacancy rates as high as 15% in some areas. A recent survey of healthcare professionals working in breast care in hospitals by the charity Breast Cancer Care painted a worrying picture, with 87% of respondents stating that job shortages in their hospital could affect breast cancer patients. A freedom of information request from that charity found that two thirds of hospital trusts in England do not provide a dedicated nurse for people living with incurable breast cancer. It is therefore crucial that a fully costed plan is produced to demonstrate how the health and care workforce will be sustained and grown. The long-term plan states that there will be a separate workforce implementation plan in 2019, but more detail is needed about the timeframes. Will the Minister say when the plan will be published? "Soon" is not quite good enough. We would like a date, please.

The 2015 cancer strategy recommended the publication of a cancer workforce plan, yet the sector is still waiting for the publication of phase 2 of that plan by Health Education England. Will the Minister outline how the implementation plan relates to the long-promised phase 2 HEE plan on the cancer workforce? If the ambitions of the long-term plan and the 2015 cancer strategy are to be realised, a comprehensive and fully funded workforce plan must set out how the cancer workforce can be upskilled and developed to meet the needs of the growing number of people living with cancer.

10.14 am

Jim Shannon (Strangford) (DUP): I thank the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) for securing this debate, and for giving us the opportunity to discuss this important issue. I am the Democratic Unionist party spokesperson on health, so such matters are at the top of the tree for me. I am pleased that the Minister and shadow Minister are here to respond to our concerns, and we appreciate the Backbench Business Committee kindly granting us this debate.

Cancer is a word I hate; it is a disease I hate. A respecter of no person, it indiscriminately attacks and takes from us those who we love and rely on. I truly

believe that a cure must be found and found soon for this dreaded disease, but while that work is taking place, we must focus on the best use of the limited resources available. I congratulate the Government on their NHS 10-year plan and their commitment to a cancer strategy within it.

As hon. Members have said, we all have family members and friends who have been stricken by cancer. I have a good friend who will have breast cancer surgery on Friday, and my father survived cancer on three occasions due to the expertise of the surgeon, the nurse's care and, critically, the prayer of God's people. My hon. Friend the Member for Upper Bann (David Simpson) referred to the bowel cancer testing kit in Northern Ireland, and probably because of my father's history, I carry out screening with that kit every year, and therefore I would know early on whether any cancer has been detected. That is what we are doing in Northern Ireland, and hopefully it is something that other parts of the United Kingdom can take on board.

Mr Gregory Campbell (East Londonderry) (DUP): Does my hon. Friend agree that, given the almost universal acceptance of the importance of early detection, the long-term plan, like any other plan, will be judged against an increase in early detection? That is the key.

Jim Shannon: I agree wholeheartedly with my hon. Friend and colleague, and although many people are dying from cancer, a larger number are surviving that diagnosis.

I wish to thank the tremendous staff who work well above their paygrade and the hours they are paid to make a difference to the quality of care and support for cancer sufferers. I also thank the wonderful charities that aim to step into the breach where at all possible. We all know of such charities, and if I do not mention some of them that does not make them any less important. Many charities, including Marie Curie, do tremendous work.

Macmillan Cancer Support is an amazing charity. In 2017, it had more than 5,700 nurses supporting 658,000 people, with a further 2,000 healthcare professionals throughout the United Kingdom. In 2017, 1.6 million people received personal, high-impact support from one or more Macmillan professionals or services. While broadly welcoming the Government scheme, Macmillan has expressed serious concerns that the plan does not adequately address the immediate and longer-term pressures facing the NHS cancer workforce. Those concerns are put forward in a constructive fashion, as they should be:

"The NHS long-term plan makes clear that the funding available for additional investment in the workforce, in the form of training, education and continuing professional development through the HEE budget has yet to be set by the Government. This is a key priority and must be urgently addressed. The plan states that there will be a separate Workforce Implementation Plan in 2019, but more detail is needed about the timeframes, and how the implementation plan relates to the long-promised phase 2 HEE plan on the cancer workforce. It is essential that we build on the ambitious foundations of the NHS long-term plan and put in place a fully-funded strategy for the workforce that will deliver truly world-class cancer care."

That is what Macmillan Cancer Support expressed before this debate. Perhaps the Minister will respond to those points.

I agree with the sentiments expressed by Macmillan, and more detail is needed to deal with funding gaps to address the issue of speed of diagnosis in quick-moving cancers such as pancreatic cancer. My hon. Friend the Member for East Londonderry (Mr Campbell) and the hon. Member for Bristol West (Thangam Debbonaire) spoke about early diagnosis, and nearly every Member who has spoken in the debate has said it is critical—and so it is. Pancreatic cancer is the quickest-killing cancer, with one in four people dying within a month, so we need a faster pathway to diagnose and treat it, as the hon. Member for Scunthorpe (Nic Dakin), who is particularly interested in it, will know. Early diagnosis is essential in the case of pancreatic cancer, as it offers the only chance for potentially curative surgery. However, fewer than 20% of people with pancreatic cancer are diagnosed at an early stage, and fewer than 10% will receive surgery. The capacity does not currently exist, and there must be an increase in the cancer workforce to ensure timely diagnosis and treatment. Every Member who has spoken in the debate has supported the point of view expressed by Macmillan, and it is critically important.

Prostate cancer has been mentioned. When men are ill we are, by our nature, the illest people in the world, but sometimes we just do not know when we are ill. I make that point in relation to prostate cancer because we do not do the checks, although we know what has to be done. Needing the toilet more frequently, a burning sensation and passing blood are some of the symptoms, and men perhaps need to look out more for them. We need to raise awareness of prostate cancer. To be fair, I think that the Government do that, but perhaps there is a need to do more.

I hope I will be forgiven for repeating some comments that have been made, but these issues are important. The hon. Member for Bristol West referred to CLIC Sargent, and I want to make some comments on children's cancers. CLIC Sargent is a wonderful charity and has asked me to use this opportunity to stress something that shocked me when I first read it, and which underlines the point about the workforce. Children make up the highest proportion of cancer patients diagnosed through emergency admissions, and many young people and parents have a poor experience of diagnosis. The 2016 "Best Chance from the Start" research report on experiences of diagnosis found that more than half of young people and almost half of parents had visited their GP at least three times before the cancer diagnosis.

As the hon. Member for Bristol West said, there is a particular need for early diagnosis for children. Nearly half of young people felt their GP did not take their concerns seriously. I do not think that is a criticism; it is how they felt. A third of parents felt that their GP did not take into account their knowledge of their child. We should not ignore what parents know and say about their child. It is important to do something to raise GPs' awareness in relation to children. Just over a third of young people and a quarter of parents felt that their GP did not have enough time to listen to them talk about their symptoms. I want to ask the Minister what has been done about that. I am mindful of the pressure on GPs, who have a lot of work to do. However, something needs to happen for children diagnosed with cancer and their parents. Like the hon. Member for Bristol West, I am requesting that something be done.

[Jim Shannon]

The urgent change that is needed can be achieved only through funding to take the pressure off diagnostics, allowing GPs to refer before the third repeat visit. They must be allowed to go with their gut and send anything suspicious to be tested further, rather than playing a numbers and probability game. Cancer does not respect the numbers game—it strikes where it might be least expected.

This is my last paragraph, Mr Howarth. Time has beaten me. I heartily welcome the strategy, but we need more detail and more action, and soon, to make a difference, and so that we can make a worthwhile attack on the plague of cancer, which affects families throughout the United Kingdom. That is why the debate is so important.

10.24 am

Bambos Charalambous (Enfield, Southgate) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) on securing this important and timely debate.

Lives are saved when cancer is diagnosed early. I know we all are united in wanting all cancers to be caught early so that survival rates can be drastically increased. However, to diagnose and detect cancer early, we need a sufficiently skilled workforce and full staffing. NHS staff do amazing work, but they are under extreme pressures. We are one of the richest countries in the world, but lives are being lost because of under-investment in our NHS workforce. If we are to come anywhere near to achieving the Prime Minister's target of diagnosing three in four cancers at their early stages by 2028, we will need to have a long-term plan that will deal with the staffing shortages, which will no doubt get worse post Brexit.

Cancer Research UK estimates that by 2035 a person will be diagnosed with cancer every minute. At present nine out of 10 people will survive bowel cancer if it is diagnosed at an early stage, but that figure reduces to only one in 10 if it is not diagnosed until stage 4. Currently between 46% and 61% of cancer sufferers are diagnosed at stage 1 or 2, which means that people are slipping through the net and dying needlessly owing to a lack of resources. With 40% more people being referred for diagnostic cancer tests than four years ago, cancer diagnostic services are struggling to keep up with demand. They have already missed their cancer waiting time targets over the past three years.

I am the co-chair of the all-party parliamentary group on breast cancer. The rest of my comments will focus on breast cancer, for which the situation is even worse than I have been outlining. The breast imaging and diagnostic workforce are critical for the early diagnosis of breast cancer, but Breast Cancer Now has discovered that only 18% of breast screening units are adequately resourced with radiography staff to meet demand. Taking into account the ageing workforce of breast imaging radiographers and the increase in demand, we have an exacerbation of pressures that will only get worse. For every three breast radiographers who retire over the next five years, only two are expected to replace them, which means that imaging and diagnostic services will

be unable to keep up with demand. That will cause delays, which in turn will cause greater anguish for those waiting to be tested.

Fifty-five thousand people are diagnosed with breast cancer in the UK every year, yet the survival rates lag behind those of Sweden, Portugal, Germany and France. We have a declining workforce and an increase in demand. Unless the Government invest in a fully funded workforce plan, patients will suffer. We need a new approach to workforce planning based on best practice and clinical need. Health Education England must produce phase 2 of the cancer workforce plan, which looks at how many staff are needed to meet growing patient demand, and set out a 10-year cancer workforce strategy. The plan must be backed with appropriate funding. Breast Cancer Now has called for the Government to invest £39 million in recruitment to the breast imaging and diagnostic workforce as part of the plan to cover the cost of training to fill clinical radiologist vacancies and to address the current shortfall in radiographer numbers.

The Government's decision to scrap bursaries for allied health professionals and nurses is a factor in making it harder to recruit. Someone who wants to become a mammographer must self-fund an MSc following a three-year radiography degree. Prior to the 2017 bursary cuts to allied health professionals courses, including for diagnostic radiographers, the undergraduate degree was covered by a bursary. Following that disastrous cut, there was a 20% decrease in the number of applications to allied health professionals courses and a further 9% cut in 2018. That under-resourcing, directly linked to the Government's bursary cuts, has undoubtedly cost lives. I urge the Minister to reverse the cut to bursaries to ensure that the financial barriers to becoming a mammographer are removed and that more applicants are encouraged to apply for allied health professionals courses.

Funding for early diagnosis is not just about staffing levels and recruitment. It is also about new technology. There are new improved ways of detecting breast cancer, such as via tomosynthesis, which is far more effective in detecting breast cancer in some women. Artificial intelligence could also be used to assist in analysing the vast data capture involved in screening, but that would require the commitment by the Government of investment in new technologies and training. Risk-stratified breast screening is another way of making better use of technology to assess a woman's individual level of risk by using algorithms to assess various risk factors. Once an assessment has been done, a more personalised service can be given for women at higher risk, which could again help to save lives.

I will finish by asking the Minister whether he will commit to getting Health Education England to produce phase 2 of the cancer workforce plan, which will be based on need, and confirm that it will be properly funded. Will he reverse the cuts to bursaries for courses for allied health professionals and nurses, and make sure that recruitment levels are up to the levels that are required, especially with Brexit looming? Finally, will he commit to exploring and funding new technologies and training that will help to detect cancer earlier, target those who are at higher risk, and alleviate the pressures on the workforce? If the Government do not get things right in relation to the shortfall in funding for early diagnosis and the cancer workforce, some people will inevitably die an avoidable death from cancer.

10.30 am

Dr Philippa Whitford (Central Ayrshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth. I, too, congratulate the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) on securing the debate. It is a slight pity that it is less than 24 hours after the publication of the long-term plan, but people seem to have done lots of fast reading last night.

Like others, I welcome the plan and particularly the extra funding for the NHS, but it is important to remember that this brings it back to 3.4%, which was the average over many years—indeed, below the average over many years—prior to 2010. As the Secretary of State highlighted yesterday, with a million extra patients, the money per head of the population is actually going down. That is something that should be looked at, because it is a much better comparative measure.

In Scotland, we spend £163 per head more on health than here in England, and £113 per head more on elderly social care. We know that if we do not fix social care, then unfortunately any money put into the NHS is haemorrhaging out because of elderly people trapped in hospital, where they do not want to be. We see money focused on the NHS, because that sounds good to the public, but also further reductions in public health, despite all the talk in the plan about prevention. That does not make sense.

I welcome the Making Every Contact Count initiative. In Scotland, we have had Making Every Contact Count for years. As a breast cancer surgeon, I have discussed issues around smoking with all of my patients, because they inevitably ask, “Why did I get breast cancer?” We do not have the answer for breast cancer, but we do have the answer for the majority of lung cancers. I do not make my patients give up smoking immediately, when they are under stress, but I get them to promise me that they will do it in the long term, and quite a number of them do that. I do not have time to support them through that journey. We still need smoking cessation services, to which they can be referred. Those services are being cut, and that is a problem.

In the plan and in the Secretary of State’s letter yesterday, we again have a focus on cancer, which, as a breast cancer surgeon for over 30 years, I welcome. In his letter he talks about early diagnosis, but not about prevention, yet smoking is still the biggest cause of cancer, with obesity chasing it up as a close second. We need to tackle childhood obesity and we need a 9 pm watershed for advertising foods that encourage it.

Half of us will get cancer. As all the speakers have said, early diagnosis is crucial. It is particularly important to avoid diagnosis as part of an emergency admission, as that tends to result in a very poor outlook. For symptomatic cancers, as the Member for Shannon highlighted—*[Interruption.]* I keep saying that; I mean the hon. Member for Strangford (Jim Shannon). It is because the Shannon is another body of water in Ireland; I always get mixed up. We will just change it—you can be the Member for Shannon. *[Laughter.]* As the hon. Gentleman said, it is important to know the symptoms, but the public and sometimes GPs are too focused on late symptoms. Weight loss, jaundice and even, for some cancers, bleeding are not early enough. We need to educate people about that.

In Scotland, we have used humour. There was a testicular cancer advert over Christmas talking about men’s baubles. I do not care what kind of humour people need, whether it is toilet humour for bowel cancer or talking about boobs for breast cancer. If it gets people talking about it, that makes it easier for them to come forward. Many years ago we did an audit in Scotland looking at the whole patient pathway. It showed that for particular cancers, including bowel cancer, the longest step was from the first sign or symptom to going to the GP. The plan talks a lot about the pathway after going to the doctor, but there are only a couple of lines about educating the populous about what to look out for. That means we have to get people talking about it.

In Scotland, we have had bowel cancer screening starting at the age of 50 right from the beginning. I am sorry that the hon. Member for Torfaen (Nick Thomas-Symonds), who is no longer in his place, lost his mother in her 50s. In the last year or so we have also had celebrities diagnosed late with bowel cancer, who might well have been picked up if the screening had started at the age of 50. Last August, I welcomed the Government’s commitment to making that change, but there has been no discussion in any announcements or in the plan about when that change will happen.

When I turned 50 and the poo-in-the-post envelope landed on the mat within two days, I found it a bit harsh. As my birthday is Christmas eve, I got another one last week. I would not mind if they were a bit more sensitive, but it is something that people have to do. In Scotland, we have already changed completely to the faecal immunochemical test, which involves only one sample. We have already seen a 10% increase in uptake. Again, the Government have committed to that and the roll-out has commenced, but when will it be complete?

It is important to be prepared for the impact that that will have on the NHS here. If the starting age for bowel screening is dropped from 60 to 50, there will be an increase of two thirds in the screening population. If there is then the same 10% increase with FIT, together that will mean an increase of three quarters in the colonoscopies required. The NHS will have to be prepared with endoscopists and, as mentioned earlier, pathologists, who will analyse the samples. In Scotland, we have seen an increase in waiting times for colonoscopies, just with the change to FIT, so it is important to be prepared.

There is a similar impact with public education campaigns. Intense campaigns alone are no use. When we did the first Detect Cancer Early campaign, an audit of the breast cancer units across Scotland found that there had been a doubling in referrals, but not a significant change in the number of cancer diagnoses. Women are pretty breast aware, but the adverts need to be trickled throughout the year, or the chances are that there still will not be an advert when someone is sitting and ignoring a symptom.

As well as endoscopists and pathologists, the other workforce is radiologists. Not all radiologists can be identified as cancer radiologists; they will find cancer in all sorts of parts of the body. This diagnostic workforce is critical. If we look at the waiting time performance across the UK, we see that people are struggling, particularly with the 62-day target, which has fallen below 80% in England. Everyone is struggling with it. Looking at the 31-day target—from diagnosis to treatment—we see

[Dr Philippa Whitford]

that most cancers are at over 90%, or indeed 95%. Once the NHS knows that someone has cancer, the pathway is relatively swift, but there is long gap to be diagnosed.

In my own speciality of breast cancer, radiologists are critical for the initial test, the investigation and the follow-up. For every three breast cancer radiologists who will retire in the next five years, they will be replaced by only two. The problem is that breast screening came in around 1990, so all the young consultants who were appointed at almost the same time will all, sadly, be retiring at the same time. The clinical radiology workforce census report shows that the UK has a shortfall of 1,000 full-time radiologists at the moment, which will grow to 1,600 by 2022. Some £116 million is being spent on outsourcing and overtime. The issue is not even money, because that amount would fund 1,300 full-time radiologists; the issue is that we do not have the workforce. Yet we see in the plan that health education has had its funding cut over recent years, despite grand statements about all the extra nurses, radiographers, allied health professionals and doctors who will be trained.

The plan talks a lot about IT, but instead of focusing on digital GPs it should be focusing on internal IT. We have had electronic prescribing, referral and response letters for years in Scotland, and one of the things we have that can help with the radiology shortage is the picture archiving and communication system, where imaging is shared right across Scotland. Every hospital uses the same system, which means that if one place is short of radiologists or is very rural, an image can be sent hundreds of miles to be looked at by someone else. The plan talks about generalists, and they are needed, but we also need specialists. The workforce plan is critical.

10.40 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. In case anyone wonders why I am shivering a bit, I have to say it is a bit cold in here.

Mr George Howarth (in the Chair): But it is a very warm atmosphere.

Mrs Hodgson: Oh, good—we do try.

I start by congratulating my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) on securing this important and timely debate and on his excellent speech. I wonder whether he has a crystal ball and knew something that we did not; I am sure if he does, it will be much in demand, because we have an important vote next week and somebody might want to have a borrow. I thank all the other hon. Members who have spoken this morning—the hon. Members for Westmorland and Lonsdale (Tim Farron), for Eastbourne (Stephen Lloyd), for Strangford (Jim Shannon) and for Central Ayrshire (Dr Whitford), and my hon. Friends the Members for Easington (Grahame Morris), for Bristol West (Thangam Debbonaire), for Scunthorpe (Nic Dakin) and for Enfield, Southgate (Bambos Charalambous)—for their excellent contributions to the debate.

As we know, the long-term plan was launched yesterday. We had waited several months for it to be published, but I am pleased that, after a few setbacks and delays, we now have it and are able to move forward. I was also pleased to see that cancer is a key priority in the plan; I am sure the Minister played a large part in that. Cancer is important, but it is an emotive issue. One in two of us will face a cancer diagnosis in our lifetime, which is a sobering thought, and many of us in this Chamber will know someone who has been affected by cancer. Some of us, I know, have been affected by cancer individually, and no doubt some of us will have lost someone to cancer.

What led me initially to join the all-party parliamentary group on breast cancer as a new MP was losing my mother-in-law to breast cancer over 20 years ago. I notice that in this debate there is a gathering of former co-chairs of the all-party parliamentary group on breast cancer, as well as the current co-chairs of that group and the current chair of the all-party parliamentary group on cancer. Once this subject takes hold and catches our interest, it stays with us for the whole of our parliamentary career—as it should, because it is so important.

It is estimated that by 2035, one person every minute will be diagnosed with cancer. That is why cancer diagnosis, treatment and care and their workforces should play an important role in our NHS now and in the future. The Prime Minister set out in her conference speech last September the Government's ambition to see three in four cancer patients diagnosed at an early stage within the next decade. Currently, just more than half of the people diagnosed with cancer are diagnosed early in England, so the Government have a long way to go to achieve that welcome ambition.

Early diagnosis improves the likelihood of survival, as we all know. For example, if bowel cancer is diagnosed at an early stage, nine in 10 people will survive, but if it is diagnosed late, at stage 4, only one in 10 will survive. Early diagnosis also increases the likelihood of responding well to treatment. Target Ovarian Cancer, which I am proud to say I am the chair of the all-party parliamentary group for, found that as many as one in every five women in England are too ill to treat by the time they receive their ovarian cancer diagnosis. Awareness and screening programmes are crucial to early diagnosis, but breast screening uptake, for example, is the lowest it has been in 10 years, with stark variations across the country. The percentage of women taking up their screening invitation within six months fell from 71.1% in 2016-17 to 70.5% in 2017-18. Some might say that is only 0.6%, but analysis by Breast Cancer Now has found that upward of 1,200 additional deaths could be prevented per annual cohort of eligible women if we were to increase screening uptake to the current target of 80% for individual breast cancer screening units. With 500,000 people projected to be diagnosed with cancer in 2035, it is clear that we must do more to ensure that cancer is diagnosed early so that it can be treated effectively.

