

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

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Wednesday 23 January 2019**

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# House of Commons

*Wednesday 23 January 2019*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### WALES

*The Secretary of State was asked—*

#### EU Withdrawal Agreement

1. **Angela Crawley** (Lanark and Hamilton East) (SNP): What assessment he has made of the potential effect of the EU withdrawal agreement on Wales. [908670]

9. **Chris Elmore** (Ogmore) (Lab): What assessment he has made of the potential effect on the Welsh economy of the EU withdrawal agreement. [908679]

13. **Hywel Williams** (Arfon) (PC): What assessment he has made of the potential effect on Wales of the EU withdrawal agreement. [908683]

**The Secretary of State for Wales (Alun Cairns):** With your permission, Mr Speaker, before I answer the questions, may I say that I am sure the House will want to join me in paying tribute and respect to Assembly Member Steffan Lewis, who sadly died just over a week ago? He was a bright and dedicated politician who had an exceptional future in front of him, with so much to offer Wales. My prayers and thoughts are with his wife, Shona, and son, Celyn, at this most difficult time.

I can update the House that the UK air accidents investigation branch is working with the relevant rescue and transportation authorities in relation to Emiliano Sala and the pilot who went missing on Monday evening. I am sure that the whole House wishes to join me in hoping for a positive outcome.

The Government are working to identify the broadest possible consensus on a way forward so that we leave the European Union in a smooth and orderly manner. We are engaging with Members on both sides of the House and with representatives of business groups, civil society, trade unions and others.

**Angela Crawley:** A recent report by The UK in a Changing Europe has found that almost half of all respondents oppose the Prime Minister's deal, with only 23% in support. How can the Secretary of State reconcile his position of being Wales's champion in Westminster when this place is working contrary to Welsh public opinion?

**Alun Cairns:** In the first instance, I remind the hon. Lady that Wales voted to leave the European Union in even stronger numbers than the rest of the United

Kingdom. The withdrawal agreement sets out the basis on which, and how, we will leave the European Union. In the light of last week's votes, we are determined to make amendments and to develop a document in consultation with colleagues across the House in order to win the House of Commons' support.

**Chris Elmore:** May I associate myself with the Secretary of State's comments about Steffan Lewis? He and I worked together as young researchers in the National Assembly for Wales. We must remember the words of our colleague Jo Cox that we do have a lot more in common across this House and across the devolved institutions.

Will the Secretary of State simply rule out now, and make representations to the Prime Minister to rule out, no deal, so that the automotive industry in Bridgend—Ford in Bridgend employs many of my constituents—can have certainty beyond March? This continuing planning for no deal is providing no certainty to anybody.

**Alun Cairns:** I would say to the hon. Gentleman that the best way of avoiding no deal is obviously to get a deal. It was interesting that the hon. Gentleman voted against the deal last week. We will continue to engage across the House and with the devolved Administrations, and we are optimistic that we will continue to make amendments to the document that will gain a deal with the European Union.

**Hywel Williams:** In an excellent briefing on the 9th, organised by the Secretary of State for Northern Ireland, on the effects of leaving the European Union on businesses in Northern Ireland, I was told the slightly unknown fact that 40% of Northern Ireland perishable food exports come through Holyhead. This fact was not known to the people I met then, and is perhaps not known to other Members of this House. What assessment has the Secretary of State made of the impact of a no deal on the supply chains that sustain the exports of such foods through the port of Holyhead, and will he confirm what steps he is taking personally to mitigate that impact?

**Alun Cairns:** The hon. Gentleman makes an important point about the port of Holyhead. It is the second busiest port in the UK during the summer months, but of course all year round it is pretty critical to the supply chain, particularly for foodstuffs that come from both Northern Ireland and the Republic of Ireland. A ports working group has been in place for quite some time—it involves the UK Government, the Welsh Government and the relevant UK Government agencies—to plan for a deal, and also to plan for no deal, as a responsible Government would do.

**Stephen Crabb** (Preseli Pembrokeshire) (Con): Does my right hon. Friend agree that voters in Wales will not forgive this place if we fail to respect the outcome of the 2016 referendum, and that businesses in Wales will not forgive us if we create a set of circumstances that makes their job of creating jobs in Wales even harder? Given those two imperatives, does my right hon. Friend agree that actually passing a withdrawal agreement—passing a deal—is absolutely essential now?

**Alun Cairns:** I am grateful to my right hon. Friend for his question. He obviously recognises the importance of gaining a deal, and I have no doubt he will play a significant part in working with the Government and influencing colleagues in understanding the opportunities and the challenges that we face. He is absolutely right: the ports in Pembrokeshire are extremely important to the Welsh economy—my right hon. Friend regularly highlights those—but he also understands the importance of agriculture and manufacturing, and why a deal is so important to those sectors, too.

**Bob Blackman** (Harrow East) (Con): What assessment has my right hon. Friend made of the opportunities for Wales, once we leave the European Union, of more jobs and investment, and also of the potential for Wales to boom, as opposed to the doom and gloom of the Labour party?

**Alun Cairns:** I am grateful to my hon. Friend for raising that question. He will be well aware that, in the past quarter, the UK economy was growing faster than the eurozone economy—the UK grew by 0.6% while the German and Italian economies went into decline. That highlights some of the opportunities that we face but, of course, we can grasp them in the smoothest way only if we manage to get a deal with the European Union.

**Wayne David** (Caerphilly) (Lab): Given that the Wales CBI has said that a no-deal Brexit will see a £7 billion annual fall in Welsh manufacturing output and output generally in the economy, will he, for goodness' sake, simply admit that a no-deal Brexit will be bad for Wales? Before he responds, let me say that I do not want a Maybotic answer.

**Alun Cairns:** The hon. Gentleman will know that there are many predictions in economic forecasts, but they are forecasts rather than fact. He will have predicted a recession after the 2010 general election—he may well have even predicted a double or treble-dip recession—but I hope that he will recognise the fantastic employment data that was published yesterday showing record numbers of people in work in Wales. The inactivity rates in Wales are at staggeringly positive numbers, matching the rest of the UK for the first time since records began.

**Christina Rees** (Neath) (Lab/Co-op): I echo the words of the Secretary of State with regard to Steffan Lewis and Emiliano Sala.

The Secretary of State voted for the Prime Minister's disastrously flawed withdrawal agreement—he was one of the few, not the many. Will he explain why the Government pretend that nothing has changed, despite their suffering the biggest defeat in parliamentary history?

**Alun Cairns:** It is no secret that the House did not support the deal that was presented to it last week, but we are committed to working with colleagues across our own Benches, and across the House, to come forward with a proposal that can gather the support of the House of Commons and, obviously, to negotiate with the European Union in order to get a deal. I am sure that the hon. Lady would much prefer to see a deal and I challenge her to say whether she was comfortable being in the same Lobby as some colleagues, from all parts of the House, who would like to see no deal.

**Christina Rees:** I think that that was a Cairnsbotic answer.

Yesterday, the First Minister of Wales, Mark Drakeford, cleared Government business in the Welsh Assembly so that he and his Cabinet Ministers could make urgent statements on how a no-deal outcome would be so disastrous for the people of Wales. Will the Secretary of State tell us if he will be voting for amendments put forward in this House to avoid a no-deal outcome, or will he, like his Prime Minister, put party before country?

**Alun Cairns:** I can advise the House that the UK Government have laid 75 statutory instruments at the Assembly's request. We have had countless meetings of the Joint Ministerial Committee and the Prime Minister has agreed to invite the First Minister to the European Union Exit and Trade (Preparedness) Sub-Committee. I hope that that demonstrates the joint work that is taking place. The hon. Lady talks about putting party interests first. I cannot understand why the First Minister of Wales is happy to meet the Prime Minister—they will be meeting later today—but the Leader of the Opposition refuses to meet her to discuss the prospect of a deal, yet seems always happy to meet the IRA.

### UK Shared Prosperity Fund

2. **Jessica Morden** (Newport East) (Lab): What recent discussions he has had with the Welsh Government on the design of the UK shared prosperity fund. [908671]

6. **Ben Lake** (Ceredigion) (PC): What discussions he has had with Cabinet colleagues on the effect of the UK shared prosperity fund on Wales. [908675]

**The Secretary of State for Wales (Alun Cairns):** I have regular discussions with Cabinet colleagues and Welsh Government Ministers on a range of issues affecting Wales, including on the UK shared prosperity fund.

**Jessica Morden:** EU structural funds have been crucial for communities across Wales, and it is vital that Wales must not be left behind—we need that assurance. Why has it taken so long to get any detail from the Government on the shared prosperity fund, not least the consultation, which was promised by the Government before Christmas?

**Alun Cairns:** I agree that the UK shared prosperity fund will be extremely important to all parts of the UK. My specific interest is protecting Welsh interests in the development of that policy. On 14 January, I spoke to the Welsh Government's Brexit Minister, Jeremy Miles, to update him on the latest stages of the plans for consultation, and I also committed to sharing that with him before we formally consult. Of course we want to engage with a whole load of stakeholders. There is widespread recognition that the current structure does not work, and we have an opportunity to get it right.

**Ben Lake:** Between 2014 and 2020, Wales will have received £2.4 billion in structural funding, or over 20% of the total UK allocation of EU funds. Will the UK Government ensure that Wales continues to receive at least an equivalent share of funding from the shared prosperity fund?

**Alun Cairns:** I am grateful to the hon. Gentleman for his question, in which he highlights some of the most recent data. The complete data on the period since European structural funding was introduced show that more than £4 billion has been spent over 17 years, but I am sure he agrees that we have not always got the best value out of that investment—there are several audit reports to that effect. Of course, any quantum of the UK shared prosperity fund is a matter reserved for my right hon. Friend the Chancellor during the comprehensive spending review.

**Mr David Jones** (Clwyd West) (Con): Given the not unreasonable concern in north Wales about Hitachi's decision to suspend development of Wylfa B, is my right hon. Friend willing to meet representatives of the North Wales Economic Ambition Board to discuss ways in which the shared prosperity fund may be used to support the regional economy?

**Alun Cairns:** I pay tribute to my right hon. Friend's work in securing Hitachi's interest in Wylfa when RWE and E.ON withdrew their interest from the project. Although last week's decision is disappointing, our focus is on maintaining momentum towards the development consent. Of course I am happy to meet the board and my right hon. Friend to discuss how we can best use influences such as the shared prosperity fund and the north Wales growth deal. We will happily keep an open mind, but these matters are project-led, and the strength of resource depends on the quality of the project.

**Stephen Kerr** (Stirling) (Con): The UK shared prosperity fund should be just that—a UK-wide fund. What discussions have my right hon. Friend and the Secretary of State for Scotland had with the Treasury to ensure that the UK Government have a positive impact on the lives of the people of Wales and Scotland?

**Alun Cairns:** My hon. Friend has highlighted inefficiencies in the current proposal, and there is a range of options for how we can best work on those. We are going out to consultation very soon. We have cross-Government discussions and consideration of this subject, but I do not want to pre-empt the consultation. I encourage my hon. Friend to engage with me, the Secretary of State for Scotland and the Treasury.

**Susan Elan Jones** (Clwyd South) (Lab): In the late 1990s, the Secretary of State's party was voting against the existence of the National Assembly. In 2005, it had a manifesto option of abolishing the Assembly. Can he understand why many Opposition Members do not believe that he truly wants to involve our National Assembly for Wales in the governance of the UK shared prosperity fund?

**Alun Cairns:** That question is a bit rich coming from the hon. Lady, given that her party's Government left us with the famous legislative consent order motions, which meant that the Welsh Government could not even pass primary legislation in certain areas without Parliament's explicit control. I point to the Wales Acts 2014 and 2017 and to the referendum, which extended the powers of the Welsh Assembly, as well as countless Joint Ministerial

Committee meetings and this afternoon's meeting between the Prime Minister and the First Minister to discuss how best to manage Brexit.

### Universal Credit: Low-income Families

3. **Ruth George** (High Peak) (Lab): What assessment he has made of the effect on low-income families of the roll-out of universal credit in Wales. [908672]

5. **Nick Thomas-Symonds** (Torfaen) (Lab): What assessment he has made of the effect on low-income families of the roll-out of universal credit in Wales. [908674]

**The Parliamentary Under-Secretary of State for Wales (Nigel Adams):** Universal credit is available in every jobcentre in Wales. Our welfare reforms are incentivising work and supporting working families, and employment in Wales is at a record high.

**Ruth George:** Twenty-six per cent. of people in Wales have a disability and 39% of them are in poverty—both the highest proportion in the UK. What assessment has the Minister made of the number of people who lost severe disability premium when they transferred on to universal credit and the impact on those individuals, their families and their communities?

**Nigel Adams:** In recent weeks, an assessment has been conducted by the Department for Work and Pensions and the Secretary of State has made it clear that it is vital that we reform to deliver a fair and compassionate welfare system. This is an ongoing piece of work. It is essential that people who have been trapped out of work by a confusing and complex mix of tax credits and benefits are helped into work.

**Nick Thomas-Symonds:** Many organisations in my constituency do great work mitigating the effects of the universal credit roll-out, but it is still causing great hardship. Have Ministers asked the Prime Minister to fully stop the roll-out, or are they simply not standing up for Wales?

**Nigel Adams:** My right hon. Friend the Secretary of State for Work and Pensions is fully committed to not rushing the migration of universal credit; she will proceed with the utmost care and attention. As she has announced, managed migration will be piloted this year, involving 10,000 people, following which the Government will report on their findings. Migration beyond the pilot number will not occur until my right hon. Friend has brought legislation back to this House to extend that migration.

### Severn Bridges Tolls

4. **Kevin Foster** (Torbay) (Con): What assessment he has made of the effect on the economy of Wales of removing the tolls from the Severn bridges. [908673]

**The Secretary of State for Wales (Alun Cairns):** The removal of the tolls from the Severn river crossings will drive the biggest economic stimulus Wales has seen in decades, putting over £1,400 a year back into the pockets of hard-working motorists and boosting the south Wales economy alone by £100 million.

**Kevin Foster:** I am delighted to hear that positive assessment from my right hon. Friend of the impact of removing the tolls, which add a significant cost to doing business between the south-west of England and Wales. Will he advise on what discussions he is having to exploit this opportunity by identifying any job-creating developments this might inspire on the M4/M5 corridor?

**Alun Cairns:** I pay tribute to my hon. Friend for his work in this area to encourage closer working between this super-region that is being developed. The great western powerhouse allows the south-west of England and south Wales to market themselves jointly to start competing with the northern powerhouse and the midlands engine. I know that he has a strong interest in the M5 and the business around it. I obviously have a strong interest in the M4, and together we will attract more investment.

**Chris Evans (Islwyn) (Lab/Co-op):** May I begin by associating myself with the comments that the Secretary of State made about Steffan Lewis? As his local MP, I always admired and respected him, and his passion for Wales will be greatly missed within the Assembly. It is a loss to Welsh political life.

The closing of the tolls at the M4 bridge creates massive opportunities. What discussions has the Secretary of State had with other Government Departments to bring regional offices and Government jobs to Wales?

**Alun Cairns:** I am grateful to the hon. Gentleman for such a question. A number of discussions are going on across Government Departments about the drive to decentralise civil service opportunities from London. He will be aware of the Cardiff hub, and we are looking to where other opportunities exist. But abolishing the Severn tolls has also created challenges. We need better integration for projects such as the Chepstow bypass and other road projects that work cross-border, and we need to harness those as priorities.

### Economy

7. **Mark Tami (Alyn and Deeside) (Lab):** What recent assessment he has made of the strength of the Welsh economy. [908676]

**The Parliamentary Under-Secretary of State for Wales (Nigel Adams):** The Welsh economy has shown significant progress in recent years. The rate of employment in Wales is at a record high and increased by more than that in any other part of the UK over the last year, with 64,000 more people in work. There is a wealth of world-leading innovation in Wales, with Welsh businesses spending over £450 million on research and development in 2017.

**Mark Tami:** The decision on Wylfa Newydd is a massive setback, not only for Anglesey but for the whole north Wales economy, and the project was a central plank of the north Wales growth deal. When it comes to major infrastructure projects, the Secretary of State has a record of unmitigated failure; he has a kind of reverse Midas touch. When will he start to speak up for Wales in Cabinet? If he is not prepared to speak up for Wales, will he step aside and let someone else have a go?

**Nigel Adams:** I can tell the right hon. Gentleman that there is no greater champion for Wales than my right hon. Friend the Secretary of State. However, the hon. Gentleman raises a very serious and important point regarding Wylfa. This does affect the whole region. The Government were willing to offer a significant and generous package of potential support, but despite that, Hitachi decided that the project was still too great a commercial challenge. We are still committed to nuclear sites as part of the UK's future energy mix, and we will also continue to support the Isle of Anglesey with initiatives such as the north Wales growth deal.

**Liz Saville Roberts (Dwyfor Meirionnydd) (PC):** I understand from my colleague Rhun ap Iorwerth AM that, given the economic uncertainty now surrounding Hitachi's future at Wylfa Newydd, the Welsh Government have indicated that they are prepared to commit further funds to the north Wales growth bid if Westminster makes the same commitment. Will it?

**Nigel Adams:** The hon. Lady makes an important point. We are certainly open-minded. Commitments such as this must be project-led. I reiterate that we recognise the significant impact that Hitachi's decision will have on the region and planned investment, some of which could be co-dependent on the growth deal. We are committing £120 million, as the hon. Lady knows, and we will certainly talk to our partners in Wales. In fact, I am going there next week to talk with Ministers and stakeholders.

**Liz Saville Roberts:** I greatly appreciate that the Minister sees the importance of the north Wales growth bid, particularly in relation to the news at Wylfa. It is interesting that the British Government offered Hitachi a one-third equity stake in the £20 billion nuclear power development in Ynys Môn. Now that Wylfa Newydd looks set to be the latest project to join the Welsh infrastructure scrapyard, will the Minister guarantee that his Government will use the previously promised equity to create 850 alternative, permanent and well-paid jobs in north-west Wales?

**Nigel Adams:** The hon. Lady raises an important point. We are certainly not abandoning that area of Wales. I reiterate that this was a commercial decision. We are committing £120 million to the north Wales growth deal, which we hope to get over the line as soon as practically possible. The Government's decision to agree to take an equity stake, to secure a strike price and to underwrite the debt on that project, was incredibly generous.

**Chris Ruane (Vale of Clwyd) (Lab):** Since 2013, we have seen the cancellation of the Atlantic Array wind turbines off south Wales, the cancellation of the Celtic Array wind farms off north Wales, the cancellation of the Cardiff-Swansea rail line in 2018, the cancellation of the Swansea bay tidal lagoon in 2018 and—to cap it all, the cancellation of cancellations—the cancellation of Wylfa Newydd last week, which was a £16 billion investment that would have transformed the economy of north Wales. Will the Secretary of State support the establishment of an inquiry, which the CBI in Wales has

called for, to uncover why this Conservative Government are incapable of delivering large infrastructure projects in Wales?

**Nigel Adams:** The hon. Gentleman seems to miss the fact that these are commercial decisions to put these projects on hold. In terms of Hitachi, it is a suspended project. We will continue to engage with Hitachi regarding options for the site. We are absolutely committed to creating a broad-based, resilient economy through our industrial strategy, and we will continue to work with the private sector, local partners and the Welsh Government to ensure that Wales prospers. I hope that Members across the House welcome the news this week that the employment rate in Wales now matches that of the UK for the first time since my right hon. Friend the Member for Wokingham (John Redwood) was the Secretary of State for Wales.

#### Fuel Duty Freeze: Low-income Families

8. **Robert Halfon** (Harlow) (Con): What assessment he has made of the effect of the freeze on fuel duty on low-income families in Wales. [908678]

**The Parliamentary Under-Secretary of State for Wales (Nigel Adams):** The Government recognise that transport is a major cost for households and businesses, so it was announced at last year's Budget that fuel duty across the UK will remain frozen for the ninth successive year.

**Robert Halfon:** Despite the excellent fuel duty freeze from the Government, oil companies are still hitting motorists across Wales and the UK by increasing petrol prices hugely when the international oil price goes up but taking a long time to reduce it when the oil price goes down. Will my hon. Friend work with the Secretary of State for Transport and the Treasury to introduce a "pump watch" regulator, as recommended by FairFuelUK, so that there are fair prices for motorists at the pumps?

**Nigel Adams:** There is no greater champion for consumers than my right hon. Friend, but we do not believe that setting up a regulator would be justified, given the costs of doing so. This sector, like every other, is subject to the normal competition and consumer protection law. We are committed to passing on savings to commuters and, due to nine years of fuel duty freezes, the average car driver in Wales and the UK will have saved a cumulative £1,000 by April 2020.

**Owen Smith** (Pontypridd) (Lab): Can the Minister confirm that 30,000 low-income families in Wales will lose £2,500 a year as a result of the imposition of the two-child policy? Does he think that that is fair?

**Nigel Adams:** The Secretary of State for Work and Pensions has announced that she will not extend the two-child limit on universal credit to children born before April 2017, when the policy first came into effect. That will benefit about 15,000 families, and the decision restores the original intent of the policy, which will give parents in receipt of universal credit the same choices as those in work.

#### Leaving the EU: No Deal

10. **Anna McMorrin** (Cardiff North) (Lab): What assessment he has made of the potential effect on (a) the economy and (b) public services in Wales of the UK leaving the EU without a deal. [908680]

**The Secretary of State for Wales (Alun Cairns):** As we leave the European Union, our economy is growing faster than the eurozone, employment is at record high levels, and economic activity in Wales is at the highest level since records began.

**Anna McMorrin:** May I associate myself with the Minister's comments on Steffan Lewis, who was one of the most able and talented politicians that Wales has ever had?

With days to go until we crash out with no deal, we know the devastating impact. The CBI is warning us, the Army is on stand-by to slaughter lambs set for export, and the Government are refusing to rule out no deal. What does the Minister say about that, given that the Prime Minister is not going to get her deal through?

**Alun Cairns:** My right hon. Friend the Prime Minister has set out our position and is determined to work not only on our side of the House but across the House to introduce proposals that will allow the House of Commons to support a deal. It is interesting that the Welsh First Minister, Mark Drakeford, is prepared to meet her to discuss the proposals, but the Leader of the Opposition refuses to do so, in spite of being more than happy to meet the IRA on other occasions.

**Several hon. Members** *rose*—

**Mr Speaker:** I am calling the right hon. Member for Cynon Valley (Ann Clwyd) in spite of time constraints. I know that she will ask a commendably brief question.

#### Baby Deaths and Stillbirths: Cwm Taf University Health Board

12. **Ann Clwyd** (Cynon Valley) (Lab): If he will hold discussions with Ministers in the Welsh Government on investigations into the deaths and stillbirths of babies under Cwm Taf University health board. [908682]

**The Parliamentary Under-Secretary of State for Wales (Nigel Adams):** I thank the right hon. Lady for raising this very important issue, and my thoughts are with all those families affected. I recognise her continued and passionate dedication to this issue and to ensuring that we have a health service that is fit for everyone. It is imperative that both the internal and external reviews of maternity services in Cwm Taf are both comprehensive and timely. Those affected will rightly be looking for urgent answers and clear action to ensure improvements in patient care and safety.

**Ann Clwyd:** I am grateful for that answer. Will the Secretary of State continue to monitor the investigation and report the findings back to the House?

**Nigel Adams:** Of course. At present, this is a matter for the Welsh Government and for the health board, but we await the findings of the review, and we will act

accordingly. In the meantime, the Government will continue to ensure that the NHS has the funding that it requires. I can assure the right hon. Lady that we will work with her to ensure that we get the right outcomes.

## PRIME MINISTER

### *The Prime Minister was asked—* **Engagements**

Q1. [908729] **Stephen Kerr** (Stirling) (Con): If she will list her official engagements for Wednesday 23 January.

**The Prime Minister (Mrs Theresa May):** I am sure that Members across the House will wish to join me in marking Holocaust Memorial Day this Sunday. It is an opportunity for us to remember all those who suffered in the holocaust and in subsequent genocides around the world. It is a reminder that we must all challenge and condemn prejudice and hatred wherever it is found.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

**Stephen Kerr:** May I associate myself with the comments that the Prime Minister made in relation to Holocaust Memorial Day? May I also say as a proud Scot that the United Kingdom of Great Britain and Northern Ireland is the most successful political union that the world has ever known? That said, does the Prime Minister agree that, when Nicola Sturgeon demands a second independence referendum, only four years after we had the last one, the UK Government should side with the majority of the people of Scotland and firmly tell her no?

**The Prime Minister:** My hon. Friend is absolutely right. As he points out, Scotland held a referendum in 2014. It was legal, fair and decisive, and the people clearly voted for Scotland to remain part of the United Kingdom. More than that, at the last general election, the people of Scotland again sent a very clear message that they do not want a second divisive referendum, but the SNP sadly is out of touch with the people of Scotland and has not yet heard that message. The last thing we want is a second independence referendum. The United Kingdom should be pulling together, and should not be being driven apart.

**Jeremy Corbyn** (Islington North) (Lab): Sunday is Holocaust Memorial Day, a time for us all to reflect on the horrors of genocide and to recommit to never again allowing the poison of antisemitism and racism to disfigure our society in any way. The Prime Minister was also right to acknowledge the other genocides that have happened since the second world war. It is up to us to try to prevent such horrors from ever happening again anywhere in the world.

After the overwhelming defeat of the Prime Minister's deal, she says she wants solutions to the Brexit crisis that command sufficient support in the House. The Chancellor and the Business Secretary agree that there is a "large majority" in the Commons opposed to no deal, so will the Prime Minister listen to her own Cabinet members and take no deal off the table?

**The Prime Minister:** What I, members of the Cabinet and the whole Government are doing is working to ensure that we leave the European Union with a deal. That is the way to avoid no deal: to leave the European Union with a deal. I say to the right hon. Gentleman that what I have wanted to do—I have been doing it with Members across the House—is sit down and talk about how we can secure support in this House for a deal. He has been willing to sit down with Hamas, Hezbollah and the IRA without preconditions, yet he will not meet me to talk about Brexit. In this case, he is neither present nor involved.

**Jeremy Corbyn:** Actually I reached out to the Prime Minister last September when I offered to discuss our deals with her. It appears that, while the door to her office may well be open, the minds inside it are completely closed. She has shown no flexibility whatsoever on taking no deal off the table.

The Chancellor reassured businesses that amendments would be put down that

"would have the effect of removing the threat of no deal...which is binding and effective".

Given that those amendments are now tabled, will the Prime Minister confirm that, if passed, they would rule out no deal?

**The Prime Minister:** We have seen amendments that seek to engineer a situation in which article 50 is extended. That does not solve the issue that there will always be a point of decision. The decision remains the same: no deal, a deal or no Brexit. I am delivering on Brexit. I want to do it with a deal. Why will the right hon. Gentleman not come and meet me and talk about it?

**Jeremy Corbyn:** The only consistency in the Prime Minister's strategy seems to be running down the clock by threatening no deal as an alternative to her dead deal.

The CBI says that the "projected impact" of no deal on the UK economy "would be devastating". Leaving with no deal would be a hammer blow to manufacturing in this country, costing jobs and damaging living standards.

Last week, the Justice Secretary was asked whether he ruled out a customs union. He said:

"I don't think we can".

However, that same day, the Leader of the House said that we cannot be in a customs union. Can the Prime Minister be clear? Do her Government rule out a customs union with the European Union?

**The Prime Minister:** The right hon. Gentleman talks about a customs union and I note that he has tabled an amendment. The Labour party used to refer to a comprehensive customs union, then it was a new customs union and now it is a permanent customs union, but the question—[*Interruption.*] I am happy to sit down to talk to him about what he means by that. Does he mean accepting the common external tariff? Does he mean accepting the common commercial policy? Does he mean accepting the Union customs code? Does he mean accepting EU state aid rules? If he will not talk about it, there is only one conclusion: he hasn't got a clue.



**Jeremy Corbyn:** My question was: does the Prime Minister rule in or rule out a customs union? It is not complicated. She could have said yes, she could have said no. It is a key part of what Labour is putting forward and it is backed by the TUC, representing millions of workers; by the CBI, representing thousands of businesses; by the First Ministers of Wales and Scotland; and indeed by many members of her own party, including apparently her own chief of staff. So can the Prime Minister explain why she is ruling out a customs union as a solution to the crisis? She could for once actually answer the question.

**The Prime Minister:** Perhaps I can try to help the right hon. Gentleman here. When many people talk about a customs union, what they want to ensure is that businesses can export to the EU without facing tariffs, quotas or rules-of-origin checks. I agree, and the deal we negotiated delivers just that, but it also allows us to have an independent trade policy and to do our own trade deals with the rest of the world—the benefits of a customs union and the benefits of our own trade policy.

**Jeremy Corbyn:** The International Trade Secretary promised 40 trade agreements the second after Brexit. This morning, he could not name a single one. His own Business Minister said that he was not impressed by “sham trade agreements” and

“not prepared to sell business down the river for other people’s political dogma.”

So why is the Prime Minister prepared to sell people’s jobs and living standards down the river, rather than negotiating a customs union that would be part of a sensible deal for the future?

**The Prime Minister:** The deal that we negotiated did protect jobs—[*Interruption.*] And it was rejected by this House. There are some specific issues that Members across this House have raised in relation to that deal and we work on those. We have already responded on a number of issues—parliamentary involvement, workers’ rights, citizens’ rights—as a result of the conversations that we have had with Members of this House. What we want to ensure is that we get a deal that protects jobs, but the right hon. Gentleman is doing exactly what he always does. He just stands up and uses these phrases. The honest answer is that I do not think he knows what those phrases mean and what the implications of those phrases are. We will be protecting jobs in the UK with a good trade relationship with the European Union—enhancing and increasing jobs in the UK, and by the way I see that the right hon. Gentleman has not referred to this week’s employment figures, which show employment up in this country as a result of this Government.

**Jeremy Corbyn:** What the Prime Minister clearly did not have time to mention was the rising levels of in-work poverty, personal debt and the problems that people face in surviving at work. The door of her office might be open, but the minds are closed—[*Interruption.*] The Prime Minister is clearly not listening—[*Interruption.*]

**Mr Speaker:** Order. People making an extraordinary noise from a sedentary position do not have the slightest prospect of being called to ask a question, unless it is on the Order Paper. I hope that they realise that and recognise their own folly.

**Jeremy Corbyn:** Thank you, Mr Speaker. Across the country, people are worried about public services, their living standards and rising levels of personal debt. While a third of the Prime Minister’s Government are at the billionaires’ jamboree in Davos, she says she is listening, but rules out changes on the two issues where there might be a majority: against no deal and for a customs union—part of Labour’s sensible Brexit alternative. If the Prime Minister is serious about finding a solution, which of her red lines is she prepared to abandon? Could she name a single one?

**The Prime Minister:** The right hon. Gentleman makes claims about minds being closed and asks about red lines. Why does he not come and talk about it? He talks about what people up and down this country are seeing. I will tell him what we have just seen this week: borrowing this year at its lowest level for 16 years; the International Monetary Fund saying we will grow faster than Germany, Italy and Japan this year; UN figures showing foreign direct investment in the UK up last year; the employment rate up; the number of people in work up; and wages up—and the biggest threat to all of that would be a Labour Government.

Q2. [908730] **Craig Tracey** (North Warwickshire) (Con): North Warwickshire and Bedworth voted overwhelmingly to leave the EU in 2016, and from the many conversations I have had with constituents since, I am in absolutely no doubt that if they were asked again, they would vote the same way. Does the Prime Minister agree therefore that there is no credibility in the argument for a second referendum and that our constituents want this Parliament to do what it promised and honour the referendum result, which, as Opposition Members seem to have forgotten, was to leave the EU?

**The Prime Minister:** My hon. Friend is absolutely right. Not just he, I and all Conservative Members, but all Labour Members stood on manifesto pledges to respect the result of the referendum and to leave the EU. I have set out several times my concern about returning to the British people in a second referendum. People sent a clear message. We asked them to make a choice, they made that choice, and we should deliver on it.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): I join the Prime Minister in marking Holocaust Memorial Day. It is important that we reflect on man’s inhumanity to man at that time and subsequently, most recently towards the Rohingya people. More must be done to eradicate the risk of genocide that is suffered by peoples throughout the world.

Last November, the Government published an economic analysis of Brexit that looked at four scenarios, but it did not include the Prime Minister’s deal. Has she done an economic analysis of her deal?

**The Prime Minister:** The right hon. Gentleman obviously looked carefully at the economic analysis, and he will have seen that it looked at the impact of different issues in relation to the trade relationship and set that out very clearly. It made it absolutely clear that the proposal the Government had put on the table was the best in terms of delivering on the referendum result, maintaining people’s jobs and enhancing the economy.

**Ian Blackford:** I can only take it from that answer that there is no analysis of the Government's plan. According to the paper last November, Brexit will lead to the loss of up to 9% of GDP throughout the UK. That will cost jobs. It is the height of irresponsibility for the Prime Minister to bring to Parliament a deal for which we have not seen the economic impact. People up and down the UK are going to lose their jobs and economic opportunities because of the ideology of this Government. It is important that the House reflects on that and on the economic security of our citizens. We have to be honest with people. We need to go back to them, have a people's vote and let them determine what should happen.

**The Prime Minister:** We have been reflecting on the economic security of our citizens across the whole of the UK, and that is why we put forward the proposals that we did last summer and why the proposals in the deal—in the political declaration—we negotiated with the EU set out an ambitious future trade deal. If the right hon. Gentleman wants to reflect on the interests of the citizens of Scotland, he should reflect on the fact that being part of the UK—[*Interruption.*] He says he wants to know the figures and the economic analysis. In that case, it is no good his dismissing the figures and the economic analysis that show that being part of the UK is worth £10 billion in additional public spending and nearly £1,900 for every single person in Scotland. If he is interested in economics, he should want to stay in the UK and stop his policy of independence.

Q3. [908731] **Andrew Rosindell** (Romford) (Con): I can tell the Prime Minister that the people of Romford remain rock solid for leaving the European Union on 29 March. They do not want an extension of article 50; they do not want another referendum; they want out, deal or no deal. Will the Prime Minister assure the House that she will deliver on the biggest vote of the British people in history, come what may?

**The Prime Minister:** Yes. My hon. Friend is absolutely right. This is not just an arbitrary date. It is a date to which the House effectively agreed when it triggered article 50, because it understood that the article 50 process was a two-year process, and, as I said in response to the Leader of the Opposition, that process will end on 29 March 2019. I do not believe that extending article 50 resolves any issues, because at some point Members must decide whether they want a no-deal situation, to agree a deal, or to have no Brexit.

Q4. [908732] **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): My constituent Denis Omondi is a British citizen. He has uncontested custody of his young daughter Ann, who is in Kenya. Although he visits her as often as he can, she has been denied a visa because the Home Office claims that he has not spent enough time with her. The problem is that Denis is a serving soldier in the British Army. He is stationed at Fort George, and has served tours in Afghanistan, Iraq and Cyprus at the behest of the UK Government.

Does the Prime Minister believe that this situation is fair? Will she look into how this loyal soldier and loving father can be reunited with his daughter?

**The Prime Minister:** Let me first thank Denis for his commitment to serving in our armed forces. All our armed forces do an incredibly important and brave job for us.

I am sure that the hon. Gentleman will not expect me to be able to look at the details of the case at the Dispatch Box on the Floor of the House, but I will ask the Home Secretary to look into it and respond to him.

Q5. [908733] **Mr Peter Bone** (Wellingborough) (Con): Prime Minister, your Government is stuffed full of remainder Ministers who do not want to leave the European Union. Will you replace them with colleagues from these Benches who actually believe in upholding the decision of the British people to leave the European Union on 29 March?

**The Prime Minister:** I have heard some job applications in my time, but that was quite an interesting one.

My position, and the position of this Government and Ministers across this Government, is very clear. It is our duty to deliver on the vote of the British people to leave the European Union, and the two-year process ends on 29 March. That is the position of the Government. Of course I am always happy to consider job applications from my hon. Friend, but I have to say that the basis of his application was not correct, because the Government are committed to taking the United Kingdom out of the European Union.

Q6. [908734] **Mr Steve Reed** (Croydon North) (Lab/Co-op): Britain is facing a homelessness crisis, and homelessness, like food banks and child poverty, is linked to deprivation. How can the Prime Minister justify removing the deprivation levels from her new council funding formula, and taking money away from the weakest and the poorest in society just so that she could bail out failing Tory councils like Northamptonshire?

**The Prime Minister:** As the hon. Gentleman will know, there are many cases in which some of the measures that have been used do not properly reflect the situation on the ground, but obviously we look very carefully at the formula to ensure that we have that fair funding between local authorities.

Q7. [908735] **Gillian Keegan** (Chichester) (Con): To mark Holocaust Memorial Day a Chichester choir will be coming to Parliament to perform "Push", a moving opera about the life of Simon Gronowski, who was pushed off a train by his mother to spare him from certain death at Auschwitz. His mother and sister died but Simon will be here to share his story, which shows us the best and worst of humanity. At a time when antisemitism is rising across Europe and here in our communities, does the Prime Minister agree that it is vital that we learn the lessons of history to eradicate antisemitism, and will she, if possible, join us at the performance in Speaker's House next Monday?