The long-term plan, as I am sure everyone has read and the Minister will be aware, says:

“We will build on work to raise greater awareness of symptoms of cancer, lower the threshold for referral by GPs, accelerate access to diagnosis and treatment and maximise the number of cancers that we identify through screening. This includes the use

of personalised and risk stratified screening and beginning to test the family members of cancer patients where they are at increased risk of cancer.”

That is all great, but the Government cannot make those improvements without improving the workforce, and they must not be complacent about the role our NHS workforce have to play in this. As we all know, that workforce do a wonderful job every day, treating, caring for and supporting us and our loved ones, as those who have witnessed it at first hand will attest. Unfortunately, the cancer workforce is at breaking point and already struggles to keep up with increasing demand. There are chronic staff shortages across the NHS, with vacancies for 102,000 staff, including nearly 41,000 nurses. As anyone who has ever worked somewhere with staff shortages will know, the pressure that places on an individual is huge. I cannot imagine what it is like for the NHS staff who work day in, day out under those pressures, when so much depends on their being able to do their job properly.

Cancer Research UK has pointed to chronic shortages in the diagnostic workforce, with more than one in 10 positions unfilled nationally. According to Breast Cancer Now, for every three breast radiologists who retire over the next five years, only two are expected to replace them. I know that others have already stated a lot of these facts, but they are worth stating twice. There is a similar problem with breast cancer clinical nurse specialists; Breast Cancer Care states that they are an ageing part of the workforce, with 45% of breast cancer clinical nurse specialists aged 50 or above. The Royal College of Radiologists has warned of a shortage of cancer doctors, with 5% of clinical oncologist posts vacant during the course of last year, up from a 3% vacancy rate in 2015. The Royal College of Nursing also warns that in England there are nearly 41,000 vacant registered nursing posts, and it predicts a dangerous increase to almost 48,000 by 2023 if the Government fail to take urgent action now.

The Government must take the issue of the cancer workforce incredibly seriously, as nearly every person who has spoken so far in the debate has said. Will the Minister provide a progress report on Health Education England's cancer workforce plan, which was published just over a year ago? Additionally, will he please provide us with a date for when he expects the second workforce plan to be published? As others have said, “soon” is not good enough. The NHS long-term plan makes it clear that the funding available for additional investment in the workforce, in the form of training, education and continuing professional development through the Health Education England budget, has yet to be set by the Government. Can the Minister assure us that any workforce plan will be properly funded, so that the workforce gap can be filled as a matter of urgency?

The NHS long-term plan says:

“We will complete the £130 million upgrade of radiotherapy machines across England and commission the NHS new state-of-the-art Proton Beam facilities in London and Manchester”,

but staff will need to be trained on both how to use those new facilities and how to read the results. Education and training must be high on the agenda for the second workforce plan, including the reinstatement of the training bursary, removing any financial burdens and barriers so that we can recruit the nurses that we need for the

future. It also means offering further training opportunities once qualified, so that staff can keep up to date with technological advances.

Our NHS should be the most attractive employer in the country, but without the financial backing and support from the Government we are failing to recruit and retain our hard-working NHS staff. Of course, as the Secretary of State continues to say, prevention is better than cure, but £96 million has been cut from public health budgets this financial year.

Mr George Howarth (in the Chair): Order. I call the Minister.

10.50 am

The Parliamentary Under-Secretary of State for Health and Social Care (Steve Brine): That was very decisive of you, Mr Howarth. It is quite cold in here, but the ministerial radiator next to me is doing very nicely. Note to the Box: must get radiator for shadow Minister.

It is a pleasure to serve under your chairmanship, Mr Howarth. I wish everybody a happy new year. I congratulate the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) on securing the debate. It is good to see him again. He has impeccable timing; I am not sure if he knew that the plan would be published when he applied for the debate. If he could let me know how he managed that, I would be very grateful.

The hon. Gentleman and everybody else talked about cancer survival rates. The truth is that they have never been higher and have increased year on year over the last decade or so. The reason for that is not only the investment and policy decisions by the last Government and this Government but, as the shadow Minister said, the hard work of NHS staff up and down our country. They work tirelessly, going over and above to give cancer patients the care and compassion that they need. I place on the record my thanks to them, which was perhaps not said enough in the Chamber yesterday. We are not in the slightest bit complacent, though. At the end of the day, one death from cancer still devastates somebody's life and their family's life. We know that we need to do so much more to ensure that we deliver the world-class cancer outcomes in England that all of us want and expect for our constituents.

In introducing the debate, the hon. Gentleman set the tone when he talked about the workforce. He said that the workforce are, in a way, the rock on which to build the church. I will start with that. Where we cannot prevent cancer, which I will come on to, we must ensure that we have the right staff with the appropriate skills and expertise to ensure that patients receive the best care. The NHS is nothing without its 1.3 million staff. It is the biggest employer of trained staff in the world. In 2017, Health Education England published the first ever cancer workforce plan, in which we set out ambitious plans to expand the capacity and skills of the NHS cancer workforce, committing to invest in 200 clinical endoscopists in addition to the 200 already committed to, as well as an extra 300 reporting radiographers, by 2021. However, we know that we need to go much further and do more than that. The Prime Minister set out our new ambitions on cancer in her party conference speech, and we also set out our early diagnosis targets in the long-term plan and our survival targets. As the

[Steve Brine]

Secretary of State set out yesterday, the long-term plan is the next step in our mission to make the NHS the world-class employer that delivers the cancer survival rates that we want.

To deliver on those commitments, we have asked Baroness Dido Harding, chair of NHS Improvement, to chair a rapid programme of work for the Secretary of State. She will engage with staff, employers, professional organisations, trade unions, charities in this space, think-tanks, Members and all-party parliamentary groups to build a workforce implementation plan that matches the ambition set out in the long-term plan. She will provide interim recommendations to the Secretary of State by the end of March on how supply, reform, culture and leadership challenges can be met, and then final recommendations later in the year, around the time of the spending review, as part of the broader implementation plan that will be developed at all levels to make the long-term plan a reality.

The hon. Gentleman and others asked about the work of HEE and Baroness Harding. The announcement of the long-term plan superseded HEE's plans to publish a longer-term cancer workforce plan. HEE will now work with NHS England and Baroness Harding's NHS Improvement under the plan, led by the baroness, to understand the longer workforce implications for the development of the plan. As I said, recommendations will be made in March, with a full implementation plan published later in the year. I did not say, "Soon." I cannot give the House an exclusive this morning.

The hon. Gentleman also talked about Sir Mike Richards's screening review. That will make initial recommendations by Easter this year and be finalised in the summer to, as it says in the plan,

"further improve the delivery of the screening programmes, increase uptake—

I know that the shadow Minister is concerned about that; I am too—

"and learn the lessons from the recent issues around breast and cervical screening, and modernise and expand diagnostic capacity."

Theresa Villiers (Chipping Barnet) (Con): Will the Minister give way?

Steve Brine: I will, but it will mean that other Members will not get a response.

Theresa Villiers: Does the Minister agree that a crucial part of success in early diagnosis is for both the NHS and local authorities, with their public health budgets, to have specific strategies to engage with minority ethnic communities to raise awareness of cancer symptoms, and to encourage them to take part in screening programmes? That is an essential part of an effective strategy to improve cancer treatment in this country.

Steve Brine: Yes. That is why the House gave all upper-tier local authorities the power to be effective public health authorities with ring-fenced public health budgets—£16 billion during this spending review period. Decisions will obviously be made about that going forward. One reason why we did that was our belief

that, for example, my right hon. Friend's borough will have different priorities and demographics from mine in Hampshire.

It is a statement of fact that I will clearly not be able to respond to every Member's points in the short time that we have left. I will respond to everybody in writing, as I always assiduously do. I will try to take a few themes in the minutes that I have.

The hon. Members for Easington (Grahame Morris) and for Westmorland and Lonsdale (Tim Farron) touched on radiotherapy. I very much enjoyed our meeting, and I thank them again for their work. I will send the hon. Member for Easington a note with more detail on his point on tariffs, because I know that he and the hon. Member for Westmorland and Lonsdale are concerned about it.

The hon. Gentlemen also talked about the manifesto response. We await the publication of the new radiotherapy specification before we respond. It is an excellent piece of work that will address many of the recommendations made, and we expect it to be published very shortly. I am afraid to say that the long-term plan makes no commitment to a one-off investment. However, it commits to improving access to safer and more precise medicines, including advanced radiotherapy. That document is not the final word. It is a living document that I will work on while listening to all-party parliamentary groups such as their own.

The hon. Member for Westmorland and Lonsdale also talked about the radiotherapy review. There was a phenomenal response to NHS England's consultation, not surprisingly—a lot of those were from the west country of England. The NHS will plough through that. I am putting great pressure on it to publish its report in response to that, which I am hoping, and am told, will be in early 2019.

The hon. Member for Central Ayrshire (Dr Whitford), otherwise known as the Member for the Irish sea a body of water, talked about prevention and smoking and child obesity and humour. I loved her reference to "poo in the post". There is a great charity that talks about men's bits called It's in the Bag, which is good at promoting awareness of testicular cancer. She is right to talk about prevention. I am the Minister for Public Health and Primary Care, looking at prevention. The Secretary of State has made prevention one of his top three priorities, and she knows that it is key for me.

Smoking is still the biggest preventable killer in our country today, as I said in the House last night in the statutory instrument debate. We have published a world-leading plan on child obesity. We will consult very shortly. I try to be honest with the House at all times, and I hoped to get it out before Christmas, but there is an awful lot else going on and there is only so much I can get out the door at one time. However, I will get the 9 pm watershed consultation out the door. It is damned important that we do that. We said that we will, so we will.

The hon. Lady is absolutely right that prevention is better than cure, which is why the child obesity plan and Cancer Research UK's work in that space has been very helpful.

Mr George Howarth (in the Chair): I remind the Minister that he ought to leave a little bit of time for the mover of the motion to speak.

Steve Brine: Okay. I will have to close. There is a lot of ambition in the long-term plan, which some people have very kindly said I may have had something to do with. That may be so. However, that ambition is matched by finances, and finances need to be matched by people. We understand that, but it is also about the much wider, holistic approach to prevention, and about staff being part of that. We get that. I hope I have given some reassurances around the work that will be done on that. I will write to Members on the rest of the points raised. I thank everybody for their—as usual—incredible and passionate contributions.

10.59 am

Jim Fitzpatrick: I am grateful to all colleagues for their contributions, which were pertinent, personal, knowledgeable and clinical. I thank the Front-Bench spokespeople for their contributions. The Minister knows that we all want the same things—success for the Government's programme, better and earlier diagnoses, adequate and professional staff and better survival rates. We are here to help him.

Motion lapsed (Standing Order No. 10(6)).

Togo: Human Rights

11 am

Teresa Pearce (Erith and Thamesmead) (Lab): I beg to move,

That this House has considered human rights in Togo.

It is a pleasure to serve under your chairmanship, Mr Howarth. I am grateful to have been allocated this debate. I am saddened by its necessity, but necessary it is, as I wish to raise the serious and worsening human rights situation in Togo. At present, according to the Foreign and Commonwealth Office website, the United Kingdom does not have permanent representation in Togo, but covers it remotely, from Ghana. I would be grateful if the Minister, in responding to the debate, outlined how the current system works, because I have a number of constituents from Togo who say that it is ineffective.

The human rights abuses occurring in Togo rest heavy on the shoulders of my constituents who left that country to settle in the UK, because although they are far from home, news of the continued abuse of their relatives and fellow countrymen and women at the hands of the authorities and security forces reaches them nearly every week. It is not only the case that the authorities heavily curtail people's right to freedom of expression and freedom of assembly for peaceful protest; it has also been well documented that security forces use excessive force against demonstrators. Last year, Amnesty International stated that during one of the mass demonstrations organised by opposition groups, at least 11 people were killed by security forces. In addition, the random arrests, detentions, torture and other ill treatment of prisoners, human rights defenders, journalists and civilians continue. It appears that, in Togo, human rights violations continue with impunity. The Government and the security forces have a blatant disregard for justice and the rule of international law.

Jim Shannon (Strangford) (DUP): I thank the hon. Lady for bringing this matter to Westminster Hall for consideration. Does she agree that the shocking report of the death of a 12-year-old in the run-up to the elections in Togo in December is an example of the fact that human rights are still suppressed to a great extent in Togo, and that we in this House must do more to encourage human rights? I suggest that it may be possible to do that by using the Togolese ambition to be a Commonwealth member nation; that may be a way to influence what is happening there.

Teresa Pearce: I thank the hon. Gentleman for his intervention, particularly as it has given me time to catch my breath, because I have just run all the way across the parliamentary estate—there are not many things that a 63-year-old woman would run across the estate for, but I will for human rights in Togo. The issues in relation to the election are very important, and I will touch on them later.

It is time for the Government of Togo to practise what they preach and fulfil the promises that they have made to the United Nations, to the international community and, most importantly, to their people. Togo is a United Nations member state. As is protocol, the UN conducts a universal periodic review of the human rights records of all UN member states. The first cycle of the UN

[Teresa Pearce]

universal periodic review of Togo took place in October 2011. Of the 133 recommendations made, Togo rejected a number, including a recommendation to amend or repeal the laws used to crack down on journalists and human rights defenders, a recommendation regarding the protection of lesbian, gay, bisexual and transgender people in the country and a recommendation regarding the inclusion of laws that criminalised defamation. There has been some progress in the ratification of crucial international instruments, but there is so much more to do. It is imperative that Togo live up to the recommendations that it has agreed to within the universal periodic review. Things must happen not just on paper, but in practice.

Togo was elected to join the UN Human Rights Council for the period 2016 to 2018 and was expected to use that mandate to strengthen its human rights commitments. Combating torture was one of the key recommendations made in the review. The country ratified the optional protocol to the UN convention against torture by rolling out capacity-strengthening workshops to combat torture for criminal investigators and prison and rehabilitation officers, but torture remains a practice in the country that is used by security forces against participants in anti-Government demonstrations.

Many hon. Members will be aware that between August and December 2017 the authorities continued violent crackdowns during mass protests. Those protests were led by the political opposition, calling for, among other things, the end of President Faure Gnassingbé's tenure as President. Freedom House is an independent watchdog organisation that dedicates itself to the expansion of freedom and democracy around the world. In its country overview for 2018, it stated:

"Togo's politics have been dominated since 1963 by Gnassingbé Eyadéma"—

apologies for my pronunciation—

"and his son, the current president...Advantages including a security service dominated by the president's ethnic group, disproportionately drawn election districts, and a fractured opposition have helped President Gnassingbé and his party hold on to power. In 2017, protests calling for the reintroduction of term limits were harshly repressed."

The President has been in power since 2005. His predecessor—his father—held on to power for 38 years before his death. Claims of the repression of protests that call for the reintroduction of term limits are supported by many human rights organisations and institutions. According to Amnesty, protests were met with excessive use of force by the security forces. Among other instances, security forces used live ammunition in 2017 to disperse a protest against rising oil prices in the country. Several people were injured, and many were surprised that only one death was recorded. In June 2017, videos posted on the internet showed members of the security forces, armed with shotguns, beating students on the ground with batons at a student demonstration calling for improved living conditions. That outrageous act occurred at the University of Lomé within the student union. As if that were not enough, security forces arrested at least 19 students, 17 of whom were later released. Several students stated in court that they had been beaten during their arrest and transfer.

Members of the political opposition held mass demonstrations in major cities across Togo. There are reports that those demonstrations were, again, broken

up by security forces, which used tear gas, batons, water cannon and live ammunition. It is simply not humane to use water cannon to disperse crowds and most certainly not for people who have a right to protest peacefully under the UN declaration of human rights, to which Togo became a signatory on 20 September 1960.

One of the main things that Togo seems to have refused to address or improve is the authorities' repression of people's right to freedom of expression. The Freedom House report entitled "Freedom on the Net 2018: The Rise of Digital Authoritarianism" stated:

"In almost half of the countries where internet freedom declined, the reductions were related to elections."

Unsurprisingly, that is true in the case of Togo. In September 2017, the authorities shut down the internet for nine days in retaliation to opposition-led protests. In doing so, they disrupted the organisation of protests and heavily disrupted the work of human rights defenders and journalists who were monitoring the protests. Those reports were later verified by the digital rights group Internet Without Borders. Togo is a signatory to the international covenant on civil and political rights, and its shutdown of mobile phone services and the internet is a violation of article 19 of the covenant.

In a year in which human rights defenders are operating in a shrinking civil society space, I hope that the House will agree with me that disrupting the crucial work of human rights organisations and human rights defenders is detrimental to democracy and should not be allowed to continue. Many cases have been brought to my attention to highlight the gross extent to which the Togolese Government curtail people's rights. They do so by arbitrarily closing down media outlets and arresting community and opposition leaders to crack down on anyone who expresses dissent.

One such case is that of Robert Kossi Avotor. Robert is a journalist who was viciously attacked with batons in the city of Lomé by the police. He was also handcuffed in a successful attempt to prevent him from photodocumenting an eviction that was taking place. He was subsequently detained and had his images deleted, before being released without charge. Although he filed a complaint with the prosecution service, he received no response. This is a classic example of the security forces using extreme force and brutality to curtail the legitimate work of journalists and human rights defenders. They are propped up by the general prosecutor, who issued a warning stating that anyone who reported on Robert's attack would face criminal prosecution for disseminating "fake news". When a Government who do not respect human rights are propped up by a judicial system that does not respect the rule of law and intimidates those seeking justice for crimes committed against them, what hope is there for the people of that country?

I would like to thank the Minister for the attention in the written answers she has already provided to me. In November last year, the Minister responded to one of my written questions on Togo, saying that the UK Government supported the President of Ghana and that they encouraged both the Government and the opposition in Togo to work towards ensuring that the elections to be held on 20 December would be free, fair and void of any violence. Sadly, as many will be aware, the elections were anything but that. According to various news sources, in the days leading up to the elections, many people were killed by security forces.

Despite advice given by Ghana and the UK, protesters still gathered and organised demonstrations in the lead-up to the elections, which in turn flared into violence. Some 14 opposition parties joined forces to call on their supporters to boycott the elections, amid fears that the President would put forth legislation to allow him to run again in 2020 and 2025.

During the mediation talks held by Ghana and Guinea to resolve the crisis, the opposition asked for an overhaul of the electoral commission and for term limits to be set, but this was not to be. Elections are a major source of contention and strife in Togo. How many more people will be arbitrarily arrested and detained? How many more people will tell us their tales of torture, simply because they exercise their human right to freedom of expression or opinion?

Matthew Pennycook (Greenwich and Woolwich) (Lab): I congratulate my hon. Friend on securing this important debate. Like her, I have many constituents, some of whom are in the Public Gallery, who will be watching this debate closely, and who have real concerns about their friends and family still in Togo. Does she share my concern about the repressive cyber-security law that the National Assembly recently passed, which human rights campaigners around the world agree will have a chilling effect on freedom of expression?

Teresa Pearce: I do have major concerns about that. If people are not free to access information and communicate with each other, it puts Togo in the same position as many other regimes, such as China. The Togolese Government beat their opposition for expressing dissent, and silence the media and journalists. In November, the Minister replied to a question that I raised, saying that the UK Government recommended that allegations of arbitrary arrest and detention, and allegations of torture, be investigated thoroughly. Reports from Amnesty International and other human rights organisations dispute that that has taken place in Togo.

I have five questions for the Minister. If she cannot answer them now, I request that she sends me a written response. First, what can the Foreign Office do—what will it do—to encourage Togo to end its security forces' excessive use of force and for their authorities to respect people's right to peaceful protest? Secondly, does the Minister join me in condemning the Togolese Government for shutting down the internet, and contravening article 19 of the international covenant on civil and political rights? Thirdly, what assistance is the UK giving to support human rights defenders and civil society in Togo? Fourthly, how might the Foreign Office encourage Togo to ensure that perpetrators of human rights abuses are held accountable and prosecuted in a court of law? Finally, will the Minister ask the Togolese Government when the high commissioner for reconciliation and strengthening national unity will action the plan to implement the truth, justice and reconciliation commission of Togo's 68 recommendations?

The 70th anniversary of the universal declaration of human rights was marked on 10 December 2018. Togo is a signatory to that declaration. On paper, Togo is doing the right things to show that it cares about and is committed to human rights values and principles—I have touched on those things throughout my speech. However, in reality, the Government and the security

forces there fail to adhere to human rights standards. Togo seems to be a country open to improvement when it comes to its human rights failings. That is why it was elected to the Human Rights Council. However, we seem to be dealing with a Government who make assurances to protect human rights and adhere to human rights standards one day, and abandon those values when they think that nobody is looking.

James Duddridge (Rochford and Southend East) (Con): I congratulate the hon. Lady on securing this excellent debate. The UN and, to a lesser degree, other international organisations are somewhat distant from Lomé. Does she agree that, in addition to the leadership that Ghana is showing, it would be good for the Economic Community of West African States to take a greater role in Togo and provide some leadership on what the international community wants? That local, regional leadership sometimes works better than distant people from New York telling individuals how to run their country.

Teresa Pearce: I agree that this is not a job for just one country, but for many. The UK cannot act alone, but together with others it can. Anybody who can apply pressure and alleviate the suffering of the people of Togo should be welcomed and encouraged. I would be interested to know the Minister's view on that issue.

It is my sincere hope that the UK Government will work closely with the Togolese Government to ensure that they are respecting human rights values not just on paper, but in reality too. In a year's time, I do not want to be sitting in my constituency surgery with my constituents who come from Togo telling me yet more stories like the ones that we have heard. I am sure that we are all appalled. I am sure that the Minister will do everything she can, and I am interested to hear what that might be.