**The Prime Minister:** I thank my hon. Friend for raising this important issue and highlighting that case, which shows the horrors that so many people went through during the holocaust. We welcome the Chichester choir to Parliament performing "Push", and I commend it on its work in keeping alive the remarkable story of Simon Gronowski. As I have just indicated, his story reminds us of the millions who were killed in the

concentration camps and the absolute horror of the holocaust. We should all remember that, and remember genocides that have, sadly, occurred since, and condemn hatred and prejudice in all its forms, including antisemitism wherever it is found. There is no place for racial hatred in our society. I apologise because I suspect I may not be able to attend the performance my hon. Friend referred to, but I hope she will pass on my thanks to the choir for coming here and for the work it is doing.

Q8. [908736] **Sarah Jones** (Croydon Central) (Lab): The Prime Minister promised after the Grenfell Tower fire that she would do whatever it takes to keep our people safe. Today, 19 months on, the vast majority—85%—of the hundreds of blocks draped in exactly the same highly flammable cladding are still covered in it. The Shurgard fire in Croydon shows that Grenfell is just the tip of the iceberg. Thousands of council and private buildings across the country do not have sprinklers, despite the fire services saying they are essential. The Government do not even collect data on the number of fires in tower blocks. As the Prime Minister wastes billions on her no-deal gamble there is a stench of complacency about these things that matter too. When will the Prime Minister be able to tell this country that she has honoured her promise?

**The Prime Minister:** It is obviously very important for all of us that people are able to feel and be safe in their homes, and I understand residents' concerns over this issue of cladding. We fully expect building owners in the private sector to take action and make sure that appropriate safety measures are in place. Interim measures are in place where necessary on all of the 171 high-rise private residential buildings with the unsafe ACM—aluminium composite material—cladding, but permanent remediation is rightly the focus, and we have repeatedly called on private building owners not to pass costs on to leaseholders. As a result of our interventions 212 owners have either started, completed or have commitments in place to remediate; 56 owners are refusing to remediate. We are maintaining pressure on this but we rule nothing out.

Q10. [908738] **Alberto Costa** (South Leicestershire) (Con): Non-surgical cosmetic treatments is an industry with no proper regulation. My constituent Rachael Knappier suffered a terrible injury after a Botox filler was administered incorrectly. Will the Prime Minister assure me and this House that her Government will look into appropriate regulation of non-surgical cosmetic treatments?

**The Prime Minister:** First, may I extend my deepest sympathies to Rachael Knappier? We recognise that this growth in non-surgical treatments increases the need for consumer protection, and we are currently working with stakeholders to strengthen the regulation of cosmetics procedures. We are committed to improving the safety of cosmetic procedures and there are a number of ways in which that can be done: better training and robust qualifications for practitioners, but also clear information so that people can make informed decisions about their care. We would urge anyone seeking a cosmetic procedure to take the time to find a reputable, safe and qualified practitioner who is subject to statutory regulation or on an accredited voluntary register. My hon. Friend has raised an important issue.

Q9. [908737] **Stephen Kinnock** (Aberavon) (Lab): In May 2018, Michel Barnier said that the only frictionless model for the future relationship with the UK would be Norway-plus—Norway being part of the single market, plus a customs union. This means that a Norway-plus Brexit would eliminate the need for the backstop and would also be agreed rapidly, thereby eliminating the need to extend article 50. If the Prime Minister really wants to do away with the backstop and really wants to leave the EU on 29 March without the need for an extension, why does she not pivot to the Norway-plus option today?

**The Prime Minister:** First, it is not the case that that is the only way to provide frictionless trade between the United Kingdom and the European Union. Other options have been put on the table. The question of the extent of that frictionless trade will be a matter for the second stage of the negotiations.

### West Midlands Economy

Q11. [908739] **Michael Fabricant** (Lichfield) (Con): What recent assessment she has made of the prospects for the economy in the west midlands; and if she will make a statement.

**The Prime Minister:** I am pleased to say to my hon. Friend that thanks to our economic record there are 90,000 more small businesses in the west midlands since 2010, that the national living wage is giving more than 170,000 people a pay rise in the west midlands this year and that employment in the west midlands has risen by 252,000 since 2010. I can also tell him that we will continue to support the region by investing more than £430 million as part of the Greater Birmingham and Solihull local enterprise partnership.

**Michael Fabricant:** As ever, that is great news for the west midlands and it shows our firm economic policy, but will my right hon. Friend now welcome the new Birmingham airport masterplan, which addresses its growth in services for businessmen and holidaymakers for the west midlands? Will she also commit the Government to work with the airport to help it to expand its long-haul route network, which is so important for the businesses and holidaymakers of Lichfield and beyond?

**The Prime Minister:** We are certainly supporting airports beyond Heathrow, such as Birmingham, to make the best use of their existing runways. I am happy to welcome Birmingham's decision to publish this masterplan because I understand that, as my hon. Friend says, it aims to attract new long-haul routes in addition to the routes that it already runs. We are also committed to improving access to Birmingham airport. For example, by 2026 the airport will be served by HS2, which will significantly reduce journey times to London and dramatically increase the catchment area of the airport.

### Engagements

Q13. [908742] **Ann Clwyd** (Cynon Valley) (Lab): If she will list her official engagements for Wednesday 23 January. Even though Brexit is turning out to be very different from what voters were promised by the leave campaign,

is the Prime Minister now effectively saying to voters, in opposing a people's vote, that they had their say three years ago and they must now just put up and shut up?

**The Prime Minister:** What we are saying is that this House overwhelmingly voted to have the referendum in 2016 and for people to be asked for their choice as to whether to leave or to stay in the European Union. There will have been a variety of reasons why people voted to leave the European Union in 2016. Many wanted an end to free movement, and that is what we will be delivering. For many, it was about sovereignty, and that is why ending the jurisdiction of the European Court is important. Independent trade policy is also part of it, and that is what the Government are delivering. We are delivering on the vote that took place and ensuring that we do it in a way that protects jobs and gives people certainty for the future.

Q12. [908740] **Rachel Maclean** (Redditch) (Con): Ten years ago, I had a cervical smear test that picked up some abnormalities which, if they had been left untreated, could have developed into something much more serious. Unfortunately, cervical screening is at 21-year low and more than a quarter of women do not take up this life-saving test. We all know that it can be a bit uncomfortable, and it can be embarrassing for some women, but will the Prime Minister please urge all women up and down the country to take up this life-saving test?

**The Prime Minister:** My hon. Friend's experience shows exactly why it is so important for women to take up this test. We need to do more to encourage women to take up their cervical screening tests, and Public Health England will shortly launch a national campaign to highlight the risks of cervical cancer and encourage women to attend the screening appointments. I can stand here as the Prime Minister and say that I know what it is like to go through a cervical smear test, and it is not comfortable. For some it will be embarrassing, and it is sometimes painful, but those few minutes can save lives, so I would encourage all women to take up their smear tests.

**John Mann** (Bassetlaw) (Lab): On the Monday before Christmas, my constituent Nathan Garrett, aged 18, was referred by his GP for emergency mental health support. On the Tuesday, he was helping others and delivering my Christmas cards, just as he had delivered many election leaflets over the years. Later, he asked the crisis team for emergency help, but none was forthcoming. On the Wednesday, Nathan went missing. On the Thursday, I learned at the volunteers' event that we hold every Christmas, when I was expecting to see Nathan, that it had all got too much for him and that he had taken his own life.

Nathan Garrett was a brilliant, engaging, kind young man. He was a county athletics champion, a talented and brilliant musician, and incredibly popular. His parents and his grandmother are here today. Does the Prime Minister agree that when a teenager needs emergency mental health support, that support should be available within 24 hours? Will she ask the appropriate Minister to meet me and Nathan's family to push that matter forward today?

**The Prime Minister:** I am sure that all Members will join me in sending our deepest condolences to Nathan's family and friends and to all those who knew him. From what the hon. Gentleman said, it sounds as though he was an incredible young man. Every life lost is a tragedy, and incidents of suicide are deeply concerning, which is why we are taking action in relation to suicide prevention. The hon. Gentleman has also raised the issue of mental health provision. We recognise the importance of increasing provision for people who are suffering from mental health problems. I am happy to ensure that the hon. Gentleman can meet the appropriate Minister to discuss the matter.

Q14. [908743] **Lucy Allan** (Telford) (Con): Almost a year ago, the authorities in Telford agreed to commission an inquiry into child sexual exploitation in our town after a lengthy campaign by victims and their families, who were seeking justice and answers. The promised inquiry has not happened. There is no chairperson and no start date. Does my right hon. Friend agree that the failure to hold the promised inquiry lets down victims, survivors and our community? Will she join me in urging the Telford authorities not to sweep the matter under the carpet, but to deliver on their promises and to start the inquiry now?

**The Prime Minister:** My hon. Friend has raised an important issue. The crimes were utterly appalling. That is why we have given tackling child sexual abuse and exploitation the highest priority, and it is concerning, as my hon. Friend said, that the inquiry has taken so long to start, having been announced in the spring of last year. It is in the interests of victims and survivors that the inquiry is up and running as soon as possible. People deserve to see that inquiry taking place, and I will ensure that a Home Office Minister meets my hon. Friend to discuss that further.

**Stewart Hosie** (Dundee East) (SNP): At Prime Minister's questions last October, I asked the Prime Minister about my constituent Hassan Mirza and his 10-year battle simply to renew his passport. I wrote to the Prime Minister and received a holding response two months ago. Since then, Hassan's uncle has passed away, but he could not attend the funeral. His wife is ill, but he cannot visit her or his children. This is unacceptable. When will the Prime Minister finally give me a detailed answer, and when will she get a grip on the failings in the Home Office?

**The Prime Minister:** I can only apologise to the hon. Gentleman that he has not had a detailed answer from me before now. I will ensure that he gets one but, more than that, my right hon. Friend the Home Secretary is happy to meet him to discuss the case.

**Jack Lopresti** (Filton and Bradley Stoke) (Con): Will my right hon. Friend join me in paying tribute to my constituent Bob Woodward, who sadly died on Sunday? When Bob's son Robert was diagnosed with cancer aged eight in 1976, he founded the charity CLIC—Cancer and Leukaemia in Childhood. Over the following decades, he changed lives by raising over £100 million in support of worthy causes. He was an inspirational figure and a great and compassionate man, and he recently had a new Great Western Railway train named after him. Will my right hon. Friend also join me in offering our condolences to his friends and family?

**The Prime Minister:** I am certainly happy to join my hon. Friend in expressing our sympathies and condolences to Bob Woodward's friends and family and in paying tribute to Bob. After tragically losing his son to cancer, as my hon. Friend pointed out, he dedicated his life to young cancer patients and their families and was able to use his success as a property developer to provide residences where families of young cancer patients could live while their child is receiving treatment. It is a fitting legacy that there are now 10 of these properties in the UK, and CLIC is now a global organisation raising funds for the care of families around the world. Bob Woodward suffered a terrible tragedy with the loss of his son, but he ensured that his work throughout his life is benefiting others.

**Liz McInnes** (Heywood and Middleton) (Lab): This morning I received a letter from Santander saying that it is closing the branch in Middleton and suggesting that my constituents should avail themselves of banking services at Middleton post office, which in turn is being franchised into the back of WH Smith. Can the Prime Minister say what her policy is for our high street, other than just managed decline?

**The Prime Minister:** Obviously individual banks take commercial decisions, and it sounds as if there will still be post office services available on the high street to which the hon. Lady refers. We are concerned about helping to manage our high streets and ensuring that we have good high streets for the future. That is why, in the Budget, the Chancellor announced funding that is available to local authorities to work on plans for their high streets.

**James Gray** (North Wiltshire) (Con): Will the Prime Minister join me in reassuring the people of North Wiltshire and, indeed, the nation that, despite yesterday's announcement that he is to move his corporate headquarters and two senior executives to Singapore, the commitment of Dyson to Britain remains undiminished, as evidenced by the £200 million he is investing in his research and

development site at Hullavington and by the £40 million he is investing in the engineering and design college at Malmesbury? He is totally and utterly committed to Great Britain, and yesterday's announcement has no effect at all on that commitment.

**The Prime Minister:** Dyson is clear that it will continue to have a long-term future in the UK, and it has trebled its workforce to 4,800 over the past five years. Of course, what matters to companies like Dyson is having a Government who are unapologetically pro-business, which this Government are, and a Government who are ensuring that our balanced economic policy sees increasing employment, exports and foreign direct investment in UK companies at record highs.

**Tim Farron** (Westmorland and Lonsdale) (LD): Mr Speaker, may I wish you, the Prime Minister and everybody here a very happy Cumbria Day? A vast array of produce is available: beer from Kirkby Lonsdale; relish from Hawkshead; deli.sh pies; and tea and coffee from Penningtons—all the stuff the Prime Minister might need for a packed lunch if she is considering a walking holiday anytime soon. I remind her that, after London, Cumbria contains Britain's biggest tourism destination, but today Cumbria has come to London. I invite her and, indeed, everybody here to come and join us in the Jubilee Room straight after PMQs to sample the best of Cumbria.

**Mr Speaker:** The hon. Gentleman is a one-man tourist board, and we are grateful to him.

**The Prime Minister:** The hon. Member for Westmorland and Lonsdale (Tim Farron) has done a good job of promoting the benefits of Cumbria, and I am sure he will be joined by my hon. Friends and others from across the House. I thank him for listing the very many items I might want to put in my packed lunch when I go on a walking holiday, but I am afraid I am bound to say that, although I recognise that Cumbria has good produce, Berkshire has good produce, too.

## Courts IT System

12.43 pm

**Yasmin Qureshi** (Bolton South East) (Lab) (*Urgent Question*): To ask the Secretary of State for Justice if he will make a statement on the failure of the central courts IT system.

**The Parliamentary Under-Secretary of State for Justice (Lucy Frazer)**: I am grateful for the opportunity to update the House on the IT issues facing the Ministry of Justice over recent days.

I start by apologising to those who have been affected by the intermittent disruption, which was caused by an infrastructure failure in our supplier's data centre. Although services have continued to operate and court hearings have continued, we know how frustrating this is for everyone. The issue is that some of our staff in the Courts and Tribunals Service, the Legal Aid Agency, probation and Ministry of Justice headquarters have been unable to log on to their computers, but we have contingency plans in place to make sure that trials can go ahead as planned.

The Prison Service has not been affected and—to correct inaccurate reporting—criminals have not gone free as a result of the problem. We have been working closely with our suppliers, Atos and Microsoft, to get our systems working again, and yesterday we had restored services to 180 court sites, including the largest ones. Today, 90% of staff have working computer systems. Work continues to restore services and we expect the remainder of the court sites to be fully operational by the time they open tomorrow morning. We are very disappointed that our suppliers have not yet been able to resolve the network problems in full.

This afternoon, the permanent secretary, Sir Richard Heaton, will meet the chief executive of Atos and write personally to all members of the judiciary. I am very grateful to all our staff who have been working tirelessly and around the clock, alongside our suppliers, to resolve the issues.

**Yasmin Qureshi**: I thank you, Mr Speaker, for granting the urgent question, and the Minister for her reply.

Members will be concerned by the failure of the multiple vital IT systems that our courts require, including systems supplied by Atos and Microsoft. Indeed, I saw those failures at first hand last week, when I visited one of the Crown courts. The chair of the Criminal Bar Association described our courts system as being “on its knees” following that failure, and blamed “savage cuts to the MoJ budget”.

Reports in *The Times* suggested that there is a risk of defendants being released before trial. Will the Minister confirm whether any defendants have been released without trial? What costs has the failure incurred? Have Atos and Microsoft paid any penalties for failures on the contracts so far? Can the Minister guarantee that all costs arising from the failures will be recovered from the suppliers?

Of course, such failings do not happen in a vacuum. The Ministry of Justice has faced cuts of 40% in the decade to 2020. The Government are pursuing a £1.2 billion courts reform programme, which has seen hundreds of

courts close, thousands of court staff cut and a rush to digitise many court processes. Are the plans to cut 5,000 further court staff by 2023 still being pursued?

Will the Minister explain why the Government ignored the Association of Her Majesty's District Judges, which called for courts closures to be stopped until “fully functioning IT systems are demonstrated to be up and running successfully”?

Finally, will the Minister now commit to a moratorium on further cuts, closures and digitisation of our courts until a Bill has been brought to the House so that we can fully scrutinise the Government's plans?

**Lucy Frazer**: I am grateful for the opportunity to answer the points that the hon. Member for Bolton South East (Yasmin Qureshi) raised. She suggested that the problems are related to cuts—they are not. They relate to an issue in a contractual supplier's system. She suggested that defendants were being released. I hope she heard in my initial reply that that was incorrect reporting. No prisoners have been released. The prison system is different from the MOJ's and I repeat that no prisoners have been released as a result of the problem.

The hon. Lady asked about penalties. As I said, the permanent secretary is meeting the supplier's chief executive this afternoon and of course we will look carefully at the contracts, which include penalty clauses.

The hon. Lady suggested that the issue is related to a rush to digitisation. I would like to clarify that Her Majesty's Courts and Tribunals Service operates on a legacy system, which needs to be updated because issues arise in it, and we are therefore investing significantly in our digitisation programme to ensure that our courts system runs well in the future.

The hon. Lady talked about cuts. I started with that and I will end with it, as she did. We are not cutting our justice system and our Courts Service. Indeed, as she rightly identified, we are putting £1 billion into it.

**Robert Neill** (Bromley and Chislehurst) (Con): I am glad to have the Minister's reassurance that this situation has nothing to do with the common platform, as that is indeed the case. Does she accept that senior members of the judiciary, as I know from my conversations with them, are most anxious that the roll-out of the common platform proceeds, because the difficulties come from the failures of the old system? Will she ensure that the new initiatives that we are bringing in, such as digital portals, are fully and robustly tested before they come into use, so that court users can have full confidence in them?

**Lucy Frazer**: As always, my hon. Friend the Chairman of the Justice Committee makes important points. I am pleased to clarify that the common platform is not affected—it is being trialled—and that in fact the reform programme in its totality is not affected by these issues. Our divorce and probate application systems are not affected. As I said, the point of reform is to ensure that these systems work in future—my hon. Friend referred to the need to ensure that our systems work—and we will be carrying out a rigorous evaluation of our court reform programme.

**Ellie Reeves** (Lewisham West and Penge) (Lab): Prisons being issued urgent notifications, private probation services needing bailouts, trials collapsing because of disclosure

failures, MOJ staff on strike over the failure to pay them the London living wage—and now the court system is in disarray. When will the Minister finally understand that the 40% real-terms cut to the MOJ budget since 2010 has consequences, and that austerity has left the justice system at breaking point?

**Lucy Frazer:** As I identified at the start, this issue was caused by an infrastructure failure in our supplier's data centre. It is not the result of cuts. My Department received some funding in relation to the building of a prison in the recent Budget, and it received investment into the courts service and into its estates. We are investing £1 billion in our courts service.

**Victoria Prentis (Banbury) (Con):** I should declare that as a judge my husband has been affected by these outages, and I am lobbied heavily on this matter at home. In the light of that, I would be grateful if the Minister confirmed my understanding that 75% of court staff are now back online and working normally. When will the rest of them be?

**Lucy Frazer:** I am disappointed that my hon. Friend's husband, whom I should declare I know, is affected, and I send my apologies to him. Indeed, more seriously, I send my apologies to all court staff, judges and professionals who have been affected. This has obviously been a disruption to their business and I am truly sorry for that. As my hon. Friend mentioned, we are working hard to ensure that these issues are resolved, and in fact 90% of staff have working computer systems today. We expect our court sites to be fully operational by the time they open tomorrow morning.

**Mr Speaker:** It looks as though an end to domestic lobbying is in sight. I am sure the hon. Member for Banbury (Victoria Prentis) is extremely appreciative of that important fact.

**Christine Jardine (Edinburgh West) (LD):** We have heard that this incident has caused a great deal of disruption for the judicial system, and the Minister has apologised to staff, but will she also take into account the very many individuals who are awaiting court sentencing and appearances? They have undergone unbelievable stress and gone through a great deal of personal sacrifice and disruption because of this incident, so will she apologise to them and ensure that future investment in the Ministry of Justice ensures that this does not happen again?

**Lucy Frazer:** The hon. Lady makes an important point. It is of course users who are at the heart of the justice system. Professionals work in the justice system, but they and the system work for justice for individuals. This morning I was at a court that was functioning—I was sitting at a hearing—and of course there is that continuous reminder that we are there to serve people who want to get justice done.

**Anna Soubry (Broxtowe) (Con):** I declare an interest, because I am still a member of the Criminal Bar Association. I am grateful to the Minister for her assurances that this situation is not related to cuts, but the simple truth of it is that if we had a better, more fully funded system, there would be proper back-ups and this rumbling problem would have been sorted out a long time ago. I am afraid I share the views of the chairman of the

Criminal Bar Association. The system is now reaching crisis point and funding is primarily a problem, but it is not just about money; we could spend the money in better ways. I would be grateful if the Minister would meet me and other members of the criminal Bar in particular to discuss how we can sort out what is, I am afraid to say, a broken system.

**Lucy Frazer:** My right hon. Friend has a great deal of expertise in this subject area and I am always happy to meet her and to speak with her. She talked about back-ups, and I should say that it is because we have recently invested in the courts service that we had wi-fi back-up. The issue was in relation to the server, but because we have invested in wi-fi in courts up and down the country, many staff could continue to work during this incident.

My right hon. Friend mentioned the criminal Bar; I am a big supporter of the independent criminal Bar, as I am of solicitor advocates, who play a vital role in the delivery of justice, which is why we have recently given them £23 million more for the advocates' graduated fee scheme. We are investing in encouraging them and hope that they continue to do their work.

My right hon. Friend mentioned the CBA; I work closely with the CBA and have met its representatives on several occasions recently, and I also work closely with the Bar Council. I want to continue to work closely with them as we move forward.

**Stephen Pound (Ealing North) (Lab):** As we must do this, may I declare a personal, rather than a pecuniary, interest? I have been married to a senior member of the west London magistracy for many, many years. Mrs Pound is incandescent with fury, because those on her particular bench find it impossible to operate within the common platform. The iPads with which they have been issued are useless, and many defence barristers and solicitors are having to print out copies of the documentation before they come to court. Will the Minister accept that it is our unpaid magistracy who have been making this system work despite the IT nightmare? Will she take this opportunity, on behalf of Her Majesty's Government, to pay tribute to and thank the magistrates for making a broken system work?

**Lucy Frazer:** I am honoured that we have so many well-connected Members of Parliament present in the House to share with us their personal knowledge of the justice system. I thank the hon. Gentleman's wife for all the work she does. I do indeed recognise the significant contribution that the magistracy makes. I was pleased to go to the Magistrates Association annual conference late last year. Magistrates do indeed make a significant contribution to our criminal justice system.

**Mr Speaker:** I very much hope that the hon. Gentleman will present a copy of the *Official Report*, when it appears tomorrow, to Mrs Pound, or Maggie, as I think she is known.

**Stephen Pound:** Very good, Sir!

**Vicky Ford (Chelmsford) (Con):** The listing team in Chelmsford administers the calendars and diaries for all Essex and Suffolk magistrates and county courts—that is more than 30 different courts sitting every day—so when the computer systems have been down it has been

[Vicky Ford]

an administrative nightmare. I am glad to hear that nine out of 10 computers are back up and running and that we expect full service back tomorrow. Will my hon. and learned Friend confirm that this incident was not because of a cyber-attack and that there has been no loss of data, and will she let us know what is being done to make sure that this situation does not recur?

**Lucy Frazer:** As a diligent MP working for her constituency, my hon. Friend raised the particular issue of the Chelmsford courts with me yesterday, and I was pleased to tell her yesterday that Chelmsford Crown court was included in the sites that were fixed last night. We are currently working on, and perhaps might even have fixed, the combined family and county court, and hope that they will be online. I can confirm to my hon. Friend that this incident was not the result of a cyber-attack.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Does the Minister accept that it is not quite fair to characterise this as a single or unusual event, and that her Department has been receiving reports of failures in the criminal justice secure email service for at least six months now?

**Lucy Frazer:** The hon. Gentleman makes an important point. In fact, there were two separate incidents in relation to the HMCTS-MOJ site: one that occurred on Tuesday night, which was fixed by the weekend; and a separate incident that occurred on Sunday, which we are continuing to work through. The issue he identifies in relation to the secure system is, again, separate and unrelated. Some 75,000 people were affected by that, which is only 12.5%. By Monday, we had restored user access to 40,000 of those people. We restored access to the remainder on Tuesday, and we have dealt with the issue. I hope people will identify that issues are occurring, and HMCTS is working through the night to resolve these issues. As I have mentioned, we hope that they will be fully resolved by tomorrow morning.

**Robert Courts** (Witney) (Con): I, too, declare my interest as a member of the Bar and one who well remembers the frustrations caused by the legacy system. Will my hon. and learned Friend reassure me that her teams are working around the clock to make sure that all court users have access to the reliable IT system they need?

**Lucy Frazer:** I can give my hon. Friend that assurance. Issues have arisen, but HMCTS staff have been working around the clock to resolve them. They have been working extremely hard, and I would like to thank them for that work. Issues have arisen, but we have attempted to resolve them as quickly as possible.

**Catherine West** (Hornsey and Wood Green) (Lab): What compensation will be made available to victims of crime who wait so long to get justice, and to other court users who often give up days of work? There is a massive loss of productivity in the system already, and issues such as this continue to aggravate the situation. Will there be a compensation system that is open, so that people can claim back for such lost productivity and make other claims they may have in relation to this matter?

**Lucy Frazer:** The issue that has arisen relates mainly to email systems. There has been minimal disruption, I am told, to the courts system as a whole. Obviously, where issues arise, we will investigate them and look into them thoroughly. Our whole programme of reform is intended to ensure that the users are at the heart of the system and that we ensure swift justice, with effective hearings delivered in the most efficient manner to ensure justice for everybody.

**Kevin Foster** (Torbay) (Con): I must say it is a relief to hear that the Prison Service was not affected by this problem. Will the Minister reassure me completely that there is no prospect that any criminal hoping this may allow them to escape justice or be released slightly earlier will benefit? In essence, they will be very disappointed.

**Lucy Frazer:** I am very glad to give the confirmation that the Prison Service system is a different IT system and no defendant has been released as a result.

**Andy Slaughter** (Hammersmith) (Lab): My constituents have contributed £43 million to the stalled digitisation process, thanks to the closure and sale of Hammersmith magistrates and county courts. Their reward is to travel for an hour or more to courts at Clerkenwell or Hendon. The Minister says the courts system is running well; it is not: it is in freefall. Will she at least postpone any further closures until she can guarantee a working service?

**Lucy Frazer:** I know the hon. Gentleman does a great deal of work in this area; he is very involved in the local law centre and has a great deal of knowledge. He will therefore be aware that we have recently consulted on what our guidelines should be in relation to any future closures. We will be guided by the response to that consultation, which is due out shortly.

**Matt Warman** (Boston and Skegness) (Con): Remote and rural constituencies will often benefit most from technology—especially in my own constituency, where the regrettable closure of Skegness court means there is even greater reliance on it. May I urge the Minister to bear in mind that the use of technology will always produce more good than harm if it is done properly, and that she should proceed on the basis of that maxim?

**Lucy Frazer:** My hon. Friend makes an important point. Technology has opened the door—not just in justice, but in all areas of our lives—to more efficient and progressive ways of doing things. However, technology should always be our servant, not our master. We in the Ministry of Justice would like to ensure that technology will enable answers, not frustrate traditional ones. The technology that will be rolled out in hearings—if we have video hearings, for example—will always be used at the discretion of the judge, and we will ensure that it enables, not restricts, justice.

**Mary Glendon** (North Tyneside) (Lab): Earlier this week, a constituent contacted me because of MOJ cuts. He is concerned that Newcastle county court is at least 22 staff short and is two months behind with its workload. As well as overstretched staff having the added problem of the IT failure, he is extremely concerned that they



cannot deliver for the people they are there to serve. How does the Minister respond to these legitimate concerns?

**Lucy Frazer:** Of course, where there are particular concerns in any particular court, I am happy to look at them. If the hon. Lady would like to write to me or meet me, I would be happy to discuss any particular concerns.

**Ian C. Lucas** (Wrexham) (Lab): The Minister says that she wants the user at the heart of the system. Under this Government, Wrexham in north-east Wales is run by an administrator in Llanelli in south-west Wales. That has led to our having a magistrates court without any cells—the equivalent of a pub without any beer—and the result is that the users have to go to a different town. All of this is as a result of Ministry of Justice incompetence. How can we have confidence in the administration of the justice system when this sort of chaos is an everyday occurrence?

**Lucy Frazer:** A number of people, such as the hon. Gentleman, have referred to court closures. In circumstances where 41% of our courts were used at less than half their available capacity last year, it is incumbent on a Government to look at where they should use their resources and where they should use their resources well. All money from court closures goes back into the courts system, and we ensure that the money is spent and spent well on our justice system.

**Nic Dakin** (Scunthorpe) (Lab): When the Government closed Scunthorpe magistrates and family courts, against the wishes of local people, much was made of the way in which digitisation would mitigate the risk of threats to access to justice. Given this shambles, what evaluation is being done of whether, where there have been court closures, access to justice is still being delivered effectively?

**Lucy Frazer:** It is vital that we continue to reform our courts and to take advantage of what technology offers us. We have had extremely positive reports from people who are using our online services, such as our online applications for probate, online applications for divorce and—I was in a social security tribunal this morning—online applications for social security tribunals. There is the fact that people can get updated on their social security hearing on their mobile phone, and the fact that we are now piloting the ability of a judge to email and liaise with a tribunal applicant before they get to court so that their hearing is ready, effective and useful when they get there. We of course evaluate this at each stage. Our systems are user-based and have been adapted because of the feedback we have had from users in the course of using them, but we will be evaluating the reform programme overall.

## Ancient Woodland Inventory (England)

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

1.8 pm

**Michael Fabricant** (Lichfield) (Con): In the year that the Government have designated the year of green action, I beg to move,

That leave be given to bring in a Bill to make provision for the periodic updating of the Ancient Woodland Inventory for England; and for connected purposes.

Colleagues may be relieved to learn that this Bill is all bark and no Brexit, so it is going to be a change. As any Member of this House who has watched my recent videos on YouTube explaining parliamentary Committees will know, I am a tree hugger, and I am proud of it. I am a member of the all-party group on ancient woodlands and veteran trees, which is so ably led by my hon. Friend the Member for Taunton Deane (Rebecca Pow), because I am fighting to save them—all of them.

Ancient woodlands are an irreplaceable habitat and cover only 2.6% of land in the UK—that is 2.6% that we know of, so there could be a lot more. I cannot say whether that is the case, because the database that records ancient woodland in England, the ancient woodland inventory, is out of date.

I am introducing this Ancient Woodland Inventory (England) Bill because the present inventory is outdated and, as a result, has many inaccuracies and omissions that need to be corrected. My right hon. Friend the Secretary of State for Housing, Communities and Local Government introduced an updated national planning policy framework last July, which included long-overdue protections for ancient woodland. The framework makes it clear that developments that damage or destroy ancient woodlands should be refused except in exceptional circumstances. That is fabulous news, and the Secretary of State has my thanks for that, but, in order to protect those ancient woodlands, we do need to know where they are.

The existing inventory has become an essential reference tool for planners, developers, landowners, foresters, conservationists and others who are keen to protect and restore these irreplaceable wooded habitats. It tells us, for instance, that HS2 will destroy at least 56 hectares of this irreplaceable habitat. Indeed, the number of hectares of all threatened ancient woodlands is now at 811.

The inventory was originally developed back in the 1980s when computerised mapping was in its infancy—as were a good many hon. Members—and the lack of updates to it has meant that it is missing data. This has, in some cases, resulted in ancient woodlands being lost or damaged by development or mismanagement simply because they are not recorded in that inventory. That is particularly true of smaller sites that are often not yet recorded. Our knowledge of different types of wooded habitats and their values has increased, particularly our understanding of ancient wood pastures.

Significant steps have also been taken to restore some ancient woodlands damaged by conifer plantations, yet these positive changes also go unrecorded. The basic methods for identifying ancient woodland have not changed but, as I mentioned earlier, the policy and technology have—as have public awareness, appreciation, expertise and research—which makes a full update both more feasible and more urgent.

[Michael Fabricant]

Small sites have regularly suffered due to this inaccuracy. There are few sites smaller than 2 hectares—that is 5 acres in old money, so not that small—recorded in the inventory, yet we know that they exist, and they are often the most at risk of loss or damage. A simple comparison between ancient maps and the inventory, which can be done relatively simply in this computerised age, shows countless small sub-2-hectare copses of ancient woodland that are on one map but not on the other. They are unregistered, unprotected, gone. That is the wrong attitude.

Give us examples, I hear you cry—[HON. MEMBERS: “Give us examples!”] I will. In the Derbyshire Dales, just two months ago, a 1.25-hectare wood—that is 3 acres—stood for sale near the village of Middleton. On either side of it, ancient woodlands of some 40 hectares still stand proud. In the middle, this little clump lies forgotten. Its size means that it does not come up on the current inventory, so any planner or developer would not notice it, and could well decide to cut it down and put up some houses, caravans or even glamping pods among its hallowed groves—and do so unimpeded. Three acres is significant. It also appears on ancient maps dating back to the 1600s, so it is ancient. If it is on those ancient maps, it should be available on the inventory to planners. If the inventory were updated, the wood would be recognised. Without recognition, there is no protection.

The Government pledged to improve protections for ancient woodlands, and that means all of them. We cannot rely on out-of-date data to prop up a system that has seen countless hectares of this irreplaceable habitat lost. We have to update it.

I do not intend this to be any sort of blocking Bill to good, well-sited and much needed construction. I merely wish to ensure that the protection we have pledged ourselves to provide is backed up by the information required to make such protection real and meaningful on the ground. Indeed, it will actually help to speed up development, helping to avoid lengthy disagreements and costly proposals that have been put forward on the basis of incorrect and outdated evidence.

Much of my own constituency of Lichfield is filled with wonderful ancient woodland, which provides so many benefits and so much public good that cannot be replaced. Untilled soil is capable of storing carbon and provides a nutrient-rich mix for thousands of species of plants, fungi and lichen, and ancient oaks, alder, hazel and birch, which provide the very air we breathe as well as food and shelter for the creatures that we care about. These and so much more may be lost. This is a loss that my constituents, and doubtless hundreds of thousands of fellow constituents across the country, including those who made their voices heard in support of various Woodland Trust campaigns, are unwilling to accept.

This is what the Bill will address. If people need numeric costs—figures to satisfy their minds alongside the compelling arguments for the intrinsic value of ancient woodland—they need look no further than the strategy that my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs will be introducing through the forthcoming England tree strategy, which will establish and confirm the benefits that we value from the trees that we cherish. Then they may see for themselves the irreplaceability of these ancient woodlands through the numbers that they well understand.

Frustratingly, ancient woodland inventories are a devolved matter, which is why this Bill applies only to England, but hon. Members from across the House have kindly sponsored it. I hope that they might provide the necessary leadership so that the devolved Administrations can update their own inventories in my beloved Wales, as well as in Scotland and Northern Ireland.

I am introducing this Bill now because, even as I speak, unregistered, unnoticed and ignored ancient woodlands are at risk of being lost, much to the dismay of our constituents who do cherish these forgotten vales of tranquillity. Only by updating the inventory will that not happen. We need to let the people know that, by the power of this Bill, when a tree falls we will hear it.

*Question put and agreed to.*

*Ordered.*

That Michael Fabricant, Sir Oliver Heald, Liz Saville Roberts, Rebecca Pow, Mr David Jones, Angela Smith, Stephen Timms, Mr Clive Betts, Henry Smith, John Mc Nally, Jim Shannon and Mr Jim Cunningham present the Bill.

Michael Fabricant accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 15 March, and to be printed (Bill 324).*

### **TENANT FEES BILL (PROGRAMME) (NO. 3)**

*Motion made, and Question put forthwith (Standing Order No. 83A(7)),*

That the following provisions shall apply to the Tenant Fees Bill for the purpose of supplementing the Orders of 21 May 2018 (Tenant Fees Bill (Programme)) and 5 September 2018 (Tenant Fees Bill (Programme) (No. 2)):

#### *Consideration of Lords Amendments*

(1) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion three hours after their commencement at today's sitting.

#### *Subsequent stages*

(2) Any further Message from the Lords may be considered forthwith without any Question being put.

(3) The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—(Jo Churchill.)

*Question agreed to.*

## Tenant Fees Bill

### *Consideration of Lords amendments*

**Mr Speaker:** I remind the House that the Bill has been certified as relating exclusively to England and within devolved legislative competence. Any Divisions will be subject to double majority voting, whole House and Members representing constituencies in England.

1.20 pm

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler):** I beg to move, that this House agrees with Lords amendment 1.

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

Lords amendments 2 to 35.

Lords amendment 36, and amendment (a) in lieu.

Lords amendment 37, and amendments (a) and (b) thereto.

Lords amendments 38 to 47.

Lords amendment 48, and amendment (a) thereto.

Lords amendments 49 to 60.

**Mrs Wheeler:** I draw Members' attention to my entry in the List of Ministers' Interests.

I am delighted that today we have a final opportunity to scrutinise the Tenant Fees Bill. I am grateful for the considered contributions from hon. Members to date. In particular, I thank the members of the Housing, Communities and Local Government Committee, chaired by the hon. Member for Sheffield South East (Mr Betts), for their pre-legislative scrutiny. I also thank the Opposition Front Benchers, the hon. Members for Great Grimsby (Melanie Onn) and for Croydon Central (Sarah Jones), for their constructive engagement.

It has been clear throughout that the Bill is one that we all support and that will deliver important changes in the private rented sector, improving the lives of millions of tenants. Letting fees can impose a significant burden on tenants, who often have little choice but to pay them time and again. The Bill will put a stop to such practices by banning unfair and hidden charges, making it easier for tenants to find a property at a price they are willing to pay, and saving renters an estimated £240 million in the first year alone. I know the changes may worry some in the lettings market, but agents who offer good value and high-quality services to landlords will continue to be in demand and play an important role in the sector.

Before I speak to the Government amendments made in the other place, I want to put on the record my thanks to my noble Friend and ministerial colleague Lord Bourne of Aberystwyth, who ably steered the Bill through the House of Lords, and to my noble Friend Lord Young of Cookham, who assisted. I also thank all peers who contributed positively to the debate. The Bill has benefited from their constructive engagement and scrutiny. Finally, I thank the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), for his efforts in leading the Bill through this House last year.

I believe the Lords amendments strengthen the Bill and respond to many concerns raised during the debate in this House. Lords amendments 1, 2, 5 to 12, 15 to 18, 28 to 35, 49 and 55 are minor and technical inclusions that ensure consistency in the Bill and that the Bill best delivers on the policy intent. Lords amendment 5 clarifies that letting agents are prohibited from requiring a tenant or relevant person to enter into a contract with themselves—for example, for additional services such as providing an inventory. Lords amendment 1, 2, 6 to 12 and 28 to 35 replace references to “tenant” with references to “relevant person”. Amendment 55 changes a reference to “incorrect and misleading information” to “false and misleading information”, to align with other references in schedule 2. Amendment 15 to 18 ensure that the language around “day” and “date” in clause 11 is consistent, and amendment 49 makes it clear that the definition of a television licence in paragraph 9 of schedule 1 applies to the entire Bill.

I know that many hon. Members feel passionately about capping tenancy deposits. The issue has been discussed in great detail in both Houses, and we have listened carefully to the arguments made. That is why we tabled Lords amendments 36 and 37 to lower the cap on deposits to five weeks' rent for properties where the annual rent is less than £50,000; where the annual rent is £50,000 or more, the deposit cap will remain at six weeks' rent. The vast majority of tenants will be subject to a deposit cap of up to five weeks' rent. The higher six-week deposit cap will apply only to properties where the monthly rent is £4,167 or more. Valuation Office Agency data show that across England the median monthly rent is significantly less than that. The upper quartile monthly rent for properties with four or more bedrooms in London is £3,142. The higher deposit cap is intended to apply not to the bulk of the private rented sector, but to high-end rentals—a niche area of renting where the costs involved are greater, making a deposit cap of six weeks' rent more appropriate.

The Government took a balanced view. We wanted to ensure that landlords had sufficient financial security and flexibility for their properties, but recognised concerns that a six-week cap for all tenants might not best deliver the changes to affordability that are needed at the lower end of the market. Importantly, a cap of five weeks' rent for properties with an annual rent of less than £50,000 extends the benefits of the deposit cap to an estimated one in three tenants. I am sure hon. Members agree that that is a laudable outcome. Also importantly, a cap at five weeks' rent also aligns with a recommendation made by the Housing, Communities and Local Government Committee.

The amendment tabled by the hon. Member for Great Grimsby would lower the tenancy deposit cap to three weeks' rent for all tenancies. Above all, the amendment would not help tenants and it risks distorting the market and causing behavioural change. Using data from deposit protection schemes, we estimate that some 93% of deposits now exceed three weeks' rent. A cap of three weeks' rent would greatly increase the risk of the deposit not fully covering damage to the landlord's property or any unpaid rent.

**Mr Mark Prisk** (Hertford and Stortford) (Con): As a member of the Housing, Communities and Local Government Committee, I am delighted that the

[Mr Mark Prisk]

Government have adopted the recommendation of five weeks. Does my hon. Friend agree that having a three-week cap is a rather peculiar notion? I do not recall a single piece of evidence from any expert citing that cap. Does she agree that the evidence for such an amendment needs to be produced?

**Mrs Wheeler:** My hon. Friend is completely right. The evidence to the Select Committee showed that there was no reason to have a three-week cap and that five weeks was better.

**Richard Graham** (Gloucester) (Con): The Minister is absolutely right: the Select Committee was clear in its recommendation, and when the matter was discussed in the Public Bill Committee, a lot of evidence was produced to demonstrate that five weeks was a good compromise, which landlords could accept and which would benefit most tenants. The Opposition's object in proposing three weeks is purely political, enabling them to say to tenants, "We tried to get it much lower," when in fact the result would surely be many fewer properties available in the market for renting, which would hurt our constituents.

**Mrs Wheeler:** I could not have put it better myself. We do not want to create a situation that encourages landlords to withdraw from the market or ask tenants for more rent in advance, thus decreasing the overall net benefit of the ban on unfair charges. Also, we do not want to legislate in a way that would disadvantage certain groups, including pet owners and those who have lived abroad or have a poor financial history.

The real risk, as we have heard throughout the parliamentary process, is that a cap of four or three weeks' rent could encourage tenants to forgo their final month's rent payment. The Housing, Communities and Local Government Committee and peers in all parts of the other House recognised that risk and agreed that a deposit of five weeks' rent was the right compromise. Lords amendments 36 and 37 are the result of cross-party discussion and agreement. It is worth noting that the hon. Member for Great Grimsby publicly welcomed the five-week deposit cap when it was announced. With that in mind, I hope hon. Members recognise that the Government have already proposed the best solution to the tenancy deposit cap.

**Kevin Hollinrake** (Thirsk and Malton) (Con): Is my hon. Friend aware of anywhere in the world, and certainly any part of the United Kingdom, where deposits are capped at three weeks' rent? Indeed, as she knows, the cap in Scotland is eight weeks' rent.

**Mrs Wheeler:** I thank my hon. Friend. He has great knowledge of these matters and it is always helpful to hear that. In Scotland, it is eight weeks. We are putting forward five weeks. No, I am not aware of a cap at three weeks.

1.30 pm

With this in mind, I hope that hon. Members can see that the Government have already brought forward the best solution to the tenancy deposit cap—one that works both for tenants and landlords and does not risk distorting the market. I therefore hope that the hon. Lady sees fit not to press her amendment.

Lords amendments 42 to 47 deal with default fees. The provision permitting landlords and agents to charge default fees was another area of concern for many hon. Members. We amended the Bill in this House to be clear that landlords and agents can only charge default fees that reflect reasonably incurred costs that are evidenced in writing. Many hon. Members thought that this still did not go far enough to mitigate the risk of abuse by rogue landlords and agents. We have listened carefully to the evidence and arguments made. Although we believe that a landlord or agent should be allowed to charge fees where costs arise from the fault of the tenant, we do not want inadvertently to create a back door to other charges.

That is why Lords amendments 42 to 47 limit the default fees that can be charged to late rent, or a lost key or another security device giving access to the housing. This makes it clear where a default fee can be charged. For a late payment of rent, that payment needs to have been outstanding for 14 days or more. Where applicable, landlords or agents will be permitted to charge interest at no more than an annual percentage rate of 3% above the Bank of England's base rate for each day that the payment is outstanding. Any fee charged in respect of replacing a lost key or other security device must not exceed the landlord's or agent's reasonable costs, and must also be evidenced in writing to the person who is liable for the payment. I hope we can all agree that this approach gives landlords and agents the assurance they require while giving tenants enough certainty over what can be charged.

**Liz Twist** (Blaydon) (Lab): The Minister will recall that, during the pre-legislative scrutiny in the Select Committee, one of the issues raised was about enforcement of rights. Does she agree that it is necessary to properly fund local authorities so that they can challenge landlords who seek to charge unfair fees?

**Mrs Wheeler:** Yes, indeed. I thank the hon. Lady for her intervention. I will get on to that point later in my speech, so she will have to stay and listen to the end, I am afraid.

**Kevin Hollinrake:** I must draw the House's attention to my entry in the Register of Members' Financial Interests. The Minister talks about agents and landlords having reassurance about being able to make reasonable charges where their action or work is required through the fault of the tenant. The Bill does make provision for this in a situation with the loss of keys, but it makes no provision for the costs of chasing late rent, despite the fact that it may take several attempts to collect it. In effect, that means that charges would be increased on the landlord at the expense of good tenants, on the basis that some bad tenants who do not pay their rent on time create a lot more work for the agent or the landlord.

**Mrs Wheeler:** Again, I thank my hon. Friend for his intervention. He is so deeply imbued with knowledge of these issues that I take note of it. I think he will find that later in the Bill there is a clause that might be helpful to him.

There is also a power in clause 3 to amend the list of permitted payments, including the level of the deposit cap and types of default fees that can be charged, should this be required.

Lords amendment 48 clarifies that landlords and agents will still be able to charge for any damages for contractual breaches as they do now. On this point, the hon. Member for Great Grimsby has tabled an amendment seeking to ensure that, where a landlord or agent wishes to charge a payment for damages, they must provide evidence in writing to demonstrate that their costs are reasonable. I would like to reassure her, and other hon. Members, that that amendment is not necessary. It has never been the intention that the Bill affects a landlord or an agent's right to recover damages for breach of contract under common law. That is why we brought forward Lords amendment 48 to clarify the position and to ensure that such payments will not be outlawed under the ban. I want to reassure hon. Members that this does not create a back door to charging fees. I repeat: it does not create a back door to charging fees. Damages are generally not meant to do anything more than put the innocent party back in the position they would have been in had the contract not been breached. No reasonableness test is therefore needed. There are already large amounts of case law that deal with what is appropriate in a damages case. If an agent or a landlord attempts to insert a clause that requires a payment—for example, saying, “If you do X, you must make a payment”—this will be prohibited under clause 1(6)(b) or clause 2(5)(b). Further, landlords or agents are required to go to court if they want to enforce a damages claim, or they could seek to recover them from the tenancy deposit. In both cases, they would need to provide evidence to substantiate any claim, and they would only be awarded any fair costs.

As such, the hon. Lady's amendment is unnecessary. It would also not be appropriate for this Bill to start tweaking years of existing case law regarding damages payments. We are more likely to confuse the landscape than to clarify it. We are committed, on this matter, to working with Citizens Advice, Shelter and other industry groups to ensure that tenants fully understand their existing rights with regard to paying and challenging contractual damages. We have already taken steps to update our guidance to make this point clear. I hope that, with those reassurances, the hon. Lady feels able to withdraw her amendment.

Hon. Members will be aware that the Bill introduces a clear set of rules around holding deposits. This will improve transparency and provide assurances from both tenant and landlord around the commitment to entering into a tenancy agreement. To minimise the risk of abuse, Lords amendment 54 introduces a formal requirement for landlords and agents to set out in writing why they are retaining a deposit. This will empower tenants to challenge decisions that they believe to be unfair. It will also ensure that tenants do not continue to apply for properties and risk losing their holding deposit time and again without understanding why.

We also agree that it is not right that landlords and agents accept multiple holding deposits for the same property. That is why Lords amendment 41 ensures that a landlord or an agent can only take one holding deposit at any one time for a property, unless permitted to retain the earlier deposit. Lords amendment 50 will ensure that a tenant receives their holding deposit back when the tenancy agreement is entered into. Previously, it could have been the case that a landlord might have had grounds to retain the holding deposit, and done so

but entered into the tenancy anyway. Further, Lords amendment 59 clarifies that a holding deposit must be refunded where a landlord or an agent imposes a requirement that breaches the ban or behaves in such a manner that it would be unreasonable to expect the tenant or relevant person to enter the tenancy. This will, for example, give tenants greater power to object where a landlord or agent has asked them to pay an unlawful fee or to enter into an agreement with unfair terms.

**Rebecca Pow** (Taunton Deane) (Con): This is a very stressful time for tenants; I have had a case raised with me very recently. That is particularly so for those who are forced, for one reason or another, to move frequently, which seems to happen more often in London than elsewhere, including Taunton Deane. Does the Minister agree that these amendments and this Bill are going to make a real difference to their security, particularly the fact that they have redress over the deposit issue, which is incredibly stressful if they have to try to claim it back?

**Mrs Wheeler:** My hon. Friend is quite right. It does seem to be a bit more of a thing in the south-east than anywhere else. Nevertheless, this Bill, which we hope to get through tonight with no ping-pong, will apply across the whole of England, and it will help tenants going forward, so I thank her for her question.

Lords amendments 13, 14, 19, 20, 38 to 40, 51 to 53 and 56 to 58 are consequential to those on holding deposits that I have just described.

I would like to discuss some amendments made to ensure that the Bill does not adversely affect organisations that were never intended to be in scope. We have taken local housing authorities and the Greater London Authority, or any organisation acting on their behalf, out of the definition of “relevant person”. Lords amendments 3 and 4 ensure that those authorities and those acting on their behalf will be able to make payments in connection with a tenancy when acting on behalf of a tenant or guaranteeing their rent.

Local authorities have a duty to help the homeless find accommodation. We recognise that, as part of this, councils may need to provide assistance to applicants—financial or otherwise—to access private rented accommodation. We do not want inadvertently to prevent a local authority from carrying out that vital work.

Further, Lords amendments 24 to 26 exclude certain licences to occupy where advice or assistance is provided in connection with the grant, renewal or continuation of the licence by charities or community interest companies. The types of licence that will be excluded are those that have been granted primarily for the provision of companionship or companionship combined with care or assistance where no rent is paid. This ensures that the important work of schemes such as Homeshare can continue. Homeshare matches a person in housing need—often a young person—with a householder, who is often elderly and needs companionship, sometimes combined with low-level care or assistance. I am sure we all agree that that is a worthy cause that was never intended to be in scope of the ban on letting fees.

Lords amendments 21 to 23 and 27 ensure that the forthcoming client money protection provisions work as intended. We want to give landlords and tenants financial security, but not in such a way as to impose disproportionate and unnecessary burdens on industry,

[Mrs Wheeler]

which might adversely impact tenants and landlords. We have clarified that money that has already been protected through a Government-approved tenancy deposit scheme is not required to be doubly protected by a client money protection scheme. That was never the policy intention.

We will also not require schemes to pay out where certain risks are excluded by insurers. Those policy exclusions typically refer to events such as war, terrorism or confiscation by the state. Neither can we expect schemes to hold insurance for every penny held by agents. Our amendments ensure that the level of insurance held by schemes is proportionate to the risk of client money being lost. We are permitting schemes to impose limits per individual claimant and aggregate limits, where they are at least equivalent to the scheme's maximum probable loss. That is an accepted industry practice, and the Financial Services Compensation Scheme imposes such limits.

The amendments on client money protection also provide for a transitional period of 12 months after the requirement to belong to a scheme comes into force, permitting agents to join a scheme where they are making all efforts to apply for a client account but have not yet obtained one. We want to give agents sufficient time to find a bank that offers a pooled client account. Schemes will be able to work with agents to find an appropriate banking provider where they are having difficulty. I would like to be clear that the 12-month transitional period only applies in relation to applying for a pooled client account and not the requirement to belong to a client money protection scheme more broadly. That is intended to come into force on 1 April 2019, prior to the ban on fees, and as long as we do not have ping-pong.

Lords amendment 27 clarifies that the lead enforcement authority set up under the Bill can also enforce the client money protection regulations, and Lords amendment 60 is a consequential amendment to the title of the Bill. These amendments will ensure that client money protection gives tenants and landlords the financial security that they want and deserve, without imposing unreasonable and disproportionate costs on industry, which could increase costs for tenants and landlords.

Above all, these amendments improve affordability, strengthen protection for tenants and minimise the risk of abuse by the minority of rogue landlords and agents. They ensure that the Bill's key provisions are clear and transparent on the face of the Bill, offering tenants the certainty and security that they deserve. I hope that Members will welcome the changes that have been made, which I firmly believe address the key concerns raised in this House. I am confident that the measures in the Bill will help to deliver the fairer and more affordable private rented sector that we all want to see for tenants, but also for decent, professional landlords and agents who are providing a vital service.

It is in all our interests to see this crucial legislation become law as quickly as possible and avoid any delay that ping-pong would inevitably cause. We need to allow a short period following Royal Assent to enable agents and landlords to become compliant with the new legislation. We therefore intend the provisions in the Bill

to come into force on 1 June 2019, which means that the ban would apply to all new tenancies entered into on or after that date.

1.45 pm

**Bob Stewart** (Beckenham) (Con): Does the Minister feel, as I do, that the Bill will incentivise private landlords to give more tenancies, particularly to people who are on social benefits?

**Mrs Wheeler:** I thank my hon. and gallant Friend for his question.

**Bob Stewart:** Not so gallant today.

**Mrs Wheeler:** Always gallant. The Bill will help enormously to ensure landlords' safety, while financially benefiting tenants.

**Bob Stewart:** It is for both sides.

**Mrs Wheeler:** Indeed—well said.

**Bob Blackman** (Harrow East) (Con): I think my hon. Friend is coming to the conclusion of her contribution. She mentioned when these measures will come into force for new tenancies. Could she clarify that the Bill will apply to not only brand new tenancies, where a tenant moves into a property, but also existing tenancies that are renewed by being rolled over or where the tenant remains in situ and enters into a new tenancy agreement?

**Mrs Wheeler:** I thank my hon. Friend, who has been assiduous in his time on the Housing, Communities and Local Government Committee. The intention is for the Bill to apply to all new tenancies signed after 1 June. As he said—he must have better eyesight than anyone—I am close to concluding.

The exception to the 1 June date is the client money protection provisions in the Bill, which, as I have said, come into force on 1 April 2019. Ahead of that, we will continue to work closely with key stakeholders to support implementation of the ban. We will work with industry groups to ensure that the ban is properly communicated, and we continue to work with local authorities to ensure that they are ready to enforce it. I have already shared the draft consumer and enforcement guidance with Members, and it is now being updated to reflect the Lords amendments.

**Jeff Smith** (Manchester, Withington) (Lab): I am pleased that the Government want to act quickly on this. Given how hard-pressed local authorities are, what will the Government do to help them manage this situation?

**Mrs Wheeler:** Like my hon. Friend the Member for Harrow East (Bob Blackman), the hon. Gentleman is prescient about what I am about to say. We are working with National Trading Standards to appoint the lead enforcement authority under the Bill. That will be a local trading standards authority appointed by the Secretary of State, and we intend the body to be in place ahead of implementation.

In conclusion, I very much hope that Members will support the amendments made by the Government and look forward to seeing the legislation implemented. I also hope that the hon. Member for Great Grimsby, having heard and accepted my assurances, will withdraw her amendments.

**Melanie Onn** (Great Grimsby) (Lab): It is a pleasure to speak in this important debate. I would like to thank the Minister for her approach and the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for Richmond (Yorks) (Rishi Sunak), who steered the Bill through Committee and was open to hearing the Opposition's views on this small but very important Bill.

I shall speak in support of amendment (a) to Lords amendment 36; amendments (a) and (b) to Lords amendment 37; and amendment (a) to Lords amendment 48. I shall also pay tribute to the work that has been done in Committee, where there was a lot of fruitful conversation and consideration, and in the other place, which has resulted in the Bill arriving back in the Commons in a far better state. It is not just my hard work or the Minister's hard work that has gone into the Bill. We are backed up by an enormous number of people, including charities, members of the Housing, Communities and Local Government Committee, who are listening keenly to our debate, and civil servants, who have put in many hours to make sure that the Bill is fit for purpose. I am very grateful to all those people who have participated.

In Committee and on Report, we discussed at length the default fee clause. Originally, the Government fought very hard against opposition from Labour and charities such as Shelter to remove a gaping loophole, which would have left the definition of a default to the discretion of those drafting tenancy agreements. It is interesting that Lords amendment 47 bears a striking resemblance to amendment 3, which I pressed on Report. Back then, the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for Richmond (Yorks), said:

"We believe it is for the tenant and the landlord to determine what it is necessary and fair to include as default charges, on a case-by-case basis. There are other potential default charges besides those for late payment of rent and lost keys."—[*Official Report*, 5 September 2018; Vol. 646, c. 208.]

It is welcome that the Government have rowed back on that, despite being so bullish about it during the Bill's passage through the Commons. I do hope that they bear that in mind when considering amendments to future housing Bills, in which I hope to play a role, and are more thoughtful. If amendments are tabled in good faith, I hope that Government Members would accept that, and if they are worth adopting, do so at an early stage, so that we do not appear conflicted on measures that are positive overall, particularly in this case for people in the private rented sector who are seeking a home and trying to access one.

As the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for South Derbyshire (Mrs Wheeler), pointed out, Labour always welcomes Government acceptance of the principles and details of our ideas, and we welcomed their acceptance of a Labour proposal in Lords amendment 47 to enshrine what counts as a default fee in the Bill. We believe that

that will close a significant loophole in the Bill, moving it far closer to the type of tenant fees Bill that Labour has been proposing since 2013.

We have a number of concerns about the Lords amendments, as the Bill still does not reach its full potential to protect tenants from unscrupulous landlords who want to charge unfair fees. We are very keen to point that this is about the unscrupulous few, not the fair-minded, reasonable and proper many who exist out there. First, Lords amendment 48 adds a new permitted payment of damages to the Bill. The Minister touched on that, so I may have to revise what I am going to say—I hope that hon. Members will bear with me. We tabled an amendment because we are concerned about Lords amendment 48, but that does not extend to a belief that damages in principle are fundamentally wrong. Landlords should not have to pay for repairs when tenants cause damage to their properties, but we do not understand why the Lords amendment is necessary, and why it seemingly misses out a number of protections that are present in other parts of the Bill.

**Richard Graham:** When we discussed this matter in Committee the hon. Lady was very reasonable, and seemed perfectly happy with the five-week proposal that the Government have made in the Lords amendment. It would be much easier if the hon. Lady did not press her amendment, so that we may secure confirmation across the House that this is the best way forward, especially given that there is not a single Labour Back Bencher present to support the hon. Lady's amendment

**Melanie Onn:** It is a busy day in other parts of the Palace of Westminster; we should give colleagues credit for the fact that they have other work to do. I shall come on to the detail of my amendment and the issue of five weeks. I think that the hon. Gentleman has misremembered the extent of my acceptance of the five-week period. It was a reluctant acceptance at the time, with a view to tabling a further amendment if we thought that necessary. Having heard the Minister's explanation, I think that it is still necessary to press that point, and I shall address it further in my speech.

I am discussing the damages that landlords can claim if a tenancy agreement is breached, rather than the issue of deposits. I urge the hon. Gentleman to bear with me and allow me to finish making that point. The fact that this is the first reference in the Bill to claiming damages shows that the Government were confident until recently that the Bill as originally drafted would not interfere with the current system. Indeed, the Government's draft guidance, which we received from the Minister on 5 November, said:

"The Act does not affect any entitlement to recover damages for breach of contract...If a tenancy agreement does not permit a landlord or agent to charge default fees, the landlord or agent may still be able to recover damages."

It continued:

"What is the difference between a default fee and damages? A default fee is a payment that can be required by a landlord or agent under an express provision in the tenancy agreement and would therefore be permitted under the Tenant Fees Act."

Finally, it said:

"Can a landlord or agent recover costs for damages if they didn't write them into the tenancy agreement? Yes. The Act does not affect the landlord's entitlement to recover damages".

[Melanie Onn]

The draft guidance that we received from the Minister's Department only two months ago indicated on multiple occasions that the Bill would not impact on a landlord's ability to claim damages, and it spelt out the difference between a default and a deposit. There is therefore a concern, because what was seemingly settled has become unsettled as the result of an addition which, to all intents and purposes, and given the explanation that we received, does not need to be made. What is the purpose of that? However, the Minister's assurance on the intention to reassure landlords and innocent parties that they are simply going to be in the position that they were in before any such harm was caused perhaps gives me reason to reconsider.

**Kevin Hollinrake:** Does the hon. Lady think that good tenants who comply should subsidise poor tenants who do not comply?

**Melanie Onn:** I think it is absolutely right that if a landlord experiences a breach of tenancy, those tenants are considered responsible for the situation. It should not rest on others who adhere to the tenancy agreement that they signed, so I concur with the hon. Gentleman.

I really do not see why Lords amendment 47 on default fees necessitates change, as the Government clearly defined damages as separate from defaults. I therefore wonder why Lords amendment 48 is necessary in the first place. Without it, would the Bill impede the current system? Would it prevent landlords from claiming damages through deposits or the courts? Can the Government reassure me—I would say that perhaps they have done so to some extent—that Lords amendment 48 will not create powers for landlords to bypass current systems and charge as they see fit? I certainly hope that the Minister believes that to be the case. If Lords amendment 48 is not necessary, perhaps it is in the Minister's gift to reconsider the position and remove the provision, rather than adding confusion, as it is not necessary, and previous statements have made it clear that it is not necessary.

My amendment (a) to Lords amendment 48 would bring that into symmetry with powers in the Bill and add a requirement for charges brought under the amendment to be reasonable, and to be evidenced by invoices. That is just to ensure that no loophole is sought. Throughout the debate we have discussed the need for permitted payments in the Bill to be subject to rigorous checks and balances, to ensure that unscrupulous landlords and letting agents cannot continue to charge unjustified amounts for things such as a lost key. Thanks to the hard work in both Houses, we have closed a number of loopholes that could have been exploited to allow some landlords to profit from tenants by unfair and unjustified means.

Lords amendment 48 does not contain those protections and seemingly could allow for open-ended charges without mind to the cost to the landlord, and to whether the charges could be backed up by evidence. I do not intend to press the amendment to a Division, but I would welcome additional reassurances from the Government that the principles discussed throughout the Bill will not be undermined by the Lords amendment, and that it is not a new loophole that landlords and letting agents can exploit for profit.

2 pm

**Mrs Wheeler:** I am always willing to give the hon. Lady greater reassurance. Lords amendments 42 and 47 ensure that landlords and agents can charge default fees only in specified circumstances, which are listed in the Bill. Lords amendment 48 permits landlords and agents to recover costs for damages only in breach of contract.

**Melanie Onn:** I thank the Minister for that very helpful further explanation.

Another Opposition concern about the Lords amendments is that the Bill still does not go far enough to remove the barriers that high deposits pose to millions of renters across the country. Our amendments seek to address two points. The Minister says that reducing the deposit cap from five weeks to three would not help tenants, but I believe it would. A reduction of two weeks' advance payment will of course help tenants to access properties. It would reduce barriers for private renters and enable them to access the rental markets, including for the first time. Turning that into a negative takes some extraordinary creative gymnastics, on which I congratulate the Minister.

**Mr Prisk:** The Select Committee looked at the Bill in detail in pre-legislative scrutiny. We all signed up to five weeks, including six distinguished Labour Members, including the Chairman, the hon. Member for Sheffield South East (Mr Betts), who knows the subject well. Why does the hon. Lady believe they are wrong?

**Melanie Onn:** Having served on that Committee with the hon. Gentleman previously, I absolutely support its work and congratulate it, but it is always in the interests of a Select Committee to achieve consensus whenever possible and to try to agree a report that has unanimous support. That is the purpose and intention, and this case is a demonstration of excellent chairmanship and co-operation.

I congratulate the hon. Gentleman on playing his part in that, but it is the Opposition's role to speak up for tenants. If we can make the process better, and if there is an opportunity for the Government to go further in assisting tenants—tenants are hard-pressed and this is a very expensive period of their lives—it is right that we speak up for them. We should try to encourage the Government to accept that they can reduce the barrier of high deposits to assist people directly. I just cannot support the view that charging more will assist renters in any way.

The Minister mentioned that I welcomed the Government's reduction. I am delighted that they have listened to common sense and reasonableness, and that they have reduced the cap to five weeks from six, which was far too high, but it is not enough. If the Government can go further, I believe they always should.

**Kevin Hollinrake** *rose*—

**Richard Graham** *rose*—

**Melanie Onn:** I will move on because I am absolutely convinced that hon. Members will want to address these points in their speeches—they are committed to the subject and have taken a close interest, whether in the Bill Committee or in Select Committees. I look forward to hearing their comments in the remainder of the debate, but I will move on if that is okay.



**Richard Graham** *rose*—

**Melanie Onn:** I have already given way generously.

The first point that our amendments seek to address is the financial staggering for the cap level that landlords are allowed to impose. I have sympathy with the Government's aim of prioritising a reduction of the deposit burden on those at the cheaper end of the market, but the specific provisions in Lords amendment 36 could mean that those in joint tenancies end up being subject to the higher cap, despite individually paying significantly less in rent than is used as a threshold in the amendment. It is counterintuitive to create a cap that allows deposits to be relatively higher for someone paying £5,000 a year in rent in a 10-bed large house in multiple occupation than for someone paying £45,000 in an individual rent, so I would welcome reassurance that joint tenants will not be short-changed by the differential cap. If they will be, I would welcome an explanation of the logic behind the decision to allow those in joint tenancies to be charged relatively more.

Regardless of the functioning of the differential cap, the Lords amendment will do little for the majority of tenants in this country. The cap will have a negligible effect on the majority of deposits in the country and will allow the current system to function virtually unchanged. For the graduate who cannot afford the up-front costs to move to a city for a new job, or for the family given just two months to save enough money to find a new flat and avoid homelessness following a section 21 notice, the system is simply not fit for purpose and needs urgent change.

According to the English housing survey, a five-week rental deposit will set new tenants back an average of almost £1,000 across the country, and over a staggering £1,500 in London. For many in society who are living pay cheque to pay cheque, saving that sort of money would take an enormous amount of time, and certainly far longer than the two months that tenants are given when they are served with section 21 notices. That means that many struggle to access the flexibility that renting should offer. They fear being served notice to vacate because that could result in homelessness. That is simply not how the private rented sector should function.

Our amendments would change that. Lords amendment 36 introduces an ill-thought-through staggering system. Amendment (a) in lieu would reduce the cap on deposits from five or six weeks to three, and our amendments together will reduce deposits to three weeks for all, closing the loophole that could be opened by Lords amendment 36.

I was interested to hear the Minister's announcement of the enactment date. A written statement is due today, which I look forward to reading. I was also interested to hear her comments in response to my hon. Friend the Member for Manchester, Withington (Jeff Smith), who is no longer in his place, on enforcement and trading standards. She said that the consumer money protection measures in the Bill would be in place before enactment. I would appreciate clarity on whether she meant enactment on 1 June 2019, which is rapidly approaching, or whether she was referring to the commencement date of April next year.

Labour's amendments would give private rented sector tenants a very welcome helping hand at a very expensive time. If passed, the amendments would reduce the

deposit barrier by almost £400 across the country, and by over £600 in London, offering significant change to tenants from all backgrounds and building a better private rented sector for the many.

**Bob Blackman:** I draw the attention of the House to my entry in the Register of Members' Financial Interests.

It is a pleasure to follow the hon. Member for Great Grimsby (Melanie Onn). I had the opportunity to chair—and the challenge of chairing—the Housing, Communities and Local Government Committee during pre-legislative scrutiny in the absence of the elected Chairman of the Committee, the hon. Member for Sheffield South East (Mr Betts), who unfortunately was undergoing health treatment at the time. I take absolutely the praise that the hon. Lady pours on me for reaching the judgment of Solomon—[*Interruption.*] It was possibly unintended at the time. From the outset of our pre-legislative scrutiny, on an all-party basis, we sought to balance good landlords and tenants, who are the overwhelming majority, with the small minority who are rogue landlords and rogue tenants. The risk here is the balance that is struck.

I do not intend to go over all aspects of the Bill but, clearly, I am absolutely delighted that the Government have seen fit to endorse all the Select Committee's recommendations, especially the reduction of deposits from six to five weeks' rent. I will again set out why we came to that conclusion. As Members might recall, we had a long discussion about it in Committee. Some promoted the concept of a six-week deposit and some a four-week deposit. No one but no one on the Select Committee promoted less than four weeks, for very good reasons.

Our view was that a six-week deposit was clearly too onerous for tenants. I accept what the hon. Member for Great Grimsby says about the cost to tenants of a six-week contribution, but there is also a clear risk with only a four-week deposit—or, worse still, her proposed three-week deposit—because we might get to a position in which, in the last month before the end of a six-month assured shorthold tenancy, a tenant has no incentive whatever to pay their last month's rent. Tenants could just skip, and the landlord would then have to pursue them through the courts, bearing incredible costs unreasonably.

The issue for us was that four weeks would lead to a position whereby the tenant had an incentive to say, "Okay, I won't pay the last month's rent—just take it out of the deposit," and then if the landlord could reasonably wish to claim money from the deposit because of damage or other reasons, they would have to pursue court action to recover it. That would be grossly unfair on good landlords, who are the vast majority in this country. Other members of the Committee promoted six weeks, so we ended up with the view that five weeks struck a balance between giving tenants an incentive to pay their last month's rent, in the knowledge that they would get back their deposit had they been good tenants, and landlords being forced to go through a proper claim process to recover moneys as a result of damage by a tenant.

**Richard Graham:** I am afraid that the Opposition spokesperson, the hon. Member for Great Grimsby (Melanie Onn), will not give way on this matter because she is making a purely political point by wishing to

[Richard Graham]

appear to be helping tenants more, but the interesting silence in the debate so far has been from Scottish National party Members, because of course there is an eight-week deposit in Scotland. What does my hon. Friend think about that?

**Bob Blackman:** Clearly we are not talking about the position in Scotland, but I suspect—I might be wrong—that rental levels in Scotland are very much lower than elsewhere in our urban conurbations, and certainly in London. Scotland also perhaps has a lot more social housing than England—

**Angela Crawley** (Lanark and Hamilton East) (SNP) *indicated assent.*

**Bob Blackman:** I see the hon. Lady nodding about that point. Those two things are equally important.

Another consideration, which has not yet come out in the debate, is the economic impact of what happens with deposits. If we lowered deposits, I suggest that landlords would likely increase the rent over the period and—this is the key point—tenants would end up far worse off as a direct result, because landlords would have inflated the rent in order to recover the moneys due.

**Mrs Wheeler:** Let me clarify something about the ban applying to all new tenancies from 1 June. There will be a 12-month transition for tenancies signed before 1 June during which tenants can be charged. After 1 June 2020, no tenants can be charged fees banned under the Bill, which gives a clear date for when the provisions of the Bill will apply to all tenancies.

2.15 pm

**Bob Blackman:** I thank the Minister for that helpful intervention, which clarified her earlier remarks and what was said when I intervened on her speech.

It is reasonable to set a position whereby we are abundantly clear in the Bill—I hope it will soon become an Act—that letting agents, estate agents or whoever are working on behalf of landlords, not tenants. I therefore warmly welcome the Lords amendment on holding deposits that was wisely tabled by the Government. What happens at the moment is an absolute outrage: some unscrupulous letting agents take a variety of competing holding deposits to inflate rents by almost having an auction for rental properties. That is grossly unfair on prospective tenants who are just looking for a property, so I warmly welcome that decision. It will be a welcome change for tenants throughout the country.

I am glad about the clarity of the Lords amendments that ensure that we are clear about the charges a landlord can make, what their purposes are and what the standards of evidence must be so that tenants do not bear a ridiculous price for, say, a lost key. Any charge will have to be evidence-based—the cost of replacing keys or other such security devices will be set out—and any cost will be reasonable, not inflated. One of the problems has been that certain unscrupulous individuals have been getting away with ripping off tenants with such charges in a grossly unfair way.

I warmly welcome the Lords amendments. The whole Select Committee welcomes the fact that the Government have finally got to where we were in the first place on

deposits. I trust that we will reject the spurious Opposition amendments and ensure that the Bill, which has been warmly welcomed throughout the country, rapidly becomes law so that we can implement a process that is fair for tenants.

One thing that we desperately need to introduce is a national rental deposit scheme. My hon. Friend the Member for Colchester (Will Quince) and I managed to convince the Chancellor to do that at the time of not the most recent Budget, but the one before, and money was allocated to the Department to make that happen. When the Minister sums up, I would welcome her assuring us that we will speed up the process of introducing such a scheme so that those for whom the deposit is the key issue in getting a tenancy can be funded by public money, thus protecting them and giving them the opportunity to get a tenancy and a home of their own.

**Angela Crawley:** As the lonely Member on the SNP Benches, and given that the Bill applies solely to England, I will endeavour to keep my comments brief. The Government's Bill is, however, welcome.

This Government are playing catch-up with the Scottish Government, who abolished tenant fees in 2011. The Scottish reforms gave tenants longer notice periods, indefinite security of tenure and limited rent rises, so it is most welcome that this Government are making changes here now. In Scotland, in many instances, money has gone back into the pockets of Scottish renters, but renters in England are currently losing out due to this Government's inaction and failure to offer the same protections.

The Government have maintained the right-to-buy policy, but they must recognise that to give people the greatest choice and flexibility, they have to ensure that the opportunity of the right to buy is matched with an increase in home building and access to socially affordable housing. I am afraid the Government have not quite hit the mark on that yet, and people are simply being driven into the private rented sector, which limits their options and opportunities.

The Bill is very welcome. As we heard from Conservative Members, there remains the fear that this policy will mean that the costs of the abolished fees will be passed on to tenants in an underhand way, but that concern is unfounded. It has not happened in Scotland, where there has not been a significant spike in rents since the ban on fees, so I hope that the Government will take heed of that fact. Independent research commissioned by Shelter found that since 2012 landlords in Scotland had been no more likely to increase rents than landlords in other parts of the UK. Between 2012 and 2016, rents increased by 5% in Scotland, compared with 9% in England, so the abolition of tenant fees does not appear to have had a significant impact on costs.