11.16 am

The Minister for Africa (Harriett Baldwin): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Erith and Thamesmead (Teresa Pearce) on securing this important debate and, through her, I thank her constituents who have rightly brought these important matters to her attention and thus to the attention of the House.

Promoting human rights worldwide is generally part of the UK's foreign policy. We believe that everyone everywhere should enjoy equal rights and protections under the law. We believe that human rights are the essential foundation for a fairer, more secure and more prosperous world. Standing up for human rights is not only the right thing to do, but the smart thing to do. In our work, we promote respect for human rights in various ways, from quiet diplomacy and private discussions to leading and supporting international public campaigns with our international partners. With regard to media freedom and in particular the internet, we are campaigning very much this year for media freedom worldwide. The hon. Lady will be aware that we have also increased our support to the BBC World Service and our overall coverage across Africa in a variety of languages.

On the political and human rights situation in Togo, and UK Government action, I will start by recapping the political situation as we see it. President Faure Gnassingbé has been in power in Togo since 2005 following the death of his father, who had held the post

[*Harriett Baldwin*]

for 37 years. The current President was elected for a third term in 2015, having set aside the term limits set out in the 1992 constitution. Togo is now the only country in the Economic Community of West African States that does not currently have presidential term limits. There have been increasing demands in recent years for that to change. A referendum on the issue was planned for September 2017 but did not go ahead.

Since late 2017 Togolese opposition parties have joined together to form a 14-party coalition, and have begun to stage protests in Lomé and across the country, to demand electoral reform. These protests are ongoing. Unfortunately, as the hon. Lady said, violence has been associated with the protests, mainly in the north of the country, perpetrated both by security forces and by protestors. At least 12 people, including some members of the security forces, have been reported as killed since August 2017.

Reports are difficult for us to corroborate because, as the hon. Lady notes, we do not have a permanent diplomatic presence in Togo, and media reporting is often contradictory or biased. Nevertheless, our non-resident high commissioner, who is based in Ghana, continues to monitor the situation in Togo. In the last 18 months, he has visited Lomé twice and he keeps in touch with partners and multilateral institutions.

James Duddridge: Iain Walker does a fabulous job, as did Jon Benjamin, but with the expansion of the network across Africa, is there a possibility that we could get greater representation in Lomé, perhaps within three years? Is that in the pipeline?

Harriett Baldwin: I was going to mention our honorary consul in Lomé, Sitsu Curterello—I will make sure that *Hansard* gets the right spelling. As my hon. Friend mentions, we are increasing the range of roles and our diplomatic presence across a range of African countries. Under current plans, we are not anticipating opening an outpost in Togo directly, but we are anticipating increasing representation in Ghana. As he will know, the coverage of political affairs is done from Abidjan, so we are increasing our presence across west Africa.

Teresa Pearce: On that point, my constituents have expressed dissatisfaction with how that system works. If I meet them again and they give examples of where it is ineffective, and I write to the Minister, will she respond?

Harriett Baldwin: I would welcome that. As the hon. Lady knows, the more specific the better—that is always helpful.

One point that I have raised with the Togolese chargé d'affaires in London is the accreditation of our representative from the high commission in Ghana and of the honorary consul. We would like that paperwork to be finalised because it has been outstanding for longer than it should have been.

In terms of regional mediation, as my hon. Friend the Member for Rochford and Southend East (James Duddridge) said, we believe that ECOWAS has an important role to play. It is best placed to mediate in the current political crisis, as it did so successfully in Gambia. We support the efforts of the Presidents of Ghana and

Guinea to that end. Indeed, a road map was brokered by ECOWAS in July 2018. We urge the Togolese Government and the opposition parties to implement that road map, and we encourage all parties to resolve the crisis peacefully through a political agreement.

Regarding the political situation more broadly, it was encouraging that legislative elections took place on 20 December and that they were assessed by ECOWAS monitors to have been credible and non-violent. However, it is concerning that local elections, which were due on 16 December, were postponed for an unspecified period. It is also regrettable that more opposition parties did not stand in those elections.

On the wider human rights picture, the UK welcomed Togo's positive progress during its last UN universal periodic review in 2016, which included taking steps to prevent torture and other human rights violations by the security forces, and releasing a number of political detainees. Clearly, where such allegations have been made, it is important for them to be fed in so that they can be reflected in future United Nations universal period reviews. We also welcomed Togo's election to the Human Rights Council from January 2016 and its decision to impose a complete moratorium on the use of the death penalty, as announced at the UN in September 2016.

We have raised concerns, however, about child trafficking, prison policies, prison overcrowding and the treatment of detainees in prison. At the time of the universal periodic review, we urged the Togolese authorities to thoroughly investigate all allegations of torture, arbitrary arrest and detention. We also remain concerned about the Government of Togo's continued resistance to provide legal protections for lesbian, gay, bisexual, transgender and intersex people. We have urged them to ensure that the human rights of every individual in Togo are protected by law.

When I met the Togolese chargé d'affaires in London recently, I raised our concerns about human rights and took the opportunity to emphasise the importance of implementing the road map and of holding free, fair and peaceful local elections. We also discussed UK support for the economic development of Togo. The UK recognises that Togo is a country with a low average income. We provide about £12 million of development assistance annually, not directly through the Government but through a range of non-governmental organisations. In 2018, that included £1.6 million for the UN population fund, which supports reproductive healthcare and development across the country.

In conclusion, the UK Government welcome the steps taken by the Togolese Government to improve human rights in some areas, but we remain concerned about reports of violence, human rights abuses and violations associated with political protests. The treatment of detainees and the lack of protection for LGBTI people are matters of continued concern. We have said to the Government of Togo that they must now step up and deliver real progress on human rights, including on the ECOWAS road map, which will benefit all the people of Togo.

Question put and agreed to.

11.26 am

Sitting suspended.

Apprenticeships and Skills Policy

[SIR DAVID AMESS *in the Chair*]

2.30 pm

Judith Cummins (Bradford South) (Lab): I beg to move that,

This House has considered apprenticeships and skills policy.

It is a pleasure to serve under your chairmanship today, Sir David. The title of the debate is as broad as possible so that colleagues may join in and give their own perspective. I will address the problems in the apprenticeship levy and regional skills imbalances in our country; the mismatch between the skills system and the needs of the economy; and the need to give tools to places such as Bradford to help us to close the productivity gap between us and London.

In June last year, I held a business and jobs roundtable in my constituency. Business leaders and representatives of trade unions, the Bradford Economic Partnership, the Northern Powerhouse Partnership, Bradford chamber of commerce, Bradford University and Bradford College all attended, as well as my hon. Friend the Member for Bootle (Peter Dowd). The overall theme for the roundtable was how we could boost economic opportunity for all in Bradford South. Although the discussion ranged over a number of issues, a significant amount of time was spent discussing schools, training and apprenticeships. Later in my speech, I will address the specific issue of the apprenticeship levy, but first I will briefly outline the challenges and opportunities facing Bradford.

Bradford is a great northern city with a proud industrial heritage. That heritage was created by successful businesses, which used new technologies and the city's pioneering drive to build a world-leading economy. We are still home to many successful and enterprising businesses. In my constituency of Bradford South, we have a strong manufacturing sector. Bradford has 1,200 manufacturing businesses, employing more than 25,000 people in the district, which accounts for 13% of all employees locally compared with 8.3% for Great Britain as a whole.

We face a significant challenge with the interconnected problems of low skills and low wages, and I will give a few figures relating to my constituency to illustrate that. In Bradford South, 15% of the working-age population have no qualifications compared with the UK average of 8%; 14% of our working-age population are qualified to degree level and above, compared with 31% nationally; Bradford South has 600 jobs per 1,000 people in the working-age population, compared with 840 nationally; average weekly workplace earnings stood at £480 in April 2018, compared with a UK average of £570; and Bradford South ranks 520th out of 533 constituencies in England in the social mobility index from the House of Commons Library. Many people in my constituency do not have the skills they would need to access good-quality, well-paid and secure jobs.

John Howell (Henley) (Con): I understand the point that the hon. Lady is making about her constituency. Does she believe that schools in her constituency have something to contribute to redressing the imbalance she is describing?

Judith Cummins: I agree that schools have a lot to offer when it comes to redressing the imbalance. I will address schools a little later in my speech, when I will speak about the specific situation in Bradford and the specific project that we have there.

That situation is something of a vicious cycle. The lack of skills makes Bradford a less attractive place for businesses to locate and invest in. A good example is Her Majesty's Revenue and Customs, which cited the lack of appropriate skills as one of the reasons to relocate its offices from Bradford. That is why getting the skills policy right is essential to give places such as Bradford the economic boost that they so badly need.

The issue is becoming ever more urgent as we face the impact of new technologies in the world of work. The Future Advocacy report places Bradford South in the top 40 constituencies that are likely to be affected by automation in the coming years. It also says that 35% of jobs in Bradford are in occupations that are likely to shrink by 2030. It is clear that Bradford will need to adapt to secure good-quality and sustainable jobs.

Mike Amesbury (Weaver Vale) (Lab): The Federation of Small Businesses has raised concerns about the 40-day requirement for placements associated with T-levels. Is that a concern for employers in the Bradford South constituency?

Judith Cummins: That certainly is a concern for employers in my constituency.

Mr Jim Cunningham (Coventry South) (Lab): My hon. Friend has mentioned that modern technology plays a major part. Does she agree that the restoration of the education maintenance grant would help students in relation to apprenticeships? Furthermore, cutbacks in further education do not help—it seems to be treated as a Cinderella industry.

Judith Cummins: I thank my hon. Friend for the wise words and I certainly welcome them. I say to the Minister that now is the time that we must act to create a better skills and training system if we are to prevent disruption further down the line.

David Simpson (Upper Bann) (DUP): One of the problems we face in my constituency with training centres is that 20 to 25 students will start training, but only four will finish. How can we encourage young people to stay in apprenticeships, or is the apprenticeship scheme not fit for purpose?

Judith Cummins: That is a very interesting and pertinent point. I know that some apprenticeships are paid so poorly and offer so little training—apprenticeships are supposed to be jobs with training—that they are not really worth the paper that they are written on. In my view, they should not be called apprenticeships.

At a local level, a significant amount of work is under way to meet the challenges that I have spoken about, with the Bradford Economic Partnership setting out a local economic strategy with a focus on increasing the number of productive businesses in the district through investing in skills provision.

We recently had Bradford manufacturing week, which I was delighted to support. It aimed to show the young people in Bradford the many exciting opportunities in manufacturing that are right on their doorstep, to get

[*Judith Cummins*]

them thinking about the skills that they will need for the future. Over half of our secondary schools took part. In just one week more than 3,000 children crossed the doors to get that first-hand manufacturing experience in workplaces.

Another exciting area of work that is being developed locally in Bradford involves the industrial centres of excellence—or ICE—approach to post-14 careers and technical education. ICE gives business a partnership vehicle with local schools, colleges and the University of Bradford to ensure that education and learning in Bradford meet the skills demands of businesses in the local and regional economy within given sector footprints, which opens up opportunities for our young people and improves social mobility.

Those centres are good examples of how schemes that are locally led can deliver for businesses and encourage social mobility. I would welcome the opportunity to discuss them further with the Minister, but Government policy is making it more difficult for places such as Bradford to bring about a transformative change in their labour markets. I will start with the specific issues that Bradford businesses and education providers have raised with me about the operation of the apprenticeship levy.

I fully support the principles behind the levy, but its implementation has compounded the problems of underinvestment in training rather than improving the situation. As the Minister will be aware, the apprenticeship levy aims to encourage employers to invest in apprenticeship programmes, but apprenticeship starts have been significantly down since the introduction of the levy in May 2017. In July 2018, the total number of apprenticeship starts nationally was 25,200.

Carolyn Harris (Swansea East) (Lab): I congratulate my hon. Friend not only on securing the debate but on her generosity in giving way. I am sure it will help the new year planning for the keep fit programme.

Skills, education and training are devolved matters in Wales, where there has been a 23% rise in the uptake of apprenticeships—obviously, we are doing something right. I wonder whether the UK Government are talking to the Welsh Government, perhaps about sharing good practice so we can make the success in Wales a success right across the United Kingdom.

Judith Cummins: I thank my hon. Friend for making that point, which is definitely one for the Minister to address.

As I was saying, in July 2018 there was a total of 25,200 apprenticeship starts nationally, which represents a 43% drop from July 2016. Starts in Bradford South have fallen from 1,370 in 2015-16 to just 680 in 2017-18—very nearly a 50% drop. Several Bradford firms have told me that the complexity of the system is a major barrier to entry, and that seems to be a particular problem for small and medium-sized businesses. That was clearly set out to me when I had the privilege of attending the apprenticeship awards evening at Bradford College late last year. While we were discussing the fantastic successes of apprenticeships at the college, it raised a number of difficulties facing both the college and the many small and medium-sized enterprises it works with. Many of the latter find the administrative

demands of the new apprenticeship system extremely difficult to manage, and the college itself is experiencing cash-flow difficulties, caused by changes to the apprenticeship contract and the digital payment process, with payment times having increased to an average of 14 weeks from an average of seven before the reforms. The college has had to create four new posts to help it to navigate the changes and support its employers.

In his recent Budget, the Chancellor acknowledged some of the shortcomings identified in the current apprenticeship policy. For example, he announced his intention to reduce the requirement to contribute to the costs of off-the-job training from 10% to 5% for non-levy employers, which should help a little. In Bradford South, I have levy employers asking if the same 5% reduction in fees will apply to them once they have exhausted their levy funds. They currently deliver the extra apprenticeships under Solenis, which also requires a 10% core contribution from employers.

I recognise that a new system takes time to bed in, but the Government's approach needs more than just a little fine tuning. We need a more radical overhaul of our skills policy to help places such as Bradford get the growth and prosperity we deserve. We have a situation where public policy, whether intentionally or unintentionally, has turbo-charged the London economy to the detriment of other towns and cities outside the capital. The Government need to address the failure over decades to tackle persistent regional skills imbalances. We need a mechanism to support industries and individuals in areas that face economic decline and need help to adapt to the demands of the global economy.

The jobs of the future will require people to work more closely with advanced technologies. Workers will need support to adapt and retrain, to secure decent and sustainable work; otherwise, in many places in the UK we will face a lasting legacy of low qualifications, low productivity and low pay. Yet the Government have no convincing strategic framework for identifying sectors and areas in which large numbers of jobs are at risk from technological and economic change. In fact, the apprenticeship levy contributes to further regional imbalances, as more funding is raised per head in London and the south-east than in the rest of the country. London has the lowest skills need in the country, yet the levy will raise more funds there, as the capital has both a greater proportion of workers employed by large employers and far higher pay. The Social Mobility Commission's "State of the Nation 2017: Social Mobility in Great Britain" report identifies that as an emerging risk, and the commission urges the Government to develop education and skills policies to better support disadvantaged young people in areas such as Bradford South, stating that that could be done

"by targeting any used apprenticeship levy funds at regions with fewer high-level apprenticeships".

According to the commission, apprenticeships are a more common path into employment for young people in many youth coldspot areas, where there are higher barriers to social mobility than in hotspots, but those apprenticeships are often of lower quality than in the hotspots. If we are to rebalance our economy, we urgently need reforms to the apprenticeship levy to ensure that it meets the needs of the most disadvantaged areas and those with a legacy of underinvestment, such as my constituency of Bradford South.

A debate about skills policy must not be just about how to support young people to enter the workplace; it also must consider those who are already working. To achieve a sustainable supply of skills with the flexibility to meet the ever-evolving needs of business, industry and the public sector, the UK must maximise the potential of its existing workforce. That is why the 45% reduction in spending on adult education since 2010 is so short-sighted and damaging to our economy. If Government want business and individuals to see training as an investment and not as a cost, they must lead by example. To meet the wider training need of the economy, we need more focus on how the apprenticeship levy can be used to tackle the overall skills shortage.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): I agree with a number of the hon. Lady's points, but while I accept what she says about individuals gaining access to education as adults, does she not agree that employers have a duty to their staff to ensure that they are properly trained, that their careers are developed, and that appropriate adaptations are made if they transition into another career or a different role in the organisation? It should not necessarily be down to the Government to do that. Employers have an important role and a moral obligation to their staff.

Judith Cummins: Yes, everyone has a wider responsibility to train and retain. Lifelong learning is, in fact, a mantra going back some decades.

The Chartered Institute of Personnel and Development comments:

"The Government should consider broadening the apprenticeship levy into a wider training levy. The training levy could be reconfigured to cover a much broader range of organisations...whereby all businesses with more than 50 employees would contribute, with larger businesses contributing more to the pot."

That would allow levy funds to be used to fund people with low qualifications to access pre-apprenticeship training.

A wider problem that has affected this country for decades is overreliance on individual learners to make informed choices about their training in an environment that is not well structured and where independent advice is not freely available. Unlike much of Europe, we do not have a strong industrial sectoral voice to drive collective action from employers. To pursue the high-skills route to business success, more effort must be made to develop that voice. The Government must no longer rely on responding to individual employers and instead work to build up strong sector skills bodies, which will be more able to forecast skills needs and encourage the collective commitment to skills that we have heard about in the debate.

Sectoral institutions should include a range of key stakeholders able to build a wider commitment through an entire industry. That model is found in other western European countries, such as Germany and France, where it is common practice for employers, civil society groups and trade unions to co-operate to achieve mutually agreed goals. Achieving that requires the Government to take both a more active and a more supportive role and to devolve greater power and responsibility to key sectoral bodies. Places such as Bradford need more tools and resource to close the productivity gap with London. Investing more in skills and devolving more to our cities would be a significant step forward in building an economy that works for everyone.

In conclusion, I ask the Minister to answer my questions about apprenticeships and skills. In particular, will the Government reduce the administrative burden and the costs of operating the apprenticeship system to the pre-May 2017 levels? What will she do to address the regional imbalances that are built into the apprenticeship levy? Does she intend to develop a strong sectoral voice to articulate and stimulate the demand for skills?

If we get the skills policy right, we can give young people the tools they need to secure high-quality jobs, and we can boost productivity and rebalance the economy so that it works for all places and all people in our country. That must be our absolute priority, and I hope that today's debate and the Minister's responses will contribute to getting that right. Finally, I would like to place on record my thanks to the Minister for her welcome interventions in helping to secure a future for Bradford College. I very much look forward to working with her.

2.49 pm

John Howell (Henley) (Con): It is a great pleasure to serve under your chairmanship, Sir David, and it is an even greater pleasure to follow the hon. Member for Bradford South (Judith Cummins). I will take advantage of the way in which she has drawn the subject so widely because I want to answer a fundamental question: how do we get students who are still at school to focus on the options of an apprenticeship and skills training rather than going to university? Those Members who know me may think that that is a rather surprising thing for me to say—I went to three universities and had attachments to two foreign universities while doing so. She will have to forgive that, but I ask the question seriously.

There are two aspects to answering that question: schools, and the method by which we get people attracted to the options of apprenticeships and skills training, which is through work placements. I will start by looking at work placements as a precursor to people going on apprenticeships. I am sure that we have all had people on work placements in our offices; I know that for much of the run-up to the summer holidays, I have a person on a work placement every week. I wonder how many people we are trying to line up to be politicians when we are supposed to be cutting back the number of MPs.

Stephen Pound (Ealing North) (Lab): The hon. Gentleman's eyes might care to drift towards the Gallery, where he will see a young person from St Dominic's college in Harrow—just north of my constituency, but she does live in my constituency—who is the living embodiment of the ideals and ambitions that the hon. Gentleman has just expressed.

John Howell: I am grateful to the hon. Gentleman for pointing that person out, and for the way in which he described them. It is fitting to include them in the debate.

It is important to get other people involved in providing work placements—it is not just something for politicians to provide. We need to encourage small businesses to become involved in that, so that people get a feel for the entrepreneurship that is involved in setting up and running a small business. There are a couple of examples of companies in my constituency that do that, such as Williams Jet Tenders, which makes boats to go on other

[John Howell]

boats. It has a scheme of taking 10 people from the most deprived area of the constituency each year, some of whom go on to do apprenticeships. That training provides them with a lot of experience, and also with a lot of fun, because they end their experience by building little boats that they race against each other. I have been along to present the prizes to the winners, and all of that might sound like great fun, but there is also a seriousness to the skills that they learn: how to make model boats, and how to scale them up from that. Other companies provide that experience as well, including a cabinet and kitchen maker that I have also visited.

Those work placements take a whole lot of learning away from the apprenticeships. I am principally going to mention three areas of learning, the first of which is working well with other people. That may sound obvious, but for young people, working with other people and dealing with the dynamics of that is a skill that needs to be learned. Another skill that is crucial to learn and which work placements can provide is how to cope with criticism. Of course, coping with criticism is something that we as politicians take for granted, so maybe the work placements in our offices do have a purpose, but that is an important thing for people to learn. The third thing is people managing their own time, and making sure that that is part of how they approach life. Those are three examples of skills that work placements can provide, which will take away the need to pick up on those areas of learning during apprenticeships and will also help to make apprenticeships more attractive.

Having dealt with the work placement side, let me turn briefly to the schools side. Schools need to participate. We have been only partially successful in encouraging schools to encourage people to go into apprenticeships and skills training rather than to university. Certainly, among the schools in my constituency, there is a huge variety of attitudes towards encouraging students to go into apprenticeships. Some still have a very old-fashioned view of life and only measure success by the number they send to university.

Mike Amesbury: I am an MP but I am also a former careers adviser. Does the hon. Gentleman agree that it is about time that we re-establish a careers service—formerly the Connexions service—that will help people make well-informed and realistic decisions?

John Howell: I am open minded. I just think back to my time at university when there was a careers service. I will not tell the House the advice that I was given, but I did not follow it at all—not one iota. I am not sure whether that was down to the quality of the advice or my own sheer cussedness, but I take the hon. Gentleman's point.

It is important that schools focus on promoting apprenticeships as a legitimate option that is equal to going to university, and we need to judge where people go according to their own skills and inclinations. I am pleased to have been able to contribute on the topic of how we get people to go into apprenticeships in the first place. I think we need to put a little more finesse into the work placements that are offered around the country.

Several hon. Members *rose*—

Sir David Amess (in the Chair): Order. The closing speeches begin at 3.30 pm and there are five colleagues wishing to catch my eye, so I appeal to Members to share the time out, with about six or seven minutes each.

2.57 pm

Stephen Pound (Ealing North) (Lab): What better way could there be to start the new year than being in Westminster Hall under your benign guidance, Sir David? If there were a better way, it could only be being here to discuss matters of such moment, and I give enormous credit to my hon. Friend the Member for Bradford South (Judith Cummins) for having raised this important subject. J. B. Priestley composed endless panegyrics to the proud city of Bradford—which he called Bruddersford so as not to confuse people—and there was a time when we thought of Bradford as being exemplified by J. B. Priestley. However, my hon. Friend has now adopted that crown, and she is the spokesperson for that city.

I was delighted to hear from the hon. Member for Henley (John Howell). I was a little surprised by his comments about the more deprived areas of Henley—presumably, that is a place that is down to its last Jaguar. I had not previously thought about the teeming stews and slums of Henley, but I am here to be educated. I was also interested to hear about the careers advice that the hon. Gentleman received. I remember the careers teacher at my school encouraging me to leave at the earliest opportunity, saying that I could go into the Royal Navy at the age of 16. He did say, “By the way, they will take anybody.” One of my colleagues, I seem to remember, thought that he was being advised to become an author when the careers master said to him, “Have you ever thought about being a man of letters?” He ended up, of course, as a postman. [Interruption.] There is nothing wrong with that; there are some distinguished postmen.

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab) *indicated assent*.

Stephen Pound: There has been a slightly unpleasant anti-London undercurrent to the debate, with talk about this proud metropolis sucking in all the apprenticeship levies and doing better than other parts of the country. I want to talk about one sector that is reflective of the whole United Kingdom, from Northern Ireland to every other part of the nation, which is the ornamental horticulture and landscaping sector. In our modern workforce, we have this extraordinary problem of a skills shortage. Lest anyone think that ornamental horticulture and landscaping is a minor add-on to the economy, it contributed £24.2 billion to GDP in 2017 and supports 568,000 jobs. It is a crucial sector, but we have a terrible skills shortage. In the absence of the hon. Member for Taunton Deane (Rebecca Pow), I pay credit to her work on the all-party parliamentary gardening and horticulture group, particularly the report it produced last year. I know the Minister is familiar with it and received several copies. I am sure she has many a spare hour in the lonely garret of the Ministry when she is looking for some exciting reading, and the APPG's report will provide that.

The great joy of horticulture, particularly in the fields of ornamental horticulture and landscaping, is that it offers a route into a skilled profession. Someone who

has an aptitude for ornamental horticulture and landscaping—they do not necessarily have to have an enormous amount of academic qualifications, although they help—can access that strand and grow within it and become virtually anything. There is no limit to what someone can achieve. Capability Brown started somewhere. I am not entirely sure where, but it was probably in London, judging from comments today.

We would like to see the Government doing a few things. The Minister will be aware of the modest Christmas wish list, which we have already sent her copies of, but we need to better promote roles in ornamental horticulture and landscaping. People do not understand what the roles are, and we can do much better. There is a lack of horticulture education in UK schools. Current careers advice—I cast no aspersions against present or former careers advisers; they are without a doubt a fine body of women and men—is not giving students knowledge about the sector, which is crying out for entry-level people to work in it. Many would love the idea of an outdoor, creative job that brings about some product at the end of the day—something that they can show and be proud of. We as Members of Parliament are often denied that pleasure, but people who work in horticulture and landscaping certainly have it. The severe skills gap has a knock-on effect for the economy and the environment. When it comes to managing the environment, we need people with knowledge, particularly in landscaping. There is so much that can be done.

I draw the Minister's attention to a mere two of the recommendations in the APPG report issued in October last year. One is to ask the Government to

“work with sector leaders to promote horticulture as a highly skilled and desirable industry to enter, through encouraging the inclusion of horticulture within the national curriculum...and providing more high-quality horticulture advice through the National Careers Service.”

Recommendation 8 was for the Government to adequately fund FE training, and I think we are as one in this Chamber on that demand. We all call for that. That recommendation also calls on the Government

“to adequately fund FE training in horticulture to ensure the consistent delivery of high-quality training...the Government should ensure the Apprenticeship Levy is more flexible...to fund the work experience requirement of the T Levels and short-term traineeships.”

I am acutely aware of the strictures of time, Sir David, and I am grateful for your typical generosity, so I will conclude. My hon. Friend the Member for Bradford South has raised a crucial issue. If we do not get things right, we will fail a future generation and a future workforce. I am probably one of the older people in the Chamber. The days when people could leave school at 15, work for the same company for 50 years, have 10 years of retirement and then drop dead are long gone. My son and daughter will probably have 15 or 20 different jobs in their lifetime. People dip in and dip out of different jobs, but they have to have the skills and training. They no longer have a job they can do simply out of sheer muscle. Those days of mass employment are gone.

Nowadays, we are a highly skilled, specialised economy, and highly skilled, specialised workers will not grow on trees. They have to be nurtured, encouraged, supported and financed and their worth has to be recognised. Today's debate fires the starting gun on that process. It

shows how, with a growing GDP and a more skilled, more flexible workforce with areas of expertise growing from FE and careers advice in schools, we can make not only the workforce happier and more productive, but the country a better place. It is not a bad ambition.

3.5 pm

Lee Rowley (North East Derbyshire) (Con): It is a pleasure to serve under your chairmanship, Sir David. I am not quite sure how I follow that tour de force, not least because towards the end of his comments, the hon. Member for Ealing North (Stephen Pound) expressed—and expanded on well—sentiments that I share, but also because I have very little to say about ornamental horticulture.

John Howell: To pick up on the horticulture point, Capability Brown made his name with his work at Stowe in Buckinghamshire, which is not a million miles from the Henley constituency that the hon. Member for Ealing North (Stephen Pound) so derided.

Lee Rowley: Excellent. I have none of the one-liners, wit or repartee of either my right hon. Friend or the hon. Gentleman, so I will move straight on to the debate as a whole.

I congratulate the hon. Member for Bradford South (Judith Cummins) on securing this valuable and necessary debate. We need to have more such discussions. It would be better to talk more about this issue than some of the other subjects we seem to obsess over in this place and elsewhere.

I want to talk about apprenticeships and skills. I thank my right hon. Friend the Minister for her time over the past few months when I have been to talk to her about apprenticeships. I am a strong supporter of what the Government are doing on apprenticeships, and the direction is very positive. A number of months ago, I had the opportunity to go to Rolls-Royce, which is a major employer in the south of my county, so I have seen what a good-quality apprenticeship programme does to raise the aspirations of people in the local area and equip them with the skills they need to succeed in the workforce for the next 50 or so years.

The Minister knows the feedback I have received from a number of people and organisations in and around my constituency. Chesterfield College is a large training provider in my part of the world. Smaller training providers, such as Stubbing Court Training, say that there have been problems with the introduction of some of the measures. Some of that is understandable—changes are never easy—but she knows some of my underlying concerns. I have passed them on to her, and I ask her to continue working to resolve them.

The debate on skills is one of the most interesting that we need to have in this place, and it speaks to a much bigger point. I was pleased when the hon. Member for Bradford South discussed the challenge of automation within five minutes of talking about skills. I see automation as a challenge and an opportunity. I wanted to congratulate the hon. Member for Ealing North on his final comments because it was refreshing to hear a speech where automation was not seen just as a problem, but as something that is coming, is inevitable—there is no point arguing about that—and is an opportunity to grasp, because it brings many opportunities for people.

[*Lee Rowley*]

The challenge I see is that we have to start equipping those in the workforce and those coming into the workforce for the next 50 years. That is a truism—everyone knows that. I was with a member of my family yesterday. He is 11, and he had just gone to an interview to decide what secondary school he wants to go to from December. He came back and was telling me about all the things he wants to do. It struck me that he will probably still be in the workforce in 2060 or 2070, a long time from now.

I differ slightly from the hon. Member for Bradford South on one point in her introductory remarks. She talked about the Government having a knowledge of what skills are needed and the changes to come. I am not sure we can look that far ahead—I do not suggest the hon. Lady suggested otherwise. Ultimately, for 11 and 12-year-old children, who will still be in the workforce in 2060—hopefully, I will still be in the workforce in 30 years' time—we must equip them with the skills to be able to still work and take advantage of what the workforce brings. The hon. Lady talked about automation, so I will throw in a few more statistics: the OECD estimates that 15% of jobs will be fully automated and another third partially automated; McKinsey talks about half of all tasks in the workforce being automated; the World Economic Forum talks about 7 million jobs going in our country, but potentially more than 7 million jobs being created. That is the fundamental challenge that we have to try to work through. We cannot plan for it in the traditional way. We cannot execute it from the centre. We have to equip people with the skills to be able to deal with it in the next 20, 30 or 40 years. Partly it is about core knowledge, and the Government have done an enormous amount in terms of reforms in schools over the past 10 years, but part of it is a different set of skills: flexibility, problem solving, persistence and agility. Those are the things I used to look for when I employed people in my old industry, and they are the most difficult things to work out in an interview process.

An interesting discussion needs to be had in Parliament and other forums, including in industry, about how we start codifying and understanding skills. I am not saying we will get to an NVQ level 3 in persistence or anything like that, but we have to have a better understanding of how we define and measure such things so that we can help to teach people or at least develop such skills.

Stephen Pound: Does the hon. Gentleman agree with me—I know this applies to you, Sir David—that anyone who has been in the scouts or guides who applies for a job, as is the case in any area that I have ever been employed in, will always get an interview? Does he not agree that that is an excellent thing to have on a CV?

Lee Rowley: As a former scout, I completely agree.

Stephen Pound: Once a scout, always a scout.

Lee Rowley: I am conscious of time, so I will make my other two points. The first has already been made by others, so I will not dwell on it, but it concerns the need for skills training to be as close to the workplace as possible, not because education is not an end in itself, which we must never forget, but because we need to ensure that we equip people with the right skills that are necessary in today's and tomorrow's workplace.

My hon. Friend the Member for Henley (John Howell) talked about entrepreneurship. It is telling that when I left university in 2002, we all wanted to go and work for big companies and do well on the corporate ladder. When people come out of university now, they want to be their own boss, set up their own company and do their own thing. We have to recognise that what people want to do in the world of work is changing. When we debate skills, I hope we can consider equipping people to be able to have the skills that they will need for the next 60 years. They will need different skills—soft skills, particularly—and we need to train them in ways different from how we have trained them historically.

3.13 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to serve under your chairmanship, Sir David, and to follow the hon. Member for North East Derbyshire (Lee Rowley).

I see apprenticeships as exciting. We have an exciting opportunity and a chance to put something right that has been wrong for an awfully long time. Every political party talks about parity of esteem, which often feel like words that are just trotted out. When we ask people what their children do, we find that lots of MPs' children went to university and did not go anywhere near an apprenticeship. If we are serious about wanting to create parity of esteem, we need to have parity of outcomes, which needs a really clear pathway, and I will focus my remarks on that.

One brilliant solution to achieving parity of esteem is degree apprenticeships. Someone can leave, having done an apprenticeship as a degree, and have exactly the same qualification as someone who went to university, so there we have our parity of outcomes, but there is a problem because people join a degree apprenticeship after doing A-levels. We still do not have a clear apprenticeship pathway, so that—judging by the people I have met and talked to—the people who take degree apprenticeships tend to be people whose parents have the knowledge and are perhaps from a middle-class background.

Paul Girvan (South Antrim) (DUP): Will the hon. Lady give way?

Emma Hardy: I will finish this point first. Such people see the advantage of taking a degree apprenticeship and perhaps are not the people the policy was aimed at.

Paul Girvan: I thank the hon. Lady for giving way. Having been an apprentice in a previous life, I can tell her the value of an apprenticeship is not necessarily seen by society today. Unless someone has a degree, they are a nothing. It is how we have interpreted it. In third-level education, someone must have a degree or they will be a pleb. We must put the emphasis back into an apprenticeship that starts at 16 with a career pathway that ultimately can give someone a degree, as I got through the course that I went on.

Emma Hardy: I thank the hon. Gentleman for that point. I think he will agree with me as I move on in my speech.

On the parity of outcomes, at the moment, as I said, the degree apprenticeship can be achieved only by having A-levels, so we have to look at how we build a clear apprenticeship pathway such as we see in Germany,

where someone can leave school at 16 and do a level 2 apprenticeship, which then takes them to a level 3 apprenticeship, which takes them to level 4, and if they wish they can then do a degree-level apprenticeship. We do not have that system at the moment. I am sorry to say that I disagree with the Minister, who I normally agree with: I regard T-levels as an unnecessary distraction.

At the moment we do not say GCSEs are nothing, because we see them for what they are: a tool for going through and getting A-levels, which are a tool for going through and getting a degree. Yet we dismiss level 2 apprenticeships, seeing them as a nothing qualification, or a qualification that is not viewed very highly. In part, we dismiss the qualification because we do not see level 2 apprenticeships as the tool that gets someone to a level 3 apprenticeship, which is the tool to get to level 4. We know—I include myself in this—people are ready for education at different points in their lives, and perhaps the apprenticeship pathway model that I advocate takes a lot longer than the traditional path of going through GCSEs and A-levels. Perhaps it takes a lifetime, because someone might take a level 2 apprenticeship and then work for a couple of years. Then they do a level 3 apprenticeship and work another few years. Then they do a level 4 and so on and they find it takes 10 years, and then they end up with their degree apprenticeship at the end of it. We need that pathway to be clearly defined.

I have raised this before, so the Minister will be aware that Hull College and Hull University have worked together to create a pathway for nursing so that nurses can do apprenticeships. Hull College has told 16-year-olds, “You can start on a level 2 apprenticeship at Hull College. If you pass, within five or six years you will be a fully trained nurse with a degree in nursing from Hull University.” It has been clearly set out and the college has been inundated with people wanting to apply. Why can we not look at creating such clarity for many other professions? Why can we not say to someone, “You do not need to get GCSEs at 16 and then get A-levels to go and do a nursing degree. You can go down the apprenticeship route instead. If you want to get off the conveyor belt and just get a level 4 and be a healthcare assistant instead of an apprentice nurse, that’s fine, too, because you can pop back on that conveyor belt later and get your nursing degree apprenticeship”? That is exactly what happens in Germany, where they talk about having no dead ends, because there is always an option to move forward if people want.

I am a member of the Select Committee on Education and we did a report called, “The apprenticeships ladder of opportunity”. That is what we need to have clarified by Government. I have significant concerns that we have so many young people doing a level 2 apprenticeship and they get stuck there; they do not move forward and do not progress. The Sutton Trust also found a lack of progression between the different levels of apprenticeship. A level 2 apprenticeship is not a full apprenticeship. It is a stepping stone, but not a full apprenticeship in its own right.

On the clarity of pathways, I will quote the Sutton Trust’s chief executive, who said, “on the academic route...everything is signposted, you know the options, you get supported at transition points.”

In apprenticeships,

“there are lots of dead ends...there are pitfalls. Sometimes it is a very confusing route. I think we just need to almost map out steps.”

London South Bank University has also suggested that standards

“should include reference to the anticipated career trajectory of learners”.

We need that map, and it needs to come from Government. There are practical steps that they could take to achieve it.

The Government should mandate the Institute for Apprenticeships to include clear paths to progression within apprenticeship standards; those paths should be linked to a system of progression maps created and promoted by the institute and Government, with complete clarity on how to go from a level 2 apprenticeship to a degree, if someone wishes to. They should also create a UCAS-style website to advertise higher level apprenticeships, so that apprentices working in small and medium-sized enterprises will not be disadvantaged if their employer is unable to provide a higher-level apprenticeship. The Government should encourage and promote universities that have already established that clear apprenticeship pathway. Perhaps they should say something about doing a degree apprenticeship not being enough if everyone starting the course has A-levels.

I want people to get on to degree apprenticeships through the apprenticeship route. No one will ask, when someone has their degree, whether they did an apprenticeship degree or an academic degree. They will just be pleased that they have a degree. If we want parity of esteem, the Government need to do more to create that parity and improve clarity in pathways.

3.21 pm

Faisal Rashid (Warrington South) (Lab): I thank my hon. Friend the Member for Bradford South (Judith Cummins) for securing this important and timely debate.

The future of our country depends on how well we are able to equip younger generations to face the challenges ahead. An effective apprenticeships and skills policy is crucial to closing the productivity gap and boosting our competitiveness globally. As we face critical questions about our trading relationships with the rest of the world post-Brexit, it is important now more than ever to reflect on the skills we want the workforce of tomorrow to have. Sadly, eight years of failing to invest properly in young people. Members need not just take my word for it: at the last election, the Tories lagged 40 percentage points behind Labour among voters aged 18 to 24. That says it all. Young people know that they are being poorly prepared for a jobs market that is increasingly fragmented and insecure.

Small businesses also suffer as a result of inadequate education and training policy. Anyone with a background in business will know that having a skilled, well-trained workforce is indispensable to long-term success. However, research published by the Federation of Small Businesses suggests that too many small businesses are struggling to fill skilled jobs, with almost a third of recruiting firms facing skills shortages. In a report on England’s qualifications gap last year, the London School of Economics revealed that skilled trades comprise nearly half—43%—of all occupations reporting skill-shortage vacancies.

The apprenticeship levy is a welcome measure, but it only begins to address the scale of the problem. Measures must be taken to ensure that the levy funds apprenticeships

[*Faisal Rashid*]

of a high quality. Labour has proposed achieving that by requiring the Institute for Apprenticeships to report annually to the Secretary of State on the quality of outcomes of completed apprenticeships. In that way we can ensure that it delivers skilled workers for employers and real jobs for apprentices at the end of their training. Does the Minister support the proposals and, if not, will she clarify what measures the Government are taking to oversee the delivery of high-quality apprenticeships?

3.24 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): I am grateful to be called to speak in this important debate, Sir David, and I congratulate my hon. Friend the Member for Bradford South (Judith Cummins) on securing it.

As Members may be aware, the Scottish Government are responsible for apprenticeships and skills development policy in Scotland, but I will link my remarks to the UK. For young people who do not want to go into further or higher education, apprenticeships are a vital means to secure the skills and work experience needed in later life. As the economy continues to change, skills development opportunities become increasingly important for the reskilling and upskilling of workers. Therefore, it is vital that we get our policy on apprenticeships and skills development right, so that we cannot only help young people succeed, but encourage lifelong learning—something that I did through the trade union movement in the Post Office.

I was concerned about recent statistics about modern apprenticeships from Skills Development Scotland. Apprenticeships should be accessible to those who need them, but those statistics, covering the period April to September 2018, show that there are still issues to overcome. There is still a clear gap between men and women in the uptake of modern apprenticeships. In Scotland, only 35% of modern apprentices during the period in question were women. That is in direct contrast to the experience in England where in 2016-17 54% of apprenticeships were undertaken by women. In England, the number of apprenticeships started by women has been higher than the number started by men every year since 2010-11. Individuals from ethnic minority backgrounds were just 2.1% of modern apprentices in Scotland while the equivalent rate in England stood at 11.3%, in 2016-17.

We often hear of the difficulties that young people whose backgrounds involve experience of care have with educational attainment and securing employment. That is why it is particularly disheartening to me that just 1.7% of modern apprentices in Scotland come from such backgrounds. With 13% of modern apprentices self-identifying as having a disability or learning difficulty, it is clear that there is still much to do in Scotland to ensure that modern apprenticeships are accessible and that they reflect our country.

Skills Development Scotland has confirmed that achievement rates fell by 3% in quarter 2 of 2018 when compared with quarter 2 of 2017. Achievement rates have fallen for modern apprenticeships regardless of the participants' age, but I am particularly concerned about the 4% drop among modern apprentices aged 16 to 19.

Those young people are the future of our country, and we should not be letting them down in that way. Redundancies among modern apprentices were disproportionately concentrated in the construction sector, and made up 83% of all redundancies. It is particularly disappointing that there has been a fall in achievement rates given that there was an increase of more than 10,000 in the number of achievements in apprenticeships in England in 2016-17. In fact, it was the highest volume of achievements in any academic year. Because of the funding changes introduced by the UK Government, the number of apprenticeships started in England has started to fall. If the Scottish Government cannot tackle the issues relating to access and achievement, I fear that the number of apprenticeships in Scotland could suffer a similar decline.

In my area, North Lanarkshire, we have the second highest rate of modern apprenticeships in Scotland and almost 10% of all the female modern apprentices in Scotland, although there is still more progress to be made. I am proud of the fact that Labour-led North Lanarkshire Council's modern apprenticeship programme offers a wide range of opportunities. Apprenticeships can be undertaken in areas ranging from community arts to social services, enabling young people to develop vital skills for a successful future. As a North Lanarkshire councillor and a Member of Parliament, I am proud of our modern apprenticeship programme and will continue to ensure that it delivers for young people in our community, and helps others across the whole UK.