That said, although such a policy has been shown to work in tenants' favour, we must be vigilant about rent prices, so I hope that the Minister will outline how the Government will ensure that their policy puts tenants first. Landlords in Scotland can only increase rents with three months' notice and no more than once a year, and tenants can contact a rent officer if they think that a rent increase is too high. I would be interested to know whether the Minister envisages similar protections and criteria for the policy in England. In Scotland, other than rent and a refundable deposit, which is capped at no more than two months' rent, landlords cannot levy

any additional charges, which means no holding deposits, administration fees, premiums or additional charges, whether refundable or not.

Tenants are secure when landlords can end a tenancy only on strict eviction grounds. The Scottish National party commends the work of charities and campaigners who secured additional renters' rights from the Government in the House of Lords, and both Shelter UK and Generation Rent are happy for the Bill to pass with the Lords amendments. These rights include a short definitive list limiting default fees to charges for chasing late rents and for replacing lost keys or equivalent security devices. I noted the comments made by the hon. Member for Thirsk and Malton (Kevin Hollinrake) and I hope he is reassured that welcome mechanisms are in place. The provision closes the default fee loophole so that landlords will no longer be able to charge for a whole host of spurious defaults. It is also clear to landlords that they can continue to recover damages as they do now.

I welcomed the comments of the hon. Member for Harrow East (Bob Blackman), who, when comparing the position with the cap set in Scotland, rightly mentioned the greater availability of social housing in Scotland. He observed that a five-week cap was welcome, especially given that rents in England and Wales can be two to three times higher than those in Scotland. A five-week deposit cap is reasonable and will help renters to meet the initial fees needed to secure a home. Although Shelter originally argued for a lower cap, even it has said that it is

“pleased that the government didn't stick at 6 weeks and we believe the 5-week cap will be a big improvement”.

That takes heed of the fact that costs are substantially higher in England, meaning that a five-week cap is much more reasonable.

Holding deposits are now illegal in Scotland, and that ought to be the case in England as well. Under the Lords amendments, if a tenancy does not go ahead, landlords or letting agents will be required to set out in writing the reasons why—they will also be required to give reasons for withholding some of a deposit—and they will have to do so within seven days of the decision not to progress with the tenancy. That will give tenants some clarity on exactly what happened to their money and ensure that there is a paper trail, which will make challenging unfair practices easier. Ultimately, both the landlord and the tenant will have more protection.

The ban on tenants fees in Scotland has made the rental sector fairer and easier to access. While I congratulate the Government on taking this positive step in the interests of people in rented accommodation, I urge the Minister to consider my points about abolishing tenant fees, while balancing protections for landlords with the rights of renters. The Bill will protect renters, many of whom do not have the luxury of owning their own home, and that ultimately is what we all want.

**Kevin Hollinrake:** I will try to keep my comments brief—apparently time is pressing—although there is much I would like to say about the Bill. I draw the House's attention yet again to my entry in the Register of Members' Financial Interests.

I am in principle and in practice very supportive of the Bill—I have been right from the start—despite my business interests and despite the extreme consternation within the industry at my support. It is absolutely right

that there be a firewall around a tenant's ability to shop around when they have found a house or flat they want to rent. We are right to believe in free and competitive markets. This was not a free and competitive market, and it is right that we act in this area. It is right that landlords pay for their own tenancy agreements, inventories and referencing. I support all those things. I also want to put on the record my support for the Minister. She has done a great job on the Bill and engaged with me and other colleagues who have had concerns about some of its provisions.

I would like to touch on two things: deposits and default fees. I will begin with Lords amendments 36 and 37. To say that three weeks would be an appropriate deposit length, as the hon. Member for Great Grimsby (Melanie Onn) has done, shows a complete misunderstanding of the issues. She is absolutely right to want to protect tenants—everyone in this place wants to protect tenants—but to do that we must be fair to landlords as well. She asked how a longer deposit period would help tenants. It would not help tenants not to be able to find properties to rent. If we deterred landlords from entering the marketplace, as a three-week cap would do, that would not help tenants.

I speak as somebody who has been in this business for 30 years. When I started, the only thing I could find in the marketplace was a shabby, damp, dark terraced house in the middle of York. It was not like today's marketplace; tenants now have a breadth of choice, and that is because landlords have invested because they are treated fairly. The hon. Lady wants to treat tenants fairly, as I do, but we would not be treating them fairly if our policies resulted in their being refused tenancies by landlords worried about not getting their rent, not regaining possession of a property that had had significant damage done to it or not having enough deposit left for the remedial work. Her proposals would potentially put landlords in that situation, given that many tenants use their deposit as the last month's rent, meaning there would be nothing left.

I still have concerns about restricting the deposit length to five weeks. As we know, it is eight weeks in Scotland. The average deposit in London is five and a half to six weeks, and in the rest of England it is not far below that, so the Bill will mean a change for many landlords, and we will have to keep this under review to make sure it does not have adverse consequences for tenants—that is the principle. Landlords are happy as long as they keep their properties well maintained and the rent is paid. If that is not the case, landlords will exit the market, which is not good for the tenants the hon. Lady looks to protect.

**Bob Blackman:** Does my hon. Friend recall that, during the Select Committee process, one of our considerations was that, if we set a six-week deposit limit, every landlord would rapidly move to six weeks from the current UK average of between four and a half and five and a half weeks?

**Kevin Hollinrake:** No, I do not agree with that because at the moment we have some flexibility. Under the Bill, we have no flexibility above five weeks. The trouble with that is this. I could charge a tenant five weeks, but what if they have a pet or certain other circumstances that make me less likely to want to rent it to them? I, as a

[Kevin Hollinrake]

landlord, will be less likely to rent to that person, under this measure, whereas with six weeks I would have some flexibility. We must make sure that this does not deter landlords from renting properties to people with pets. We do not want that, but it could happen. The Minister has promised to keep this measure under review, and I am absolutely sure that she will.

I want to touch on default fees and amendments 42 to 47. I welcome the clarification from the Minister in the letter she sent me a couple of days ago. She assured me that landlords and agents would still be able to charge for things above and beyond their existing obligations, and that is absolutely right, but the Bill itself only makes a couple of provisions on default fees, and one of those is for the replacement of keys. It sounds like a simple process, but it is possible to spend hours and hours chasing the tenant, chasing the keys, and then chasing the tenant to come and collect the keys. Someone has to pay for that work. It is not a question of the keys themselves; it is a question of the time and labour involved in their delivery.

2.30 pm

I welcome the Minister's clarification of the fact that "reasonable charges" can be made, although I think that "reasonable charges", on an hourly basis, should be defined in the guidance to prevent agents from exploiting that particular opportunity. This is about not making profit, but ensuring that the people doing the work—the letting agents or the landlords—are paid if tenants do not meet their obligations, or breach contracts. In particular, there is currently no provision for a landlord or agent to make reasonable charges for collecting late rent. That too may take many hours, and as a result the charges will go up across the board. As I have said before, in those circumstances, good tenants who do comply will subsidise poor tenants who do not. We often hear about the Scottish example. Deposits in Scotland amount to eight weeks' rent, and Scottish agents can charge for chasing late rent and chasing keys that need to be replaced. I do not know whether that is covered under "breaches"; perhaps the Minister will provide clarification at some point.

The provision on "variation, assignment or novation" is very important, because it allows for a change of sharer. Someone who has taken on a tenancy agreement and wants to break it early can go to the agent or the landlord, who will consider a change of sharer because it will be possible to make a reasonable charge in connection with the change in the agreement. That is only fair, but I think that an hourly rate should be defined in the guidance.

I believe that the Lords meant well in tabling some of their amendments, but I also believe that some of them are unfair and potentially unworkable, and might have unintended consequences, particularly for tenants in adverse circumstances. I think that we should keep this under review to ensure that the rules are fair for landlords, agents and tenants, and that those who are on the margins when it comes to affordability are not disadvantaged.

**Wera Hobhouse (Bath) (LD):** I, too, draw the House's attention to my entry in the Register of Members' Financial Interests.

The Bill has returned to the Commons in a much better state than it was in when it left. The loophole relating to default fees has now gone. The detail on default fees will be on the face of the Bill, which will specify

"a key...or other security device".

There is much more transparency in relation to the holding of deposits, with a fairer transaction between letting agents and tenants, and the deposit levels are better aimed at people on low incomes, having been reduced to five weeks' rent.

I listened carefully to both sides of the argument about the length of deposits. I listened to what was said by the hon. Member for Great Grimsby (Melanie Onn), but I also listened to the counter-arguments. I entirely agree with the hon. Lady that we need to protect tenants and make the system easier for them, because there is a tough world out there for people on low incomes. I also agree that we should not inadvertently disadvantage renters. As long as we do not have the number of affordable and social homes that we need, they will always be in that tough world in which, ultimately, they are at the mercy of landlords when it comes to charges. This is only the beginning of an overall improvement for renters, and I hope very much that we will continue to make changes in the law that will make life easier for them, but I also hope that we will eventually provide the number of homes that we need in order to create an entirely fair rental market.

I pay tribute to my colleagues in the House of Lords, Lord Shipley and Baroness Greender. Lady Greender initiated these proposals in a Private Member's Bill in 2016 and, with Lord Shipley, worked assiduously with the Government to improve the Bill. I also congratulate the groups that have long campaigned for this change in the law, including Shelter, Generation Rent and Citizens Advice.

For too long, upfront costs—often rip-off fees charged to tenants by unscrupulous lettings agencies—have pushed people into unmanageable levels of debt, and sometimes into homelessness. The current system means that people, particularly those on low incomes, must pay as much as £3,000 to move, even if they will be paying a lower rent. Some have predicted that we will see a rise in rents as a result, but evidence from Scotland suggests that that is unlikely. If rents rise, the relatively small amount per month will be manageable in comparison to the extortionate amount that it costs to move.

For too long people living in the private rented sector have been treated as second-class citizens, and the Bill goes some way towards putting that right. The Liberal Democrats welcome it, and welcome the Conservatives' change of heart. We look forward to its introduction on 1 June, with only the small regret that it has taken so long for it to reach this stage. As I said earlier, I hope that we will continue to make changes in the law to make it easier for people to rent in a fair market where there is a good number of affordable and social homes.

**Mrs Wheeler:** With the leave of the House, Madam Deputy Speaker. I shall be very short and very pithy.

I thank Members on both sides of the House for their passionate and constructive contributions to the Bill's passage. I also thank the civil servants who have worked so hard to bring the Bill to this successful stage. We

particularly wanted that to happen quickly so that the lady who is pregnant would not give birth in the Box. I have told her that if the baby is a boy, it must be called Bill!

I hope we can all agree that improvements have been made, thanks to the work of many Members on both sides of the House, and that as a result the Bill will be even more effective in delivering its promise to protect tenants from unfair charges. I hope that the assurances I have been able to give will mean that the Commons amendments will not be pressed to the vote.

*Lords amendment 1 agreed to.*

*Lords amendments 2 to 35 agreed to.*

### Schedule 1

#### PERMITTED PAYMENTS

*Motion made, and Question put, That this House agrees with Lords amendment 36.—(Mrs Wheeler.)*

*The House proceeded to a Division.*

**Madam Deputy Speaker (Dame Eleanor Laing):** I remind the House that the motion is subject to double majority voting of the whole House and of Members representing constituencies in England.

*The House having divided: Ayes 293, Noes 220.*

*Votes cast by Members for constituencies in England: Ayes 265, Noes 193.*

#### Division No. 304]

[2.37 pm

#### AYES

Adams, Nigel	Burns, Conor
Afolami, Bim	Burt, rh Alistair
Afriyie, Adam	Cairns, rh Alun
Aldous, Peter	Campbell, Mr Gregory
Allan, Lucy	Cartledge, James
Amess, Sir David	Cash, Sir William
Andrew, Stuart	Caulfield, Maria
Argar, Edward	Chalk, Alex
Atkins, Victoria	Chishti, Rehman
Bacon, Mr Richard	Churchill, Jo
Badenoch, Mrs Kemi	Clark, Colin
Baker, Mr Steve	Clarke, Mr Simon
Baldwin, Harriett	Cleverly, James
Barclay, rh Stephen	Clifton-Brown, Sir Geoffrey
Baron, Mr John	Coffey, Dr Thérèse
Bebb, Guto	Collins, Damian
Bellingham, Sir Henry	Costa, Alberto
Benyon, rh Richard	Courts, Robert
Beresford, Sir Paul	Cox, rh Mr Geoffrey
Berry, Jake	Crabb, rh Stephen
Blackman, Bob	Crouch, Tracey
Blunt, Crispin	Davies, Chris
Boles, Nick	Davies, Glyn
Bottomley, Sir Peter	Davies, Mims
Bowie, Andrew	Djanogly, Mr Jonathan
Bradley, Ben	Docherty, Leo
Bradley, rh Karen	Dodds, rh Nigel
Brady, Sir Graham	Donaldson, rh Sir Jeffrey M.
Braverman, Suella	Donelan, Michelle
Brereton, Jack	Dorries, Ms Nadine
Bridgen, Andrew	Double, Steve
Brine, Steve	Dowden, Oliver
Bruce, Fiona	Doyle-Price, Jackie
Buckland, Robert	Drax, Richard
Burghart, Alex	Duddridge, James

Duguid, David	Johnson, Dr Caroline
Duncan, rh Sir Alan	Johnson, Gareth
Duncan Smith, rh Mr Iain	Johnson, Joseph
Dunne, rh Mr Philip	Jones, Andrew
Ellis, Michael	Jones, rh Mr David
Ellwood, rh Mr Tobias	Jones, Mr Marcus
Elphicke, Charlie	Kawczynski, Daniel
Eustice, George	Keegan, Gillian
Evennett, rh Sir David	Kennedy, Seema
Fabricant, Michael	Kerr, Stephen
Fallon, rh Sir Michael	Knight, rh Sir Greg
Field, rh Mark	Knight, Julian
Ford, Vicky	Kwarteng, Kwasi
Foster, Kevin	Lamont, John
Francois, rh Mr Mark	Lancaster, rh Mark
Frazer, Lucy	Latham, Mrs Pauline
Freeman, George	Leadsom, rh Andrea
Freer, Mike	Lee, Dr Phillip
Fysh, Mr Marcus	Lefroy, Jeremy
Garnier, Mark	Letwin, rh Sir Oliver
Gauke, rh Mr David	Lewer, Andrew
Gibb, rh Nick	Lewis, rh Brandon
Girvan, Paul	Lewis, rh Dr Julian
Glen, John	Lidington, rh Mr David
Goldsmith, Zac	Little Pengelly, Emma
Goodwill, rh Mr Robert	Lopez, Julia
Gove, rh Michael	Lopresti, Jack
Graham, Luke	Lord, Mr Jonathan
Graham, Richard	Loughton, Tim
Grant, Bill	Mackinlay, Craig
Grant, Mrs Helen	Maclean, Rachel
Gray, James	Main, Mrs Anne
Grayling, rh Chris	Malthouse, Kit
Green, Chris	Mann, Scott
Green, rh Damian	Masterton, Paul
Greening, rh Justine	May, rh Mrs Theresa
Grieve, rh Mr Dominic	McLoughlin, rh Sir Patrick
Griffiths, Andrew	McPartland, Stephen
Gyimah, Mr Sam	McVey, rh Ms Esther
Hair, Kirstene	Menzies, Mark
Halfon, rh Robert	Mercer, Johnny
Hall, Luke	Merriman, Huw
Hammond, Stephen	Metcalfe, Stephen
Hands, rh Greg	Miller, rh Mrs Maria
Harper, rh Mr Mark	Mills, Nigel
Harrington, Richard	Milton, rh Anne
Harris, Rebecca	Mitchell, rh Mr Andrew
Harrison, Trudy	Moore, Damien
Hart, Simon	Morgan, rh Nicky
Hayes, rh Sir John	Morris, Anne Marie
Heald, rh Sir Oliver	Morris, David
Heapey, James	Morris, James
Heaton-Harris, Chris	Morton, Wendy
Heaton-Jones, Peter	Mundell, rh David
Henderson, Gordon	Murray, Mrs Sheryll
Herbert, rh Nick	Murrison, Dr Andrew
Hinds, rh Damian	Neill, Robert
Hoare, Simon	Newton, Sarah
Hollingbery, George	Nokes, rh Caroline
Hollinrake, Kevin	Norman, Jesse
Hollobone, Mr Philip	O'Brien, Neil
Holloway, Adam	Offord, Dr Matthew
Huddleston, Nigel	Opperman, Guy
Hurd, rh Mr Nick	Paisley, Ian
Jack, Mr Alister	Parish, Neil
James, Margot	Patel, rh Priti
Javid, rh Sajid	Paterson, rh Mr Owen
Jayawardena, Mr Ranil	Penning, rh Sir Mike
Jenkin, Sir Bernard	Penrose, John
Jenkyns, Andrea	Percy, Andrew
Jenrick, Robert	Perry, rh Claire
Johnson, rh Boris	Philp, Chris

Pincher, rh Christopher  
 Pow, Rebecca  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, rh Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Robinson, Mary  
 Rosindell, Andrew  
 Ross, Douglas  
 Rowley, Lee  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Scully, Paul  
 Seely, Mr Bob  
 Selous, Andrew  
 Shannon, Jim  
 Shapps, rh Grant  
 Sharma, Alok  
 Simpson, David  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, rh Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Soubry, rh Anna  
 Spelman, rh Dame Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory

Streeter, 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  
 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  
 Wilson, rh Sammy  
 Wood, Mike  
 Wragg, Mr William  
 Zahawi, Nadhim

**Tellers for the Ayes:**  
**Amanda Milling and**  
**Paul Maynard**

#### NOES

Abbott, rh Ms Diane  
 Abrahams, Debbie  
 Ali, Rushanara  
 Allin-Khan, Dr Rosena  
 Antoniazzi, Tonia  
 Ashworth, Jonathan  
 Austin, Ian  
 Bailey, Mr Adrian  
 Barron, rh Sir Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Blackman-Woods, Dr Roberta  
 Blomfield, Paul  
 Brabin, Tracy  
 Bradshaw, rh Mr Ben  
 Brennan, Kevin  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Buck, Ms Karen  
 Burden, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Campbell, rh Sir Alan  
 Carden, Dan  
 Champion, Sarah  
 Chapman, Jenny

Charalambous, Bambos  
 Cooper, Julie  
 Corbyn, rh Jeremy  
 Coyle, Neil  
 Crausby, Sir David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Daby, Janet  
 David, Wayne  
 Davies, Geraint  
 De Cordova, Marsha  
 De Piero, Gloria  
 Dhesi, Mr Tanmanjeet Singh  
 Dodds, Anneliese  
 Doughty, Stephen  
 Dowd, Peter  
 Drew, Dr David  
 Dromey, Jack  
 Eagle, Ms Angela  
 Eagle, Maria  
 Efford, Clive  
 Elliott, Julie

Ellman, Dame Louise  
 Elmore, Chris  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Frith, James  
 Furniss, Gill  
 Gaffney, Hugh  
 Gapes, Mike  
 Gardiner, Barry  
 George, Ruth  
 Gill, Preet Kaur  
 Glendon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Grogan, John  
 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  
 Hepburn, Mr Stephen  
 Hill, Mike  
 Hillier, Meg  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Jarvis, Dan  
 Jones, Darren  
 Jones, Gerald  
 Jones, Graham P.  
 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  
 Lammy, rh Mr David  
 Lavery, Ian  
 Lee, Karen  
 Leslie, Mr Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lloyd, Tony  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.

Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marsden, Gordon  
 Martin, Sandy  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, rh John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahan, Jim  
 McMorrin, Anna  
 Mearns, Ian  
 Moon, Mrs Madeleine  
 Morden, Jessica  
 Morgan, Stephen  
 Morris, Grahame  
 Nandy, Lisa  
 Norris, Alex  
 Onasanya, Fiona  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 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, Jonathan  
 Rimmer, Ms Marie  
 Rodda, Matt  
 Ruane, Chris  
 Russell-Moyle, Lloyd  
 Ryan, rh Joan  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, Cat  
 Smith, Eleanor  
 Smith, Jeff  
 Smith, Laura  
 Smith, Nick  
 Smyth, Karin  
 Snell, Gareth  
 Sobel, Alex  
 Spellar, rh John  
 Starmer, rh Keir  
 Stevens, Jo

Streeting, Wes  
 Stringer, Graham  
 Tami, rh Mark  
 Thomas-Symonds, Nick  
 Timms, rh Stephen  
 Turley, Anna  
 Turner, Karl  
 Twigg, Stephen  
 Twist, Liz  
 Umunna, Chuka  
 Vaz, Valerie  
 Walker, Thelma  
 Watson, Tom

West, Catherine  
 Western, Matt  
 Whitehead, Dr Alan  
 Williams, Dr Paul  
 Williamson, Chris  
 Wilson, Phil  
 Woodcock, John  
 Yasin, Mohammad  
 Zeichner, Daniel

**Tellers for the Noes:**  
 Nic Dakin and  
 Thangam Debbonaire

*Question accordingly agreed to.*

*Lords amendment 36 agreed to.*

*Lords amendments 37 to 60 agreed to.*

**Madam Deputy Speaker (Dame Eleanor Laing):** We now come to motion 4 on private Members' Bills.

**The Lord Commissioner of Her Majesty's Treasury (Jeremy Quin):** Not moved.

**Sir Christopher Chope** (Christchurch) (Con): On a point of order, Madam Deputy Speaker. That motion would have given us some certainty that this House would be sitting on Friday week, for example, to consider private Members' Bills. Is it not extraordinary that we now have no certainty about that? The presumption now is that we will not be sitting on Friday 1 February. At one stage we were told that we would be sitting on Friday 25 January. My point of order relates to the amendment that I tabled to the business in motion 4. Prior to hearing that the motion was not going to be moved, I sought to find out whether my amendment had been selected. It is the convention of this House that if someone has tabled an amendment, they get advance notice prior to the debate as to whether it has been selected. We often get printed papers telling us which amendments have been selected and in what order. Can you tell us, Madam Deputy Speaker, whether my amendment and/or the one tabled in the name of the Labour environment spokesman, amendment (b), were selected for debate, subject of course to the debate starting at the behest of the Government? The other point I would like to make is to ask whether I am correct in saying that the only way in which we can avoid this sort of scenario is for Back Benchers on both sides to sign Government motions so that they cannot be withdrawn?

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. I beg the House to be a little quieter because, as a matter of practicality, I could not hear the hon. Gentleman—*[Interruption.]* I am politely asking for a little bit of quiet. Just talk quietly among yourselves.

The hon. Gentleman makes a perfectly reasonable point. As to whether it is extraordinary, I cannot possibly comment from the Chair. However, he has asked me, as a point of order, whether his amendment (a) to motion 4 was selected and, indeed, whether amendment (b) was selected, and I can tell him that I do not know the answer to his question. The selection of amendments is entirely a matter for Mr Speaker, and the Deputy Speakers have no part in the consideration or discussion of whether an amendment should be selected. I do not know whether either amendment was selected, but I have every sympathy with the hon. Gentleman.

**Sir Christopher Chope:** Further to that point of order, Madam Deputy Speaker. I accept your ruling in relation to the prerogative of the Speaker to decide which amendments are selected and which are not, but what I was really concerned about was the fact that the Member who tabled the amendment was not notified as to whether it had been selected. Is there now a new convention in this place that a Member does not know whether their amendment has been selected until the debate starts? If that is a new convention, let us all be clear about it, but my understanding, after more than 30 years in this place, is that if a Member moves an amendment, they normally get advance notice of whether it has been selected.

**Madam Deputy Speaker:** The hon. Gentleman again makes a perfectly reasonable point about his experience over the past 30 years, but we live in ever-changing times, and I genuinely do not know the answer to his question.

**Hilary Benn** (Leeds Central) (Lab): Further to that point of order, Madam Deputy Speaker. First, if the Government Whip had not said, "Not moved," we would now be in the debate on the motion. If we had had that debate, I would have spoken against the amendment of the hon. Member for Christchurch (Sir Christopher Chope), so at what point would those who had put down amendments have known that they would be put to a vote? Secondly—maybe the Leader of the House can assist with this—have you had any indication that the Government intend to move the order relating to private Members' Bills days at some point in the future? If so, when might that be?

**Madam Deputy Speaker:** Again, the right hon. Gentleman makes a perfectly reasonable point. I should point out to him and to the House that Mr Speaker's selection of amendments is published as a provisional selection of amendments. It is then up to Mr Speaker which amendments he finally selects. That would be the normal course of action. I am unaware of a provisional selection of amendments having been published in relation to motion 4 today.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): Further to that point of order, Madam Deputy Speaker. As you can well imagine, there may be a lot of interest in this House about the selection of amendments over the next few weeks, so this is not merely some esoteric question. Now, I have been here for only 18 years—I am a relative newbie—but the Speaker's conference would have taken place this morning, and the usual practice is that a provisional selection of amendments is issued thereafter. As you say, it is provisional, but it can at least guide the House as to what is likely to be available for debate.

Now, today's Bill was relatively uncontroversial. Being able to rent a home is important, but it was not as controversial as, say, some of last week's debates, so it was not beyond the wit of man to work out that the debate on the Tenant Fees Bill would end early. The Speaker's conference should have practically been able to foresee this situation. That being the case, why was no provisional selection of amendments issued in the normal way?

**Madam Deputy Speaker:** I appreciate the right hon. Gentleman's point, and I can give him a very direct answer. I will not disclose to the Chamber or in any other way what happens at the Speaker's conference in the morning. It is a private meeting between Mr Speaker and his Deputies and senior Clerks, and I will not and cannot answer questions about it.

**Ms Angela Eagle** (Wallasey) (Lab): Further to that point of order, Madam Deputy Speaker. As someone who has been here for 27 years, my service is obviously larger than that of the right hon. Member for Rayleigh and Wickford (Mr Francois). Can the—*[Interruption.]*

**Madam Deputy Speaker:** Order. The hon. Lady is making an important point. Just be quiet.

**Ms Eagle:** While we are living in an era of some creativity with respect to the House's Standing Orders, can you confirm that we have not been so creative so far that amendments can survive the main motion being withdrawn?

**Madam Deputy Speaker:** I am delighted to answer the hon. Lady's perspicacious point of order. She is absolutely correct that amendments cannot survive the withdrawal of the main motion. I will say it again that the selection of amendments is entirely a matter for Mr Speaker, and I am sure that if Mr Speaker had been here, as he will be at some future point, he would have been delighted to answer these questions.

**Sir Oliver Heald** (North East Hertfordshire) (Con): Further to that point of order, Madam Deputy Speaker. Can you confirm that it would be in order for the Government to propose a future motion—hopefully very quickly—that would allow the Service Animals (Offences) Bill finally to make progress and get its Third Reading? The Bill has support on both sides of the House and had cross-party support in Committee last week.

**Madam Deputy Speaker:** I am happy to confirm to the right hon. and learned Gentleman that that would be perfectly in order. He also reminds me that I did not answer the second point of the right hon. Member for Leeds Central (Hilary Benn) about whether the Government intend to bring forward motion 4 again at a future time. I am not aware at this point of any such intention, but one would hope so.

## Business without Debate

### DELEGATED LEGISLATION

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

#### EXITING THE EUROPEAN UNION (ATOMIC ENERGY AND RADIOACTIVE SUBSTANCES)

That the draft Transfrontier Shipment of Radioactive Waste and Spent Fuel (EU Exit) Regulations 2018, which were laid before this House on 28 November 2018, be approved.—*(Jeremy Quin.)*

*Question agreed to.*

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

#### EXITING THE EUROPEAN UNION (LEGAL AID AND ADVICE)

That the draft Civil Legal Aid (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 28 November 2018, be approved.—*(Jeremy Quin.)*

*The House divided: Ayes 293, Noes 235.*

#### Division No. 305]

[3.9 pm

#### AYES

Adams, Nigel	Davies, Philip
Afolami, Bim	Djanogly, Mr Jonathan
Afriyie, Adam	Docherty, Leo
Aldous, Peter	Dodds, rh Nigel
Allan, Lucy	Donaldson, rh Sir Jeffrey M.
Allen, Heidi	Donelan, Michelle
Amess, Sir David	Dorries, Ms Nadine
Andrew, Stuart	Double, Steve
Argar, Edward	Doyle-Price, Jackie
Atkins, Victoria	Drax, Richard
Bacon, Mr Richard	Duddridge, James
Badenoch, Mrs Kemi	Duguid, David
Baker, Mr Steve	Duncan, rh Sir Alan
Baldwin, Harriett	Duncan Smith, rh Mr Iain
Barclay, rh Stephen	Dunne, rh Mr Philip
Baron, Mr John	Ellis, Michael
Bebb, Guto	Ellwood, rh Mr Tobias
Bellingham, Sir Henry	Elphicke, Charlie
Benyon, rh Richard	Eustice, George
Beresford, Sir Paul	Evennett, rh Sir David
Berry, Jake	Fabricant, Michael
Blackman, Bob	Fallon, rh Sir Michael
Blunt, Crispin	Field, rh Mark
Boles, Nick	Ford, Vicky
Bone, Mr Peter	Foster, Kevin
Bottomley, Sir Peter	Francois, rh Mr Mark
Bowie, Andrew	Frazer, Lucy
Bradley, Ben	Freeman, George
Bradley, rh Karen	Freer, Mike
Brady, Sir Graham	Fysh, Mr Marcus
Braverman, Suella	Garnier, Mark
Brereton, Jack	Gauke, rh Mr David
Bridgen, Andrew	Ghani, Ms Nusrat
Brine, Steve	Gibb, rh Nick
Bruce, Fiona	Girvan, Paul
Buckland, Robert	Glen, John
Burghart, Alex	Goldsmith, Zac
Burns, Conor	Goodwill, rh Mr Robert
Burt, rh Alistair	Gove, rh Michael
Cairns, rh Alun	Graham, Luke
Cartlidge, James	Graham, Richard
Cash, Sir William	Grant, Bill
Caulfield, Maria	Grant, Mrs Helen
Chalk, Alex	Gray, James
Chishti, Rehman	Grayling, rh Chris
Chope, Sir Christopher	Green, Chris
Churchill, Jo	Green, rh Damian
Clark, Colin	Greening, rh Justine
Clarke, Mr Simon	Gyimah, Mr Sam
Cleverly, James	Hair, Kirstene
Clifton-Brown, Sir Geoffrey	Halfon, rh Robert
Coffey, Dr Thérèse	Hall, Luke
Collins, Damian	Hammond, Stephen
Costa, Alberto	Hands, rh Greg
Courts, Robert	Harper, rh Mr Mark
Cox, rh Mr Geoffrey	Harrington, Richard
Crabb, rh Stephen	Harris, Rebecca
Crouch, Tracey	Harrison, Trudy
Davies, Chris	Hart, Simon
Davies, Glyn	Hayes, rh Sir John
Davies, Mims	Heald, rh Sir Oliver



Heapey, James  
 Heaton-Harris, Chris  
 Heaton-Jones, Peter  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, rh Damian  
 Hoare, Simon  
 Hollingbery, George  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Adam  
 Huddleston, Nigel  
 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  
 Lefroy, Jeremy  
 Letwin, rh Sir Oliver  
 Lewer, Andrew  
 Lewis, rh Brandon  
 Lewis, rh Dr Julian  
 Lidington, rh Mr David  
 Little Pengelly, Emma  
 Lopez, Julia  
 Lopresti, Jack  
 Lord, Mr Jonathan  
 Loughton, Tim  
 Mackinlay, Craig  
 Maclean, Rachel  
 Main, Mrs Anne  
 Malthouse, Kit  
 Mann, Scott  
 Masterton, Paul  
 May, rh Mrs Theresa  
 McLoughlin, rh Sir Patrick  
 McPartland, Stephen  
 McVey, rh Ms Esther  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Moore, Damien  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David

Morris, James  
 Morton, Wendy  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, rh Caroline  
 Norman, Jesse  
 O'Brien, Neil  
 Offord, Dr Matthew  
 Opperman, Guy  
 Paisley, Ian  
 Parish, Neil  
 Patel, rh Priti  
 Paterson, rh Mr Owen  
 Penning, rh Sir Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, rh Claire  
 Philp, Chris  
 Pincher, rh Christopher  
 Pow, Rebecca  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pritchard, Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, rh Dominic  
 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  
 Simpson, David  
 Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Henry  
 Smith, rh Julian  
 Smith, Royston  
 Soames, rh Sir Nicholas  
 Soubry, rh Anna  
 Spelman, rh Dame Caroline  
 Spencer, Mark  
 Stephenson, Andrew  
 Stevenson, John  
 Stewart, Bob  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, 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  
 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  
 Wilson, rh Sammy  
 Wollaston, Dr Sarah  
 Wood, Mike  
 Wragg, Mr William  
 Zahawi, Nadhim

#### Tellers for the Ayes:

Amanda Milling and  
 Paul Maynard

#### NOES

Abbott, rh Ms Diane  
 Abrahams, Debbie  
 Ali, Rushanara  
 Allin-Khan, Dr Rosena  
 Amesbury, Mike  
 Antoniazzi, Tonia  
 Ashworth, Jonathan  
 Austin, Ian  
 Bailey, Mr Adrian  
 Barron, rh Sir Kevin  
 Beckett, rh Margaret  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Blackman-Woods, Dr Roberta  
 Blomfield, Paul  
 Brabin, Tracy  
 Bradshaw, rh Mr Ben  
 Brake, rh Tom  
 Brennan, Kevin  
 Brown, Lyn  
 Brown, rh Mr Nicholas  
 Buck, Ms Karen  
 Burden, Richard  
 Butler, Dawn  
 Byrne, rh Liam  
 Cable, rh Sir Vince  
 Campbell, rh Sir Alan  
 Carden, Dan  
 Champion, Sarah  
 Chapman, Jenny  
 Charalambous, Bambos  
 Coffey, Ann  
 Cooper, Julie  
 Corbyn, rh Jeremy  
 Coyle, Neil  
 Crausby, Sir David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cryer, John  
 Cummins, Judith  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Daby, Janet  
 Davey, rh Sir Edward  
 David, Wayne  
 Davies, Geraint  
 De Cordova, Marsha  
 De Piero, Gloria  
 Dhesi, Mr Tanmanjeet Singh  
 Dodds, Anneliese  
 Doughty, Stephen  
 Dowd, Peter  
 Drew, Dr David  
 Dromey, Jack  
 Duffield, Rosie  
 Eagle, Ms Angela  
 Eagle, Maria  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Dame Louise  
 Elmore, Chris  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Frith, James  
 Furniss, Gill  
 Gaffney, Hugh  
 Gapes, Mike  
 Gardiner, Barry  
 George, Ruth  
 Gill, Preet Kaur  
 Glindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Griffith, Nia  
 Grogan, John  
 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  
 Hepburn, Mr Stephen  
 Hermon, Lady  
 Hill, Mike  
 Hillier, Meg  
 Hobhouse, Wera  
 Hodge, rh Dame Margaret  
 Hodgson, Mrs Sharon  
 Hollern, Kate  
 Howarth, rh Mr George

Huq, Dr Rupa  
 Hussain, Imran  
 Jarvis, Dan  
 Jones, Darren  
 Jones, Gerald  
 Jones, Graham P.  
 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  
 Lammy, rh Mr David  
 Lavery, Ian  
 Lee, Karen  
 Leslie, Mr Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lloyd, Tony  
 Long Bailey, Rebecca  
 Lucas, Caroline  
 Lucas, Ian C.  
 Madders, Justin  
 Mahmood, Mr Khalid  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marsden, Gordon  
 Martin, Sandy  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, rh John  
 McFadden, rh Mr Pat  
 McGinn, Conor  
 McGovern, Alison

McInnes, Liz  
 McKinnell, Catherine  
 McMahon, Jim  
 McMorrin, Anna  
 Mearns, Ian  
 Moon, Mrs Madeleine  
 Moran, Layla  
 Morden, Jessica  
 Morgan, Stephen  
 Morris, Grahame  
 Nandy, Lisa  
 Norris, Alex  
 Onasanya, Fiona  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 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, Jonathan  
 Rimmer, Ms Marie  
 Rodda, Matt  
 Ruane, Chris  
 Russell-Moyle, Lloyd  
 Ryan, rh Joan  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Skinner, Mr Dennis  
 Slaughter, Andy

Smeeth, Ruth  
 Smith, Cat  
 Smith, Eleanor  
 Smith, Jeff  
 Smith, Laura  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Snell, Gareth  
 Sobel, Alex  
 Spellar, rh John  
 Starmer, rh Keir  
 Stevens, Jo  
 Stone, Jamie  
 Streeting, Wes  
 Stringer, Graham  
 Sweeney, Mr Paul  
 Swinson, Jo  
 Tami, rh Mark  
 Thomas-Symonds, Nick  
 Timms, rh Stephen

Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Stephen  
 Twist, Liz  
 Umunna, Chuka  
 Vaz, Valerie  
 Walker, Thelma  
 Watson, Tom  
 West, Catherine  
 Western, Matt  
 Whitehead, Dr Alan  
 Williams, Dr Paul  
 Williamson, Chris  
 Wilson, Phil  
 Woodcock, John  
 Yasin, Mohammad  
 Zeichner, Daniel

**Tellers for the Noes:**  
**Nic Dakin and**  
**Thangam Debbonaire**

*Question accordingly agreed to.*

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

EXITING THE EUROPEAN UNION (FINANCIAL SERVICES)

That the draft Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018, which were laid before this House on 5 December 2018, be approved.—(*Jeremy Quin.*)

*Question agreed to.*

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

EXITING THE EUROPEAN UNION (CIVIL PARTNERSHIP)

That the draft Equality (Amendment and Revocation) (EU Exit) Regulations 2018, which were laid before this House on 13 December 2018, be approved.—(*Jeremy Quin.*)

*Question agreed to.*

## Fire Safety and Cladding

*Motion made, and Question proposed, That this House do now adjourn.—(Jeremy Quin.)*

3.23 pm

**Mr Steve Reed** (Croydon North) (Lab/Co-op): I am grateful for the opportunity to raise the issue of fire safety, which is of great concern to many people in my constituency and throughout the country, particularly since the Grenfell Tower fire 19 months ago. The debate is happening somewhat earlier than we envisaged. I hope that means that there will be more opportunities for other Members to participate, because I know that the issue affects many constituencies.