3.28 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to see you in the Chair again, Sir David, in the new year, chairing this very interesting and far-reaching debate, in which there have been widely differing views. I congratulate the hon. Member for Bradford South (Judith Cummins) on securing an important debate. I am a member of the Select Committee on Education. Many of the topics she discussed are close to my heart. I have learned very much from being on the Committee in the past three years about English education and about the differences within education.

There are huge differences between Scotland and England with regard to the ways in which modern apprentices are trained, and how apprenticeships work. In fact, when I was a further education lecturer at West Lothian College, I delivered programmes as part of modern apprenticeships, and it was always a delight when the college took on modern apprentices who went right through the programme and also picked up academic qualifications. Some also worked hard to gain a degree in their chosen subject.

It is always a pleasure to be part of people's development, and the Scottish Government feel strongly about apprenticeships and skills development in Scotland. One of the first things that happened when Tata Steel was sold was the securing of apprentices by Dalzell Works in my constituency to ensure that they were able to continue and finish their apprenticeships. It is important that Scotland is seen as a world leader in that area, so let us ensure that the figures are correct. In 2015-16, 2016-17, and 2017-18, the Scottish Government beat their own targets for apprenticeships. In England over the same period, apprenticeship targets fell, which is an absolute disgrace.

This morning the Education Committee took evidence from experts on the fourth industrial revolution. It is imperative across the UK that skills are fostered and encouraged so that we can meet the challenges of the future. I must give credit to the hon. Member for Ealing North (Stephen Pound). I did not know anything about ornamental horticulture and landscaping, but he gave such an eloquent performance that I feel I must mention it as it I sum up the debate.

Jamie Hepburn, the Minister for Business, Fair Work and Skills in Scotland, stated:

“Apprenticeships are a fantastic way for all employers to invest in their workforce and provide the skills the economy needs now and in the future... We are continuing to enhance the apprenticeship opportunities available to provide the right balance of skills to meet the needs of employers and the economy, including prioritising higher skilled apprenticeships and STEM occupations.”

Some Members have mentioned schools. Last year I had the pleasure of attending a meeting at Dalziel High School in Motherwell along with the Deputy First Minister, John Swinney. Prizes were given to students who were doing work placements. Those placements were not just for one or two weeks a year—pupils went from that school every week to work with Morgan Stanley in Glasgow, or the engineering firm WorleyParsons, which does a lot of work in the energy sector in Scotland and across the UK. The enthusiasm and experience that those young people gained from that weekly commitment was outstanding, and they fed that back into the school. There is an ongoing programme between that school and education and industry trusts in Scotland, and they are all to be commended on their work.

I do not think anyone in this Chamber underestimates the issues involved, but as the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) said, this is about parity of esteem. When, years ago, I did my teaching qualification in further education, I made a comparative study between vocational education in Scotland and in Germany, although because there was not yet a Scottish Parliament, it was really about UK-wide education. The lack of esteem, especially in a country such as Scotland whose engineers are renowned all over the world, given to people who worked with their hands was amazing. We still need to break down those barriers and show parents, students and pupils that there is a good future for them if they take on an apprenticeship. Indeed, last year I saw the enthusiasm and interest of apprentices at Gateshead College who were doing degree apprenticeships. The fact that they had to persuade their parents that it was a good idea to do those courses is testament to the work that still needs to be done.

I thank all those who have contributed to the debate. I have learned a lot. I realise that many issues are still to be covered, so I will let the hon. Member for Blackpool South (Gordon Marsden) sum up on behalf of the Labour party and ask hard questions of the Minister.

3.34 pm

Gordon Marsden (Blackpool South) (Lab): It is a delight to serve under your chairmanship, Sir David, and if it is not too late, I wish you and everyone here a happy new year. We have had a superbly balanced and broad-ranging debate. We must thank my hon. Friend the Member for Bradford South (Judith Cummins) not simply, as she put it, for making this a wide-ranging debate, but for her strong and important points. She gave a powerful critique of the current apprenticeship

programme, and outlined the direction in which it needs to go to assist somewhere such as Bradford, which, as many have said, has a fantastic history but needs a powerful future as well.

I was impressed by the huge range of contributions from colleagues across the House. The hon. Member for Henley (John Howell) spoke about the importance of work placements. After a voyage around his witticisms, my hon. Friend the Member for Ealing North (Stephen Pound) found more fertile ground in horticulture, for which we thank him. The hon. Member for North East Derbyshire (Lee Rowley) rightly spoke about the need to look to the future and different sorts of skills, and showed an intelligent understanding of where the tensions are between such skill sets. My ever-forceful colleague, my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy), talked about apprenticeship pathways to get to degree apprenticeships and spoke strongly about the importance of level 2 in terms of progression—I shall come to that later in my remarks.

My hon. Friend the Member for Warrington South (Faisal Rashid) raised concerns about how the Government will have a lost generation if they do not properly prepare for apprenticeships, and said that the Institute for Apprenticeships should be focused on outcomes and be supported. My hon. Friend the Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney) spoke about the importance of ethnic minorities not missing out in Scotland, and he raised some significant concerns. Finally, the hon. Member for Motherwell and Wishaw (Marion Fellows) shared her experiences as a former FE tutor and lecturer and spoke about the need to promote modern apprenticeships. All those contributions have added to this debate.

We know that we are entering a period of extreme uncertainty regarding our skills base because of a cocktail of challenges: Brexit, automation—I take that point from the hon. Member for North East Derbyshire, which is why I said “challenge” rather than “problem”, but it nevertheless focuses our minds strongly—and the damage already done by the neglect of older as well as younger people in adult education, the dramatic fall in take-up by adult learners, and cuts to the adult skills budget. If we are now faced with the impending scenario of a no-deal Brexit, the need for home-grown skills is strengthened yet further.

Despite consistent warnings from ourselves, and the university and FE sectors, the Government have been neglectful of the impending damage—especially through the drift to no deal—that Brexit could cause to our world-class FE colleges and universities, and to skills as a whole. This is an issue for FE in particular, because of the deep engagement of community projects that are funded via the EU. Thousands of UK jobs, and tens of millions of pounds that the UK earns from our EU links with universities, further education colleges and training providers, are in jeopardy as a result. The Government need to get to grips urgently with spelling out how their shared prosperity fund will replace the funding from the European Social Fund and the Research Development Fund, on which our community-focused higher education institutions and colleges so rely.

What is the Department for Education doing—the Minister will have heard me speak about this before—to ensure that the needs of skills and apprenticeships are

[Gordon Marsden]

at the top table? Why have we seen so little proactivity? The Secretary of State seems to have thought that Erasmus was a second-level issue. That is what I have been told, but I hope the Minister will reassure us that it is not a second-level issue, because it is crucial to the skills processes that we need, whether in Bradford or Blackpool.

The already growing skills shortages in areas such as the health service are becoming catastrophic. We heard the national health service plans yesterday. That was all well and good, but the unanimous comment in the media has been about where the 100,000 extra jobs will come from. Where will those people come from if we do not have a progressive, integrated policy? We have a Department—it is new year, so I will try to be charitable to the Minister—that is struggling with the consequences of nursing bursaries being scrapped. I entirely support the Royal College of Nursing's campaign in this area, and have heard from constituents who have been seconded via the NHS to Blackpool hospital about some of their concerns. We have world-class colleges and providers, but they are being consistently let down by cuts to budgets and funding streams. Unfortunately, apart from the eventual money pledged for the introduction of T-levels, there has been no reversal to those damaging reductions made by the Government.

The Minister urged MPs and the sector to lobby before the Chancellor's Budget. They did, but they got precisely nowhere. It is imperative that we use apprenticeships and our skills network to help people be trained, but we have to fund them properly. We are being told to look at the spending review, but as the former Minister David Willetts observed on Saturday, when talking about the Augar review, the chances at the moment of the Chancellor focusing his eye on education as opposed to the NHS appear to be minimal.

Fine words we have had plenty of, but they butter no parsnips. That is particularly important in smaller towns and cities, such as Bradford, Blackpool and many of the places that Members who have spoken today represent, the people of which feel that they have been let down. We hear rumours that the Augar recommendations will pin all hopes and money on the cut in university fees. I sincerely hope that the Minister, in whatever capacity she is able to, will raise her voice against the focus simply on higher education, to the detriment of further education.

One of the potential avenues that we need to explore to achieve all that is, of course, the devolved skills and adult education budget implications. There are clear opportunities via those new structures that could be utilised, and should be, if we are to have proper progression in the devolution of adult skills funding. We need a much bigger debate about the devolution of broader apprenticeships than we have had so far.

We need proper infrastructure and long-term thinking. The Government have been poleaxed by Brexit, and are looking only to scrape to 2020 in their funding and policies. While they do that, our new national education service will look at devolving apprenticeships and other skills funding, not just the adult education budget, and our lifelong learning commission will expose and explore new ways of collaborating on the ground with the third sector and the unions to get those skills up and running.

Skills devolution is not just a smart thing to do economically; it is the right thing to do for community growth and cohesion. If apprenticeships are to have strong, positive outcomes for local economies and workforces, far more young people need to get to the starting place to begin with. It is important to grasp the potential for high-quality apprenticeships in the service sector. As others have said, that means supporting our small and medium-sized enterprises and starts at level 2, and ensuring a properly funded and promoted traineeship programme.

We have been banging on about that to a succession of Government Skills Ministers for two years; the current Minister is the third to hear me speak on it. The latest statistics from the Department for Education show a significant drop in level 2 apprenticeships—just 161,000 starts at level 2 in 2017, down from 260,000. The proportion of overall starts has fallen to its lowest level yet. As Mark Dawe of the Association of Employment and Learning Providers said,

“major mistakes in the implementation of the levy have resulted in a serious undermining of the government's social mobility agenda”.

He also said:

“Level two starts are now the biggest issue we face”.

I can only make reference to the briefing that Members have had from the British Hospitality Association about the importance of progression in that area from level 2 and onwards. Recently I was glad to welcome representatives of Stonegate to Parliament, and a person in my constituency who has gone from being a barperson to running the newly refurbished Manchester hotel, which will be reopened shortly.

Level 2 apprenticeships have fallen, but we have seen a huge rise in management apprenticeships. I do not know what the real story is there. Does the Minister? Has the Government's failure on level 2 been a market consequence of the way that they sold the levy? I do not know; perhaps the Minister can enlighten us. What we know from the Sutton Trust is that about a third of those apprenticeships are converting existing employees and skills. If that is the case, we are in an even more dire position than the Government's figures show.

Anything that simply rebadges or validates normal training will not get us where we need to go. To create that step change we must ensure that people can get to the starting point, because level 3 is one of the most telling points for SMEs or self-employment. Whether someone is a hairdresser—I hope that the Minister has managed to get the Secretary of State off the unfortunate prejudices about hairdressing in his Battersea speech—a social care provider, a brickie, an electrician or a plumber, those are the people we need, and the skills that we need. Level 3 is a de facto licence to practise. That is why it is so important that the Government should not neglect traineeships.

There are issues regarding the overspend. The Minister knows that the Institute for Apprenticeship's chief financial officer recently presented a forecast of a £500 million overspend. Can she tell us whether those figures are accurate? The Education Committee published an all-round critique of the Government's apprenticeship record, and highlighted the importance of not only apprenticeships, but apprentices. That is a long-overdue priority for the Government. I know that the Minister agrees about the

importance of world skills, skills competitions and skills champions. She has banged on about it, and it is very good that she has, but her Department has not always seemed to share the same enthusiasm for taking on board the opinions of apprentices. I urge her to do so, and to utilise the talents of IFA's panel.

That is the right way to promote the social mobility that we will need in the 2020s, when bespoke skills and enabling ones will have to combine in people's lives with more traditional qualifications. We need to encourage young people to take up their curiosity for future jobs and apprenticeships at a much earlier age. We have been saying that for some time. It needs hardwiring into careers advice to go beyond the Baker clause and to have a sustained, holistic strategy.

The Government's consistent failure to support under-represented groups, whether black, Asian and minority ethnic, people with disabilities or care leavers, has to be addressed. We would address it directly by giving it strong positioning in our new national education service. We have been very clear that if we are to get to the right position on T-levels, they cannot be seen simply as a competitor with A-levels. The Sainsbury review pointed in the right direction in that area, but unfortunately the Government have ignored that holistic approach and turned it into a beauty contest.

The concerns that we have heard today about regulations not being fulfilled in key new pathways—employers say they are not currently—and there not being the number of work placements illustrate the point. It is important that we get T-levels going properly, but they must be part of a broader strategy. That is the problem with so much of what the Government have told us. We are not short of potential "ladders of opportunity", as the Minister's predecessor, the right hon. Member for Harlow (Robert Halfon), put it, but we now need more resources, simplifications and long-term strategies—not the short-term targets that have tied the Government in knots and led to the issues that my hon. Friend the Member for Bradford South raised in this excellent debate.

3.48 pm

The Minister for Apprenticeships and Skills (Anne Milton): It is a pleasure to serve under you today, Sir David. I wish all hon. Members a happy new year. I say to the shadow Minister that I do not feel tied up in knots.

Gordon Marsden: Not personally.

Anne Milton: Not personally, certainly. I feel quite clear about what I am trying to achieve. I congratulate the hon. Member for Bradford South (Judith Cummins) on securing the debate. I wish I had more time, but I do not. I will debate this matter weekly if that is what Members want, because there could be nothing more important for the productivity and success not just of this country, but of individuals.

I am incredibly fortunate in my job. I get to see so many young people who are passionate and incredibly enthusiastic about the careers that they get through apprenticeships. Their sense of enthusiasm strengthens my faith that we are on the right road. It tells us not only that the direction of travel is right and that parity of esteem between the academic and technical routes is

achievable, but that apprenticeships open an alternative door that would not otherwise exist for people—often bright and very gifted young people, but also older people—for whom school and exams did not work.

T-levels and apprenticeships will form the basis of our new technical offer, building the skills of the population. They will be mirror images—one predominantly work-based and the other predominantly study-based, but both leading to skilled employment and opportunities for further study up to and beyond degree level, through apprenticeships or otherwise.

The hon. Member for Bradford South is absolutely right that Bradford is a great city, but 15% with no qualifications is quite a shocking figure in comparison with the national average. She raised the issue of apprenticeships not being worth the paper they were written on, but that was what sat behind all the reforms. We have brought in money from the levy, protected the term, mandated 20% off-the-job training and introduced end-point assessment.

The hon. Lady is right that apprenticeship starts are down, but this is not just about numbers; it is about quality. Before the reforms, a lot of people doing apprenticeships did not even know that they were on them. It was a way of bringing in cheap labour, and we wanted to change that. It is not surprising that the starts went down to begin with, because it was a very big change, but they are now rising, and that rise has been significant at level 4, level 5 and above. I urge the hon. Lady and her businesses in Bradford to contact the National Apprenticeship Service, which I know will be very happy to work with her and with businesses locally.

We are bringing non-levy paying small and medium-sized enterprises into the apprenticeship system. I assure the hon. Lady that I am working closely with the Federation of Small Businesses to ensure that we get it right for SMEs, which often find it quite difficult to navigate the new system. I point out that the money raised by the levy is available for redistribution to non-levy payers, so money raised through the levy in London might well end up being redistributed to smaller employers in Bradford, Hull or anywhere else in the country. From April, large levy payers will be able to transfer 25% of their levy pot without restriction, so the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) might like to have a word with hon. Members for London constituencies to see whether that money can be redistributed.

The hon. Member for Bradford South also mentioned the risk to workers from automation. Some 35% of jobs are set to go in the next 10 years, so the Chancellor has announced the national retraining scheme, a joint venture between the TUC, the CBI and the Government to ensure that we can upskill lower-skilled workers. We are doing much to ensure that this works, especially for workers who may have had a bad experience of education or for whom undertaking more training might cause practical as well as financial problems. We need to ensure that lower-skilled workers get the skills they need and that business gets them as well.

I am glad that my hon. Friend the Member for Henley (John Howell) has lots of university degrees to make up for the fact that unfortunately I do not have any. He is right that schools play a critical role, but

[*Anne Milton*]

schools do not work for everyone, and apprenticeships are often a vital route for young and older people to get a second chance.

I praise the role of unionlearn, which I should have mentioned earlier and which often offers excellent in-work training. The Government give it quite a substantial amount of money, and it will be important to the national retraining scheme. I must also mention work experience, because the 45 to 60-day industry placement is a critical part of the new T-levels. The careers strategy has the Gatsby benchmarks at its heart, so that schools can measure their success. Meaningful encounters with the world of work are an important part of that, and the Careers and Enterprise Company is doing a great job of linking schools to local employers.

Doing a school exam or maths homework makes sense if students can see the jobs that will be out there when they leave school—otherwise it is just another exam or another boring class. For those going into a career in STEM—Science, technology, engineering and maths—there is nothing not to like about apprenticeships, which give the skills and work experience needed. Some engineering companies have cut their graduate schemes and are now offering only apprenticeships at level 2 and up to level 3.

The hon. Member for Ealing North (Stephen Pound) made me smile, as he always does, and mentioned horticulture and landscaping. Only today, I saw some fantastic examples of the apprenticeships that the national parks are offering. I would be very happy to work with him and the all-party gardening and horticulture group. Landscaping is one of the disciplines tested at the WorldSkills competition, which I was privileged to see in Abu Dhabi. He might like to visit the WorldSkills website and see the amazing work of landscapers at the competition.

My hon. Friend the Member for North East Derbyshire (Lee Rowley) spoke about the skills gap, which the skills advisory panels will be looking at to give us a clearer picture. The reason why apprenticeships are getting such traction is that employers want more than just knowledge; they want skills as well. Many are moving away from graduate schemes, because a degree apprenticeship, for instance, combines both knowledge and skills.

Gordon Marsden: Will the Minister give way?

Anne Milton: Yes, but briefly, because the hon. Gentleman is taking my time.

Gordon Marsden: I am grateful. The Minister mentions the skills advisory panels; the reason why we need them is that in the previous Parliament the Government abolished the UK Commission for Employment and Skills. Does the Minister regret that the commission is no longer there to give the Department a holistic view?

Anne Milton: I do not have regrets. What matters is what we do next, and that we make sure we identify the skills we need. In case I do not have time later, let me

note that the hon. Gentleman mentioned devolving skills budgets. In fact, skills budgets are devolved down to the lowest possible level: to local employers. Firms in Bradford and Hull—the levy payers—have the money at their disposal, and we will redistribute it to SMEs.

Time is short, and I do not have time to mention everything, but the hon. Member for Kingston upon Hull West and Hessle mentioned nursing, a perfect example of the pathway for progression that I want to see from level 2 right up to level 6. In construction, an employer in Gosport has done a wonderful map that shows young people where they can progress—right up to project manager and beyond. When I was in Bristol, where a lot of work is being done on diversity in apprenticeships, I saw what looked like a tube map, where people can see where they can get on and off their route. Of course, people can go in other directions: they might well do a level 2 in business admin and then go into nursing or end up doing a level 6 in a completely different discipline. That is exactly the area that I want to concentrate on. I spent a lot of time getting business working with the levy and getting the system up and running, but now what matters to me is progression.

With respect to the drop in level 2 apprenticeships, which was mentioned earlier, we are not absolutely sure what is behind the figures. Some 90%¹ of starts are still at levels 2 and 3, and of course employment is high, but we need to dig deeper. What matters to me is the people I meet, like the young man I met who got chucked out of college twice, got a level 2 apprenticeship with Virgin Media, skipped level 3, did a level 4—

Judith Cummins *rose*—

Anne Milton: I know—you have 30 seconds.

That young man skipped level 5 and is now doing a level 6. He said to me, “I am a miracle.” That is what this is about: giving people that second chance. I am sorry that I do not have time to say any more.

3.59 pm

Judith Cummins: I am really grateful to all hon. Members who took part in the debate. I agree with everybody who said that this is such an important subject and that we should concentrate much more on it, because it is about the future of our country, of our children and of our economy.

The Minister mentioned the national retraining scheme, a joint initiative with the TUC and the CBI. I look forward to seeing the details of that scheme, which will be really important.

When I said that some apprenticeships were not worth the paper they are written on, I did say “some”—I commented that I meant those apprenticeships with little or no training.

It is fantastic that we all agreed on the urgency of getting our skills policy right, to ensure that our economy delivers for everybody in all places. The jobs and skills mismatch is not down to individuals on the supply side. We have to stimulate and organise demand for skills through the Government empowering sectors and regions; it cannot just rest on the shoulders of individuals.

Motion lapsed (Standing Order No. 10(6)).

Armed Forces: Angus

[SIOBHAIN McDONAGH *in the Chair*]

4 pm

Kirstene Hair (Angus) (Con): I beg to move,

That this House has considered the future of the armed forces in Angus.

It is a pleasure to serve under your chairwomanship, Ms McDonagh. I just want to say that I am overcoming a flu virus, so my delivery may not be as clear as it might have otherwise been.

Over the last century and more, the history of Angus has been intertwined with the armed forces. In 1913, the first operational military aerodrome in Britain was established at Montrose. That station served as a vital base, first for the Royal Flying Corps and then for the RAF, through two world wars. More recently, in 1938, what was then known as HMS Condor was opened as a base for the Fleet Air Arm near Arbroath. More than 80 years on, Condor remains the home of the armed forces in Angus and has become an integral part of Angus life. Condor contributes to Angus's economy, and those who are based there are welcomed into the local community.