I want to cover two areas: first, the major fire that happened at the Shurgard self-storage centre in my constituency on new year's eve; and secondly, fire safety and the use of flammable cladding in residential and other buildings throughout the country, about which there has been great disquiet since the Grenfell Tower fire.

The fire at the Shurgard self-storage centre was massive. More than 1,200 people had stored their goods and possessions in that facility, which was one of the largest in London. When I was first alerted to what had happened, my first thought was, "I hope everybody is safe," and it was reassuring to hear that there had been no loss of life. However, a couple of weeks later I had the opportunity to meet a group of Shurgard customers who had lost everything they had put in storage at that facility. The scale of loss, devastation and harm that that caused cannot be overstated. The losses were enormous.

As with all self-storage centres, the Shurgard facility was marketed as a safe place to store goods. It was even advertised as a place for those who had suffered a bereavement to store the belongings of a loved one.

**Sarah Jones** (Croydon Central) (Lab): I thank my hon. Friend for bringing this important debate to the House. Constituents of mine had their goods burnt in the Shurgard fire. I am sure that hon. Members will be interested to know that, having advertised as "safe and secure", since the fire the Shurgard website has removed 35 mentions of that phrase. Its use is nothing short of mis-selling.

**Mr Reed:** I am grateful to my hon. Friend and neighbour for her intervention. It is telling that Shurgard saw fit to remove all the language about safety from its website after the fire. I hope that, during the debate, we will expose the fact that the facility was far from being as safe as it was marketed to its customers.

**Chris Philp** (Croydon South) (Con): I thank the hon. Gentleman for raising this important issue in the Chamber. Like the constituents of my other neighbour, the hon. Member for Croydon Central (Sarah Jones), many of my constituents had possessions at the facility. Does the hon. Gentleman agree that it is essential that the London fire brigade carries out a full investigation to establish whether the operators of Shurgard had implemented all the relevant fire safety measures? It seems that the fire spread so quickly and so extensively that it requires a thorough investigation.

**Mr Reed:** I completely agree and am grateful for that intervention. Everybody who uses self-storage facilities needs to know that their possessions are safe when they put them in storage. We need to know that Shurgard

and other providers of such services abide by the regulations, and that the regulations are sufficiently robust to provide the reassurances that customers deserve and need.

When I spoke to the group of customers, I found that the single biggest reason for storing possessions at the facility was being between homes. People were not just putting some spare goods into self-storage; they had left the place where they were living and had not yet moved into their new home, so everything they owned was stored at the facility. As a result, everything was lost; everything was destroyed in the fire. As one of them said to me, "It's bad enough to lose a sofa, a bed or a sideboard, but at least you can replace those things. What about your keepsakes from loved ones who have passed away?" The company advertised its facility as a safe space to leave keepsakes for those who had suffered a bereavement. What about someone who has lost a lifetime of family photographs—all their memories of their family experiences and of the people they most love? A price cannot be put on that. It cannot be insured. If it is gone in a fire, it is gone forever and it is irreplaceable. The devastation, pain and stress of losing such things can be incalculable.

I met one family—a husband, his wife and their three children—who, because of benefit-system failings, had been evicted from the home that they rented just before Christmas. They had put everything they had into this Shurgard self-storage facility. They were penniless because of the problems with universal credit so they could not afford insurance. They have now lost absolutely everything that they owned. They have been left absolutely devastated, without any possessions at all, and they are living in bed-and-breakfast accommodation. That family need help, and they need it urgently, because they are facing critical hardship as a result of what happened.

**Marsha De Cordova** (Battersea) (Lab): I thank my hon. Friend for securing this debate. He has picked up on a crucial point—that the storage centre claimed that it was safe, and so on. Does he agree that when the Minister responds he should refer to the specific case of those individuals, who have lost everything because of the social system and are now living in a bed and breakfast? These must be considered special cases, in which the Government need to step in and act.

**Mr Reed:** I am grateful for my hon. Friend's intervention and completely agree with her. I hope that when the time comes the Minister is able to respond to that point. People who have been left in severe hardship as a result of what happened have had nowhere to go for the help that they deserve.

**Jim Shannon** (Strangford) (DUP): I thank the hon. Gentleman for bringing this issue to the House. It is important that evaluations are made of properties where the same thing might occur. Does he agree that there has been ample time to assess the number of buildings that are in danger? My local authority in Northern Ireland, Ards and North Down Borough Council, carried out evaluations and provided reports within six weeks of the disaster. Does the hon. Gentleman agree that additional funding must be put in place to help local councils to make evaluations and to help those people who need compensation, and that that needs to be done as a matter of urgency? Furthermore, on the changes to

[Jim Shannon]

fire safety regulations, does he agree that the real, live testing of materials in the construction sector is urgently required?

**Mr Reed:** The hon. Gentleman makes an important point, with which I have great sympathy. I believe that in this particular case the investigation is also in the hands of the police, because we do not yet know whether arson lay behind the tragedy at the Shurgard facility on Purley Way in Croydon.

**Andy Slaughter** (Hammersmith) (Lab): My hon. Friend is making a strong point that—I am sure he will come on to this—applies as much to residential fires as to the case he is talking about. First, there is the issue of insurance, with people in these situations often underinsured or not insured. There is also the issue of who is liable. As he says, the case he is describing may be a criminal matter. At Shepherd's Court in my constituency, there was an obvious cause—it was a tumble-drier fire—but the manufacturer denies liability and will not pay out. As a consequence of cases like that, people can lose everything and go for years and years without being able to replace their belongings.

**Mr Reed:** My hon. Friend makes an important point. I am also interested in the insurance aspects of this case, including whether people were wrongly advised by the self-storage company about the level of insurance that they should have taken out and, indeed, whether there was mis-selling of insurance. I have contacted the relevant authorities—the Financial Conduct Authority and others—to seek their advice. I hope we can bring that issue back to the Chamber at the appropriate time, and I would be delighted to work with my hon. Friend on that, since he has an interest in it.

I return to my attempt to establish the extent of the harm that has been caused to people's lives by the fire. I met another woman—a customer—who had stored in the facility her mother's and her grandmother's ashes. One simply cannot imagine what it would feel like for an individual to lose something of such enormous human value to them.

**Sarah Jones:** My hon. Friend is giving way generously. On that terrible point, last weekend I met some people who were affected, and I have a constituent whose pictures of her deceased children were burned. These things are so irreplaceable and so sad. People really did believe that their things would be kept safe, and that everything would be okay. We cannot emphasise enough what a horror they have been going through.

**Mr Reed:** I am grateful again to my hon. Friend for her intervention. One really cannot exaggerate the pain that has been caused. When anybody puts their most beloved and treasured possessions in a facility and are assured that it is safe, they deserve to know that it actually is safe. I met an artist who had lost a lifetime's artworks, which she had created. I met a DJ who collects first-edition reggae albums on vinyl. All of that is gone in the fire, all of it irreplaceable. No money can replace that.

Of course, many businesses today keep their stock in facilities like these, and many businesspeople have lost their stock. Even if it was properly insured, the short-term

loss of that stock means that they have lost a whole quarter's trading, which is enough to put many small businesses under. I really do think that the Minister needs to consider what emergency support is available for the people facing real hardship and crisis as a result of the fire.

Many colleagues have raised concerns about the level of fire safety at the Shurgard facility, and I share those concerns. When I met a group of customers, that was one of the biggest areas giving them cause for concern that they raised with me. A customer putting their possessions in a self-storage facility would assume that there had been some effort, when designing it, to prevent the spread of fire, should a fire take hold. In fact, the walls in the individual units in this facility did not go right up to the ceiling—there was a gap between the top of the unit and the ceiling—so a fire that started in one unit could quickly and easily move into the next, and then the next and beyond. It seems to me shocking that these facilities are built without designing in measures to prevent the rapid spread of fire.

Customers using that facility reasonably assumed that a sprinkler system was installed in case of fire. In fact, there is no sprinkler system in that facility, and there is no requirement for self-storage units to have sprinkler systems. Another point is that Shurgard did not ask their customers to report or keep a record of what they were storing in that self-storage facility. Someone could put all their most treasured possessions in the unit they were renting, but the next-door unit could be filled up with barrels of oil or something equally flammable, and nobody would ever know.

If we put all that together, there were in effect no fire safety measures whatsoever in this facility. It was advertising a service as safe and secure for people to keep their goods in, but it simply was not. It was taking money from people, and then not providing the service that people expected. If things go wrong—and on new year's eve in Croydon they went severely wrong—everything people owned would have gone: it would have been taken away, and they would have lost it.

Shurgard has been very clear with me—I have met it to discuss this—that it has complied with all UK fire safety regulations. I do not know whether that is true, but that is the point it has made to me. If what it says is true and it was fully compliant, those regulations need to be reviewed and tightened as a matter of urgency.

**Sarah Jones:** At the meeting with customers last weekend, they made two really interesting points. One was that Shurgard in other European countries would have to have sprinklers, because in other European countries there are regulations requiring a building of a certain size to have sprinklers, so the same company would have sprinklers in another country but not here. They also made the point—I do not know whether this is 100% accurate—that, about 40% of Europe's storage is in this country. There is something about the nature of the cost of housing and the fact that people have to put so much stuff into storage, perhaps because of the value of land, that means our country has a particular problem in this area and needs to look at the regulations for the storage sector in particular.

**Mr Reed:** I am sure that many people who keep their possessions in such self-storage centres will be astonished to learn that the multinational companies, where they are multinational, operate safer and more secure facilities abroad than they operate in the United Kingdom. That seems to me entirely wrong. I hope the Minister, when he responds, will explain to the House what he intends to do about conducting a review of the levels of fire safety in these facilities, and whether he believes there is a case for tightening those regulations.

Many, many people use these facilities. They are very common all over London, and we all know about them and have them in our constituencies. The customers include people who are between homes—moving from one place to another—either as buyers or as renters. Many newly built flats are very small and are built without adequate storage, so people use self-storage centres instead. If people have suffered a bereavement and have lost a relative, they need somewhere to store their possessions; we do not all have the space in our home to store these things. All those people need to know that their possessions are safe, and if the regulations are not allowing that to happen right now, the regulations need to change.

My concern is that the fact that the regulations are inadequate has created a race to the bottom in fire safety standards, as self-storage companies compete with one another on price. The way in which they reduce price is to reduce staffing in the facility and reduce the level of security and fire safety measures. They do so to minimise their costs, so that they may offer as low a price as possible. The only thing that will maintain minimum standards—and people need know what they are—is to ensure that there are adequate fire safety regulations for self-storage facilities. I am afraid that we do not have those at the moment.

Finally on this particular issue, does the Minister see the case, or the need for, providing specific help to people facing severe financial hardship—whether it be from the relevant public authorities, the Government, or even perhaps the company itself, which must bear some responsibility towards their customers for what has happened to them?

I will turn now, if I may, from the subject of self-storage towards wider issues of fire safety in residential blocks. The issue of cladding in particular has become very significant and of great concern throughout the House ever since the tragic fire at Grenfell Tower 19 months ago.

In today's Prime Minister's questions, my hon. Friend the Member for Croydon Central (Sarah Jones) reminded us that, days after Grenfell went up, the Prime Minister promised to do everything in her power to keep people safe. Since that time—19 months have passed—the Government seem to have done precious little in concrete terms to reassure people that they are safer now than they were then.

**Marsha De Cordova:** I thank my hon. Friend, who is being generous with his time, for giving way once again. He rightly points out that, 19 months on, we still have many blocks covered in this cladding. Residents in my own constituency are living in an unsafe block, and they might have to pay tens of thousands of pounds for fire safety remedial work. Does he agree that it

should not be the leaseholders who foot the bill, and that the Government need to intervene to ensure that freeholders or the Government themselves can implement it? They must take the pressure and the burden off leaseholders.

**Mr Reed:** I am grateful to my hon. Friend for her intervention. I completely agree: the leaseholders seem to be the innocent party in all this. They certainly should not be forced to bear the cost, the stress or the worry of having flammable cladding on the place in which they live.

**Robert Neill (Bromley and Chislehurst) (Con):** It is very clear—the Government have made this clear—that leaseholders should not be left footing the bill. When the developer is also the freeholder, as was the case in the hon. Gentleman's constituency, and is prepared, because of the potential reputational damage, to step up to the mark, the problem is resolved. However, as he will know from experience, a difficulty arises when the freehold is sold on, often to a trust company or a financial institution. Unlike a firm of developers, such a body will not be trying to sell houses to the public and is not subject to any reputational pressures, and will use very common clauses in their leases to pass back to their leaseholders any cost that, say, the local authority or Government push on to them. Do we not need a legal mechanism to override that, which is difficult to do with leases, or, in such cases, to compensate leaseholders directly so that they do not lose out? It has to be one or the other.

**Mr Reed:** I am grateful to the hon. Gentleman for his intervention. I know that he is fighting very hard on behalf of his residents who are living in these circumstances, and he makes a point with which I agree. That is at the heart of our problem with the Government's response. The Government can say what they like in support of leaseholders, but if they do not act, they are not actually helping them and, unfortunately, a moral obligation is not enforceable in court. We need a legal means of redress for people who have been damaged.

**Emma Hardy (Kingston upon Hull West and Hessle) (Lab):** My hon. Friend is making a very powerful and moving speech. I am sure that his constituents are incredibly grateful to him for his tireless campaigning to support them. We are talking about residents, but I wish to draw the House's attention to a different issue—schools. Hundreds of schools across the country are also covered in combustible material, and the Government have not included them in the building safety programme. *[Interruption.]* Well, that is the latest report. The Minister suggests that there are not hundreds, so I would be very happy to send him the report that I have read that gives that evidence. When he responds to the debate, will he also talk about how he can ensure that our children are safe when they attend school?

**Mr Reed:** I am very grateful to my hon. Friend for her intervention. I, too, look forward to hearing a response from the Minister. I have tried to find out whether a newly rebuilt school in my own constituency has flammable cladding, but it seems impossible to do so. If I, as the local Member of Parliament with the access that I have to the relevant authorities, cannot find out, I pity those poor parents who are trying to find out whether their

[Mr Reed]

children will be safe after they have taken them to school each morning. I look forward to hearing the Minister's response on that point.

I came to this subject because a block in my constituency, Citiscape, has the same sort of cladding—aluminium composite material cladding—that was on Grenfell Tower. The cost of removing and replacing the cladding was £2 million. The managing agents wrote to leaseholders in the block, who received estimates of up to £30,000 each for the work to be carried out. Of course the vast majority could not afford that—not many people have £30,000 lying around in the bank, particularly not those who have just bought their first flat and are stretched on their mortgage—but they were told that unless everybody paid up, the work would not happen. In effect, nothing would be done to keep the people in the block safe. We approached the freeholder, but the freeholder is not legally liable to carry out the work and there was no way to compel the freeholder to do it. The builders also are not legally liable to carry out the work. They can rely on the fact that there are concerns about lack of clarity in the building regulations and guidance, and they had been following the guidance that they believed meant that the cladding was safe. It turned out at Grenfell that ACM cladding is absolutely not safe.

When the case came to the housing tribunal, it ruled that the leaseholders were liable. We hear welcome words from Ministers at the Dispatch Box saying that leaseholders should not be made to pay, but in fact the housing tribunal—the legal body responsible for adjudicating on the matter—said the leaseholders were indeed responsible and would have to pay. In the case of Citiscape and others where not all the leaseholders can pay, the work will not be done. People are stuck living in blocks with Grenfell-style flammable cladding strapped on the outside; they are living with their families, their children and their parents in absolute terror.

**Mr Jim Cunningham** (Coventry South) (Lab): I congratulate my hon. Friend on his speech and the argument he is making. It has long been argued that there should be some reform of leasehold law. We have tinkered with it over the years, but it needs to be dealt with properly, and Governments have shied away from doing so. I thought that the Secretary of State had said that he would discuss leaseholds with the people involved, some of the companies and so on. About 12 months ago, I said to the previous Secretary of State that what the Government should have done after Grenfell was to take emergency powers. Had they done so, we would not have some of these problems now. They did not do it and the rest is history.

**Mr Reed:** I am grateful for that helpful intervention and look forward to hearing the Minister's response.

I said that there were concerns about the state of the building regulations and the guidance, and it is worth exploring briefly how we got into a position where the regulations were so lax or could be interpreted in such a way. Back in 2009, there was a fire in Lakanal House in Camberwell, central London, that resulted in the death of six people, including a baby. An inquest conducted an inquiry, which took a number of years, and reported in 2013 in a very long document that contained some

very clear recommendations. The inquiry said that the fire safety regulations—specifically, part B of the building regulations, which cover fire safety, and the associated guidance—were unclear, and that that was the reason why unsafe and combustible cladding was being strapped on buildings where people lived with their families. The coroner was absolutely clear that if that lack of clarity was not remedied, we would be running the risk of further fires and further deaths.

**Andy Slaughter:** I mentioned Lakanal House, where six people died 10 years ago, yesterday. There was combustible material involved, but it was not ACM cladding. Is it not extraordinary that the Government's building safety programme is only tracking identification and remediation of residential buildings over 18 metres with ACM cladding? Should not the programme apply to all potentially combustible cladding?

**Mr Reed:** I agree with my hon. Friend. It is absolutely extraordinary that we are not looking, right now, at a ban on all forms of flammable cladding. It is now 10 years later.

What we see now is still evidence of a go-slow and foot-dragging approach by the Government that is highly inappropriate—I would almost say negligent—given the risk to life that we know exists from the deaths that happened at Lakanal House and those that happened in even greater numbers at Grenfell Tower. [Interruption.] It is no good the Minister shrugging his shoulders and grunting from the Front Bench. Grenfell happened after Lakanal because Ministers refused to act on the guidance—the instruction—that they were given by the coroner. Eric Pickles, who was the Secretary of State at the time, refused to act on the advice given by the inquest into Lakanal House in 2013. In 2016, because it had not been banned, ACM cladding was strapped to the outside of Grenfell Tower. In 2017, it went up in flames and 72 people lie dead as a result. It could not be more serious.

We need properly to understand how this came to be, why the Government did not act, and why the Government still have not acted to ban that type of cladding from buildings. They are talking about banning it, but all flammable cladding has not been banned from all buildings—[Interruption.] The Minister will have an opportunity to respond later in the debate, and we look forward to hearing him. [Interruption.] If he wants to intervene, I will take his intervention.

**The Minister for Housing (Kit Malthouse):** I am quite happy to intervene, and I am grateful to the hon. Gentleman. It should be clear that in December last year, we banned flammable cladding of all types on buildings over 18 metres. This is an absolute and complete ban, and nobody should be under any illusion about that, or represent it as being anything other than that.

**Mr Reed:** As I will come on to say during what remains of this debate, a partial ban is not a ban. This kind of cladding is still permitted on far too many buildings, and too many people are not safe. There has been no action to take flammable cladding off buildings where it already exists. Those are the issues that I want to come on to. In fact—

**Kit Malthouse** *rose*—

**Mr Reed:** I will take an intervention in a moment, but I want to make this point, because it is linked to the issue that we are debating right now.

In fact, there are still thousands of terrified residents living in blocks with the same kind of cladding, or a very similar kind of cladding, as that which went up in flames at Grenfell Tower. There are still 56 private blocks of flats around the country—that is 56—that have no clear plan in place to remove and replace it. People are left living in fear. There is no point in the Minister standing up and telling me the Government banned it last December when right now, in 56 blocks around the country, people are living with flammable cladding strapped to the outside of their homes and no plan whatsoever to remove it.

**Kit Malthouse:** We went through this yesterday during the urgent question. I am sorry that the hon. Gentleman is seeking to make an issue of it. We have made it very clear that while he is correct that there are still a number of private sector residential buildings that do not have a clear plan for remediation, it is the case, as I said yesterday, that 100% of those buildings have temporary measures in place that have been agreed and certified by the local fire and rescue service as appropriate for the building. My primary concern, and the Department's primary concern, has been to make sure that people are safe tonight. As I am sure he would acknowledge, it is not possible, by some feat of magic, to make this cladding disappear overnight. We must, however, make sure that everybody is safe overnight. That is where we have been focused.

The hon. Gentleman says that thousands of people are living in terror in blocks, but that should not be the case, on the basis that every local fire and rescue service has visited, inspected and agreed temporary measures with every residential building over 18 metres in height that has this cladding, and they are going back to check and monitor to make sure that they are in place. I really would urge him not to cause undue alarm among this residential population, because steps have been taken to keep them safe.

**Mr Reed:** I have to say, with all due respect to the Minister, that I find that comment rather complacent. It is all well and good to say that this cladding cannot be taken down overnight, but it is 19 months since Grenfell Tower went up in flames, it is 10 years since Lakanal House went up in flames, and it is eight years since the coroner told the Government that there needed to be a ban on this kind of cladding—that is not overnight. The Government have not acted with anything like the requisite speed, given the scale of threat to human life. It is completely unacceptable.

**Jim Fitzpatrick (Poplar and Limehouse) (Lab):** I am grateful to my hon. Friend for giving way. I apologise for missing the start of his speech, but I have been watching it from outside the Chamber. Notwithstanding the Minister's defence of the position, he accepted yesterday during proceedings on the urgent question that there are 42 blocks whose freeholder is saying that leaseholders have to pay for remedial works, as my hon. Friend said. The dangers may be temporarily resolved—there are big question marks about that—but the financial distress that has been caused to leaseholders by the prospect of hundreds of thousands and sometimes millions of pounds of debt has not been resolved.

**Mr Reed:** I absolutely agree. The level of stress that this is causing is making some people so ill that they cannot continue to work. We cannot allow this to go on.

**Sarah Jones:** I am sorry to keep intervening—my hon. Friend is being incredibly generous—but I just want to make a point about waking watch. Having talked to the fire services, I know that it is not an ideal situation. The fire services are worried that companies have come out of the woodwork and started doing waking watch, but people are not always well-trained and there are not always enough of them on site. Waking watch is very much a temporary measure. To have 19 months of waking watch is expensive, but also not ideal, and we cannot be 100% sure that these people are trained and doing what they are supposed to be doing.

**Mr Reed:** I am grateful for my hon. Friend's intervention. As the hon. Member for Bromley and Chislehurst (Robert Neill) will know, residents in Northpoint Tower in Bromley face bills of up to £70,000 each. People simply cannot afford that, and the stress they suffer from receiving that bill and knowing that, unless they find a way to pay it, they will be left living in a block with potentially flammable cladding on, is simply unacceptable.

**Robert Neill:** I am grateful to the hon. Gentleman for giving way again and for mentioning the problem at Northpoint. There is a certain insecurity about the risk of human error at the very least with a waking watch, but the difficulty is compounded by the cash flow impact. Most of these leaseholder groups will have a sinking fund that has been set up over the years, but that is quickly dissipated by the cost of the waking watch. In the case of my constituents, there is an enforcement notice running out in April. They could have the waking watch until then, which will exhaust all the reserves and will mean further calls on funds from people who often have mortgages, because they are often first-time buyers, and who effectively cannot raise any more money because the flats are currently valueless. It is a Catch-22: the money is exhausted, and they have no means of raising any more.

**Mr Reed:** I am grateful to the hon. Gentleman for his intervention; he makes an important point well. The other course of action that would normally be open to a homeowner—selling their home—is not open, because their homes are unsellable. Nobody will buy a flat in a block that has flammable cladding strapped to the outside of it. Whatever the Minister tells us, if we speak to people living in these blocks, they say that they feel abandoned by a Government who told them in the aftermath of Grenfell that everything would be done to keep them safe. They do not feel that they have been kept safe, and they manifestly have not been.

**Thangam Debbonaire (Bristol West) (Lab):** I thank my hon. Friend for giving way; he is being very generous and making an excellent speech. Does he agree that part of the problem is the lack of trust? When I met residents in my local tower blocks, they said, "You're telling me that this cladding on my block of flats is okay, but how can I trust?" That is compounded by the fact that the Lakanal House fire report, published in 2013, was not fully acted on by the previous Government but one.

**Mr Reed:** I am grateful for my hon. Friend's intervention, and she is absolutely right. I have seen previous Secretaries of State stand at the Dispatch Box and say that those responsible need to take responsibility. It is the Government who are responsible because the Government failed to act on the instructions and advice of the coroner following the tragic and fatal Lakanal House fire in 2009. The Government are responsible for the situation that these people find themselves in, and the Government should take responsibility for giving those people a way out of this, without burdening them with unmanageable debt or pointing the finger at all sorts of other people who they say have a moral obligation to act, when that is unenforceable in any court.

The only way this can be dealt with is if the Government take direct action. As my hon. Friend said, the Government failed to clarify the regulations and guidance after the fire at Lakanal House. It is not about an individual Minister or Secretary of State—there has been a whole string of them ever since that time: Eric Pickles initially, but subsequently Greg Clark, Sajid Javid, Dominic Raab—[*Interruption.*] I am sorry, Madam Deputy Speaker, I cannot remember their constituencies. A string of Secretaries of State have failed to take appropriate action in line with the guidance that they were given. A previous Housing Minister, who is now the Prime Minister's chief of staff, failed to act in this circumstance. I am afraid that collectively the Government are culpable for what has happened, and failed to act when they were told that action was necessary to prevent a repeat of Lakanal House. Of course, it was repeated horrifically in the disaster at Grenfell Tower.

I thought long and hard about why the Government would not act on that advice, and I have come to the conclusion that what is going on in this sector is nothing short of a national scandal. There is a tangled web of conflicts of interest that have led to the framework for fire safety regulations being wholly inadequate. The Building Research Establishment is a privatised organisation that helps to write fire safety regulations and drafts fire safety guidance. Its chief executive sits on the Government's expert panel on fire safety, and one of its trustees, Sir Ken Knight, was until recently the Government's chief fire safety adviser.

The BRE has a direct financial interest in the sector. It makes money by allowing cladding manufacturers to run fire safety tests on rigs that it sets up. The manufacturers are allowed to rerun those tests multiple times, with various adjustments, until they get the result that they want. There is no requirement on them ever to disclose the outcome of the final successful fire safety test—it is considered commercially confidential—nor is there any requirement on them to report publicly how many times their product failed a fire safety test before finally passing it.

The BRE makes money every single time a different rig is put up and a product is tested for combustibility. It has a direct financial interest in permitting the use of flammable cladding, because testing it is how it makes its money, and it was people with a direct interest in the BRE who advised Ministers not to ban combustible cladding. It is an absolutely shocking and scandalous network of conflicts of interest that the Government should never have allowed to happen.

**Jon Cruddas** (Dagenham and Rainham) (Lab): My hon. Friend is getting to the fundamentals of the issues. Let me give an example. I met a bunch of ladders, who handed me a document about the combustible compounds contained in phenolic foam insulation, which is used in multiple buildings. That document was 15 years old, and it detailed the combustible properties of that foam, which is still used and passes Government tests. The whole industry has to put up its hands on its historic culpability and the way it has dodged the inspection regime. These are life and death issues for our constituents.

**Mr Reed:** I am grateful to my hon. Friend for the important point that he has made. He has emphasised that this is not just about ACM cladding—there is a problem with wider fire safety regulations in the entire building sector—which we cannot allow, not just on residential blocks but on many different kinds of buildings. We need to understand properly those conflicts of financial interest if we are to understand what led Ministers to reject advice that they should have followed all that time ago.

I hope the Minister will put me right on this point, but I fear that subsequent Secretaries of State and Housing Ministers did not correct the mistakes made in the decision to ignore the Lakanal House findings because, if they recognised it as political failure, they would have to take political responsibility for the 72 deaths at Grenfell Tower after it went up, which they did not want to do. That is an extraordinary thing to have to say, but I believe it is true because I can think of no other reason why Minister after Minister failed to correct regulations and guidance that were so manifestly unacceptable, and that posed such a threat to life. That is not just supposition—we saw that it was a threat to life in the scale of the tragedy and the deaths that happened at Grenfell Tower. I would go so far as to say that, if the Government were a private company and acted as they have, Ministers could be in the dock for corporate manslaughter.

**Thangam Debbonaire:** My hon. Friend makes incredibly powerful points that must be taken seriously. Does he agree that the Government need to trace it back to the source and say which local government Ministers did or did not take seriously the Lakanal House report recommendations?

**Mr Reed:** I agree with my hon. Friend. It is critical that that happens so that we can understand what went wrong in the process. If we do not understand it, we cannot stop it from ever happening again.

The Minister mentioned the partial ban on flammable cladding that the Government have announced, which is welcome. Industry bodies have said on the record that they welcome it, but have also said that it is not enough and that we need to go further. The Government have proposed a ban on ACM cladding on new buildings that are over 18 metres high—that is roughly six storeys—but have excluded hotels and office blocks. I simply do not understand why. What evidence is there that a hotel or an office block is any safer than a block of flats? Surely if someone is in a hotel where they have never stayed, they are less likely to know the fire safety escape routes than if they are living in a block of flats, where they may have lived for some considerable time.



Many people at work have disabilities and are immobile. Why do we assume that somebody on the 18th floor of a tall office block will be able to get out, but that somebody living on the 18th floor of a residential block needs protection from flammable cladding? It makes absolutely no sense to me whatsoever, and I would like the Minister to explain to the House today what evidence there is that hotels and office blocks of more than six storeys or 18 metres are any safer than blocks of flats of the same height.

As my hon. Friend the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) said, after the new partial ban, the Government will still permit the use of flammable cladding on schools, care homes and hospitals under six storeys high, which of course most of them are. I wonder whether the Minister would feel comfortable telling a group of parents that he is allowing flammable cladding to go up on the building where they take their children every morning for an education. I certainly would not.

**Emma Hardy:** One justification for not having sprinklers in schools is that it is easy to vacate a building. Having been a teacher for 11 years, I know that it would need only a couple of young children to go a-wander, as they can sometimes do, to create a risky situation. If I can dare to use this opportunity to put another point to the Minister, I would ask him not only to look at banning combustible materials, but to look again at putting sprinklers into schools.

**Mr Reed:** I look forward to the Minister's response, but I agree completely agree with my hon. Friend.

I will draw to a close soon and I look forward to the Minister's response to hon. Members, but we need to recognise the scale of Government failure to put things right in any acceptable way, given that it has been 10 years since Lakanal House and 19 months since Grenfell Tower. The best way to meet the Lakanal House coroner's demand for clarity is to implement a complete ban on the use of flammable cladding on all buildings where people live or work. It is crystal clear; it is understandable to the building industry and everybody else; and it could be implemented if the Government had the will. In addition, we cannot look only at new builds. We need to look at all buildings where flammable cladding exists and continues to pose an unacceptable danger to people's safety and even to their lives. We need an action plan from the Government, for which they take responsibility, to strip flammable cladding from every single building where it exists. Many European countries have such a ban. Scotland is introducing a ban. We need that ban here, too.

There is one fire a month on average in buildings with flammable cladding. It is only a matter of time before one of those fires is not put out. The Government simply cannot risk the horror of another Grenfell. This is a time for action, not for words.

**Madam Deputy Speaker (Dame Rosie Winterton):** Before I call the next speaker, I must inform the House of an error in calculating the number of votes of Members for English constituencies in the Division on Lords amendment 36. The figures for the England-only vote should not have been announced as Ayes 265 and Noes 193; they should have been announced as Ayes 261 and Noes 194. The result is unaffected.

4.11 pm

**Andy Slaughter (Hammersmith) (Lab):** I am grateful for the time that has become available to make some brief remarks, although my hon. Friend the Member for Croydon North (Mr Reed) set the case out fully and persuasively, covering many of the points.

We all wait keenly to hear what the Minister has to say in his response. Notwithstanding his comment that we went through all this yesterday, rather than being bored by the subject or not interested in responding, he should seize the opportunity to give a fuller account of where the Government stand. As my hon. Friend set out, the Government's inactivity and partial solutions mean that we are in a state of some confusion—certainly our constituents are—and severely worried about the risks that remain. That is not scaremongering; those are real concerns felt by our constituents.

In a block in my constituency—I am going to a residents' meeting tomorrow night, the fourth on the removal of flammable cladding that I will have attended—the residents are fortunate in the sense that they have a housing association as a landlord, it has accepted liability and is removing the cladding at its own expense, and it is prepared to put up non-flammable cladding instead. The situation is still incredibly worrying: fire marshals have been in for periods, and there are concerns about the structure and other potential damage to the building, causing a huge amount of anxiety and of time taken up in negotiation.

I feel very much for my constituents and those of other Members who do not have similar advantages, but that introductory point allows me to say that the problem is widespread and hugely complicated. The Government seem to rely, as if on a crutch, on the Dame Judith Hackitt report. It is a good report, but it approaches the matter in a certain way—she would like to see a “golden thread of information” through UK projects from “design and construction” to “operation”—and at the moment we do not have a clear picture of which buildings are at risk.

Dame Judith can set out a preferred method of operation, but that does not resolve any of the many problems, or the conflicts of interest over time, set out by my hon. Friend, and nor does the report actually implement anything. Those are both matters for Government, and in those respects they are singularly failing. In clarification from the Minister, I want to hear in respect of existing buildings with all types of flammable cladding what the Government's policy is likely to be. My understanding, from responses to questions I asked before Christmas, is that the policy is likely to cover residential buildings, buildings over 18 metres and buildings with aluminium composite material cladding systems. That excludes a very large number of buildings that we know could have flammable cladding. I cannot understand the logic of the policy not being comprehensive, other than that the Government might not want to put in the resources or are phasing it in over a very long time.

**Kit Malthouse:** In all the assessments we make or have made around the ban on combustible cladding, we are guided by the expert panel. It is effectively the expert advisory panel that is setting the 18-metre limit, deciding which buildings are within scope and where there is most risk to life. This decision has not been made by politicians in the absence of expert advice. As I said

[Kit Malthouse]

yesterday, I cannot pretend to be a fire safety expert. Both I and the Secretary of State take into account the advice of a group of people that includes Dame Judith Hackitt, and it advises us regularly on these measures.

**Andy Slaughter:** With respect to the Minister, he may be listening to what he wants to hear. He should listen to a wider range of voices. I will give an example. In yesterday's urgent question, several Members—I was not one of them—mentioned the Rockwool company. I have quite a knowledge of this, because I have three very tall buildings—over 23 storeys—in my constituency that are just a few hundred metres from Grenfell Tower and which were fully clad by Rockwool. Following testing, the local authority was able to assure tenants that it was non-flammable cladding and that it met some of the highest standards.

The Minister, with almost wilful misunderstanding, said yesterday that he was not there to listen to people promoting individual companies. That is not the point. No one is promoting the commercial interests of Rockwool—in my dealings with it, it has been perfectly clear about that. We are pointing out that its standards are higher than many others in terms of the combustibility of the cladding, the insulation and the combination of materials. That is the point. No Member on either side of the Chamber is standing up and saying, "Please buy this particular product"; we are asking the Government to listen to the voices saying that their limitations and expectations do not go far enough.

**Kit Malthouse:** I want to reiterate what I said yesterday. I agreed with whoever it was who questioned me that it was not appropriate for us to promote a particular product from a particular company. As the hon. Gentleman says, the job of the Government is to set the standards, through building regulations, to which products must adhere and to make sure that the regulatory inspection regime works so that people can have confidence that the right product is being used in the right place. To reach those assessments, the Government require the advice of non-commercially interested expert opinion. The British people would not think it unreasonable for us to assemble a group of fire safety experts to advise on those standards and the circumstances in which they should pertain. That is all I am saying. As far as I can see, the Government are acting perfectly reasonably in taking this kind of advice. He may well dispute that advice, and he might think he can go further, but he needs to find evidence of where his expertise is coming from, and if it can be demonstrated that the independent expert advisory panel—the great and the good of fire safety—is incorrect, of course we will listen.

**Andy Slaughter:** I find the Minister's attitude astonishingly complacent. I am a member of the all-party group on fire safety rescue, which has done a lot of work on this, but it cannot possibly compete with the resources of the Government, so let us not be ridiculous about who should do the groundwork. I have taken part in a number of seminars with a number of experts. On those occasions I have heard a variety of views, but even now I still hear, from experts, manufacturers and others, special pleading for the acceptability of either leaving combustible materials—some of them more combustible

than the materials used on Grenfell Tower—on blocks, or continuing to install them. That terrifies me, and I think that it ought to worry the Minister.

**Jon Cruddas:** When it comes to the question of complacency and how much confidence we have in the system, I should repeat what I said earlier today about the ladders who put in the insulation, and who are aware of health and safety reports that undermine confidence in the materials that the Government are standing by on behalf of their regulatory bodies. Something must be systemically wrong if the guys who put the stuff on these buildings—and they are guys—are aware of that, and have commissioned reports because they are being damaged by those materials. If they are aware of it, it should not be beyond our collective wit for the Government to be aware of it.