The past eight decades have seen Condor and the personnel based there contribute to the defence of Angus and the entire United Kingdom. Condor endured bombing during the second world war, and between 1954 and 1971 served as home to the Royal Navy Aircraft Engineering Training School. Since 1971, as RM Condor, it has been home to the Royal Marines of 45 Commando. In that time, 45 Commando has, among other operations, served multiple tours in Northern Ireland during the troubles, yomped across the Falklands to fight for the liberation of Port Stanley and protected Kurds from Saddam Hussein in the first Gulf war. More recently, it has served with great distinction in Afghanistan, working under tremendous pressure to bring greater peace and stability to the region.

It was during those more recent conflicts that, in 2003, 45 Commando received the freedom of Arbroath and Angus—a small token of gratitude from the people of Angus, who are keenly aware of the sacrifice that 45 Commando and the armed forces more generally have made to keep this country safe. The true extent of that regard was further demonstrated in 2011 when the unit and the local community raised more than £250,000 for the establishment of a woodlands garden in memory of the 13 service personnel who made the ultimate sacrifice for their country as part of Operation Herrick.

In early 2017, the people of Arbroath turned out in their droves to celebrate 45 years since 45 Commando moved to Condor, just as they had turned out to celebrate the return from conflict many times before. At that celebration, the then Commanding Officer of 45 Commando, Lieutenant Colonel Tony Turner, said that 45 Commando had been “privileged over the years to have had such great support from the local community of Arbroath and Angus”

and that that shared history is what makes 45 Commando's organisation and its connection to Arbroath “so unique”. That view is shared by the base's current commanding officer, Lieutenant Colonel Duncan Forbes.

Douglas Ross (Moray) (Con): Does my hon. Friend agree that the great respect given to the armed forces in Angus is replicated across the country? In Moray, with RAF Lossiemouth and 39 Engineers at Kinloss, we have the same community spirit that supports the armed forces. As my hon. Friend said, the armed forces do not just protect our country. They also have great involvement in the local communities where they are stationed.

Kirstene Hair: My hon. Friend is absolutely correct. It is not just the way in which the armed forces serve our nation—they also serve our communities and are an integral part of those communities. I will go on to explain how they are fully integrated into Arbroath and the wider Angus area.

Fundamentally, it is clear to me that Condor, and 45 Commando's presence there, works. It works for Angus, it works for 45 Commando and it works for our military capabilities as a nation.

I am glad to have worked recently with this Conservative UK Government to ensure that armed forces personnel based at Condor and across Scotland were able to receive compensation protecting them from the Scottish Government's income tax rises. I hope that, in the upcoming reprioritisation exercise of the better defence estate programme, I can once again work successfully with Ministers to support our brave servicemen and women. There should be no doubt that I welcome the programme, and that I firmly believe that the armed forces, and the use of the defence estate, should be as efficient and effective as possible. Everybody would agree with that.

Recent years have demonstrated how turbulent the world can be, how threats can materialise and subside quickly, and how our military should therefore be as well placed as possible to deal with all eventualities. I believe in a strong, cost-effective military, but I also believe, as a Conservative, that a long-standing fruitful relationship should be treasured and preserved, and so I look at the last half century, where 45 Commando has, from its base at Condor and its home in Angus, served so effectively and admirably in theatres around the world, protecting this country while helping to grow the local economy of a thankful and welcoming county.

Stephen Gethins (North East Fife) (SNP): I thank the hon. Lady for securing this debate. She will have similar concerns to me, given that we come from the same part of the world. Does she agree that military personnel are best served when we take into account the needs of the whole family, such as schooling in a local community? It is crucial that family-friendly facilities are considered in any future investment, which is a point that has been acknowledged by our local paper, *The Courier*.

Kirstene Hair: The hon. Gentleman is absolutely right. Condor includes and welcomes not only the family of personnel into the base, but also the wider community. He is absolutely right that it is a vital asset that each base should have.

It is clear to me that Condor should remain home to 45 Commando as part of this country's defence infrastructure, and I hope that that is also the view of the Ministry of Defence—I and thousands of people across Angus would more than welcome an additional assurance from the Minister today that that is the case,

[Kirstene Hair]

which would reassure us of the continued presence of a pillar of our community and our economy. As a minimum, the forthcoming review should confirm that RM Condor will at least be maintained in its current form. That would not only allow the existing and successful relationship between 45 Commando, Angus, and the Ministry of Defence to continue, but would also secure the future of the Arbroath Division of the Royal Marines Volunteer Cadet Corps.

The Royal Marines cadets are a great opportunity for young people in Angus to develop skills and attitudes that will stand them in good stead for a lifetime. Meeting twice a week, they make use of Condor's facilities. I understand they held their first, if rather cold, camp out at the beginning of last December. The foundation of the Arbroath Division of the RMVCC in December 2017 has further supported a long-standing relationship between RM Condor and multiple cadet groups. The impeccable reputation of the base means that demand for places in these groups is rightly high. In 2018, intakes took place in both August and October, and recruitment for a third intake is currently under way.

In addition, 45 Commando's assault engineers and students from Dundee and Angus College recently collaborated to transform one of the hangers into a vital training asset. I know the Secretary of State was incredibly impressed at that innovation during his visit to the base last year. Moreover, there are the plethora of football, skiing, rugby, and competitive boxing clubs that make use of Condor's facilities. Those benefits, both social and cultural, are further evidence of why the base and personnel should stay. However, the reprioritisation should commit to maintaining 45 Commando's presence in Condor.

Bill Grant (Ayr, Carrick and Cumnock) (Con): I am sure my hon. Friend would agree that today's military personnel are a fighting force to be reckoned with, but they are more than that, in terms of military aid to the civil community for things such as firefighting, dealing with adverse weather conditions, flooding and so on. We should commend them for the good work they do throughout the United Kingdom, including in Scotland.

Kirstene Hair: My hon. Friend is absolutely right to say that they go above and beyond the role they are asked to do.

The reprioritisation exercise should commit to ensuring that Condor can continue to provide all the facilities that 45 Commando needs to continue to operate as effectively as it does today. We need clarity on the future of the base. I recognise the importance of an efficient defence estate, and nobody is calling for the Ministry of Defence to hold on to land that it does not need and cannot put to better use. Although the airstrip at Condor has been out of use for some time, the wider airfield and hangars are vital to many of 45 Commando's training objectives, including driver training, combat training and small arms firing.

Confirmation that 45 Commando will remain at Condor will be welcome, and I would be pleased to hear that backed up by firm commitments on the airfield. There is concern that, even if 45 Commando's future at Condor is confirmed for now, over-zealous cuts to the airfield

will compromise its ability to operate effectively. The review must not suggest confirming the future of 45 Commando at Condor with one hand, while the other make decisions that might eventually force it to move. I am sure that it does not need to be stated that, should that transpire, it will have a negative impact on the base's personnel, their families and the wider community.

The review should include clear, practical steps towards securing Condor's long-term future as the home of 45 Commando. The Ministry of Defence should take a long-term approach to the review, and it should consider how greater investment in Condor can ensure that 45 Commando has a stable home, with all the facilities it needs, for decades to come, and how that investment can save the Ministry from greater costs in future.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on securing the debate. At the moment, recruitment to the Army is very low. Newspaper reports today say that 20% of Army personnel are unfit to go to theatres of war. Clearly the hon. Lady is outlining that her local detachment is very capable of going to war. Does she agree that, when the soldiers can deliver something effectively to the Army and to the Ministry of Defence for overseas activities, every consideration must be given to retaining the base and to recruitment?

Kirstene Hair: The hon. Gentleman is absolutely right. The issue is twofold: it is about keeping our fantastic personnel on board as well as making new recruits. The Ministry of Defence is doing a huge swathe of work on recruitment, which we obviously need to do continually to attract the brightest and best into our armed forces.

The review should also consider what more Condor can contribute to our country's future defence infrastructure on top of serving as a home to 45 Commando. The Minister has heard multiple representations on behalf of Condor from me and from people across Angus over the past 18 months. He knows that this issue is close to my heart and the hearts of my constituents. I hope he recognises from the Ministry's perspective the common-sense case for Condor, and reflects it in his response.

Bob Stewart (Beckenham) (Con): I make no apologies for mentioning the huge military tradition in Angus. We must remember that it is the home of the 26th regiment of the Army—the Cameronians—which was disbanded in 1968 because it refused to amalgamate. It was one of two regiments of the British Army that said, "We're not amalgamating; we're the Cameronians. We are a fighting force—we come from Angus, and we're Scottish. We are not disbanding." Good for them.

Kirstene Hair: I saw that the Minister was listening avidly to the case that my hon. Friend put across on my behalf.

I have made the case for keeping a well-established base in an area with a long and proud military history, where 45 Commando has been truly welcomed into the local community, and where the cadets have added a new dimension to that unique relationship between military and community. The base has worked well for decades for the personnel stationed there. Provided support is maintained, it can continue to do so for decades to come.

4.14 pm

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): It is a pleasure to respond to this debate I congratulate my hon. Friend the Member for Angus (Kirstene Hair) on securing the debate and I commend her commitment, diligence and persistence in supporting both the Royal Marines and RM Condor in her constituency, which is the home of 45 Commando. I had the pleasure of visiting the base only a few months ago to see the incredible work that is being done by Lieutenant Colonel Forbes and his fantastic unit, as well as other assets based up there.

Before discussing RM Condor, I would like to acknowledge the critical and unique role that the Royal Marines play in the wider spectrum of our armed forces capability. Formed in 1664, during the reign of Charles II, they celebrate their 355th birthday this year. The Royal Marines have much to be proud of in their long history: playing a vital role in Lord Nelson's victory at Trafalgar; securing and defending the Rock of Gibraltar in 1704; the infamous raid on Zeebrugge in 1918, which earned two Royal Marines the Victoria Cross; as well as the D-day landings at Normandy, where 17,500 Royal Marines took part in the largest amphibious operation in history. More recently, they were essential to the recapture of the Falkland Islands in 1982.

Today the Royal Marines are the UK's specialised commando force—an elite unit held at very high readiness and trained for worldwide rapid response. They can deal with a wide spectrum of threats and security challenges, and operate in often dangerous and extremely difficult circumstances, including amphibious operations, littoral strikes and humanitarian relief as well as specialist mountain and cold weather warfare and jungle counter-insurgency. When diplomacy fails, the Royal Marines provide Government with an impressive spectrum of hard-power options with which we can respond. On behalf of a grateful nation, I thank every Royal Marine who has earned the coveted green beret.

Bob Stewart: I thank the Minister for allowing me to point out, as the secretary of the all-party parliamentary group on Gibraltar and as a real friend of the Royal Marines, it is the only unit in our armed forces that has a place name on its badge. It says "Gibraltar", because that is where the unit made its name.

Mr Ellwood: While serving as a regular officer, I had the pleasure to be based in Gibraltar, and I became very familiar with the treaty of Utrecht and the role that the Royal Marines played in securing the Rock. May it forever remain British. Gibraltarians are very proud people, and we have a strong relationship with the Royal Gibraltar Regiment.

Looking to the future, the 2015 strategic defence and security review mapped out our commitment to the Royal Marines. I am pleased to say that following the modernising defence programme, the future of HMS Bulwark and HMS Albion as amphibious workhorses has been confirmed. The Royal Marines winter deployment programme in Norway will continue, as will their training with US counterparts. We will shortly see women join the ranks of the Royal Marines in ground close-combat roles for the first time.

Turning to the base, my hon. Friend the Member for Angus will be aware that the Royal Navy first forged a valuable relationship with Angus during the last war. The Fleet Air Arm occupied the base in 1940 as a training field to train aircrew in aircraft carrier deck landing operations. In 1954, the base became the home of the Royal Navy aircraft engineering training school. In 1971, as my hon. Friend mentioned, the base became the home of 45 Commando and was renamed RM Condor. Today it also houses 7 (Sphinx) Battery, which is part of 29 Commando Regiment Royal Artillery, 2 Signal Regiment, 30 Commando Information Exploitation Group, and the Royal Military Police detachment. It is also home to a number of cadet operations, so it is vital for us to encourage recognition and understanding of what our armed forces do, and perhaps to introduce the idea that a career in the armed forces—specifically the marines—is worth pursuing.

Turning to the future, colleagues will be aware of the wider need to rationalise our defence real estate. The Ministry of Defence owns 3% of land across the United Kingdom, much of which is surplus to our requirements. We have conducted a wide-ranging study into what can be utilised, what needs to be continued, what is vital for training, what is needed for the future and what we can dispense with. We are transforming the estate into one that better supports the future needs of our armed forces. We will be investing £4 billion over the next 10 years to create a smaller, more modern and more capability-focused estate.

On our military presence in Angus, I can confirm that there are no plans to dispose of RM Condor as an operational base. As part of our review, we have been investigating how best to ensure that 45 Commando continues to have access to the facilities it requires to live, work and train. We are considering whether there are opportunities to undertake more defence tasks. What more can we add to our military capability in that neck of the woods to ensure we make the most of that important facility?

The MOD is investing not just in Angus but in Scotland as a whole, as other hon. Members have said. Wider afield, we have the Clyde naval base—another location I was pleased to visit not long ago—which will soon be home to all the UK submarines in the submarine centre of specialisation. The first of nine P-8 maritime patrol aircraft will be arriving in Scotland very soon. Boeing and the UK Government are working together to build a new £100 million operational support and training base in RAF Lossiemouth. In essence, Scotland is important to the defence of the United Kingdom—not just our military capability but our procurement. The Type 26 and our offshore patrol vessels are being built in Scotland, too.

Stewart Malcolm McDonald (Glasgow South) (SNP): The Minister will know that during the independence referendum campaign, the Ministry of Defence made two promises about Scotland. It promised 12,500 regular personnel based in Scotland—the Government are way off that target at the minute—and a frigate factory based on the Clyde, which still has not appeared. When does he expect those promises to be fulfilled?

Mr Ellwood: The hon. Gentleman will be aware of the pressures on us in recruitment and retention. It is a competitive environment. Per head, our footprint in Scotland is higher than anywhere else in the United

[Mr Ellwood]

Kingdom, and Scotland does very well indeed from the investment we make, despite the extra taxation that the Scottish National party has sadly decided to inflict on our armed forces personnel—[*Interruption.*] The hon. Gentleman is signalling, “Carry on, carry on,” but he knows exactly what I am talking about. My hon. Friend the Member for Angus raised that important issue. We have had to step in and fill the gap to prevent the impact it would have had on individual soldiers, sailors and air personnel if it had been allowed to go ahead without our reacting to it.

Stephen Gethins: Will the Minister give way?

Mr Ellwood: We are wandering off the subject of Angus, but I will give way very briefly if the hon. Gentleman’s intervention relates to Angus. I do not want to have a debate about taxation in Scotland. The SNP has lost the argument. We have had to fill the taxation gap. Is the hon. Gentleman sitting down, or does he still want to intervene?

Stephen Gethins: As the Minister is aware, I cannot stand up at the same time as him. He raised the issue of taxation. The military personnel in my area make a fantastic contribution, as I know the Minister recognises. If he is talking about the pay gap for higher earners, will he make it up to those who live elsewhere in the UK who are at the lower end of the pay scale and would benefit from a higher income in Scotland?

Mr Ellwood: You will call me out of order shortly, Ms McDonagh, but I will just respond to that point. We need to ensure that people do not suffer, no matter

where they are based in the United Kingdom, and people moving to Scotland would have suffered had we not intervened to make up the difference. They support and represent their country, whether they are in Scotland, Northern Ireland, Wales or England. That is the bottom line, and that is what should matter. With your permission, Ms McDonagh, I would like to continue.

Across our estate, we will continue to combine military and infrastructure expertise to transform the places where our armed forces live, work, train and operate, but we know that we cannot do that alone. We have touched on the importance of working with our stakeholders. As we continue with our basing requirements, we will engage constructively with all relevant stakeholders at every level to ensure that sites are considered for use in a way that benefits defence and the surrounding local communities.

In summary, RM Condor plays a vital role in Scotland’s defence footprint and the defence of the United Kingdom. On a point that was made in an intervention, from where I sit in the Ministry of Defence, I see that the world is becoming more dangerous, not less. It is important that our defence posture grows to match our desires and capabilities to help shape the world as it becomes more dangerous. I fully acknowledge the impact that the changes that we are making to our real estate will have on local communities, but I reiterate our commitment to 45 Commando: our intention is to keep it in RM Condor.

I thank my hon. Friend the Member for Angus for her commitment and support for our brave Royal Marines and their families, who do so much to support those in uniform. I hope she will be satisfied with the assurances I have given her today.

Question put and agreed to.

Uganda: Democracy

Siobhain McDonagh (in the Chair): While hon. Members take their places, they may notice that the monitors are not working. I assure them that if there is a Division, the Doorkeepers will come in straight away and let us know. We are anticipating one at about 4.55 pm, so the debate may be interrupted.

4.30 pm

Dr Paul Williams (Stockton South) (Lab): I beg to move,

That this House has considered democracy in Uganda.

Serious concerns have been raised internationally about the Ugandan Government systematically undermining democracy in their country. MPs have been arrested, institutions that should protect the democratic rights of citizens are being weakened, and the voices of ordinary Ugandans are being ignored. The United Kingdom is a friend of Uganda—we are important partners in trade, development and security—and I am a friend of Uganda too. Uganda and the UK have a shared past, and I hope that we will have a strong and prosperous shared future together as well.

At the start of this debate, it is important to ask what the UK's interest in Uganda is and whether that gives us a legitimate right to make any comment about its democracy. I firmly believe that Uganda should be valued as an equal partner to the UK, but it has not always been an equal partnership. Our relationship began in 1894, and until 1962 Uganda was a British protectorate, as it was known then. Now Uganda is an independent sovereign nation, and it has been throughout my lifetime. It has a constitution that describes a balance of power between an executive, a legislature and other independent bodies. I respect the Ugandan constitution—it is right for Uganda and the Ugandan people. It protects the Ugandan people, and is the rock on which Ugandan democracy is built. The relationship between our two countries should always respect the Ugandan constitution.

John Howell (Henley) (Con): The hon. Gentleman makes some good points. I wonder whether he has seen the Ugandan press coverage of this debate, which has essentially approached the whole of the subject from a position asking, "Why is the British Parliament trying to tell us what to do in our own Parliament? What gives them the right to do that?" Does that not show that we face an uphill struggle in getting our points across in the measured way he describes? How will we do that?

Dr Williams: I thank the hon. Gentleman for his intervention. Having seen that press coverage, I thought it right to ask what our legitimate interest is and to establish why our relationship is important and how Ugandan democracy impacts on that relationship. I hope to develop that argument as I progress through my speech.

Our relationship is one in which we have worked together, for example to respond to the refugee crisis from South Sudan. It is a relationship in which we trade with each other and in which the UK provides development assistance to the people of Uganda. As countries, we have shared goals and shared interests in those areas.

I also have a personal interest in Uganda. In 2006, I moved to Uganda, where I spent more than four years living and working in a rural part of the country in Kanungu district, next to the fantastically named Bwindi Impenetrable Forest. I worked as a doctor with local health workers and the local community to transform a small health centre into a fantastic, thriving hospital and community health programme. I did this without pay, as a Voluntary Service Overseas volunteer, and played my small part and used my skills to leave a sustainable healthcare system. In case anyone watching from outside wonders—I am sure a few people are watching—I no longer have a stake in Uganda, whether through financial interests or otherwise. I am, however, a friend of the country, and I have many Ugandan friends. I want to speak today in that spirit of friendship and as an equal partner.

Living for a long time in a different culture gives you particular insight. I learned to speak some of the language, Runyankole-Rukiga, although not very well, and I learned a lot about local cultures and beliefs. I saw many of the successes of President Museveni's National Resistance Movement Government. I saw significant efforts to improve education, with the ambitious programme of universal education, which was really positive. I saw economic growth, albeit in a country with significant inequalities. Ugandans are slowly getting richer, which is a good thing too. I saw growth in infrastructure, the remarkable spread of mobile phones, improvements to road networks, and improvements to power. Those should help the future economy to grow and help everyone to become more prosperous.

I also saw things that did not work well, however. The Government-run health service, which failed to get the basics right, did not work well in the area that I lived in. Health worker morale was low and absenteeism was extremely high. There was a centrally run system to supply drugs, but a combination of underfunding, theft and bad planning meant that supplies often ran out. As people had little confidence in the institutions of government to deliver the healthcare that they needed, they had to take matters into their own hands. Patients went to private drug shops, while health workers took second jobs. The poorest people were left behind, getting no care and suffering devastating consequences. That failure of the Ugandan health service is not because of the people—there are many fantastic, talented Ugandan health workers—but because of the system, which relies on patronage and is, sadly, riddled with corruption and centralised decision making that leads to paralysis.

While living in Uganda, I also got to witness how the political process worked. Locally, I was introduced to GISOs—Government internal security officers—living in every community. Ostensibly, they are there to collect evidence of people trying to destabilise the country, but in practice that extends to any act of political opposition to the President. Alongside every local council leader sits a resident district commissioner—or RDC—the President's own appointed person, who monitors everything happening in that district. That is done in the name of security, but RDCs are used to gather intelligence and stop political dissent.

I learned that the Internal Security Organisation is there to protect the President. Legitimate criticism of the policies of the President have been deliberately conflated with criticism of the state. The state has

[Dr Paul Williams]

become personalised. Ugandans see that system for themselves—they do not need me to point it out. Some people know no different: this month, President Museveni will have been in power for 33 years. Three quarters of people in the country have never lived under a different leader. Ugandan people see that the institutions of their democracy are slowly being eroded.