**Andy Slaughter:** My hon. Friend has made a telling point. We will not find things that are wrong unless we go and look for them, and I do not feel that the Government are going to go and look for them.

**Mr Reed:** I completely agree with my hon. Friend's point about the cladding manufacturers seeking better reassurance for themselves. Of course, it is not just the cladding that is flammable; it is the combination of the cladding with the insulation. Because the Government permit what are called desktop studies—

**Kit Malthouse** *rose*—

**Mr Reed:**—which have allowed a particular cladding to be enriched with a particular form of insulation, they do not always know what is being put together and how dangerous that will be, and the cladding manufacturers do not want to know that their products are being used in ways that threaten life.

**Andy Slaughter:** I think that the Minister was trying to intervene on an intervention. I am glad to see that he at least has some interest in the subject. I shall make a little progress, and then I will take an intervention from him.

My hon. Friend is absolutely right. I do not think we are being paranoid about this. What concerns us is that a whole industry has developed on a defective basis over time, and has not been corrected: it continues to function as an industry and to make profits. No one is saying that we are going to wipe the slate clean overnight, but a lot of people have a lot to hide, and I therefore think it particularly important for the Government—who, as my hon. Friend the Member for Dagenham and Rainham (Jon Cruddas) said, may have something to hide as well—to be rigorous in shaking this out. They should look at the history—at the defects and malpractices that have grown up over the last 10 years or more—but they should also be very sceptical in future about some of the advice that they are getting. They should obtain the broadest possible range of advice.

**Kit Malthouse:** Let me again correct the record. I do not know whether the hon. Gentleman was absent in December, but he should know that we have banned desktop studies, and restricted them in other circumstances, to try to discourage their use. We did that before Christmas.

The hon. Gentleman made a good point about the effect of insulation combined with cladding. Our ban on the use of combustible materials on buildings more

than 18 metres high applies to everything that makes up the skin of a building, and that includes the insulation, not just the cladding. The 18-metre rule was of course introduced on the basis of advice from the expert panel. As I have said, if there is evidence to show that there are significant dangers to buildings that are less than 18 metres high, we will of course be happy to look into it.

I realise that Labour Members are trying to make this point, but I want to dispel the idea that we are complacent, because that is absolutely not the case. An enormous amount of effort, time and energy has been put into getting this right, and a large number of voices have been prayed in aid.

The hon. Gentleman is correct in saying that a defective industry has grown up over the last 20-odd or 30 years, under Governments of all stripes. As I said yesterday, the Grenfell disaster lifted a big flat rock from the building regulation system, which has not been functioning well for some time. It falls to me, and to the Secretary of State, to play our part in correcting that, and we are trying to do so with all speed.

**Andy Slaughter:** I am grateful for that “intervention”. I think that the Minister was using me as a kind of Ouija board to communicate with my hon. Friend the Member for Croydon North, but that is fine.

**Kit Malthouse:** We are not short of time.

**Andy Slaughter:** Returning to the central point, what we all want is the Government to take a comprehensive view of these matters in respect of both existing and new buildings. My understanding is that only a selective number of existing buildings are covered, based on height, use and the type of material used. I ask the Minister to confirm how far their scrutiny goes at the moment, and explain why he thinks it should not go further. The Government did make announcements on new buildings back in October; they talked about high-rise residential buildings, including schools, hospitals, student accommodation and care homes. That excludes certain types of building—such as office buildings, as has been said—and we cannot see why that is the case.

**Emma Hardy:** The announcements fail to recognise that most schools are not particularly high. I do not understand why the Government do not include all schools in this list, or else they are pretty much ruling out every school in the country.

**Andy Slaughter:** Absolutely; and if the Minister did not like us quoting commercial companies in this way, perhaps he will listen to the Local Government Association. It continues to strongly urge the Government to ban the use of any combustible materials, including cladding panels, insulation and other materials, on the external walls of high-rise and high-risk buildings—including all hospitals, care homes, schools both residential and non-residential, and offices—of below, as well as above, 18 metres in height. That reinforces my hon. Friend’s point. I understand that the Government are considering height again, but hopefully they will do that quite quickly and come to the conclusion that it is a somewhat arbitrary determinant, because there are other factors, such as means of escape, that can control how easily buildings can be evacuated. That is why I say this is a very partial solution.

If the Government do not like the LGA, perhaps they should listen to the Association of British Insurers. In all my experience in the time that I have been here, the Government have been the greatest friends of the insurance industry, and that has been mutual, but in the briefing for this debate the ABI says that it

“remains concerned over the limitations of the MHCLG ban, including the exclusion of buildings lower than 18m and limiting the ban to only care homes, hospitals and student accommodation. It makes no sense that someone can live in a high-rise residential building to which the ban applied but commute to work every day in an office block covered in combustible material.”

That is just common sense, but it comes from an industry body. I will wait to hear the Minister’s response on that.

There are other issues that go beyond fire safety. Some Members took the opportunity to raise them during yesterday’s urgent question, and the Minister commented yesterday that he was quite in favour of ’60s and ’70s buildings coming down per se—a radical solution, which was picked up by *Inside Housing*. I would give a qualified welcome to that: yes, if they are unsafe, unsuitable or not performing their function, but given the extraordinary housing shortage that this Government have presided over, perhaps the Minister should insist that we get rather more going up than coming down.

**Kit Malthouse:** What I said yesterday was that it was very often the case with buildings of the ’60s and ’70s that it was more efficient, and financially easier, to demolish and replace than to refurbish, and that many of these buildings, particularly LPC buildings, present technical difficulties that make them very expensive to deal with. I would add, frankly, that given the lessons over the years of high-rise living, councils should consider whether people would prefer to live in lower-rise, more gentle-density housing that could be provided on the same space.

**Andy Slaughter:** I will not be tempted into a wider debate, except to say to the Minister that it depends very much on the circumstances. Sometimes it is a matter of choice, and many high-rise buildings offer very good-quality accommodation and have good space standards. The space standards of the 1960s and 1970s often gave people very good, large accommodation, so I think he needs to be careful before wishing to be an iconoclast in quite the way that he does.

I find it deeply troubling that, as my hon. Friend the Member for Croydon North has said, there are still probably hundreds of thousands of people around the country living with insecurity. Nobody wants to exacerbate that unnecessarily. The Government must be clear and authoritative in the way that they present their plans to deal with the risks that Grenfell so tragically exposed. I will quote one more thing that the Minister said yesterday. He said in response to the right hon. Member for Chelsea and Fulham (Greg Hands):

“It can be extremely debilitating, concerning and worrying for any resident to have the future of their home mired in uncertainty. I hope that he gets the clarity that his residents need.”—[*Official Report*, 22 January 2019; Vol. 653, c. 137.]

He was responding to the right hon. Gentleman about a separate issue, which is being dealt with by the same local authority, Hammersmith and Fulham. I understand that that authority is being extremely responsible in relation to fire safety generally and also in relation to

[*Andy Slaughter*]

the specific blocks that were mentioned there. Indeed, there is a council meeting tonight to discuss that. It is about dealing with the system-built blocks of which Ronan Point was an example. Some local authorities, including my own, are dealing with these matters very responsibly. I absolutely agree that residents need to be given certainty, so it is ironic that within a few minutes' walk of those blocks that were being discussed yesterday there are two estates—the West Kensington and Gibbs Green estates—that have been under threat of demolition because of the actions taken by the previous Conservative council, in collusion with the regime at City Hall when the Minister was there. So we can all learn lessons from this.

On fire safety, the Government have a lot more to say and a lot more action to take, and I hope that the Minister will go some way towards doing that this afternoon by telling us what the Government's intentions are now in relation to existing cladding systems and any future new buildings, of whatever type.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. This is an important debate, and it is true that we are not short of time, but before I call the next speaker, I want to stress that the principle that interventions from both sides of the House should be short and to the point still remains.

4.33 pm

**Jon Cruddas** (Dagenham and Rainham) (Lab): I was not going to speak, but given that we have more time than we anticipated, I shall make a few comments on the basis of the meeting—which I mentioned earlier—with members of the GMB heat and frost ladders' branch in Dagenham. They are legendary in the sector for their knowledge of building materials and their compounds and properties, not least because they are the people who handle them. They also have a long-term legacy of dealing with the consequences—namely, an extraordinary profile of asbestos-related deaths and injuries—so it is in their interest to be acutely aware of the properties of the materials they are dealing with.

I am not a chemist, but given the nature of the debate and the brilliant speech by my hon. Friend the Member for Croydon North (Mr Reed), I think it is worth adding the contribution of those who deal with some of these materials at the front end, including their introduction in high-rise properties such as Grenfell. Over the years, those people have briefed me on a number of the health and safety tests applied to installations and foams, and I want to address the question of foams specifically this afternoon. I will come to what they have told me in a minute, but it is worth reminding ourselves first of the consequences of Grenfell and what the Government are doing about them. They sought to commission an audit of buildings across England to establish what types of aluminium cladding were in use on which buildings. They also audited the types of insulation that lay underneath the cladding. They found, as I understand it, that three broad types of aluminium cladding are in use. The first is PE cladding—the type used at Grenfell—which is the least fire-resistant type of panelling. The second is the so-called FR or fire-resistant cladding, which is a bit better in a fire. The third is A2 cladding, which has a mineral core of limited combustibility.

The Government subsequently commissioned six large-scale tests that sought to establish which types of insulation could be used with each type of cladding, which relates back to the combination issues mentioned earlier. One type of combustible insulation identified was polyisocyanurate or PIR foam—the type of insulation used at Grenfell—and the other was traditional mineral wool insulation. However, I was informed this morning that the Government also commissioned a seventh test, the rationale being that not all plastic foams are alike. The original tests used only PIR foam insulation, but there is another popular type of combustible plastic foam known as phenolic foam, which is held to have quite different fire performance.

I want to focus on the consequences of that seventh test, because phenolic foam did indeed perform a little better than PIR foam, but it still failed the test. Phenolic foam was deemed to have failed the test after 28 minutes, compared with PIR's 25 minutes. Altogether, that test means that the Government know of over 200 buildings with cladding that is of a configuration that failed the test post-Grenfell. However, it is my understanding, following this morning's meeting, that the National House Building Council, which has the authority to sign off buildings, still appears prepared to sign off a variety of combustible insulation boards combined with cladding with a combustible core, having stated in 2017 that

“this is on the basis of...having reviewed a significant quantity of data”.

Therefore, as far as I am aware—this relates back to a point made by my hon. Friend the Member for Hammersmith (Andy Slaughter)—building inspectors still appear to believe that phenolic insulation could be used safely with FR-grade aluminium panels.

I know that sounds pretty complicated. I am not an expert on building regulations. Nevertheless, the devil really is in the detail. It appears that, with the Government test results and industry guidelines, phenolic insulation in combination with safer claddings is still deemed safe today; but that is not the point I really wished to raise this evening. My point is that tests are still coming to light that actually undermine some of the assumptions that were made, even post-Grenfell, as to the satisfactory status of some materials. That is why I had a meeting this morning with several ladders to hear about their concerns, because my ladder friends have known for many years of the problems with phenolic foam. I am simply using that as an example to demonstrate some of the systemic problems and the lack of confidence in the system and its regulation, and to point to the need for the industry to put its hands up about what it has known for years and years—even decades—predating Grenfell, predating earlier fires.

For example, this morning I was given confidential technical report 41772 into the volatiles of phenolic foam, dated 18 September 2003—some 16 years ago. The tests found

“a wide range of organic compounds varying in chemical nature and volatility”

contained in the foam. It was found that such products could release a

“series of compounds toxic by inhalation, in contact with the skin and if swallowed, that can cause burns and have possible carcinogenic effects”.

That, of course, is bad enough, particularly for the ladders who administer such materials. However, the ladders came to see me and handed me that report because they are aware of details of some of these materials that have never come to light. If they are aware of them, that shows that they have no confidence in the system of regulation and the working knowledge in the Department of the properties of some of these materials.

The report goes on to state that compounds that are flammable, highly flammable or extremely flammable, such as acetaldehyde, can be released from the foam. I am not a chemist, but the compound that interested me most was methyl dioxolane, which “may form explosive peroxides”. A number of questions follow from that that have implications for our confidence in the system as whole. How long have we known about the possibility of extremely flammable and explosive properties in phenolic foam, which is widely used in signed-off cladding systems across the country? We should remember that these tests took place 14 years before the Grenfell fire. Given what we know, how is that foam still deemed safe, even after the post-Grenfell test results called that into question? Do the Government still assume that phenolic foam is safe? Is this foam still being administered? Given that—and I have had the report—will the Government investigate what we know, and what we have historically known, about this specific foam, as an example of the compounds administered in these buildings, and their explosive properties?

Generally, the comments of my hon. Friend the Member for Croydon North demonstrate the need to know more—way more—about these cladding systems, including the foams. Unless we get satisfactory answers to some of the questions he has asked, and that have been raised by the discovery of confidential reports on the compounds released by materials such as phenolic foam, how can we expect our residents to feel reassured? I am more than prepared to hand the Minister this report as an example of some the combustible properties of the materials that are signed off in the present building regulations.

4.40 pm

**The Minister for Housing (Kit Malthouse):** I commend the hon. Member for Croydon North (Mr Reed), notwithstanding his partial recitation of Government policy in this area, for recognising the importance of fire safety and cladding, and for securing this debate. I am always grateful for the chance to talk on a subject of such importance as fire safety and ensuring that residents are safe, and feel safe, in their homes.

I take this opportunity to express my sorrow at the obvious emotional distress caused to the hon. Gentleman's constituents and others by the Shurgard fire. He spoke very movingly about the fire's impact, particularly on families who are between homes, and I recognise the distress it may cause. Although I am sure he will recognise that building regulations are largely focused on preserving life, I nevertheless recognise the importance of what he says, and I will come back to that later.

A tragedy like Grenfell should never have happened in 2017, and this Government are determined to ensure that such a tragedy can never happen again. In the immediate aftermath of the fire, we acted quickly to establish a comprehensive building safety programme, which has involved many people working tirelessly to

identify and remediate buildings with unsafe cladding. We also established the independent expert panel to advise the Secretary of State on immediate measures, and we agreed to fund a comprehensive testing programme for all building owners to establish whether their units are cladded with unsafe ACM material. We have also worked with local authorities and with fire and rescue services, as I have explained, to implement interim safety measures in all buildings to ensure that people remain completely safe in their homes until remediation is completed.

Through the testing and the hard work of local authorities, we are confident that we have identified all social housing in England with unsafe ACM cladding systems. We have made good progress in making those buildings permanently safe. Of the 159 social sector buildings, 118 have either started or completed remediation. There are plans and commitments in place to remediate the remaining 41 buildings. To help to ensure swift progress, we have made £400 million-worth of funding available to social sector landlords to fund the removal and replacement of unsafe ACM cladding.

However, I regret that remediation in the private sector has been more challenging, with negotiations in some instances disappointingly slow. Since Grenfell, we have worked intensively with local authorities to identify and collect data on high-rise buildings with ACM cladding. We have also provided £1.3 million of funding to assist local authorities in that work. Local authorities across England have assessed around 6,000 private sector high-rise buildings. They have needed to take samples to test and, in some cases, take legal action to get owners to co-operate. We have taken strong action to give local authorities the support they need to enforce the removal and replacement of unsafe cladding, we have established a taskforce chaired by me and the Secretary of State to actively oversee the remediation of private sector buildings, and we have set up a joint inspection team to support local authorities and to give them the confidence to pursue enforcement action.

On 29 November 2018, the Government went further and announced that we will back local authorities to step in and take emergency remedial action where building owners are not co-operating in the remediation of cladding. This includes financial support, where necessary, to enable the local authority to carry out the emergency work. As a result of our interventions, we have made progress on securing commitments from owners to replace unsafe cladding. At the end of December, of the 268 privately-owned buildings, 212 have either started or completed remediation, or have commitments in place to remediate. There remain 56 private buildings where the owners' plans are unclear. That number has fallen from over 200 buildings last June.

We remain concerned about and engaged with the many leaseholders who find themselves in this difficult situation through no fault of their own. We have made it clear that we expect building owners in the private sector to protect leaseholders from the costs of remediation, either by funding it themselves, or by looking to alternative routes such as insurance claims, warranties or legal action. A growing list of companies have done the right thing by protecting leaseholders, including Barratt Developments, which has agreed to fund remediation at Citiscape in the constituency of the hon. Member for Croydon North.

[Kit Malthouse]

I am pleased to say that I sought and received confirmation that Barratt has started on site this week and is on site today.

The Government have made the remediation of ACM cladding a priority. That is because our large-scale testing programme has conclusively shown the particularly high risk posed by that form of cladding. However, it would be wrong to say that that has been our only focus. The expert panel has regularly considered the risks of non-ACM material and the action we should take. As a result, in December 2018, we issued updated advice to building owners about how to investigate non-ACM cladding systems on their buildings, and how to remediate them. In addition, we have commissioned the Building Research Establishment to conduct a testing programme on non-ACM materials, and we expect the first test results by the summer. We have also issued specific advice on other fire safety risks, for example, spandrel panels and external wall insulation.

However, it is clear that, while we must do all we can to protect people now, we need a systemic overhaul, as several hon. Members have pointed out. With that in mind, we commissioned Dame Judith Hackitt to undertake an independent review of building regulations and fire safety. Her report concluded that the current system is not fit for purpose, and charted the direction for a radical new system.

There is no question but that such a change will take time. None the less, the Government have not hesitated, and will not hesitate, to act where we can make a difference now—today. That has been clear for all to see, as we have gone further than the review's recommendations, including banning combustible cladding. Regulations were laid in November to give effect to the ban, ensuring that cladding of that nature is no longer allowed on the external walls of new buildings over 18 metres containing flats. We are also testing and trialling elements of the new system to ensure that they are effective before they are implemented at scale.

**Mr Reed:** The Minister talks about the ban for residential blocks over 18 metres high. What evidence does he have to show that hotels and office blocks over 18 metres are safer than residential blocks? Why has that led him to exclude them from the ban?

**Kit Malthouse:** The hon. Gentleman is right to raise that issue, which the expert panel has obviously considered. I would be happy to write to him with its considerations. In broad terms, it has focused on ensuring that purely residential buildings, where people sleep overnight, are inherently safe.

**Mr Reed:** Hotels!

**Kit Malthouse:** Exactly. Although the hon. Gentleman is right to say that people sleep overnight in hotels, staff members are present in hotels and office buildings. There is always an awake watch in a hotel and that is not necessarily the case in a residential block. However, those matters are obviously open to review, and if the hon. Gentleman wants to put forward evidence that contradicts the expert panel's, I will be more than happy to consider it. On all the issues, I do not want to give hon. Members the impression that our mind is closed. If evidence is presented to show that measures should

be taken because there is a significant safety concern in buildings other than high-rise residential buildings, we will be happy to look at it.

**Mr Reed:** I am grateful to the Minister for giving way again and for saying that he is keeping an open mind on these issues. That is the right thing to do, and I commend him for it. He mentioned the independent expert panel again. I reiterate a point that I tried to make in my speech. An expert panel is not fully independent if some of its members have a financial interest in a particular outcome. Will he commit to reviewing the panel to ensure that there are no such conflicts of interest?

**Kit Malthouse:** I am happy to review the panel, but I have confidence in its members and the advice that they are giving, not least because they are a plurality of voices. The panel does include Dame Judith Hackitt, along with several other people who have been involved in the fire and rescue service over the years, but I am happy to review its membership, as we would do generally, to make sure that we have the right range of expertise thereon.

As part of our plans, we also have our new joint regulators group and our early adopters group. They have come forward to help to drive culture change and demonstrate that the industry can put building safety first. I recognise, though, that there is much more to do. Our implementation plan, which we published before Christmas, sets out what the far-reaching overhaul of the system will involve over the coming years. The work spans four areas: first, a stronger, more effective regulatory and accountability framework; secondly, clearer standards and guidance to support better understanding by those carrying out building work of what is required to make buildings safe. This is an area in which we have already taken action, by consulting on a clarified approved document B to enable the guidance to be revised. We have also completed a consultation on restricting the use of desktop studies and published amended guidance on this matter. Thirdly and most crucially, a stronger voice for residents will be at the heart of the new system. Finally, the implementation plan sets out how we will work with industry to help it to prioritise public safety and lead the culture change—a change that we all agree is badly needed.

**Andy Slaughter:** Will the Minister address one specific point? We have seen the conversion of a lot of office buildings for residential use, which the Government have been promoting for some time under the permitted development rules. A lot of these conversions are of poor quality and, frankly, the buildings are unsuitable for residential use, but they have been converted anyway. I understand that, if that happens in future, the building regulations will subject converted buildings to the same requirements as new builds, but what about those that have already been converted? Will the Minister look into that specific issue in relation to cladding?

**Kit Malthouse:** Buildings that have already been converted and are within scope should have been part of the local authority inspection regime to ensure that they are safe. All buildings obviously have to comply with fire safety regulations and the local fire and rescue service should be engaged. I am more than happy to write to the hon. Gentleman with the details on

how we are dealing retrospectively with buildings that were converted under permitted development rights.

Before I close my speech, let me turn to a couple of the specific points that were raised. On self-storage, as I said to the hon. Member for Croydon North, current regulations are focused on life safety and have been for many years. Pleasingly, the number of deaths and injuries in commercial fires is very low, but that does not mean to say that we should be complacent and should not consider the issue. We have called for evidence on the review of approved document B and therefore do not rule out any changes to commercial fire regulations in those circumstances as well.

Following Grenfell, all schools, colleges and universities have been contacted to tell them to carry out building checks. All schools have to follow a range of strict fire safety regulations, which are designed to ensure that schools are as safe as possible and extremely well prepared in the event of a fire. The Department for Education has conducted an exercise to review all its buildings and has taken action where necessary. We continue to work closely with the Department.

**Emma Hardy:** May I ask the Minister again to look into reviewing whether to put schools on to the building safety list, because they are currently not on it? I would be grateful if he would take that away and look into it again.

**Kit Malthouse:** I am certainly happy to investigate that issue but, as I say, one of the delineations that the expert panel has made in its the consideration of safety is the notion of residence and people sleeping overnight in a building. As the hon. Lady will know, all schools have to conduct regular fire drills to make sure that they are prepared. It is also worth remembering that, sadly, fires happen in all sorts of buildings, many of which do not have cladding on them. There are all manner of buildings made from materials that are potentially flammable—wood, asphalt or whatever it might be—so we need to be proportionate in respect of the risk, while bearing in mind that we want to minimise it in all circumstances, when possible. A range of measures can be taken to ensure fire safety beyond the pure construction of the building, such as evacuation procedures, fire suppression techniques—sprinklers or whatever—heat sensors or smoke sensors. A number of things can be done to ensure that buildings are safe, but I am happy to take the hon. Lady's request away and consider it.

**Mr Reed:** I take all the points the Minister makes in a generous spirit, but parents clearly would not want there to be flammable cladding on their children's school, whatever other fire safety measures are in place. It is a simple thing to do, so why do not the Government just ban its use on new school buildings?

**Kit Malthouse:** As I have said, the Department for Education has conducted an exercise in which buildings have been reviewed and measures have been taken to ensure that those buildings are safe. I speak as somebody who has two children at school, and I understand that schools go through their fire drill, have fire doors, know where all the children are and are very focused on the notion of fire safety. I am more than

happy to have a think about the point the hon. Gentleman makes. As I say, we constantly keep these things under review, and the vehicle for that will be the review of approved document B in the building regulations in all circumstances.

I am not saying no, but the hon. Gentleman would expect us to have a proportionate response that minimises the threat of fire in all circumstances. If we were to extend his thinking, we might say that we do not actually want anybody in a wooden building. A single-storey wooden building—a mobile classroom or whatever it might be—is an issue that we need to think about. *[Interruption.]* I understand, but that is why height matters. The particular height of 18 metres has been selected by the expert panel.

As I have said, I am happy to keep that under review, and my mind remains open. The hon. Gentleman would expect me, I hope, to be constructive in such a way. None of us has an interest in there being fire casualties; we all have an interest in getting this right. My objection to the tone of some of his speech was that he should not infer that we do not care. Indeed, there is a huge amount of effort to get this right, both politically and on the part of the remarkably hard-working and dedicated civil servants in the Department. That is why we have a comprehensive work programme, with lots of calls for evidence. A number of groups are meeting to discuss the various issues and early adopters are moving towards a new building regulations system. As I have said, it is quite obvious that the Grenfell tragedy lifted a big flat rock on a system that has not been working for many years, and our commitment is absolutely to get that right.

My understanding is that phenolic foam is covered by the ban. However, I will commission a report from the Department to give me a quick review of the points raised by the hon. Member for Dagenham and Rainham (Jon Cruddas) to satisfy myself about our approach on that particular issue. I recognise his point about the potential toxicity of fumes that may occur, whatever the height of the building. We ought to have a look at that, and I am more than happy to do so.

This is a major programme of work—now slightly more major, given the undertakings I have made to do some more work—but it is one that befits the challenge we face. It ensures that everyone with a stake in keeping people safe plays their part, and it is the programme we need to rebuild public trust and to deliver meaningful and lasting change. I believe that this is the best tribute we can offer to those who lost their lives at Grenfell Tower and those who are left behind.

Once again, let me thank the hon. Member for Croydon North for securing this valuable debate. I want to assure him and everybody in the House that this Government are determined to learn the lessons of Grenfell Tower and to ensure that nothing like it can ever happen again.

**Sue Hayman (Workington) (Lab):** On a point of order, Madam Deputy Speaker. I wish to correct today's record. Earlier, when the motion on private Members' Bills was being discussed in a point of order, the hon. Member for Chichester said that amendment (b) had been proposed by the Labour spokesperson for the environment, which is, of course, me. I was quite surprised to hear that, as it was not something that I had done.

*[Sue Hayman]*

I just want to set the record straight to confirm that it was the Labour spokesperson for communities who had put forward amendment (b) to the motion on private Members' Bills.

**Madam Deputy Speaker (Dame Rosie Winterton):** I thank the hon. Lady for her point of order and for giving me prior notice of it. I think that she did try to

contact the hon. Member for—I think—Chichester. *[Interruption.]* Sorry, Christchurch. The hon. Lady has contacted the hon. Member for Christchurch (Sir Christopher Chope) and she has, obviously, put the record straight.

*Question put and agreed to.*

5 pm

*House adjourned.*







# Westminster Hall

Wednesday 23 January 2019

[MRS MADELEINE MOON *in the Chair*]

## FTSE 100 Company Pay Ratios

9.30 am

**Siobhain McDonagh** (Mitcham and Morden) (Lab): I beg to move,

That this House has considered FTSE 100 company pay ratios.

It is a privilege to be under your chairship today, Mrs Moon. I have to be honest and open with the Chamber: I am guilty of trying to dumb down parliamentary proceedings; I attempted to call this debate “Fat Cat Friday”. However, the Table Office pointed out that that would not be correct in the circumstances. I wanted to call the debate that because by lunchtime on Friday 4 January, the UK’s top chief executives had earned more than their average employees would earn over the entire year. Those chief executives take home astronomical figures that are more like telephone numbers than salaries. Although the average employee has seen their salary remain stubbornly low, the pay packets of the FTSE 100 chief executive officers have risen by an average of 11% over the last year alone, soaring to a staggering average of £3.9 million per year. How can that be right, just or fair?

Let me emphasise right from the beginning that I have absolutely no qualms about those at the top being paid well; I appreciate the demands of running one of the UK’s biggest organisations. And I am not, at the moment, calling for a pay cap or a widespread cut to chief executives’ pay. I am calling for fairness—for the importance of the contribution of those at the bottom to be recognised in line with the contribution of those in the boardroom; and for organisations to determine the pay and reward schemes of all employees in one whole-company pay policy.

I will describe in more detail the pay ratios across the FTSE 100, and will consider the causes and consequences of such extreme differences in pay within organisations. Then I hope to detail the reality in some specific organisations, before considering the tangible steps that the Minister and this Government should take to combat such unfairness in the workplace.

Let us start with the FTSE 100. In advance of this debate, Will Turvill of *The Mail on Sunday* made a remarkable analysis of the pay ratio between FTSE 100 CEOs and the average wage of workers at their firms. Staggeringly, his results reveal that one FTSE 100 company, Melrose Industries, pays its chief executive a completely eye-watering 1,000 times more than the average wage of its employees. I appreciate that this is an extreme example, but few of the other 99 companies on the FTSE 100 index can consider themselves exempt from being similarly unjust.

Even among the FTSE 100, there is inconsistency and disparity. A FTSE 100 CEO is more likely to be called David or Steve than to be a woman or to come from an ethnic minority. What is more, the six female FTSE 100 chief executives earn just 54% of the salary

of their 94 male colleagues. However, that is a debate for another day, because it is the FTSE 100 index as a whole that I will focus on today.

Back in the late 1990s, the pay of a FTSE 100 CEO was an extortionate 59 times higher than that of their average employee. If we fast-forward 20 years, it has sky-rocketed to being an eye-watering 145 times higher, and rising. Let that sink in: it means that it would take the median UK worker an extraordinary 137 years to earn a FTSE 100 CEO’s annual pay. Is a chief executive today working that much harder than they did just 20 years ago? The statistics suggest otherwise, as there is very little evidence that soaring CEO pay has incentivised or been the reward for better company performance, because the value of the FTSE 100 has changed little since the late 1990s. However, the pay of FTSE CEOs has increased by 300%. Meanwhile, two thirds of these top firms fail to pay the living wage.

Such mind-boggling figures are difficult to comprehend. To provide some perspective, a FTSE 100 CEO is paid an estimated 132 times more than a police officer, 140 times more than a teacher, 165 times more than a nurse, and an astronomical 312 times more than a carer. These indefensible ratios are a slap in the face for hard-working employees across our country who, at the very least, expect to take home a fair day’s pay for a fair day’s work.

Before this debate, the House of Commons digital engagement team kindly sought the views of the public on this matter. One person said that

“when their employees are working full time and not being able to afford proper accommodation, energy, food, transport or children, suddenly the difference in pay seems rather stark.”

Another person suggested that

“there should be a pay ratio, so if CEOs wish to continue enjoying these luxuries they must ensure that their lowest paid employees are earning a sufficient amount.”

I believe that the pay ratios that I am describing are utterly unacceptable, unjust and unfair. As the executive director of the Equality Trust, Dr Wanda Wyporska, says:

“A society that values its teachers, care workers and nurses at less than 1% of a FTSE CEO is beyond broken”.

Her view is a common one, with an Oxfam survey finding that 72% of people want to see the Government urgently addressing the income gap between rich and poor.

What is causing such extraordinary executive pay to continue soaring? Perhaps it is the fact that former or serving chief executives pack the remuneration committees that set pay levels at large companies; perhaps it is the decline in trade union membership; or, most likely, it is the inaction of the Government on ensuring that fairness is at the heart of the world of work.

These pay ratios stem not just from extortionate salaries, but from extraordinary incentive schemes that are increasingly reserved only for those in an organisation’s boardroom. I must be clear once again: I have no problem retaining incentive pay for executives. However, incentive schemes should be available to all staff on the same terms.

**Hugh Gaffney** (Coatbridge, Chryston and Bellshill) (Lab): I am sorry for stopping a good speech, but my hon. Friend mentioned incentives; these CEOs also

[Hugh Gaffney]

have the incentive of awards, including CBEs. Paula Vennells of the Post Office got a CBE, as most of these fat cats do. They end up getting awards, OBEs, knighthoods and all the rest of it, while the workers are suffering. There are people at the Post Office who face difficulties because of Horizon, a new system that has come in. Good postmasters—good people who are loyal to their communities—have been taken to court, and some of them are now going back to court. Will these CEOs be stripped of their knighthoods and awards?

**Siobhain McDonagh:** I thank my hon. Friend for that intervention. I will consider the Post Office a little later in my speech.

Having such incentives for all staff seems like a common-sense way of providing sensible alignment between average workforce pay and executive pay. It is a straightforward, practical idea to have a whole-company pay policy. Let me describe in more detail the reality at specific organisations in the FTSE 100 to illustrate the inequality that grows in the absence of a whole-company pay policy. I will start with Persimmon, whose former boss, Jeff Fairburn, last year received, on the back of Help to Buy, £47 million, which is an extraordinary 882 times the average salary of his workers, before he lost his job. We all remember the backlash when Mr Fairburn was granted a £75 million bonus. In the heart of a housing crisis, do we really think that he should receive such a staggering sum, or should we have seen that money helping young couples who are looking to get on the housing ladder?

How about the owner of Ladbrokes, GVC, whose chief executive, Kenny Alexander, raked in pay that was a huge 484 times higher than the average pay of his workforce? And how about Tesco, whose CEO, Dave Lewis, received a £4.9 million pay packet, which is 303 times greater than the average pay of his employees? Is he working 303 times harder, longer, or better than them?

Then there is Sainsbury's: a pillar of the Great British high street. Over 148 years, it has established a reputation as a leading retailer and a good company to work for, but its lack of a whole-company pay policy has led to the most disgraceful discrepancy in its staff salaries. Under the guise of an increase in basic pay, 9,000 loyal and long-standing Sainsbury's staff are set to lose up to £3,000 a year from 2020. They will forgo their paid breaks, the night shift will be shortened, and their Sunday premium will be removed. While those shop floor staff will see their bonus scheme scrapped under these new contracts, CEO Mike Coupe takes home an eye-watering bonus of £427,000 as part of his £3.4 million pay packet, and although the salaries of those staff are crumbling, their bills, mortgages and rent are still the same at the end of each month. I wonder whether Sainsbury's remuneration committee gave a moment's thought to those staff when it signed off its executive bonuses. When the board and remuneration committee sit down to discuss what the pay package for Sainsbury's CEO is going to be, they should also be deciding the pay and conditions for their lowest-paid staff. If they thought about those two things together, there would be a bit more modesty, a bit more honesty and a bit more embarrassment.

Such inconsistency and injustice has grown to become the norm throughout the FTSE 100 and across the high street, with treasured organisations such as Marks & Spencer and B&Q falling foul of the expectation of organisational fairness. The absence of a whole-company pay policy in such organisations has led to unjust disparities. It is at this point that I turn to the Royal Mail.

Of course, examples of those disparities can be found outside the FTSE 100, and I thank the Communication Workers Union for bringing the following example to my attention: since the Royal Mail was privatised by the coalition Government, the pay of its CEO has soared beyond recognition. Before privatisation, the total pay of the chief executive, excluding their golden hello, stood at just over £1 million, 50 times higher than the average wage in the organisation and 78 times higher than the lowest wage. Since privatisation, the chief executive's salary has doubled; it is now 90 times higher than the average wage and an unjustifiable 123 times higher than the lowest wage. What would have been money for a public asset and its workers is being pocketed for private profit at the very top of the company.

As for Post Office Ltd, things started to change once it was decoupled from the Royal Mail. A postal assistant earns just 3% of the salary of the chief executive, who received a 7% pay rise last year. This is an organisation that is overseeing the privatisation of Crown post offices across the country and the potential transfer of hundreds of Post Office staff to WHSmith, rated by *Which?* as the worst retailer on the high street. I emphasise once again that I am not calling for a cut to, or a cap on, the chief executive's salary; I am calling for consistency, parity and fairness across her organisation.

I am pleased to see the Minister here to respond to the debate. She may remember that we met last year to discuss exploitative pay in assignment contracts, which are thankfully about to be abolished, so she has shown that she is willing to listen. Let me assess the further steps that could be taken to bring fairness back to the world of work. In August 2017, the Prime Minister described the “excesses and irresponsibility” of some big business moguls as undermining confidence and damaging the social fabric of our country. If only she had followed those strong words with strong action!

Granted, new rules that will force all UK firms with 250 or more employees to start publishing their pay ratios should be warmly welcomed. However, those figures will be based on the median average of UK employees—that is, the salary of the employee halfway between the top of the scale and the bottom. A truer reflection would be to use the mean figure, taking into account the ratio of the lowest-paid employee compared with the highest. I ask the Minister how that policy will ensure that such extreme pay ratios do not occur in the first place, and what happens if and when they are shown to continue.

As the Chairwoman of the Business, Energy and Industrial Strategy Committee, my hon. Friend the Member for Leeds West (Rachel Reeves), says:

“If shareholders won't or can't hold these companies to account, then we will need Government to step in with tougher rules that clamp down on this kind of executive reward.”

Naming and shaming companies, and other piecemeal reforms that rely on organisations' good will, have proven wholly ineffective. What is more, it is overwhelmingly clear that such excessive and unequal pay ratios are

unpopular with the general public and reduce staff morale. *The Mail on Sunday* revealed this weekend that CYBG, the owner of Clydesdale bank and Yorkshire bank, faces a shareholder revolt at its annual general meeting over excessive bonuses for bosses.

However, we should not wait for isolated pushbacks. I suggest that the Minister takes note of the example of Sweden, ranked one of the happiest countries in the world, where companies with pay gaps face fines if they fail to close them. Furthermore, trade unions should have reasonable access to workplaces, and all FTSE 100 companies should strive to be accredited by the Living Wage Foundation. Most of all, I call for the important contribution of those at the bottom to be recognised in line with the contribution of those at the top, and for organisations to determine the pay and reward schemes of all their employees through one whole-company pay policy. If an incentive scheme is made available for some staff, it should be on offer for all within that organisation, on the same terms. Why should any organisation have a rule for just some employees, not a rule for all?

If a whole-company pay policy does not work, perhaps it is time to introduce a maximum pay ratio at those organisations. In an ideal world, I would not want society to be so prescriptive, but the worsening inequality I have described undermines our democracy, and I believe that our social democracy relies on fairness. It is based on the belief that people will behave reasonably, so when our democracy is not fair, the state must become involved. This is about more than just money, the economy and the world of work. Unfairness at these levels breeds cynicism—the feeling that the system just does not work for the ordinary person—and if that system does not work, why should a person trust in, vote in or participate in it? A lack of fairness produces spiralling disharmony and disaffection in society, and it is our duty as democrats to solve it.

The fact that it takes just three days for the UK's top chief executives to earn more than the average employee is utterly shameful. After a hard day's work, the very least that an employee deserves is to take home a fair wage that is in proportion to that of their colleagues. Across the FTSE 100, the absence of whole-company pay policies results in organisations rewarding the minority in the boardroom at the expense of the majority at the bottom. Enforcing or encouraging a whole-company pay policy in those organisations would be a sensible, logical and practical step towards ensuring that all hard-working employees receive a fair deal at work.

9.48 am

**Kirsty Blackman** (Aberdeen North) (SNP): It is a pleasure to take part in this debate, Mrs Moon, and I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on having secured it. It is unfortunate that it is not as well subscribed as I had expected it to be; I had thought that this was a great debate to be involved in, on an issue that matters a huge amount to an awful lot of people who live in all the countries of the UK. I will highlight a few figures, some of which have already been mentioned by the hon. Lady; I will also talk about what we are doing about some of these issues in Scotland, and what we would like to do about them.

The remuneration of FTSE 100 CEOs between 2009-10 and 2017-18, over the course of this Conservative Government, has gone up by 66%, which is a significant

increase. One of the interesting stats that I discovered when I was looking into this issue is that in 1980, median FTSE 100 CEO pay was 11 times that of the median worker. By 2010, that had risen to 116 times the pay of the median worker—an absolutely massive increase that surely does not reflect an increased workload of that level. I imagine that those CEOs are not doing 10 times the amount of work they were doing in 1980, and that the people who are working at the bottom of those companies are working just as hard as they were in 1980. An increase in the ratio to that extent cannot be justified.

In 2017, the mean pay of a FTSE 100 boss was £5.7 million. Compared with many people who live in my constituency or throughout these islands, I have a significantly large salary. I am very grateful for that, but even on my relatively large salary, £5.7 million is a number that I cannot even comprehend. It is a ridiculous amount of money for people to be earning.

I understand that the hon. Member for Mitcham and Morden was talking not about the particular salary that those individuals receive but about the ratio, and that is what I want to come on to. The important point about this debate is that it is about equality, and it goes much wider than FTSE 100 companies. We have massive inequality throughout the countries of the UK and much more can be done to improve the situation. When seeking to improve things, I tend to say that we can do so in Parliament, because we have the ability to lead the way as parliamentarians. We often fail, but we have that ability. We also have the ability to legislate to ensure that FTSE 100 companies can lead the way for all companies across the UK in removing the levels of inequality.

It is not only the person on the street or the person working at the bottom of these companies who is unhappy; there is also continuing shareholder dissent. It is important that shareholders are empowered and have the ability to make changes. They are unhappy and there is backlash from them about the massive bonuses and huge pay increases received by CEOs. If we empowered shareholders a bit more, they would have the ability to make those choices to help reduce inequality throughout the companies. Shareholders do not want to be associated with a company that has a CEO receiving a massive salary, massive bonuses and massive pay rises while the worker working on the basic wage is having their bonus scheme removed, for example. It is important that shareholders who have that moral compass can make that mark on the company.

It is important to look at corporate governance legislation and regulations. The changes on reporting the gender pay gap are helpful, but they do not go far enough. It is good that we have reporting on the gender pay gap, but there should be something—not so much a carrot, as a stick—to ensure that the gender pay gap improves. It would be unreasonable to ask companies with a massive gender pay gap to reduce it to nothing in one year, but it would be reasonable for the Government to mandate companies to show progress in reducing the gender pay gap. That should involve not just saying, “This is what we will do about it”, but, “This is the timeline on which we expect to make progress. We will reduce our gender pay gap by 5% in the next two years and reduce it further after that.”

[Kirsty Blackman]

A similar approach could be taken to wage ratios. Companies could be subject to a reporting requirement to submit details on how they will improve the ratio with set targets, and they could be subject to some kind of punishment if they do not meet those targets, rather than them just saying, “This is what we are doing”, but with no set outcomes. That is where a lot of people are on gender pay reporting and ratios.

In Scotland, the Scottish Government have put social justice at the heart of civil service pay policy. Public sector employees in Scotland are paid at least the Scottish living wage, and we have no age requirement for that. Under-25s who would receive a lower minimum wage under UK legislation are eligible to receive the Scottish living wage if they work in the Scottish public sector, no matter their age. We recognise that just because someone is 24, it does not mean they have fewer outgoings than someone who is 25. They could be in exactly the same set-up, renting a flat and with a small child, whether they are 24 or 25. The Government desperately need to tackle the fact that under-25s are being paid less. The Scottish National party has been vociferously making that case at every possible opportunity, including my hon. Friends the Members for Glasgow Central (Alison Thewliss) and for Glasgow East (David Linden) with a ten-minute rule Bill.

The UK Government are not taking the necessary action, so we are asking them to give Holyrood the power to legislate on maximum and minimum wages. That would address the lower end of the spectrum where people should be paid an actual living wage—one that they can really live on, not a pretend living wage—and, at the other end, maximum wages and bonus payments. We want power over wage ratios. That is not to say that we have a set idea of exactly how we would legislate on high wage ratios, but if Holyrood had the power to do so we could at least have those conversations and consultations. We could come up with a policy that would work for employees, shareholders and the general public. We believe that we are more likely to take action than the UK Government, given their track record. They have not moved as far as we would to tackle inequality in Scotland.

In terms of SNP policy, in June 2018 we had a very good debate at SNP conference about wage ratios. We agreed as a party—our policy is made at party conference—that wage ratios would be one way to tackle inequality and that we would consider it and take it on. An independent Scotland would have a wage ratios consultation and discussion and, if possible, a policy. We would look at the best possible way to do that.

I want to talk a little about the real living wage and employment in Scotland. Employment law is reserved to Westminster, which we have argued against because the SNP and Scottish parliamentarians in general—this view is not reserved to the SNP—have much more respect for workers’ rights, so there is much more likelihood of them improving if we had the ability to legislate in our Parliament. Despite not having power over the issue, we have tried to make changes in our society and, to a limited extent, we have. A lower proportion of people in Scotland are on zero-hours contracts than in any other nation of the UK. The Scottish Government were the first Government in the UK to become a living

wage employer, so we are putting our money where our mouth is. We are saying to people, “We are proving that we can do this. We are proving that we will put workers’ rights at the heart of what we do. That is why we believe that Holyrood should have power over that.”

Down here, we vociferously opposed the Trade Union Act 2016. We disagreed with a huge number of things in it. It is incredibly important that we have strong trade unions. If trade unions had the abilities that they previously had, their voice would be heard much more loudly. It would be amplified by the legislation, rather than quashed. Wage ratios would be tackled much more vociferously by the trade unions.

In this Parliament, we have also promoted a Bill to ban unpaid trial shifts, which would give rights to those workers who are forced to work for nothing while doing a trial shift. We promoted a Bill to give workers in precarious work the same rights as employees. It is incredibly important to ensure that they enjoy the same rights as people in more stable employment. In fact, it is even more important for someone in precarious work to have those rights than someone in work that is a bit more stable. That was a good Bill, promoted by the SNP.

Our most recent Bill was on employment rights. It would have stopped gig economy workers and small and medium-sized enterprises getting late payments, which is important for cash flow. Our Bill made clear the importance of someone working in the gig economy being paid on time.

Lastly, I want to talk about what the Scottish Government have done. In Scotland, we have the fairest income tax system in the UK. Some 55% of our taxpayers pay less than they would if they lived elsewhere in the UK. About half of English taxpayers pay more than they would if they lived in Scotland. It is the lowest-paid workers, not those at the top, who are paying more in England and less in Scotland. Next year, the top 1% will be asked to pay a little more on their income, and the remaining 99% will pay the same or less than at present. I therefore suggest that the Scottish Government’s policy on income tax is much better and fairer than that of the UK Government.

We are regularly attacked by the Scottish Tories for what we have done to improve fairness in income tax, but since we introduced the Scottish rate of income tax and varied the rates, our economy has grown faster than that of England, so the suggestions that all sorts of chaos would follow have not come to pass. There is a real difference between the actions of the Scottish Government and those of the UK Government. At every opportunity the Scottish Government have pursued fairness and attempted to reduce inequality, and the Bills that the SNP has promoted down here have attempted to reduce inequality in the whole of the UK because workers’ rights are currently a reserved matter.

Holyrood does not have the full range of powers over this matter. We want workers’ rights to be devolved to Scotland. However, given the chaos that is happening and the impact that Brexit will have on the lowest paid in particular, it is increasingly evident that Scottish independence is the only way forward. If Scotland had control over workers’ rights, we would make better decisions than the UK Government are currently making, and that makes the case for Scottish independence ever stronger.

10.1 am

**Laura Pidcock** (North West Durham) (Lab): I thank my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) for securing this important and timely debate. Such debates expose our politics and the difference between political parties. It is vital that we discuss not only pay ratios, but solutions to extortionate pay, such as an excessive pay levy, and improved collective bargaining for workers through strong trade unions as a way to uplift the pay of millions of workers. It is also crucial that we are able to place the extortionately high pay of FTSE 100 chief executives in the context of low pay and the crisis of work in this country, where millions struggle to make ends meet, and where work is certainly no longer the preventer of poverty, which is a reality for millions of people.

Despite this state of affairs, as was mentioned, by lunchtime on 4 January, the top chief executives in the UK had been paid more than their average employee is paid in an entire year—an extraordinary fact. Every single year, that date and time comes sooner in the year. Unless action is taken, it will be one minute past midnight on 1 January when those people will have been paid much more than their employees. Every year, the Government take no action on that extraordinary fact. Those at the top are increasing their wealth.

I agree with my hon. Friend: perhaps this place should relax a little, because “fat cats” is exactly the right title for those executives who now get 133 times more than the average worker, which means that the salary of the average FTSE chief executive is the same as that of 386 workers on the minimum wage. It is politically poignant to note that some people are not outraged by that statistic. They are quite comfortable with the inordinate, huge salaries of executives who are paid grossly more than those who work for them.

I am sure that nobody would argue—my hon. Friend touched on this—that a FTSE 100 chief executive works 133 times harder than a hospital porter, a cleaner or a caterer. I went on a solidarity protest yesterday with strikers at the Ministry of Justice and the Department for Business, Energy and Industrial Strategy. Let us think about the caterer on exactly £8 an hour fighting for the London living wage. That works out at about £1,280 a month if they work a 40-hour week every single week of the month. If we think of rent, transport, bills and food, that person has a tiny amount to live on every month. I am sure nobody would argue that a FTSE 100 chief executive works 133 times harder than a teacher or a nurse in our NHS, or that they somehow have a combined worth of 386 workers.

**Kirsty Blackman:** The hon. Lady is making an incredibly powerful point. Does it annoy her as much as it annoys me that the Tories talk about hard-working families, but they do not mean hospital porters? They mean people who are much higher up the tree. Hospital porters, cleaners, chefs and the people she talks about work incredibly hard every day just to make £8 an hour.

**Laura Pidcock:** And that work should be valued. It is no coincidence that those people who work really hard, but very often still cannot survive and do not have enough money to pay the bills, get into debt to pay for everyday items—not for luxury holidays, or any luxuries at all. Those people should be at the heart of our

concerns in this place. I am mindful never to use the word “earn” when we talk about the pay of the very few at the top. What could they possibly do to earn such large amounts of money?

It is crucial to recognise the context in which FTSE 100 pay ratios are widening. In a stark contrast to the stockpiling of wealth by a few, years of austerity and wage stagnation mean that millions of workers across the country struggle to make ends meet, as I say. In-work poverty is rising and household debt is at its highest rate. Many people rely on borrowing, and one in five workers—more than 5 million people—are paid less than a living wage. That is a huge increase from 3.4 million in 2009. Insecure work has without a doubt become the norm, with nearly 4 million people—one in nine workers—facing uncertainty and worry. They are trapped. To illustrate the low-pay trap, one in four employees earning the minimum wage for five years has been unable to move out of that low-pay trap. Some people do two or three jobs to try to pay the bills, but it has not always been like that.

In 1980, as was mentioned, the median pay of directors in FTSE 100 companies was £63,000, and median pay across the country was £5,400. The ratio of executive pay to the average wage then, less than 40 years ago, was 11:1. In 2002, the pay of a FTSE 100 CEO had shot up to 79 times that of their average employee, and last year it had reached 150 times. This place is doing nothing to stop that runaway train of inequality. I seriously hope that those ratios are unacceptable and completely unjustifiable to anyone. It is particularly obscene that this escalation has come at a time when millions of people are struggling. There is a stark contrast between those two sets of people.

No doubt the Minister will refer to the Government’s reforms to tackle excessive pay in her speech shortly, but I want to make it absolutely clear that under this Government, not only has pay inequality continued to rise, but so has the speed at which it increases. I am proud that Opposition MPs are committed to taking action, because doing nothing is not good enough. When I have been out campaigning, loads of times I have heard people say, “The rich continue to get richer and the poor get poorer. There is nothing we can do about it,” but I fundamentally disagree. Yes, the rich are getting richer, but we can definitely do something about it.

In contrast to the Tories, a Labour Government would ensure pay ratios of no more than 20:1 in the public sector, for example, and we would introduce an excessive pay levy that would charge a 2.5% levy on earnings above £330,000 a year, which is a huge amount, and 5% on those above £500,000. It is estimated that that alone would raise £1.3 billion a year.

I am sure that the Minister will mention that from 1 July the Government will ensure that companies with more than 250 employees will be obliged to reveal and justify their pay ratios. However, there is no obligation on those companies to take any meaningful action beyond the act of publishing those facts. It is yet more empty rhetoric. How is it helpful just to have the injustice out there, without any action to remedy it?

We need practical, political solutions to curb undeserved excessive pay, and to create mechanisms for better income distribution. That is why we commissioned a report by Prem Sikka, published last year, suggesting a range

[Laura Pidcock]

of measures that would apply to the more than 7,000 companies in the UK that have more than 250 employees, accounting for more than 10 million workers. Needless to say, we are looking at the report's recommendations closely, including proposals requiring executive remuneration packages of all large companies to be subject to a binding vote.

That is just one solution to excessive executive pay. Trade unions are the collective voice of workers, and they have to be central to the debate. They are a huge player in reducing inequality in the workplace, but, after years of anti-union policies, the vast majority of workers have absolutely no say over their pay, conditions or hours of work. Protections that existed before under collective bargaining agreements have been completely lost.

Workers deserve a lot more. Pay ratios are just one aspect of tackling pay inequality. That is why a Labour Government would set up a new Department to roll out sectoral collective bargaining—protecting the interests of workers, strengthening trade unions, and introducing new rights and freedoms so that every worker gets the support, security and pay at work that they deserve.

Surely it is time to end the excessive greed. People are feasting on the backs of workers who are struggling to make ends meet, and who have the gut-wrenching feeling that they cannot afford nappies for their children, even though they work more than 40 hours a week. Surely that cannot be right. The Government must act to end that injustice.

10.12 am

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst):** It is a pleasure to serve under your chairmanship, Mrs Moon. I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing today's important debate. She has a strong, long-standing record of campaigning on behalf of low-paid workers in the economy. I highlight the constructive way in which she approaches working across the House on some of these issues; I know that she secured an Adjournment debate on whole-company pay policy last July.

Executive salaries and pay ratios are undeniably high. Currently, the ratio of the pay of the average FTSE 100 chief executive officer to that of the average UK employee is around 160:1, based on the mean. The median average is 145:1, but it is important to set current levels of pay in a longer-term context. The data shows that executive pay more than quadrupled from the late 1990s to the early 2010s. Pay ratios increased over that period from 47:1 in 1998 to 132:1 in 2010. However, that has stabilised in the last five to seven years, albeit with minor fluctuations from year to year.

The High Pay Centre, which campaigns against high levels of executive pay, acknowledged in its most recent report that UK executive median pay peaked at £4.2 million in 2013, and is around £3.9 million for the latest reported year. That puts the UK on a par with Germany and only slightly above other major EU countries on executive pay levels, despite our quoted companies generally being much larger. In the US, CEO pay is much higher. Median CEO pay for Standard & Poor's 500 companies in 2017 was around £9.3 million, giving the US a pay ratio of 399:1.

That sets the context, but it is certainly not grounds for complacency. Shareholders and people in wider society have increasingly been questioning how such wide differentials can be justified, both in terms of individual performance and in relation to company pay policy as a whole. The Government share those concerns.

We do not believe that it is the job of the Government to set company pay levels or impose arbitrary caps. However, it is our position that there must be transparency and accountability in executive pay, and that shareholders must have the information and the powers to challenge unjustified pay in the boardroom. That is why we legislated in 2013 to require listed companies to secure binding shareholder approval for their executive remuneration policies at least once every three years, and to disclose every year the total single figure that each director is paid.

It is also why we are continuing to take steps to force companies to disclose and explain how executive pay is matched by performance, and how it relates to wider employee pay. In particular, we recently introduced a new requirement for companies to disclose and explain every year the ratio of their CEO pay to the average pay of their employees. I am pleased that the hon. Member for Mitcham and Morden welcomed the legislation, which came into effect at the beginning of this year, meaning that companies will have to report their ratios when they publish annual reports next year.

Pay ratio reporting will, for the first time, show systematically and clearly how pay at the top of quoted companies relates to pay across the rest of the company. Companies will have to report each year the ratio of the CEO's pay to both the median and the quartile employee pay at the company. The hon. Lady expressed concerns that the pay ratio was being calculated only in relation to the median; in fact, we require pay ratios to be published for the first quartile, the median and the upper quartile. We thought hard about whether to use the median or the mean, and finally decided on the median as a more robust figure. In part, that was a response to the TUC, which argued strongly that we should use the median. In most cases, we use the median because the result is the bigger ratio.

Shareholders, employees and others will get a clear and consistent picture from year to year of how CEO pay relates to pay across the whole company. Companies will need to explain the reasons for any change from previous years, and any pay ratio trend over time. They will also need to explain whether any change is due to a change in the company's employment model—for example, if the reason was the outsourcing or offshoring of low-paid workers. Critically, the company will have to explain whether, and if so why, it thinks that the ratio is consistent with the pay, reward and progression policies of the company's UK employees as a whole.

Those pay ratio explanations will be watched closely by investors, who are strongly behind the new pay ratio reporting, as well as by employees and wider society. Any company that puts forward weak or misleading explanations can expect to face significant shareholder and public criticism. As the *Financial Times* wrote in 2017 when we announced the plans,

“a single-figure ratio will attract attention. And that will help investors curb companies' attempts to inflate chief executive pay—and the pay gap”.



Pay ratio reporting is part of a wider package of reforms aimed at making a real change to the level of engagement between boardrooms and employees. That package includes an important new provision in the UK corporate governance code for remuneration committees to consider workforce pay alongside executive pay, and to engage with the workforce to explain how executive pay aligns with wider company policy. It is too early to tell what the impact of the new reforms will be. The Government expect companies to respond positively and creatively to the new requirements, recognising that no one size will fit all and that there will be a variety of approaches.

We are already seeing some encouraging progress, on a voluntary basis, this year. For example, Marks & Spencer has agreed that the chair of its business involvement group, which represents the interests of the company's 81,000 staff, will be invited to attend two boardroom meetings and at least one remuneration committee meeting each year. We must also remember that pay ratios are determined by average pay in the workforce, as well as by pay at the top, so ratios will fall where average pay increases faster than executive pay. In that respect, the Government are taking steps to boost the wages of working people through our industrial strategy to deliver better-paid jobs across the country, our £37 billion productivity investment fund and our increase in R&D investment to 2.4% of GDP by 2027.

We have taken concrete action for low-paid workers by introducing the national living wage, which is on track to hit its target of 60% of median earnings by 2020. Its introduction marked a pay rise for more than a million workers across the UK and has helped to deliver the fastest wage growth for the lowest-paid in 20 years. In April, we will increase it again to £8.21 by an inflation-busting 4.9%—an increase in earnings of more than £690 a year for a full-time worker, and a total pay rise of more than £2,750 a year since we first brought it in. Up to 2.4 million workers are estimated to benefit.

Real progress is being made for hard-working people. As a working-class Conservative MP—as a Tory—when I speak about hard-working families and hard-working people, I find that I am accused of referring to higher earners. As somebody who undertook many of the jobs outlined in this debate before I came to Parliament, I actually find it offensive that when I talk about hard-working people, I am accused of not referring to hard-working people separated across our economy.

**Kirsty Blackman:** I appreciate the Minister's honesty. The problem is that when the middle-rate income tax threshold goes up, there are Conservatives who make the case that it will improve life for hard-working families, but very few people in the jobs we are talking about are making £43,000 a year. Maybe the Minister needs to tackle the issue with some of her colleagues.

**Kelly Tolhurst:** I thank the hon. Lady for clarifying her point, but I have to say that it is this Government who have increased the threshold year on year. As a working-class Conservative MP, I am proud to say that I am standing up for hard-working people—and when I talk about hard-working people, I mean people who go out every day to earn a living, no matter what sector they are in or what job they are doing.

The Government have responded to the challenging world of work with plans for the biggest upgrade of workers' rights in 20 years. In December we published the good work plan, which sets out how we will implement the recommendations of the Taylor review. The plan commits us to introducing a right to request a more predictable and stable contract for all workers and to bringing forward proposals for a single workers' rights enforcement body in early 2019.

**Laura Pidcock:** The right to request a contract is often signalled as some kind of big victory, but have not workers always had that right? This is nothing new.

**Kelly Tolhurst:** We will be making the options for employees clearer. For example, we have already laid statutory instruments to ensure that on their first day, employees are able to get a written statement of their rights. It is about making sure that workers are able to know what rights they have, and that they know that they can ask for that ability.

The Government have also laid legislation that will repeal the so-called Swedish derogation and guarantee agency workers their right to equal pay. After April 2020, agency workers will no longer be able to opt out of their right to equal pay after 12 weeks in the same assignment. In short, we are shining a light on pay at the top and taking action to improve the pay and employment rights of ordinary workers.

I want to touch on a few points made by the hon. Member for Mitcham and Morden. She rightly raised the issue of diversity on boards and gender balance, which the Government are very concerned about. We have started to see results from work on the gender pay gap: we are now at 17.9%, the lowest figure on record. We are working to improve gender diversity on boards, and we have made great progress. The next target and challenge is black and minority ethnic representation—not just on boards, but in the pipeline and among executives in general. That is one of the policy areas in my portfolio, and I take a lot of interest in it.

The hon. Lady asked whether it is right that those in large companies—I think she was referring to companies that are private, but not necessarily listed—are taking large salaries but have not signed up their employees to the living wage. I quite agree that that is not a satisfactory situation, but what is massively important is the highlighting of the issue by the media and wider public, and the transparency that we have enabled so that those companies are held under a tougher spotlight. Customers and suppliers out there who know that information about those companies will need to decide whether they want to deal with them. Things are moving, and it helps that the issue is on the agenda more widely and that more people are aware of what the big bosses are being paid.

The hon. Lady also raised long-term incentive schemes. The data show that long-term incentive schemes linked to valuation and share prices have increased over time, which has contributed to the rise in CEO pay. I absolutely accept her point, but one of the reasons for bringing in pay ratios and specifying in our rules that companies must give an illustration of the breakdown of executive pay is to enable shareholders to take a view. It will also provide real information about how that narrative relates to wider pay structures across organisations. We are hoping that the reforms will give shareholders the tools

[Kelly Tolhurst]

and powers to hold boards to account, and that they will exercise that right further as the legislation and the changes work their way through.

The hon. Member for North West Durham (Laura Pidcock) raised the issue of pay caps and suggested a 20:1 pay ratio. As I have outlined, the Government do not feel that it is our responsibility, or that we are in a position, to limit what companies can pay their employees. Our role is to ensure that shareholders and stakeholders have the tools to make judgments and hold boards and remuneration committees to account. We believe that the reforms that we have made over time are going some way towards achieving that.

**Laura Pidcock:** For information, my point about the 20:1 ratio was about the public sector.

**Kelly Tolhurst:** I thank the hon. Lady for that clarification. However, I point out that a pay ratio of 20:1 could extend to foreign companies bidding for Government contracts, which would raise state aid and World Trade Organisation issues. There are issues with some of the policies and the refining that she may want to clarify further.

I thank again the hon. Member for Mitcham and Morden, who has taken the opportunity to bring this debate about company pay ratios to Westminster Hall. They are an important means of shedding light on pay distribution within companies and how that is changing over time. Their publication will spur companies and their remuneration committees to give greater thought and show more sensitivity to how pay in the boardroom aligns with employee pay. Along with other reforms implemented by the Government, they will ensure that the UK remains a world leader in corporate governance and an excellent place in which to work, invest and do business.

I have had many conversations with the hon. Lady, and I thank her for the way in which she approaches these matters. As I said yesterday in the Business, Energy and Industrial Strategy Committee, these issues will always be under review and we will always be looking at what can be done to improve transparency and clarity so that the spotlight can be shone on organisations. I look forward to working with the hon. Lady constructively on the number of issues that I know she is interested in in this area over the coming months.

**Siobhain McDonagh:** Can I ask for your clarification, Chair? Do I have a minute, or two, because we have not reached the time limit?

**Mrs Madeleine Moon (in the Chair):** You can take as many minutes as you feel are appropriate.

10.31 am

**Siobhain McDonagh:** That's a very dangerous thing to say!

I thank all hon. Members for taking part in the debate. Although there are not huge numbers of us here, as a Back-Bench Opposition MP, the tools that I have to make small changes are sometimes about shame. The fact that we are here talking about this issue, that the *House* magazine has taken it up, and that Sainsbury's has already sent me a very cross word about what was in the article, means that we are having some impact. As a Catholic, I completely understand the role of shame in controlling behaviour!

I come to these things as a patriot. I am the daughter of two people who came here in 1947, fleeing a small island that could not support them and could not feed their families. By dint of their own hard work and labour, they made a good life for themselves. I want that for everybody else. I believe that people should work hard. I believe that work is empowering—not just through someone supporting themselves and their family, but to the human spirit and purpose. I think it can be one of the best cures for mental health problems. To have something to do and to do a job well is a great feeling: I am grateful every day to do this job, because I love it and it leads me to do stuff. That is where I am coming from.

Like all Members here, I have an advice surgery every Friday. People come in and I look at their payslips and I think, “How do they live? How do they support their families and pay their rent? How do they get by?” I see that increasing, and I do not think that is what Britain should be about. We should be about reasonableness and fairness and giving people hope for a better future. I want work to pay, and for so many people who work so hard, who work such antisocial hours, in such poor conditions, that is not happening at the moment. Given where I come from politically, I never thought I would agree with pay ratios, but I am coming to the point of thinking that if other things cannot work, we may need to look at them.

*Question put and agreed to.*

*Resolved,*

That this House has considered FTSE 100 company pay ratios.

10.34 am

*Sitting suspended.*

## Widowed Parent's Allowance

10.59 am

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I beg to move,

That this House has considered the widowed parent's allowance.

It is a great pleasure to serve with you in the Chair, Mrs Moon. I felt compelled to call for this debate about the marital status requirements of widowed parent's allowance and the need to update the eligibility criteria of its successor, bereavement support payment, following contact by parents affected by the loss of partners. I wish especially to raise the case of Mr Arwel Pritchard and his family.

I have known Arwel, a police officer, since he was in my class in the sixth form at Coleg Meirion-Dwyfor. He met his partner, Donna, whom I also taught, while they both studied there. They were together from then until her untimely death. She leaves two young sons, Cian and Danial. The letter Arwel wrote to me 11 days after Donna's death is heartbreaking, and his justifiable anger at the callousness with which he and his children have been treated deserves to be put on the record. If I may, I will read some of his words. He wrote:

"On the 20<sup>th</sup> of May 2018 the mother of my children and my long term partner Donna Claire McClelland passed away following a long illness with breast cancer.

She had been my partner since the time we met in college approximately 24 years ago.

During our time together we got engaged but, due to financial constraints, we did not get married as we had to make the difficult decision either to purchase a home together or get married. Wanting to raise a family, we decided to buy a house in order that we could have a home for our children.

The decision was made to become home owners, and, due to the inflated cost of living and the pay freeze that I received at work, we were never able to afford to be married.

Why am I—a person who has been a lifelong partner to Donna, who has two children with Donna and who has been in a relationship and living with Donna for more years than she lived with her parents—why am I treated as nothing in the eyes of the government?

Why am I treated differently to a person who could afford or was willing to get into debt to be married?

Why are my children not going to receive bereavement benefit for their loss just because their mother and father were not able to get married?

Why is the government discriminating against unmarried people?

Why is the government discriminating against people from different social backgrounds?

Why are children punished financially when one of their parents dies, just because their parents were unable to afford to get married?"

I am proud to be able to put those words on the record.

In many ways, widowed parent's allowance has been around in one form or another since the inception of the modern welfare state. Society recognises that the death of either parent causes great trauma in a family and seeks to alleviate that distress with financial support. But although the names and conditions of bereavement support payments to widowed families have evolved since the days of Beveridge and Attlee, the requirement for widowed parents to be in a legally licensed relationship—either married or in a civil partnership—is a throwback to the social mores of the 1940s.

The Beveridge report of 1942 acknowledged, in a very different social context, the "problem" of unmarried couples being discriminated against, but none the less recommended limiting widow and guardian benefits to "the legal wife of the dead man."

That principle has remained enshrined in certain aspects of our social security system ever since.

That discrimination on the grounds of marital status was challenged in Northern Ireland by Siobhan McLaughlin, whose appeal was ultimately backed by the UK Supreme Court last summer. Ms McLaughlin's partner, John Adams, died in 2014. The couple were not married, but they had lived together for 23 years. At the time of his death, the couple had four children, aged between 11 and 19. The late Mr Adams had made sufficient contributions for Ms McLaughlin to be able to claim widowed parent's allowance had she been married to him. The Supreme Court ruled by a majority of four to one that denying those payments to Ms McLaughlin was incompatible with article 14, in conjunction with article 8, of the European convention on human rights. Its judgment also sets out incompatibility with articles 2 and 3 of the United Nations convention on the rights of the child.

Essentially, the Court reasoned that although the promotion of marriage and civil partnerships as a policy goal is a legitimate aim for any Government, denying Ms McLaughlin and her children the benefit of Mr Adams's contributions simply because they were not married was not a proportionate means of achieving that policy goal. In other words, privileging marriage and civil partnerships with tax breaks is one thing, but denying money to grieving children simply because they come from unmarried households is quite another. I say "children" quite intentionally.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): The hon. Lady is making a very eloquent case for children who are punished because their parents chose, for whatever reason, not to get married. Does she agree that the entire bereavement support regime introduced in April 2017 punishes all children, because some families with children lose up to £12,000 a year under the new system—working-age parents with children may lose up to £23,500 a year on average—despite this being a contributory benefit?

**Liz Saville Roberts**: Indeed. It interests me that the Supreme Court judgment makes reference to article 2 of the UN convention on the rights of the child, which decrees non-discrimination in relation to children, and to article 3, which endorses Governments' working for the best interests of the child first and foremost. Those principles apply not just to the matter we are debating but to other issues.

**Jim Shannon** (Strangford) (DUP): I thank the hon. Lady for bringing forward this important matter. She outlined clearly a case in Northern Ireland. Does she agree that going from having a wage coming into the house to receiving £117 a week is a massive step, and that that help needs to continue for more than a year for homes with children? That needs to be reviewed. A year is not long enough for someone to sort out how to cope financially in the long term without their spouse and

[Jim Shannon]

how to raise their children alone. This matter is highly important, and I congratulate the hon. Lady on bringing it forward.

**Liz Saville Roberts:** I thank the hon. Gentleman for his intervention. It is evident that this matter raises a whole number of questions over and above the one I am specifically addressing.

I reiterate—I hope I say this regularly during the debate—that I say “children” quite intentionally. The great majority of EU member states make children themselves directly eligible for bereavement benefits up to a certain age. Essentially, bereavement benefits function as a sort of topped-up child benefit for children who have lost a parent and therefore require additional support. It is not, however, within the remit of the Supreme Court to correct primary legislation; that duty lies with us in Parliament.

Let me make it clear that despite the title of the debate, I believe the principle established by the Supreme Court ruling extends beyond the widowed parent's allowance. We have heard that families in which a spouse has passed away since April 2017 are entitled to bereavement support payment, which replaced widowed parent's allowance. It is therefore implicit in the Court's ruling that bereavement support payment, too, ought to be extended to children regardless of their parents' marital status. After all—I wish to impress this upon everyone present, including the Minister—the key takeaway of that ruling is that refusing to extend payments to the children of unmarried couples is of material detriment to those children and is discriminatory against those children.

In the eyes of the Supreme Court, a policy may offer special treatment to married couples when children are not involved, but it may not do so in relation to a benefit targeted at the needs and wellbeing of children. That is directly relevant to both widowed parent's allowance and bereavement support payment, as in both instances the wellbeing of the children is the primary purpose of the benefit. That is expressed very convincingly in the Supreme Court judgment. It is not acceptable for the state to discriminate against children who happen to hail from unmarried households—to confer stigmatising status on families as either legitimate or illegitimate in the eyes of their own Government. If the support is there, it must be there for all children.

The Minister may well argue that there are bureaucratic barriers to extending widowed parent's allowance to the children of unmarried couples. He may suggest that the requirement of a legal union protects widowed parent's allowance from abuse. In reply, I would highlight the armed forces pension scheme, which successfully utilises a definition of “eligible partner” that is not narrowly restricted to the confines of marriage and civil partnership. Of course, the Department for Work and Pensions routinely assesses whether individuals are cohabiting, in pursuit of rolling back their means-tested social security benefits. In many such cases, there is considerably less evidence of cohabitation on display than the existence of living, breathing children. In fact, widowed parent's allowance itself can be withdrawn if a parent later cohabits with a new partner. It is striking that Governments past and present have been willing to recognise the validity of cohabiting couples in life but not in death.

The Minister may highlight that discrimination against the children of unwed couples was debated during the passage of the Pensions Act 2014. I would reply that the legality of the Government's standpoint is now informed by the Supreme Court's ruling from last summer. Where Parliament previously debated in a fog of unknown quantities, we now know that the legal union requirement violates the human rights of children born to parents who are neither married nor in a civil partnership. Defenders of restricting payments to married households typically concern themselves with spousal rights, but the crux of this issue can no longer be allowed to rest solely on the rights of a bereaved spouse. Today's debate is about whether the Government can continue to materially disadvantage children born to unmarried parents.

Household compositions have changed visibly since the widowed mother's allowance of 1946, and the Supreme Court ruling is a reminder that our social security system must evolve to keep up. According to the Office for National Statistics, cohabiting couple families have been the fastest-growing family demographic across the UK for two decades, and in the past few years, families headed by cohabiting couples have been more prevalent than lone-parent families in the UK. By 2017, 17% of all households with dependent children were headed by a cohabiting couple.

We also know that there is a socioeconomic and geographical element to family composition, and 49% of cohabiting households in Wales are home to dependent children—the highest proportion throughout the UK. Poorer families are more likely to be headed by unmarried parents, and both mothers and fathers in married couples are more than twice as likely to have a degree as their counterparts in cohabiting couples. Children in lower socioeconomic households are therefore disproportionately exposed to bereavement support discrimination of this type, compared with their wealthier counterparts. That is deeply ironic given the Government's approach to non-means-tested benefits: to those who can afford to marry, they give more, but to those who have less, they seek to justify denying them at the most traumatic time.

When will the Government formally respond to the issues raised in the Supreme Court ruling and in this debate? The Minister said on 5 September last year that there would be a response anon, but a number of months have since passed. If he will not provide a set timetable today for a response, will he explain why? Could the Government use legislative vehicles to make such a change? I think particularly of the Civil Partnerships, Marriages and Deaths (Registration Etc.) Bill promoted by the hon. Member for East Worthing and Shoreham (Tim Loughton). A private Member's Bill might well be a vehicle through which to make such a change.

Extending widowed parent's allowance as well as bereavement support payments was recommended back in March 2016 in a report by the Select Committee on Work and Pensions, “Support for the bereaved”. It outlined, as I have done today and as the Supreme Court did last year, that excluding the children of unmarried couples from bereavement support in the 21st century is both unjust and unjustifiable.

11.12 am

**The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson):** It is a pleasure to serve under your chairmanship, Mrs Moon. I pay tribute to

the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) who is a passionate advocate of this issue, and I thank her for giving me advance notice of the topics she intended to cover so that I could consider seriously the points raised. She gave an impassioned interview on BBC Radio Wales today, and her work in this area is a credit to the campaign she is championing. I also thank other Members who have contributed to this short but important debate.

Bereavement is one of the toughest experiences that people face, particularly with the immediate upheaval. I know that from first-hand experience because I lost my father at an early age. My parents ran their own small business and—this is a sign of times gone by—it was predominantly in my father's name. At the point when grieving should have been the natural process, my mother was required to go back into work and fight the banks to try to keep a roof over our heads, and I was back in school the following lunchtime.