First, the Government have closed down critical media outlets. There are credible reports that television stations were interrupted during the 2016 elections when results favouring the opposition were being reported. There are also credible reports that social media, including Facebook and Twitter, are shut down by the Government during sensitive times.

Secondly, the Government have used the military to attack Parliament. When MPs were debating the extension of presidential term limits, Parliament was attacked and MPs, including Betty Nambooze, were beaten by armed forces. Thirdly, there is evidence of serious human rights abuses, including serious and credible reports about a 2016 attack on the palace of King Charles Mumbere in Kasese, and the massacre of 150 civilians by Ugandan forces. According to those reports, the soldier who led that attack has been promoted, and no independent investigation has taken place. I hope that the Minister will explain the Government's position on that attack.

Fourthly, elections have been described, in diplomatic language, as

“short of being free and fair”.

Serious allegations have been made about the conduct of elections in Uganda over many years, but the most recent EU report on the 2016 presidential election made 30 recommendations that should be enacted before the next election in 2021. They include taking clear steps to differentiate the state from the ruling party and to strengthen the independence of the electoral commission, and systematic checks on the integrity of votes. As of March 2018, none of those EU recommendations had been implemented. There are credible stories of vote-rigging, with the police preventing access to “rigging houses”, and electoral bribery is common. Ugandan politicians routinely hand out money or gifts at election rallies.

The interference in elections does not happen only on the day of an election. I have friends who stood for elected office in Uganda. They were subjected to constant low-level intimidation. Police or soldiers were stationed outside their home, and they were followed. After they visited villages to talk to people, soldiers went to threaten those people with reprisals if they voted against the Government. Furthermore, radio stations, the main media in most areas, are owned by Government-backed politicians and report clearly biased information. Perhaps most disturbingly of all, people who engage with politics are subjected to arbitrary arrest and detention. The institutions that are supposed to protect democracy, the police and the military, are used to undermine it. Finally, the Public Order Management Act passed in 2013 has further diminished the political space, requiring police approval if three or more people want to gather to discuss political issues. What kind of democracy curtails politics in that way?

Many Ugandan opposition politicians have struggled bravely to use the democratic process to win power. I do not have time to mention them all, but I will draw

attention to two such people. Kizza Besigye has stood for President on three occasions. He has been arrested, beaten and harassed so many times that he has lost count. I had the pleasure of meeting Dr Besigye when he visited our Parliament last year. His sacrifices in the pursuit of democracy in Uganda should be lauded.

I also want to mention Robert Kyagulanyi, also known as Bobi Wine. He is a young, charismatic musician with a large popular following. He was elected to the Ugandan Parliament at about the same time that I was elected to the UK Parliament. While I, in a friendly way, get to be critical of our Government without harassment, Bobi has been the target of totally undemocratic behaviour by his. In August last year, he and four other MPs were arrested by the military while campaigning for a by-election. His driver was shot dead, and he was severely beaten by soldiers before being brought to court on trumped-up charges that were later dropped. Bobi Wine was eventually handed over to the police and released, but that was just another example of the Ugandan Government using the military to prevent democratically elected politicians from doing their job.

Why are all such attacks on democracy important? They are important for the Ugandan people, the people who might one day want to see a different Government in their country. They have no hope of ever seeing a different Government if this one undermines democracy to cling on to power. The attacks are also important because of international standards and accountability. Uganda is a partner to our country in the United Nations, in the Commonwealth and, in multilateral relationships, through the European Union; and partners hold each other to international standards. The attacks are also important because they undermine the ability of the UK and the Ugandan people to work together on shared goals.

The attacks on democracy also allow a small group of people to retain power, a group of people who are illegally benefitting from that power and patronage. The corruption has meant that the UK's Department for International Development has stopped direct budgetary support to the Government of Uganda. In 2012, €12 million was channelled out of the aid budgets from Ireland, Denmark and Norway directly into the bank accounts of officials working in the Prime Minister's office. We now have to provide our UK support through private sector and non-governmental organisations. We cannot pretend that that is a good thing—it is always better to work with Governments—but, to be honest, we know that if we want to help the people of Uganda, we cannot give money to their current Government.

Bob Stewart (Beckenham) (Con): When I worked in aid in Uganda, we ensured that the aid got to the people by delivering it ourselves, refusing to give it to any officials. We took it directly to the villagers or the people who required it. I know that is difficult, but I am sure that the hon. Gentleman agrees.

Dr Williams: It is a terrible state of affairs. If we want development to be sustainable, that is much more likely to happen through a democratically elected Government and by building the institutions within a country. Some people are so desperate, however, that they still need aid, and we cannot trust their Government to give that aid. I thank the hon. Gentleman for highlighting that point.

Transparency International ranks Uganda as 151st out of 180 countries in the world for corruption. That is worse than Kenya, which is 143rd, much worse than Tanzania at 107th or Ethiopia at 103rd, while Rwanda is ranked as high as 48th. In 2013, Transparency International stated:

“Corruption in Uganda is widespread and seen as one of the greatest obstacles to the country’s economic development as well as to the provision of quality public services....Such corruption challenges are exacerbated by weak law enforcement, which fuels a culture of impunity, particularly with regards to high-ranking officials involved in corruption schemes.”

The attacks on democracy, as well as undermining our shared development objectives, are important because Britain wants to provide military support to the country of Uganda. We want Uganda to have secure borders and to contribute to peace in Somalia. We cannot have that, however, unless we have confidence in Uganda’s democracy and rule of law. I ask the Minister: when there are questions about the Ugandan army’s use of cluster bombs in South Sudan, when the army is used to enter Parliament and, allegedly, to massacre people in Kasese, or when special forces are used to hunt down and arrest politicians campaigning in a by-election, how can we be sure that the people whom we are training engage only in peacekeeping activities?

Jeremy Lefroy (Stafford) (Con): I welcome what the hon. Gentleman is saying, and I thank him for bringing the issue before the House. Will he also, however, pay great tribute to those Ugandan soldiers who have given their lives in Mogadishu and wider Somalia in the cause of peacekeeping? Very brave men and women have done so to bring peace to that country.

Dr Williams: I thank the hon. Gentleman for making that point. I join him in paying real tribute to all the east African forces working in Somalia for the peacekeeping mission.

We need to know that the UK is not enabling the atrocities being committed within the country of Uganda by Ugandan forces. Of course, that would never be our intention, and I am sure that it would be argued that our training of its military forces helps them to become more professional and to meet international standards, but when soldiers are given orders from the top, they have to follow those orders. When the Ugandan Government deliberately use the military to undermine democracy, it is right for the UK to look carefully at our involvement.

Before he became President, Yoweri Museveni published a book called “What is Africa’s Problem?”, in which he wrote:

“The problem of Africa in general and Uganda in particular is not the people but leaders who want to overstay in power.”

I want to see a Uganda where it is possible for the Ugandan people, should they want a change of Government, to achieve that through democratic means.

Opposition politicians find themselves in an impossible position. It is hard to build good policies and to get widespread support for them when the democratic space is so curtailed. Between now and the next election in 2021, it is crucial that a united opposition builds a potentially winning manifesto with popular policies, that opposition politicians are allowed to campaign freely and enthuse the people of Uganda, and that the

opposition is given an equal chance to persuade people that they have an alternative platform for Government, on a level playing field.

There is no level playing field, however, because so many profoundly undemocratic occurrences have become normalised in Uganda. In a democracy, it is simply not acceptable for the military to arrest, beat and torture opposition politicians, for soldiers to enter Parliament and use physical force against MPs, or for elections to be rigged. Uganda’s democracy is under threat. The institutions that in a normal democracy would have the power to hold a Government to account have been systematically undermined, intimidated, bullied and cajoled by Government. Let no one be fooled: Uganda has a military Government in civilian clothes.

How can the UK, as a friend to the Ugandan people, best help to support their democracy? We are already supporting good governance and anti-corruption initiatives through the Department for International Development—I am sure the Minister will talk more about that—but when democratic institutions are systematically undermined, is that enough? Ugandan opposition leaders are asking the UK Government to place targeted sanctions on Uganda, to freeze the assets of Ugandan officials who are known for violations and abuses of human rights, to enforce a travel ban on Uganda’s leaders who are known for corruption and violation of human rights, and for Britain to condemn in the strongest terms the attacks on and abuse of Ugandan parliamentarians and all the activists inside and outside Uganda.

I would like the Minister to respond to those requests. I do not necessarily believe that all those things are needed. I certainly would not want to do anything that put at risk our relationship with the people of Uganda. Sanctions would be a last resort, but I understand why people are calling for them. Unless significant change happens in Uganda, the UK should take no option off the table.

I end by addressing the people of Uganda, some of whom are in the Public Gallery. We want the UK to work with them on security, sustainable development and business growth, but we are watching their Government closely. Our support for their Government comes with conditions. Members of Parliament such as myself and my colleagues here today will ask our Government to invest in their country if there is a thriving democracy and international standards are met. The United Kingdom must be on the side of the Ugandan people.

Democracy—the means by which we debate and create laws—is a process that requires the diligent engagement of citizens. Democracy fails when people cannot criticise their leaders, or if they do not feel confident that they can throw them out of office if they are not doing a good job. A healthy democracy can unlock so much potential in a country. But right now, the hopes of the Ugandan people are not being met by the people who govern them. That is why I say to the Ugandan people, whether in this Chamber in London or watching on their phone screens in Kampala: I am with you. We are with you.

We are watching and hoping for a brighter future for the Ugandan people. There are democrats across the world who know that that is possible, and we offer our solidarity in their fight for a Uganda governed by and in the interests of the Ugandan people—a Uganda guided by the unrestricted voices of its people. We are with

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them because that is what a truly democratic Uganda could be: prosperous, peaceful and secure. If they work for it and their institutions are protected and defended, nothing can stand in the way of the millions who are desperate for change.

4.52 pm

Mrs Pauline Latham (Mid Derbyshire) (Con): It is very good to serve under your chairmanship, Ms McDonagh—I think it may be the first time in eight years that I have done so. I do not disagree with a word that the hon. Member for Stockton South (Dr Williams) said. He has lived there and has been steeped in the culture—he knows exactly what happens there. I, too, am a friend of Uganda.

4.53 pm

Sitting suspended for a Division in the House.

5.6 pm

On resuming—

Siobhain McDonagh (in the Chair): We restart. I apologise, but I am now imposing time limits of four minutes for all speakers.

Mrs Latham: Thank you very much Ms McDonagh. As I was saying, I am a friend of Uganda. I have been to Uganda about 15 times and have even spent personal holidays there. I love the country and have found the people incredibly friendly.

I find the lack of democracy disturbing. The President and his troupe, so to speak, are making sure that they win the elections, which I do not believe are free and fair. As the hon. Member for Stockton South said, they go out and pay villagers to vote for them. I know that that happens. When we send observers for the election, the deals have already been done. The people feel intimidated and that they must vote for Museveni and his MPs.

I have personal experience. I have a friend who was a Member of Parliament—not when I first met him, but he became a Member of Parliament. He had to contest that election because it was done badly and it was shown in the High Court that he had won. He won the election again, but recently lost it. He is a medical doctor and since then he practices medicine privately—Museveni will not employ him because he is from the wrong party. He has been looking after the people that he used to represent in his home area for free. He has been treating them for nothing, giving them drugs and looking after what were his constituents. He has been beaten up and he has been put in prison. I have seen photographs of the beatings. The only reason he is still alive is that he managed to get himself transferred to hospital.

I have always said that people who put themselves up for election for opposition parties in countries like Uganda are incredibly brave. The worst that can happen to us in this country is that we lose an election. The worst that can happen over there is that they die. What is worse is that they die because the state is beating them, punishing them and ultimately could kill them.

We should be very careful about how we give money and the relationships we have with the Government of

Uganda. I am very pleased that international development money has been reduced and we are not giving it directly to the Government, but to third party organisations. We need to monitor that extremely carefully. If we do not, the money will get into the wrong hands and will be used for the wrong reasons.

I am concerned about the whole idea of democracy in Uganda. Uganda needs to prosper and it needs a good democratic system. It should have a good democratic system, but it does not, because it is abused. Until the abuse stops, we will not be able to stop elections being rigged. That is the truth of it and there is no point in beating about the bush. The elections are genuinely rigged. The hon. Gentleman spoke about political parties not being able to meet in groups of more than three. That is ludicrous. How can there be a democratic process when people are not able to meet in groups of more than three? It is just ridiculous to have to get the state's permission to be able to do that—and why would the state give it? It does not want big rallies.

Uganda is not like here, where we might have a church hall rally. They have huge rallies in the villages, because the only way the people can meet their candidates is to go out and see them. It is important that they do that so that they can weigh up one against the other, as happens here. That is not happening properly in Uganda anymore and we need a proper democratic system to be fair to the people there. There are so many things wrong in the Ugandan Parliament and the Ugandan system that we need to monitor them very carefully.

5.10 pm

David Linden (Glasgow East) (SNP): It is a pleasure to see you in the chair, as always, Ms McDonagh. I warmly congratulate the hon. Member for Stockton South (Dr Williams) on a passionate speech and pay tribute to his previous work in Uganda.

I visited Uganda as part of a Westminster Foundation for Democracy trip in February last year, facilitating training for young candidates. It was there that I observed a number of things that gave me concern about the situation for democracy in Uganda. One of my first observations on going to observe proceedings in the Parliament was that the military has seats in the Parliament. I was shocked and horrified when I saw someone in military uniform speaking at the Dispatch Box. I cannot possibly imagine having military in the House of Commons. I think it sends a very deep signal. The hon. Gentleman spoke about a military Government in civilian clothing, but the reality is that we saw them in military clothing in the Ugandan Parliament, and that is alarming.

I spent a couple of days facilitating training for young candidates for the People's Progressive party. One young guy that I met was taking part as the candidate for the PPP in the Jinja East by-election, which took place in March this year. That young guy, Mugaya Paul Geraldson, is now a good friend of mine. For the two days that I was there in an official capacity I facilitated the training, and on my free day I travelled at my own expense from Kampala out to Jinja East, largely to be a friend to Paul and go around as he was doing his rallies. One thing I observed was that there were hundreds of people turning out to his rallies—he was a young candidate who projected hope, ambition and energy. On election day he polled 48 votes, but there were hundreds of people at his rallies.

The final observation I offer—I am keen for the hon. Member for Strangford (Jim Shannon) to get to speak as well—is that at the second of the two rallies I attended with Mugaya Paul, I was speaking to some of the people in that village when I was quickly bundled into a car by the people I was there with, because Museveni's thugs had turned up and made it clear in no uncertain terms that the rally was alarming to the Government and that this young candidate was a threat to Museveni's forces. That is deeply worrying.

I wanted to come here today and place on record a real experience of the suppression of democracy in Uganda. What that young candidate, who I hope will have another run at office, experienced in the course of that election was nothing short of appalling. I welcome the comments by the hon. Member for Stockton South today, and I hope the Minister takes on board my personal experiences. I leave hon. Members with that view of the military in Parliament. Surely that does not represent a good sign for democracy in any country in the world.

5.13 pm

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Ms McDonagh. I pay tribute to my hon. Friend the Member for Stockton South (Dr Williams), who made a powerful and eloquent speech. His long association with Uganda puts him in a position to be an authoritative advocate for human rights and democracy there, and I thank him for bringing this debate to the Chamber.

The Ugandan people have long suffered from tyrants who have committed crimes against their own people. The name Idi Amin will live long in infamy. The rule of Milton Obote was also mired in human rights abuses, with Amnesty International estimating that the regime had been responsible for more than 300,000 civilian deaths across Uganda. After Obote, Museveni became President in 1986. He said in his acceptance speech:

“The people of Africa, the people of Uganda, are entitled to a democratic government. It is not a favour from any regime. The sovereign people must be the public, not the government.”

Those are his own words—words that he should heed now.

President Museveni's tenure has always been problematic, but his attempts to constrain democracy have been creeping. First came the repealing of the two-term limit on the presidency, which was introduced in 1995 under his own presidency. The lifting of the term limit led Bob Geldof to say:

“Get a grip Museveni. Your time is up, go away”—

not untypical of Bob Geldof, we might think. The arrest of the main opposition leader Kizza Besigye, as my hon. Friend mentioned, in the lead-up to the third presidential election was another stain on an election that Museveni should not have been contesting. In December 2017 he succeeded in getting the presidential age limit of 75 removed, just as he was approaching that age himself. The hallmark of a dictator is stripping away the impediments to his becoming leader for life, and that is exactly what Museveni has done.

In 2017, shortly after I was elected, I had the pleasure of being invited to a meeting of Ugandan exiles in the UK who support the main opposition party, Forum for Democratic Change. I was invited by my old friend Jimmy Sydney, who is here today and who became a

social entrepreneur in Leeds after leaving Uganda. At that event I met Nandala Mafabi and through him found out about the conditions under which Ugandan MPs have to function. Nandala told me how the Parliament had been entered by Government troops, who had arrested MPs opposed to the life presidency; their symbol of a red hat and ribbon made it easier for the troops to spot them. I sat there imagining that happening to us here, today—troops coming in and stopping us having this debate because the Government did not like what we had to say. I found it unbelievable. It still is unbelievable to me that that could have happened in a country that calls itself a democracy and that MPs could be arrested in Parliament for exercising their democratic rights. This is surely a sign that democracy has died.

Just a couple of weeks after that event, I heard that Nandala had been arrested and spent two nights in the cells. His alleged crime was that he was part of a group of protestors demonstrating against the proposed amendment of the constitution to remove the presidential age limit. That is just the story of one MP; my hon. Friend told the stories of other MPs and the hon. Member for Glasgow East (David Linden) told that of yet another.

We must heed the words of the Ugandan community in the UK. Will the Minister commit to meeting their requests? I echo the requests made by my hon. Friend the Member for Stockton South for the Government to place targeted sanctions on Uganda, including on military materials; to freeze assets of Ugandan officials known for violations of human rights and abuses of power; to enforce a travel ban on Ugandan leaders known for corruption and violations of human rights; to condemn in the strongest terms the attacks and abuse of Ugandan parliamentarians and all activists, whether in or outside Uganda, including in this country, and to apply conditionality to aid to the Ugandan Government.

5.17 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Stockton South (Dr Williams) on bringing this debate to the House. I speak as the chair of the all-party parliamentary group for international freedom of religion or belief and as my party's spokesperson on human rights. I hear some incredibly disturbing stories regarding breaches of human rights, and the stories coming from Uganda most certainly bring a chill. I am a friend of Uganda and its people, but when I see wrongs, they must be spoken of in this place and the voice of its people heard. We are the voice for the voiceless, for those discriminated against, abused, attacked or brutalised.

As a democratically elected Member, I have had my share of social media attacks on the run-up to election. Unfounded or grossly exaggerated tales, media spin—you name it, I have seen it. I accept it because there is a reason people say politics is a dirty game, and no family member is safe from the mud-slinging, but when I read the stories of the so-called elections in Uganda, my skin crawled. When I realised that the UK Government have no way to be certain that UK relief funding is not being spent on training forces that go on to arrest and torture elected Ugandan MPs, my skin crawled some more and I must admit I questioned our ongoing support of Uganda.

I must be abundantly clear here. I am not questioning the relief that is given to on-the-ground bodies for humanitarian aid. Between December 2016 and February

[Jim Shannon]

2018, we provided food for over 1 million people, supported 64,000 women and 146,000 under-fives with immunisation and food supplements; ensured that 2,000 children have access to education services; ensured that 73% of the refugee population in Uganda accessed water through sustainable water systems, at an average of 17 litres per day; and provided relief items—blankets, kitchen sets, jerry cans and mosquito nets—to 11,000 people. We also challenge UN agencies to reform and to ensure that they deliver effectively for the most vulnerable and provide value for money for the UK taxpayer. We are clear in what we say here.

As of March 2018, contributions to the global goals and other Government commitments have achieved 248,000 children under 5, women and adolescent girls being reached through nutrition-related interventions; 572,000 additional women and girls being provided with modern methods of family planning; 56,000 children being supported to gain a decent education; and 130,000 people being given sustainable access to clean water and/or sanitation. That is right and proper, but a Department for International Development report outlined that only 25% of projected aid to Uganda goes to humanitarian projects. It is clear that a huge amount of aid goes elsewhere, which raises questions. We in this House have every right to ask those questions and to seek the answers. How much of the money is used for the training of troops and officers? How do we justify training a military that seems to do simply what the President demands, without any evidential base? That is completely incredulous and unacceptable. How can we, as a true democracy, turn a blind eye to the absolute desecration of democracy, and support a Government who allow—indeed, carry out—abuse and beatings of elected representatives for opposing the Government?

The hon. Member for Stockton South referred to the alleged massacre, which I did not know about. Let us in this House do something about that today. I am proud that we help those who cannot help themselves, which we highlight in debates all the time. However, our role is not to prop up or support regimes that flagrantly disregard the basic principles of democracy and seek merely to wear a cloak of democracy over a decrepit body of dictatorship.

There are questions to be answered. I look to the Minister, for whom I have great respect, to assuage my fears, and the fears of everyone here, and outline how we will ensure that every penny of funding for Uganda is for humanitarian aid and not for training an army to be used against any dissenting voices, which is completely unacceptable.

Siobhain McDonagh (in the Chair): I call Chris Law, spokesperson for the Scottish National party. Convention gives you five minutes.

5.21 pm

Chris Law (Dundee West) (SNP): It is a pleasure to serve under your chairmanship, Ms McDonagh. I thank the hon. Member for Stockton South (Dr Williams) for such an eloquent and powerful speech, particularly when he said that the state has become personalised under President Museveni.

As we have heard, President Museveni has held power in Uganda since January 1986 through brute force, election-rigging and corruption. In 2005, Ugandans voted to return to a multi-party political system, but the

presidential elections held the following year were marred by intimidation, violence and voter disenfranchisement—features that remain present in Ugandan political life and were also clearly noted in the 2016 general election. Museveni has most recently been accused of heavy-handed tactics in dealing with political opposition. In August last year, a group of opposition MPs led by pop star-turned-MP Bobi Wine were arrested while campaigning at a parliamentary by-election and subsequently tortured. The UK has addressed this issue before and must be prepared to do so again. In 2005, the UK diverted £15 million of aid meant for the Ugandan Government because of alleged human rights violations, and withheld an additional £5 million until fair, multi-party elections were held.

I recently visited Uganda with award-winning playwright, friend and former colleague—from when I worked in film making—Jaimini Jethwa, who is from my city of Dundee. Her play, “The Last Queen of Scotland”, explores Asian identity in a Scottish context and tells her story as a young child refugee who in 1971, along with her family and 60,000 other Asians, was given only 90 days’ notice to leave the country by its then-ruler Idi Amin. During that visit I was assured that Uganda had come a very long way since the early 1970s under Idi Amin, during whose ruthless eight-year regime an estimated 300,000 civilians were massacred. I learned a lot about the people, listened to many stories and made some great friends, but it is clear that Uganda still has a long way to go in its democratic journey to ensuring an electoral system capable of enabling all citizens to participate peacefully in politics, free of intimidation and violence.

I will turn to the US and the UK’s relationship with Uganda. The United States has long turned a blind eye to human rights violations in Uganda, primarily because of its military and economic interests in the region. However, the historical relationship between Uganda and the UK means that the UK has both the power and the responsibility to uphold and support democracy and human rights, and at the same time, through its special relationship with the US, influence US policy on Uganda. Will the Minister tell us what recent discussions have been had, either by DFID or the Foreign Office, with the US on improving democracy in Uganda, and what changes, if any, the US has made to its foreign policy in Uganda to improve the situation on the ground?

Uganda also hosts 1 million refugees, mostly from South Sudan. It is the third-largest refugee-hosting nation in the world. I discovered during a more recent visit, with the International Development Committee last November, that it has one of the most progressive attitudes to immigration, as refugees have the ability to work and settle in Uganda. This open-door policy has been seen as a role model throughout the world. However, the number of refugees is expected to continue to increase. Support for refugees is the largest financial contribution that DFID makes in Uganda and, owing to the sensitivity of the situation, we need to ensure that that stays in place, to prevent escalation or humanitarian crisis. I strongly suggest to the Minister that the continuation of humanitarian aid to Uganda is vital and must continue. What steps are being taken by the UK Government to ensure that aid to Uganda is used responsibly, and that breaches of the democratic process are addressed?

Furthermore, it was recently confirmed that the Ugandan armed forces have received intelligence training provided by the UK, and there is concern that Ugandan forces

trained at Sandhurst may have been used in the arrest of opposition politicians. Only a year ago, I stood in this Chamber speaking out against UK Government funding of Burmese military training programmes—the same military that went on to commit a relentless and systematic campaign of violence against the Rohingya Muslims described by the UN as a

“textbook example of ethnic cleansing”.

Will the Minister tell us how the Government can be certain that UK Government money is not being spent on training forces who go on to arrest and torture elected Ugandan MPs?

Finally, the UK has a strong historical relationship with Uganda in the form of the Commonwealth and, today, in the form of aid. That relationship has previously been leveraged to support a stronger democracy in Uganda. The UK should be prepared to do so again, to ensure that democracy and the rule of the law are protected.

Siobhain McDonagh (in the Chair): I call the Labour Front-Bench spokesperson, Liz McInnes. Convention gives you five minutes as well.

5.26 pm

Liz McInnes (Heywood and Middleton) (Lab): It is a pleasure to serve under your chairmanship, Ms McDonagh. I thank my hon. Friend the Member for Stockton South (Dr Williams) for securing the debate and for his eloquent description of the political situation in Uganda. Uganda is clearly a country about which he has a great deal of knowledge, arising from the time that he spent living and working there as a doctor, as he described.

There is no doubt that there are real problems with the democratic process in Uganda, as my hon. Friend has clearly outlined, particularly with President Museveni's record on the oppression, imprisonment and torture of political opponents. The President has changed the constitution, scrapping the presidential age limit so that he can stand in the 2021 elections, when he will be 76 years of age. However, as a young radical in the 1980s, he publicly scorned African rulers who clung to power and was involved in the rebellions that toppled Idi Amin and Milton Obote. Now, after more than 30 years in office, he is clearly clinging pretty hard himself.

In 1986, when he was sworn in as President, Museveni was seen by the west as one of a new generation of African leaders. He proclaimed upon election that Uganda would return to democracy. It is clear that the President's views have undergone a change since then. I think we can all agree that the imprisonment and torture of opposition activists has no place in a democracy.

The treatment of musician-turned-politician Bobi Wine has brought the Museveni regime to the attention of the west. As we have heard, Bobi Wine was arrested while campaigning last August and was badly injured while in detention. Three people were killed and around 100 injured in the unrest that followed Wine's arrest. The international music community united in their condemnation of Wine's treatment, with Chris Martin, Chrissie Hynde, Brian Eno, Damon Albarn and Femi Kuti among the 80 signatories of a statement strongly condemning the arrest, imprisonment and life-threatening physical attack by Ugandan Government forces on Bobi Wine.

Uganda is falling down on its commitment to human rights. It is a member of the United Nations and the African Union. It has ratified many UN human rights

conventions and has thus made binding international commitments to adhere to the standards laid down in universal human rights documents. Press freedom is also threatened in Uganda, with the country coming 117th of 180 in the World Press Freedom Index. It has actually fallen since 2017, showing that the situation is getting worse.

It is reported that acts of intimidation and violence against reporters are an almost daily occurrence in Uganda, with many instances of journalists being arrested when covering stories, particularly around opposition politics. One example is that of Reuters photographer James Akena, who was beaten by Uganda People's Defence Force soldiers while photographing protests against the treatment of Bobi Wine.

Uganda also, notoriously, has draconian anti-LGBT laws, with both male and female homosexual activity being illegal and liable to lead to imprisonment on charges of gross indecency. Activists who tried to open Uganda's first LGBT centre in October last year were warned by the Minister for Ethics and Integrity that opening such a centre would be a criminal act. Uganda is a Member of the Commonwealth and as such has a commitment to the protection of human rights, freedom of expression and equality of opportunity. Ironically, these commitments were reviewed and agreed as part of the core criteria for Commonwealth membership under the Kampala communiqué, which was formulated at the 2007 Commonwealth Heads of Government meeting held in Uganda.

We must also consider the role of the Department for International Development in Uganda, which is providing £100 million in aid in 2018-19, which goes to support the many refugees from countries such as the DRC and South Sudan, education and family planning services, and supporting Uganda's anti-corruption and accountability institutions. I hope that when the Minister responds she will be able to outline what pressure we can bring to bear on Uganda to fulfil its commitments as a member of the Commonwealth and how bilateral aid from DFID is helping in the fight against corruption.

5.31 pm

The Minister for Africa (Harriett Baldwin): It is very good to serve under your chairmanship, Ms McDonagh. I add my congratulations to the hon. Member for Stockton South (Dr Williams) on securing this debate. In all the contributions to this debate, the strong friendships that exist between parliamentarians in the UK and parliamentarians in Uganda, between people in the UK and people in Uganda, have come through loud and clear. He set the tone of the debate in that spirit of friendship. I pay tribute to his work, over many years, providing healthcare to the corner of Uganda that he so descriptively told us about. A number of hon. Members spoke with great personal passion and from experience through their own links to, and friendship with, Uganda. As I go through my remarks, I will try to pick up on the questions asked in the debate.

The UK shares Uganda's ambition to move from low-income to middle-income status. As long-term friends and partners, we believe that Uganda's success really matters to us in the UK. Our strong, genuine friendship and partnership enables us to develop a wide range of mutual interests and to speak frankly to each other about issues

[*Harriett Baldwin*]

of mutual concern, whether in a bilateral context or in the Commonwealth meetings. In recent years, political contact has been revitalised. President Museveni visited the UK twice last year, not only for the Commonwealth Heads of Government meeting, but for the illegal wildlife trade conference. Over the last two years, 11 UK Ministers have travelled to Uganda, including myself, and I know that the Select Committee on International Development was there very recently as well.

First, I want to pick up on the point that the hon. Member for Stockton South made about the Kasese massacre and bring him up to date on that. In March 2017, the UK, along with EU missions, released a statement deploring the violence and calling for a comprehensive independent investigation. The UK and EU partners continue to raise concerns over the lack of progress on the investigation with the Government of Uganda, including in the recent article 8 dialogue with President Museveni.

When I visited in October, I met some of the more than 1 million refugees, who have been referred to in the debate. Uganda has a very progressive refugee policy. In Uganda, 82% of refugees are women and children. The country enables those refugees to live in much the same way as its own citizens. When I was in Uganda, I was pleased to announce up to £210 million of funding to help those refugees and to help Uganda to provide refugees with nutrition, vaccinations and schooling. I also saw how the new biometric system for refugee registration is helping to verify refugee status and reduce fraud.

A number of hon. Members raised the question of how we deliver aid within Uganda. I reassure colleagues that this is always done with trusted partners. Wherever we find concerns, as we did recently with the United Nations High Commissioner for Human Rights report, we take steps to suspend future payments until we are sure that the method by which we are delivering our support is free from corruption. We are very concerned when we discover that there has been a reduction in the money that is getting to the frontline, to those who need it most.

On the point about the conditionality of aid, I beg to differ with the hon. Member for Leeds North West (Alex Sobel), because we allocate based on need and reaching the very poorest. That is the spirit in which we deliver our development assistance. The hon. Member for Strangford (Jim Shannon) asked about the proportions in terms of the percentages. I reassure colleagues that there is no Department for International Development money spent on any military training. Some 40% of what we spend goes to human development, including education. Some impressive statistics were read out and are available on our website. Nearly 30% is spent on economic development. About 25% is spent on humanitarian assistance and about 6% is spent on addressing governance and security—if I have time, I shall go into more detail on that. About 1% is spent on climate and the environment.

We believe that Uganda is making important efforts to help to address the conflicts from which those refugees have fled. We welcome Uganda's role in brokering the 2018 South Sudan peace deal, for example, the success of which will depend on Uganda's continuing work to

support its implementation. We should also remember that Uganda was the first country to provide peacekeepers to the African Union mission to Somalia. Uganda remains the largest contributor of troops to the AMISOM mission. I pay tribute to Ugandan peacekeepers, who work for security and stability in Somalia, often at great personal risk. Colleagues may wish to enquire further about the work of the Ministry of Defence in this area, but the training that we do is to support those missions. The work that we do alongside the United States is to train the troops for the AMISOM mission and to provide some counter-improvised explosive device capability. There are frequent P3 meetings to discuss that joint work, but that is the focus of the training. All of that training includes a human rights training element.

Regarding trade and development, we are working hard in partnership with Uganda to boost its economic development, improve healthcare and education, and create jobs, all of which are needed if Uganda is to realise the huge potential of its young and growing population. We are doing that through DFID's economic development programme and by providing UK export finance. In terms of export finance, we have already provided £210 million through the Department for International Trade for the construction of Kabaale international airport, and UK companies are helping to deliver nearly \$1 billion-worth of infrastructure projects in Uganda, with an emphasis on championing local content and skills transfer. In his first year, Lord Popat, the trade envoy, has seen an increase in trade between our countries of 60%.

Our continued support, and our desire to increase UK investment in Uganda, will rely on strong institutions that uphold the rule of law and democratic principles, which gets to the heart of today's debate; that deliver professional, expert advice to support the business environment; and that tackle corruption. That would benefit all Uganda's citizens, not only foreign investors.

In terms of the wider democratic issues that have been raised, clearly, as a sovereign, democratic nation, Uganda's political and economic choices are matters for the Ugandan Government and people. As the hon. Member for Stockton South has advocated, however, we believe that coherent and effective institutions will underpin Uganda's development. As a parliamentarian, I pay tribute to the examples that have been given and the bravery of people who put their names forward for Parliament.

That is why, during the 2016 presidential election, the UK worked with the international community to support the electoral environment in Uganda. Our programmes will continue to support democratic accountability at local and national levels ahead of the next round of elections. It is also why we have spent more than £30 million since 2014 on helping to strengthen the institutions of Government that buttress democratic freedoms and advocate the equal treatment of all Ugandans under the terms of their constitution and laws.

Clearly, a free and accountable civil society is a vital part of any successful democracy. We salute the resilience of the media sector and the willingness of journalists, bloggers and citizens to voice their opinions. I urge the Ugandan Government to embrace and encourage such genuine meaningful debate.

Similarly, democratically elected representatives must be free to voice their opinions during election campaigns and once they have been elected. We heard the concern

of Ugandan MPs from across the political spectrum expressed in a parliamentary debate last month about the treatment of Mr Kyagulanyi, and their calls for him to be able to operate freely and for an investigation into the cancellation of a number of his concerts. That follows his arrest and that of other opposition figures, and allegations of torture by the Ugandan security forces, at the time of the Arua by-election in August 2018.

Our high commissioner joined EU colleagues in calling on the Ugandan Government, political parties and civil society to work together to investigate the allegations swiftly and transparently, in accordance with the rule of law, and to emphasise that there could be no impunity. As a long-standing and close partner of Uganda, we will continue to emphasise that strong institutions and a

functioning democracy are essential to its aspirations for trade, investment, jobs and growth. We will continue to raise concerns with the Ugandan Government, while building a long-term partnership that supports those aspirations.

I am a bit confused about the time remaining, but if I have more time, there is more that I could add.

Siobhain McDonagh (in the Chair): Unfortunately, the debate has finished; it is slightly confusing. I apologise to Dr Paul Williams for not being able to wind up.

5.43 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Tuesday 8 January 2019

CABINET OFFICE

Cabinet Committees and Implementation Taskforces

The Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office (Mr David Lidington): Today I am announcing the creation of a new European Union Exit and Trade (Preparedness) Sub-Committee, which will oversee and ensure effective delivery of plans for an orderly exit from the European Union. This new sub-Committee will replace the former European Union Exit and Trade (Domestic Preparedness, Legislation and Devolution) Sub-Committee, which will be disbanded. An updated list of Cabinet Committees and Implementation Task Forces (ITFs) will be made available on www.gov.uk. The Borders Inter Ministerial Group and the European Union Exit Inter Ministerial Group will also be disbanded.

[HCWS1238]

TREASURY

Double Taxation Convention: UK and Cyprus

The Financial Secretary to the Treasury (Mel Stride): A protocol to the double taxation convention with Cyprus was signed on 19 December 2018. The text of the protocol is available on HM Revenue and Customs' pages of the gov.uk website and will be deposited in the Libraries of both Houses. The text will be scheduled to a draft Order in Council and laid before the House of Commons in due course.

[HCWS1234]

EXITING THE EUROPEAN UNION

General Affairs Council

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): Lord Callanan, Minister of State for Exiting the European Union, has made the following statement:

I will attend the General Affairs Council in Brussels on 8 January 2019 to represent the UK. Until we leave the European Union, we remain committed to fulfilling our rights and obligations as a full member.

The provisional agenda includes:

Presentation of the priorities of the Romanian presidency

The Romanian presidency is expected to present its presidential priorities for its six month tenure. The priorities are: a Europe of convergence, a safer Europe, Europe as a strong global actor and a Europe of common values.

Multiannual Financial Framework 2021-2027

Ministers and the Commission will discuss progress on the Multiannual Financial Framework (MFF) negotiations.

Co-ordinated response on disinformation

Ministers are expected to discuss the "action plan against disinformation" which was agreed at the December European Council. The plan comprises commitments to tackle the systematic spreading of false information created to deceive and mislead audiences, with the intention of causing harm or obtaining political, personal or financial gain.

Legislative files

The Commission is expected to provide an update on the state of play of live legislative files, including those in the Commission work programme 2019.

[HCWS1236]

HOME DEPARTMENT

Asylum

The Minister for Immigration (Caroline Nokes): The United Kingdom has a proud history of providing an asylum system that protects and respects the fundamental rights of individuals seeking refuge from persecution. This system includes supporting asylum seekers who would otherwise be destitute while their asylum claim is assessed. I am grateful for the attention Members of this House, including the Home Affairs Committee, have given to this matter.

I have always been clear about this Government's commitment to ensuring service users are provided with safe, secure and suitable accommodation and are treated with dignity and respect. I have listened to the concerns of local authorities and have reinforced my commitment to working in partnership with them in this area. I am also mindful of this Government's commitment to provide value for money for the taxpayer. Today I am pleased to inform the House that we have procured contracts for asylum accommodation and support to deliver on each of these commitments.

New contractual arrangements will be put in place in September of this year.

Initial accommodation, dispersed accommodation, transport and associated support services will be managed as integrated services on a regional basis.

Clearsprings Ready Homes has been awarded the contracts in the south of England and Wales;

Mears Group has been awarded the contracts in Northern Ireland, Scotland and the north-east, Yorkshire and Humber region; and

Serco has been awarded the contracts in the north-west of England, and the midlands and east of England regions.

Advice, issue reporting and eligibility assistance services will be integrated into a single, nationally operated end-to-end service; the contract for these services has been awarded to Migrant Help.

The contracts were designed after extensive engagement with local government, non-governmental organisations and potential providers. The contracts offer a number of improvements on the current arrangements to make them more sustainable and include changes to improve the customer journey and conditions for service users, addressing many of the recommendations in the Home Affairs Committee's reports on asylum accommodation. In particular, the contracts will:

Provide assistance to asylum seekers to apply for support and throughout their time in the accommodation and support system.

Require accommodation providers to develop close working relationships with local authorities, liaise and consult with local authorities on the location of properties and share appropriate information with them.

Require providers to establish working relationships with the voluntary sector and local community-based support organisations and networks in order that they can signpost SUs to local services.

Set clear requirements for the standards of the accommodation that meet the standards used for social housing across the UK.

Require providers to have proactive maintenance plans and to regularly inspect and report on the findings of the inspections of their accommodation.

Provide service users with a single point of contact, independent from accommodation providers and the Home Office, to report issues with their accommodation and to provide advice in relation to their support throughout the whole process.

Set clear timescales within which repairs must be made, with a clear escalation process for service users.

Enhance the approach to safeguarding through a range of measures including improved health screening and support in registering with a GP, improved safeguarding training and awareness of staff, the provision of more adapted rooms for service users with specific needs, and the provision of face-to-face advice and support for those who need it.

Ensure that service users receive clear induction materials to help them settle into their initial accommodation and dispersed accommodation in local areas. This will seek to ensure a better understanding of the support that is being provided as well as how to navigate services in local communities.

Support service users into mainstream services if they are granted asylum or to return to their home country if are refused.

Gather feedback from service users about their experience of accommodation and support to monitor provider performance and improve the services that are provided.

Following the award of the contracts today, the Home Office will work closely with the providers to mobilise the contracts and transition services users to the new arrangements. We will communicate directly with our services users and stakeholders to ensure they are aware of the changes and how they will affect them.

We will be working extremely closely with local authorities to ensure a smooth transition and will be involving them ever more closely in the operation of the new contracts as they go live.

[HCWS1237]

European Union JHA Opt-in Decision: Asylum, Migration and Integration Fund 2021-27

The Minister for Immigration (Caroline Nokes): The Government have decided not to opt in, under the UK's JHA opt-in protocol, to a proposal establishing an asylum, migration, and integration fund (AMIF) 2021-27.

The intended fund would not come into operation until the start of the next multiannual financial framework (2021), after the UK has exited the European Union and after the end of the proposed implementation period. As such, the UK would not be able to benefit from the fund as a member state.

Until the UK leaves the EU it remains a full member, and the Government will continue to consider the application of the UK's opt-in to EU legislation on a case by case basis, with a view to maximising our country's commitment to protecting and enhancing our ability to control immigration.

[HCWS1235]

Ministerial Correction

Tuesday 8 January 2019

TRANSPORT

Rail Fares: Cheltenham and London

The following is an extract from the Adjournment debate on Rail Fares: Cheltenham and London, on 19 December 2018.

Andrew Jones: Cheltenham Spa is a fantastic place; I know it very well, actually. It has regular services to and from Birmingham, Bristol and London, with services operated by Great Western Railway and CrossCountry. To support improvements to the amenities of the station itself, a masterplan for the station has been promoted, with the local authority playing a leading role. My hon. Friend mentioned increased car parking. Additional

car parking is a key element within the planned package of improvements, with a new multi-storey car park planned.

[Official Report, 19 December 2018, Vol. 651, c. 952.]

Letter of correction from the Under-Secretary of State for Transport, the hon. Member for Harrogate and Knaresborough (Andrew Jones).

An error has been identified in the speech I gave during the debate on Rail Fares: Cheltenham and London in response to my hon. Friend the Member for Cheltenham (Alex Chalk).

The correct statement should have been:

Andrew Jones: Cheltenham Spa is a fantastic place; I know it very well, actually. It has regular services to and from Birmingham, Bristol and London, with services operated by Great Western Railway and CrossCountry. To support improvements to the amenities of the station itself, a masterplan for the station has been promoted, with the local authority playing a leading role. My hon. Friend mentioned increased car parking. Additional car parking is a key element within the planned package of improvements, with **additional car parking space** planned.

ORAL ANSWERS

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**not later than
Tuesday 15 January 2019**

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