The Government's focus is very much on appropriate and immediate support, and that has been reflected in some of the changes we have made. That is an important focus for the Government, and we spend £464 million a year on various forms of support for those who have been bereaved. Recent changes mean that over the next two years we expect to spend an additional £40 million. I recognise that the thrust of this debate is to encourage and push for further changes, particularly for children, and we have demonstrated a willingness to do that where appropriate.

Changes to the bereavement system will cost an additional £40 million over those first two years—something we all welcome. As a principle, such support will be easier to claim, and it will provide the immediate support that was very acute on the list of asks in the 2011 consultation—the need for help in those early months is paramount. Such support is now paid in addition to other household income, and it is not taxed, means-tested or applied to the benefit cap. After we listened during the consultation we widened the support available to include anyone of working age, and younger spouses and civil partners without children will now get support. It also removes the potential trap that stops people being able to move on because if they found a new partner they would lose any support, even if they are still in need of it.

Having listened to the consultation responses we increased the initial lump sum for those with children by an extra £1,500, to recognise that additional need. That support is in addition to the initial sum of £2,500 for those without children, and £3,500 for those with children, and therefore provides 18 months of support, rather than 12. Those without children receive £100 a month, and those with children get £350 a month, for 18 months. Overall the changes not only reflect that immediate need for support, but target those on the lowest incomes and those most in need, who will receive cash on top of what is already provided.

**Liz Saville Roberts:** I appreciate the Minister informing us of that, but he has not said whether the Government intend to move on cohabiting couples, and whether—five months down the road—they intend to respond to the Supreme Court judgment, and if so, when. Forgive me, but I feel it is my duty, given the title of the debate, to press those points.

**Justin Tomlinson:** We are only five minutes into my response—fear not, there is more to come, and it will cover exactly those points.

After the introduction of the bereavement support payment, a broader point was raised about how and when we will evaluate the effectiveness of that new system. We recognise that, as with many Government changes, we need to listen, learn and act, and that is separate from any legal judgment. We intend to assess the situation once sufficient evidence is available, and we must have enough data to examine fully the continued circumstances of the bereaved once their benefit payments come to an end. We will analyse that information, which will include looking at the characteristics of those in receipt of benefits, such as age, gender and other sources of income, as well as how bereavement support payments interact with other benefits. We will also look at outcomes for recipients once bereavement support payments come to an end. At this stage, we do not have a specific timescale for that evaluation, as we must ensure enough time to allow other forms of support fully to bed in.

Let me turn to the thrust of the hon. Lady's intervention and the principle of cohabittees. The question of opening up bereavement payments to cohabittees was debated and decided against in Parliament during the passage of the Pensions Act 2014, which legislated for the introduction of bereavement support payments in the UK. Restricting bereavement payments to claimants who are in a legal union with the deceased has been a feature of bereavement support since the 1920s. That was based on the outdated assumption that someone would rely solely on their spouse for income and would never work themselves. The concept of a legal union is a constant feature of contributory benefit schemes. It promotes institutions of marriage and civil partnerships by conferring eligibility to state benefits derived from another person's national insurance contributions only on the spouse or civil partner of the person who made the contributions.

Cohabitation is not a straightforward concept and can sometimes be open to interpretation; unlike a legal union, it is not a black-and-white issue. That is partly why it is taking time for us to reflect very carefully. An extension to cohabittees could also trigger multiple claims on behalf of the same deceased person—for example, if the deceased was legally married to one person but cohabiting with another. That has the potential to lead to delays and additional burdens to claimants that are likely to cause distress at a time of bereavement. It is an important factor. I am not saying that the issue is insurmountable, but that is why this is a complex issue to reflect on.

**Liz Saville Roberts:** I am sure the Minister needs no reminding that the UK Government ratified the UN convention on the rights of the child in 1991, and I am sure that he would therefore share my concern that if discrimination against children is being facilitated on the grounds that it is bureaucratically too difficult to resolve the issue, that is not making the interests of the child a priority.

**Justin Tomlinson:** I thank the hon. Lady for her invention and have two points to make in response. I am not necessarily questioning that. What I am demonstrating is that we have acknowledged that we need to respond—we

[Justin Tomlinson]

need to act. This is not a black-and-white issue, so we cannot do that within 24 hours. In effect, there are two asks. One is that people want me to do something, and to do something quickly; and that is what I am—

**Liz Saville Roberts** *rose*—

**Justin Tomlinson:** I am coming to the issue raised by the hon. Lady. The second point is that we do recognise the principle in respect of children, which is why, under the bereavement support payment, there is additional money for those with children; that principle is there.

**Liz Saville Roberts** *rose*—

**Justin Tomlinson:** Let me cover a bit more and I will happily take interventions, because we are okay for time.

Last year, the Supreme Court declared that the primary legislation that governs widowed parent's allowance is incompatible with the principles of human rights law, as it

“precludes any entitlement to widowed parent's allowance by a surviving unmarried partner”.

The courts cannot strike down primary legislation; only Parliament can change primary legislation. Therefore, that ruling does not change the current eligibility rules for receiving bereavement benefits. I am keen to take action, however, in the light of the Supreme Court ruling. I made that very clear in my statement on the Floor of the House, and since then, to help to shape the response—this debate will also be taken into consideration—I have met a number of MPs and campaigners personally. That has been an important part of the process.

However, the issues are complex and there is no quick fix. As Lady Hale herself noted in her judgment:

“It does not follow that the operation of the exclusion of all unmarried couples will always be incompatible. It is not easy to imagine all the possible permutations of parentage which might result in an entitlement to widowed parent's allowance.”

Crucially, that is not a clear steer—a clear steer equals a much swifter response from us—and we have to take that into consideration; Lady Hale herself acknowledged that. That does not mean that we are pushing this into the long grass. As I confirmed on the Floor of the House and I am hoping to convey here, we are taking it very seriously. There is extensive and comprehensive work to look into it to ensure that we get it right.

To go back to the earlier point, we do not wish to unintentionally cause additional stress where there could be competing people who feel, under the new rules—new potential rules—that they would have the claim. Each in their own right would feel that it should be them; and at a time of bereavement the last thing we want to do is cause undue stress.

**Liz Saville Roberts:** I remind the Minister that virtually every other European state treats the children as eligible, in which instance the legality and licence of the relationship between the parents is inconsequential. I wonder whether the Minister would move to support such a principle, but none the less I would greatly appreciate some sense of the timeframe. I understand his point that the matter

is complex and thus deserves a thorough response, but I would press him to give an indication of when he is likely to come back.

**Justin Tomlinson:** In terms of the way other European countries do this, that is part of our work, because we are looking at what has worked, what the potential unintended consequences are and what can be done to mediate that. That is shaping much of the work. I absolutely understand why the hon. Lady would love me to be able to give a specific timeframe, but I cannot do so, other than to say that it is an absolute priority for us to do this and to do it thoroughly and properly and to avoid unintended consequences. We absolutely recognise the importance of this.

**Patricia Gibson:** I am gratified by what I think the Minister said, which is that eligibility based on marital status cannot be determined purely on the basis of convenience. I am glad that he seems to have said that, but like the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), I ask him to assure the House right now that the children will be at the heart of any way forward that the Government embark on.

**Justin Tomlinson:** Many of the things that we do as a Government rightly recognise the importance of children. As the state, we have a duty of care to ensure that all children, regardless of background and circumstances, have the opportunity to unlock their full potential. Whichever political side they are on, every individual Member would echo that, in their own terms.

As I said, we have recognised the importance of the hearing. We are keen to do this thoroughly. We are taking it very seriously. We wish to do it as swiftly as possible, but it has to be done absolutely right. Let me give further reassurance. Although there is no one simple or obvious solution following the declaration of incompatibility, the officials are working very carefully, and ultimately I will return with potential solutions. This must go through the House's legislative process, so all Members will have further opportunities to shape what we then believe would be the right conclusion. We are working very closely with our counterparts in Northern Ireland, recognising that the specific case was from there. But this must be done very thoroughly.

In conclusion, we are carefully considering the McLaughlin court ruling. We recognise that we currently have incompatible law on the statute books, and we are actively considering all options. With the introduction of the bereavement support payment, we have demonstrated that we will seek to make sensible and positive changes to target support at those most in need.

It is very clear that the hon. Members present feel strongly that the emphasis has to be on the children; I have heard that loud and clear. As I said, it has always been our intention to assess the impact of the bereavement support payment, which we will do once we have sufficient data. We are committed to supporting the bereaved and ensuring that they receive the right support at a difficult time. I echo my tribute to the hon. Members who care so passionately about this subject. It is a real priority for the Government and for me, and as we make progress I will be very happy to meet again, individually, those who are interested, in order to update them on the work. I want to be inclusive, because we all want the

right outcomes. It is just that the issue is complex. There was not a clear steer, which meant that there could not be a quick fix, but the issue is a genuine, real priority for us.

*Question put and agreed to.*

11.27 am

*Sitting suspended.*

## Balanced Budget Rule

[GRAHAM STRINGER *in the Chair*]

2.30 pm

**Lee Rowley** (North East Derbyshire) (Con): I beg to move,

That this House has considered the balanced budget rule.

It is a pleasure to serve under your chairmanship, Mr Stringer. I am extremely pleased to have secured this debate to consider an issue that has slipped down the agenda in recent years, namely that of fiscal responsibility and the actions the state can take in order to uphold and, in some cases, guarantee it.

I am delighted to see so many right hon. Members and hon. Members here today. It is packed to the rafters and standing room only, which demonstrates the level of interest in the subject. I hope that, by holding such debates in Westminster Hall, and by dragging so many hon. Members to them to volunteer contributions, we can slowly raise this important issue back up the agenda and draw attention to it.

The particular issue I want to discuss is the principle of the United Kingdom adopting a balanced budget rule as a way to improve its finances, and the underlying responsibility of Members in this place to ensure that the country pays its way in the future. The idea, which though simple is not universally liked, is that over an appointed period, within an agreed timeline, Governments should follow the novel concept of living within their means and not spend more than they can afford. Crucially, that commitment goes beyond words and there should be consequences if there is a failure to adhere to it.

To some, that is dramatic news; to others, such as myself, it just makes sense that Governments should not seek to balance the books on the back of the nation's children and grandchildren. The principle of the never-never is, with appropriate structuring, just as apt for the Exchequer as it is for the average household in towns such as Dronfield, Eckington, Clay Cross and Killamarsh in my North East Derbyshire constituency.

It was James Madison, one of the US founding fathers, who said in 1790 that he went

“on the principle that a Public Debt is a Public curse.”

We would do well to take heed of such sentiments.

I have prepared a long speech, because I did not think that so many Members would be here. Before I begin, I will frame the discussion to ensure that the next few minutes can be constructive and useful. The debate could easily, quickly and seamlessly descend into the usual tit-for-tat and back-and-forth on the current state of our national finances, who got us to where we are and why we are there. I am sure that that may happen during the debate. I will say a few words about that in a moment, but I hope we will not dwell on it too much. The idea is to take a broader and longer-term look at where we are, and how we ensure that we leave our country safer, more secure and more resilient than we found it. That resilience should stretch to the nation's finances as much as it does to its borders and national security.

I declare this debate, in so far as I am able, a Brexit-free zone. That is not because Brexit will not have repercussions or implications for the issue at hand, because it blatantly

[Lee Rowley]

will, given that the Government's deficit elimination target has been revised in recent years. I hope my hon. Friend the Member for Southport (Damien Moore) will still have a speech to make after those comments. This debate is about a time beyond Brexit, if we can possibly imagine such a nirvana, and about the day when headlines talk about police, health and education again, rather than backstops, Juncker and tariffs. I have been in this place less than two years, and I would say that at least 90% of what we talk about is Brexit. It sucks the oxygen out of the room, and I say that as committed Brexiteer. It also looks likely to continue to do so for much of the next year, so I hope that for the next few minutes we can try to avoid it.

My proposition is simple: that the United Kingdom considers over the long term the adoption of the balanced budget rule, set in statute, which requires Government to spend only as much as they raise, over a set agreed period, and that there will be consequences if they fail to do that. That would not be an aim or an ambition, but a hard rule, which would be flexible only inasmuch as anything can be flexible when it is set down in law. To be provocative, if we were so minded we might even consider tying any attempt to change future legislation—presumably by a spendthrift Government eager to give out sweets or goodies to buy votes—to a referendum of the people themselves, given that we have become so adept at referendums in recent years. That would certainly focus minds.

What is the point of legislating on this issue? First, we should all have a moral problem with excessive Government debt. The United Kingdom's general Government gross debt in September 2018 was, according to the Office for National Statistics, about £1.8 trillion, which is equivalent to about 85% of our country's GDP. Last year we borrowed, and therefore added to that figure, about £40 billion. In the last couple of decades, our debt as a proportion of GDP has risen from approximately 40% to more than 80%. Those may be just numbers, but they have real-life and real-world implications.

I acknowledge the challenges that the Government have had in trying to get the country's deficit under control. My party remains resolutely of the view that the Administration prior to 2010 both mismanaged the country's finances and failed to prepare for the inevitable recession, which could not be avoided given that mere mortals cannot abolish the cycle of boom and bust, and given the well-recited failure to mend the roof when the sun was shining. I support the Government's deficit strategy and the work they continue to do to manage it down. It has proved a difficult issue to resolve, but we should acknowledge the important milestone that we hit this year, which is that debt as a proportion of GDP is falling for the first time in many years.

Even with the acknowledgement of the good work that has been and continues to be done, the reality is that we are going to run a deficit for a good number of years to come. Even when we eliminate that deficit, which I hope will be as soon as possible, we are merely returning to a place that stops us piling on any more problems for our children and grandchildren, without really having a way to cut down the problem that has already been created in absolute terms. What is the

long-term strategy for cutting that debt pile in absolute rather than relative terms? How do we avoid the current position becoming the baseline and the place we start from when the next recession comes? That place would, by default, reduce our firepower to deal with those hard times.

It is worth dwelling on the moral case for not running a deficit and for keeping debt low. The debt that we run up, for whatever good or bad reason, needs to be paid back, and if we cannot pay it back, we need to service it or pay for it. That limits the headroom of future generations to make decisions about what they spend their taxes on, because some of their taxes will go on servicing the debt. It mandates that spending that benefits one generation will be dealt with by another, which is an intergenerational unfairness that we should reflect on much more deeply than we do today, as ever-eager politicians dream up another opportunity to spend.

Reducing our firepower or fiscal space in the event of a recession is the worst kind of lack of planning, and one that will hamstring our ability to pull ourselves out of those recessions, when they inevitably come. As Ryan Bourne of the Cato Institute pointed out in his excellent recent paper on the subject, at least some of the literature that has reviewed the issue highlights that when Government debt gets too high for too long, it tends to reduce growth rates overall, meaning less economic activity, less growth and less prosperity in the long run. [Interruption.]

**Graham Stringer (in the Chair):** Order. There is a Division in the House. We will recommence in 15 minutes.

2.37 pm

*Sitting suspended for a Division in the House.*

2.59 pm

*On resuming—*

**Graham Stringer (in the Chair):** Sorry about that. I had been told there was definitely a second vote, which there clearly was not. I call Mr Lee Rowley.

**Lee Rowley:** Before we went to vote I was talking about the moral case for low debt and ensuring that the servicing of that debt was as minimal as possible, to retain and support our ability to ensure economic activity in the future. It was not for nothing that Herbert Hoover intoned sarcastically:

“Blessed are the young, for they shall inherit the national debt.”

In this context, perhaps we can bestow a few less blessings on them in the future.

Putting aside the morality of debt, the key issue, which should drive all politicians regarding the accretion of Government debt, is the year-on-year cost of servicing and holding it, as mentioned earlier. The proponents of unfunded spending may highlight how the markets are not that concerned with relatively high borrowing so long as it can be funded. That may be the case. Let us hope, for all of our sakes, that we do not enter a period of high interest rates in the coming decades when national debt is to be rolled over.

The opportunity cost of that funding, on an ongoing basis, is much less understood in this place than in public discourse. It comprises a tax, year on year, on



today's generation for yesterday's spending. Unlike the total debt to GDP ratio, which has oscillated wildly in the last century due to wartime spending, the cost of servicing the UK's debt has been on an upward trajectory for the last century. Adjusted for inflation, the cost of servicing that debt has risen from an average of £12 billion per annum between 1900 and 1960 to nearly £30 billion at the turn of the 21st century. Since 2009, that average has hit £43 billion every year. In total, since 1900 the UK has spent something like £2.5 trillion just on servicing its debt. About half of that has been spent since I was born—I still like to think of myself as being relatively young.

The bad news is not likely to stop there. With the continuing running of deficits until well into the 2020s, the annual cost of servicing that debt is projected by the Office for Budget Responsibility to hit more than £50 billion by the start of the next decade. In this Parliament alone, debt servicing costs are projected to be about a quarter of a trillion pounds over the five years. The sums are huge and growing. They represent a significant opportunity cost to the UK as a whole.

**Alex Chalk** (Cheltenham) (Con): My hon. Friend is making a powerful point. To put it into sharp focus, does he share my concern that the annual cost of servicing the United Kingdom's national debt is more than we spend on schools? As a matter of morality, we need to keep debt under control so that we can truly allocate resources where they are most valued.

**Lee Rowley**: I could not concur more with my hon. Friend, as I will address in my next paragraph. Putting this into context, about 8% of all current Government spending is diverted towards debt servicing. In 2015, that made interest payments the joint fourth largest proportion of spending by the UK after health and welfare, and on a par with defence. Spending on education, the police and transport pales in comparison with the budget allocated to debt interest. That budget could be used, as my hon. Friend has just outlined, for myriad other more socially useful activities, such as paying for a hospital to be built every four days, or for approximately 2,500 nurses, police or teachers to be hired every day throughout the year. For those of us with a more centre-right political outlook, the £45 billion spent on interest costs in 2015 could even have been used to reduce the size of the state through tax cuts, perhaps as large as 8% or 9% in the standard rate of income tax. If the populace actually knew that such a significant chunk of the taxes they paid every year was being used to pay for spending chalked up 20, 30 or 50 years ago, would they be content doing the same or worse for their children, given the sacrifices and opportunity costs involved?

We know what the problem is, so why do we not just do something about it? Why do we need a legislative solution for this issue? The problem is that we as a country are not that good at stopping adding to our debt. Our Labour friends—who have temporarily deserted the Chamber—have a tendency to spend money without a huge amount of regard for the implications. My party usually ends up having to clean up the mess. Even on my side, there are not insignificant number of people who cannot resist the temptation to spend when it comes down to it.

Our parliamentary system and representative democracy are excellent at pushing the cause of individual spending requirements, many of which, I do not contest, are no doubt noble. Yet there are few people who will exercise proper restraint or promote proper fiscal responsibility to ensure that all of these myriad pots of money are truly paid for. It is always tomorrow's problem. *Mañana, mañana*, as they say. The numbers show just that: over the last century, the United Kingdom has consistently increased its national debt and its deficit spending. Both in absolute terms and as a proportion of GDP, the UK's debt burden has grown significantly since the turn of the 20th century. The recent political consensus in the UK demonstrated a clear disregard—if we are honest—for the consequences of deficit spending.

Prior to the second world war, deficit spending tended to be closely correlated with war and national defence. In more than half the years between 1900 and 1939, the UK ran an absolute surplus, including during much of the late 1920s, during economic crisis. Since 1945, however, the achievement of a surplus in the UK's national spending has been relatively rare. Only 13 out of 71 years saw the deficit being reduced, and on only two separate occasions—the late 1980s and the late 1990s—has the UK run surpluses for more than a couple of years at a time.

If all that sounds like one long criticism, it is not intended that way. It is just a statement of fact. Whether poverty or plenty, feast or famine, there is one almost universal constant: the Government spend more than they take in. That is not unique to the United Kingdom, but a feature of western democracy: red ink reigns supreme. The main variable in western liberal democracies is whether they overspend by a little or a lot. France has never run a Government surplus as a proportion of GDP since the 1970s, nor has Italy. The United States has managed to do so only once since 1960. Even Canada, one of the more enlightened in tackling public debt, has only managed to run surpluses in less than one third of financial years since the 1970s. The Maastricht protocol on excessive debt procedure says that countries should not exceed a 3% borrowing ceiling. Just think on that for a moment: there is a protocol that automatically sets an expectation of overspending—just that it is not excessive. And we wonder why debt has significantly increased in most western democracies over the past 30 years. There is an urgent requirement, over the long term, to address this inherent deficit bias in democracies.

The idea that we need to take more drastic legislative solutions is not that new; it is just that we have never properly applied it to national spending before. Sure, the Government have their charter of budget responsibility and an equivalent office creating the data and watching what is happening. Yet the charter requires people only to identify that they are changing policy. It does not really hold people to account or limit them.

**Jim Shannon** (Strangford) (DUP): On changing policy, I am very aware of where we are at this moment in time. Does the hon. Gentleman agree that a post-Brexit economy will provide an incredible opportunity to expand and invest, that the Government must be prepared to invest in our own people, and that if we must borrow to do so, it must be done in a reasonable and controlled fashion? As he has said, we must be prepared to back our own people. I hope that the Minister will respond

[Jim Shannon]

positively and say that he will ensure that there will be Government investment in our businesses. That is very important.

**Lee Rowley:** I completely agree that we have a big job to do after Brexit, in terms of ensuring that our infrastructure works and that our country is well prepared for the future and has the necessary flexibility to take the opportunities that will come our way in the coming decades. If, from a Government perspective, we need to spend in order to do that, we should do so. I am not here to disregard Government spending—it is a force for good. However, it has to be done properly, it must have a clear outcome and we have to pay for it.

3.9 pm

*Sitting suspended for a Division in the House.*

3.21 pm

*On resuming—*

**Lee Rowley:** I was talking about how legislative solutions are applied, what is already in place and the charter for budget responsibility. My point was that in non-financial areas of Government activity, we are happy to bind ourselves to long-term targets, because there is the political will. The most obvious instance in recent years was the Climate Change Act 2008, which created an explicit legal requirement for future Governments to reduce greenhouse gases by 80%. If a political consensus can be built for protecting the country against such a danger to our children, why cannot the same be done to prevent economic problems for future decades?

That is where a balanced budget rule could really make a difference, with a legislative requirement to balance our budget over a period, minimising the growth of the debt to be left for following generations to deal with. It is not all that innovative. The OECD estimates that about 100 countries have some kind of fiscal limiting framework. Those can be voluntary or compulsory, and they vary in strictness and the degree to which they are adhered to. None is perfect, but it is at least arguable that over time the focus on fiscal rectitude focuses minds and attention on delivering better outcomes.

Perhaps the most obvious example of a budget rule, and the best known, is Chile's. In the 2000s, Chile adopted a rule requiring structural surpluses to be run, so that the national debt could be reduced significantly. Broadly, under the structure it created, an estimate was made of the country's economic potential over future years, and spending was allowed only to match the anticipated growth and revenue.

What was the result? There was a sharp reduction in net debt, surpluses as high as 8% in the years leading up to the economic crisis, and the upgrading of the country's credit rating. Admittedly, some of that was possibly because of the commodity boom. None the less, the rule permitting appropriate balance to be given to both revenue and spending was important. Even today, after the rule has been challenged and battered a bit more through experience and difficulty, Chile's debt remains significantly below that of many other countries. It is about 20% of GDP, rather than the 80% that we are grappling with.

Switzerland is another example where a legislative solution has focused minds and improved overall fiscal discipline. The Swiss “debt brake” was introduced in 2001, having been approved in a referendum—something that that country is wont to use for important national policy questions. Integration into the national constitution followed. There is a requirement for structural balanced budgets, through the capping of annual spending with tax revenues, plus or minus some flexibility. Again, the change had a significant impact. A nation whose debt to GDP ratio had significantly increased—from around 15% of GDP in the early 1990s to 45% at the time of the referendum—saw a rapid reduction over the succeeding years. Debt to GDP is now about 25%, and is projected to fall.

Switzerland and Chile are not alone. Sweden is another country that learned from overspending, this time in the 1990s, and it has been relatively successful at maintaining surpluses. The Germans have introduced in their constitution a cap of 0.35% on structural deficits. It is not exactly a surplus, but it is a way to prevent large consistent deficits. Other examples that the OECD has highlighted include Argentina, Belgium, Denmark, Estonia, Hong Kong and the Netherlands, although their arrangements vary with respect to their legislative teeth and their success. Even the French, who have not been able to balance a budget for decades, have made tentative steps in that direction, with the transposition of their fiscal compact in 2012. The fact that that has not gone anywhere is a topic for another conversation, but at least they were moving in that direction for a time.

Of course, legislation is not the only solution, and it does not necessarily guarantee a positive outcome against politicians determined to get around it. The United States' periodic fights over the debt ceiling—a mechanism that was designed to stop overspending—always have one outcome. In the 1980s, the attempts in the States to balance the federal budget under the Gramm-Rudman-Hollings Act, through mandatory sequesters—automatic cuts in spending in the event that politicians could not agree a budget that would fit—were unsuccessful, as resets and changes occurred when the going got tough. Nothing is infallible if we do not want it to be. Creative accounting, redefinition of spending as investment or capital, direct appeals and canny political manoeuvring can all undermine fiscal responsibility if politicians want that to happen.

I do not argue that a balanced budget rule would be a panacea. In Chile in recent years, there have been issues when estimates have not been realised and projections have been undershot. Switzerland also exempts elements of spending, such as social services, from the rules. If people want to get around this stuff they will, and no Parliament can truly bind the hands of a future one. Yet the idea of fiscal responsibility being formally codified beyond aspirations that can be amended by mere ministerial statements creates an impetus and a legal framework that focuses the political mind and public discourse on ensuring that we do something as basic as spending only as much as we raise.

What kinds of solutions should we consider? That depends on the political will and the desire to focus on the issue at hand. First, it is right to fix our immediate problem and finish the job of eliminating the deficit. I support what the Government are doing about that and want to give them gentle encouragement to accelerate it

where possible. That is the first step. There is the potential to legislate in the future once we have reached a surplus, or perhaps even when the point is reached at which the deficit is relatively small, which we are starting to get to.

There are various options. We could try to act voluntarily. That, to some extent, is what we have done already, and it is absolutely better than nothing, but we can in truth see that that approach has shortcomings—for some of which there are good reasons. I shall not provide a running commentary on Government policy, which, as I have said, has been positive overall. Plans are moved, for good and bad reasons. The conveyor belt of politicians calling for more spending and pushing their own hobbyhorses—holding Westminster Hall debates—continues. Many such ideas have merit and value, but we have effectively created a pressure cooker in Parliaments such as ours, with a desire just to ask for more and do more, and seek out new ways to spend money on fixes. When one parliamentarian does it, others follow suit. We remain addicted to spending and voluntarism goes only so far.

How, then, can we formalise the approach I am outlining? We could, as happens in the United States, make it a formal requirement to vote on increasing debt when it approaches established ceilings, or when there is a question of its exceeding them. The Government debt is fixed and capped and politicians have to make a clear decision in front of their electorate to change it. That is useful but probably, as in the US, it would not focus the minds of politicians too much. Often people's eyes glaze over when they see big numbers. That is one of the reasons why my party should stop trying to win the public services spending arms race with the spendthrifts on the Opposition Benches and focus instead on what the money is actually doing to improve outcomes. A debt ceiling has limitations, but it would send a clear signal.

Taking things further, we could establish a simple balanced budget rule that we would not spend more than we took in over a defined year or over the course of a few years. That could be done through adept forward estimating or by linking spending to the trajectory of past revenue growth. The Government would have a formal responsibility not to overspend, and to set out their plans clearly, on a short-term basis, showing how they intended to avoid overspending. In some ways, that would be the simplest solution—a clear understandable position and a clear understandable requirement to ensure that the budget is balanced. It might also improve public understanding of and support for the proposal.

Such rules, however, are often clunky and inflexible. Absolute requirements to budget on an annual or near-annual basis will significantly reduce headroom and the flexibility to deal with short-term shocks and recessions when there is at least an arguable case for fiscal stimulus in certain circumstances. That is probably one reason why such strict rules do not apply in many places around the world.

Alternatively, we could think about a more flexible approach that achieves the overall objectives, but that relies more heavily on estimating being correct, and on the Government not delaying hard decisions through a lack of political will. The requirement to balance a budget over an economic cycle would seem a strong starting point, although identifying the start and end

point of that cycle will be difficult and reliant on guesswork that would no doubt not be correct in a number of cases.

Flexibility could be introduced through various mechanisms. For example, the Swiss debt brake accepts that at times the Government will need to amend their approach due to external factors. To accommodate that, it applies a model of debits and credits, so if a Government fail to achieve a balanced budget in one year, they carry over that failure to another year through a fiscal debit that needs to be made up. Similarly, fiscal credits can be built up in a bank in readiness for future problems. To avoid future debts being run up too heavily, once debits exceed 6% of total Government spending, an automatic requirement kicks in to eliminate them within three years. An exceptional rule also applies so that in times of genuine emergency or need, both Houses of the Swiss Parliament can approve spending on an exceptional basis that breaks the rules. Even then, however, the Swiss have found a way to accommodate that, and automatic amortisation of that exceptional spending must be dealt with within six years.

The challenge of the Swiss model is its relative complexity—try explaining that down the pub after a few pints or during hustings at the next election—but its beauty is that by-gones cannot be by-gones, which is often the flaw in attempts to regulate deficit spending and debt growth. If Chile gets its estimates wrong, it tries harder next time. If the Swiss get them wrong, they have to find a way to compensate, and all the while the cost of servicing debt remains low and does not threaten the financial health of the next generation.

Despite Brexit sucking the oxygen out of the room, and despite the challenges that the UK faces in the coming years—including from that B-word—we have to make a choice. The Government have been consistent and clear that they believe in fiscal responsibility and discipline. We have had success in restoring the UK's financial health after such difficult times 10 years ago, and the trajectory continues—albeit a little slowly for my liking—to get us back to balance. Nevertheless, we need to talk about what we do when we get there. As some politicians occasionally point out, dealing with the deficit does not mean that we have dealt with the debt, and the conversation needs to move on to that.

Balanced budgets, fiscal rules and the promotion of fiscal discipline will be the weapons and constraints—perhaps we could call them the backstops—for when the next generation of politicians, whoever they are, are tempted to spend, spend and spend again. Indeed, some of the current generation are quite tempted to do that at the moment. Having balanced budget rules and the codification of fiscal discipline is one way to do that. It is not a perfect solution, but the status quo is far from perfect in this regard. Perhaps as a nation we should start to think more about how we create frameworks for future success, and how we address the fundamental challenge in western democracies of celebrating the money we want to spend—whether necessary and virtuous, or inefficient and virtue signalling—while not paying sufficient attention to the cost of it all. We cannot and must not keep spending today on the backs of our kids and grandkids tomorrow. If politicians are not willing voluntarily to adopt restraint, perhaps it is time to harden our resolve.

3.33 pm

**Stewart Hosie** (Dundee East) (SNP): It is a pleasure to serve under your chairmanship, Mr Stringer, and to take part in this debate. I congratulate the hon. Member for North East Derbyshire (Lee Rowley) on securing this debate, not least because we all want the debt, deficit and borrowing to come down to sustainable levels—there is no disagreement about that objective. At the end of his speech, he spoke about flexibility and not harking back to the debates of 10 years ago. We supported the New Zealand model that allows for maximum flexibility for a shock, while trying to reduce the debt and deficit, and we still think it has considerable merit.

While not wishing to be at all partisan, I must take issue with the hon. Gentleman in one regard, which is that one generation's spending paid for by the next is not a characteristic of much of our investment. Roads, rails, bridges, water, sewerage, long-term health improvement, education and even paying the state pension to those who have already contributed are intergenerational investments, and I would not characterise them as being a burden on, rather than an investment for, the next generation. The hon. Gentleman and the hon. Member for Cheltenham (Alex Chalk) spoke about morality, but there is nothing inherently immoral about borrowing if it is to fund that intergenerational investment.

I wish, rhetorically, to ask a series of questions. How do we do this? How do we run a balanced budget? What would the mechanism be? It strikes me that there are three ways that one could begin to do it. First, we could set hard targets, but if the downturn comes unexpectedly, if the revenue yield is lower than anticipated or if the money runs out, there are a number of options. We could simply stop spending, leaving a half-built bridge, road or railway, with unpaid pensions and cuts to welfare, but that would be socially, economically and politically undesirable. We could ignore the failure and carry on spending, or we could have a hybrid rule akin to the welfare cap, and the poor Minister would have to report to Parliament on why they going to make were cuts or ignore the rule and keep on spending.

In any event, there are likely to be in-year budget changes. In-year budget cuts in Westminster had an immediate impact and drove a coach and horses through the already set, voted on and agreed Scottish Parliament budget. If that is multiplied across the Welsh Assembly, Northern Ireland, and every local authority and other public body, an in-year change has a sudden and profound cascading effect on every recipient of public cash in the country—again, that is politically, economically and socially damaging.

As we have seen, the setting of a hard budget creates a perverse disincentive to hoard cash. No politician has not struggled to get cash from one public body or another in June, July, August or September, but then found a huge splurge of cash towards the end of the financial year. I bet my bottom dollar that if money is spent in that way it results in—how can I put this gently?—not quite optimum value for money.

To get round that, we currently budget against future forecasts, but if GDP is lower—for whatever reason—or if the tax yield is lower, or if the public finances and fiscal numbers are not what they might be, we are left again with a number of options. We can stop spending, which is bad. We can have in-year changes, which are

undesirable. We can also allow automatic stabilisers to take their course. That normally happens for a good reason, but the budget rule is then breached. We could introduce a corollary to the Bank of England failing to meet the inflation target, with some kind of letter or report to the House of Commons. If that happened too often, it would become rather meaningless; even worse, it could become a fiscal event in its own right. Watch how the markets would respond to that, rather than a sensible automatic implementation of the automatic stabilisers.

To avoid such difficulties—as the hon. Member for North East Derbyshire said, we have seen this in the past—we can have a balanced budget over the economic cycle. I am long enough in the tooth to remember my friends in the British Labour party changing the start and end dates of the economic cycle to make the numbers fit. It was not very credible, so I would rule that out, however superficially appealing.

All those mechanisms—all of them—depend on accurate forecasts. If there is optimism bias, our fiscal numbers and tax yield will be lower than anticipated on day one. We have seen, year after year, and even with substantial depreciation of sterling, that the contribution of trade to GDP growth was far lower than expected, or even zero or negative.

Secondly, it requires those doing the forecast to have comprehensive access to all of the information. The Office for Budget Responsibility has told us that it did not have access to some Government policy changes before it produced its report in advance of the Budget, and even the most recent Red Books make precisely no consideration of the impact of Brexit on the fiscal numbers—zero—or of the impact of a reduction in immigration, which could have a profound impact on GDP growth and tax yield.

We then have the issue of having to identify in advance—although it is impossible to do so, particularly in the case of certain sorts of external shocks—the precise implications for the fiscal numbers and revenue yield of both cyclical and structural flaws in the economy.

I say to the hon. Member for North East Derbyshire that we all want to see the debt come down, the deficit come down and borrowing come down—all of us want to see that. However, in addition we all want to maintain investment and to ensure that we do not punish those with least, who are dependent on public expenditure.

I also say to the hon. Gentleman, keep pushing. Let us see if we can get an answer from the Minister, and let us see if a flash of inspiration comes over all our heads at some point. If he can identify solutions to those problems—the optimism bias, the lack of information from the forecasters or to the forecasters, and information in advance about the precise impact of both a cyclical and a structural change to the economy—I suspect that I will be the first one to put him up for a Nobel prize for economics. However, in the absence of answers to those questions, I suspect that this issue will remain something that we will have to work at and something that is unlikely to be implemented, or at least implemented quickly.

3.41 pm

**Damien Moore** (Southport) (Con): It is a genuine pleasure to serve under your chairmanship, Mr Stringer, and it is a pleasure to take part in this debate. I congratulate

my hon. Friend the Member for North East Derbyshire (Lee Rowley) on securing it. It is a pleasure to see the hon. Member for Bootle (Peter Dowd) in Westminster Hall. As I go through my speech, no doubt he will not agree with the things I say, but that aside, I have tremendous respect for him.

The balanced budget rule is an important one, as it takes seriously the principle of responsible spending and enshrines it in a fiscal policy. It forces Governments to think through their spending priorities and decisions, and it contributes to more open, transparent and affordable budgeting. Countries across the world have adopted this approach, and with the exception of periods of war, economic crisis or natural disaster, they have maintained that decision.

Of course, there are different types of balanced budget rule and some Governments allow for different types of spending, or adjust their spending, depending on where they are in the economic cycle. When designing such rules, it is key that they are simple enough to be understood, followed and monitored, but flexible enough to be durable against the unforeseen economic shocks that can temporarily derail attempts to meet the goal. Indeed, if there is any short-term economic shock to the United Kingdom from, say, leaving the European Union, the Government should have the space to cut taxes in order to boost growth. The balanced budget rule also prevents profligacy, which Governments may choose to deploy to obtain votes.

One of the things that a balanced budget rule does help to do is to reduce waste. My hon. Friend the Member for North East Derbyshire referred to cheap political points, but some of the numbers that I am about to give are by no means cheap. I am referring, of course, to the last Labour Government. Although I will not give an exhaustive list of what they did, I will mention just a few things: £26 billion wasted on computer blunders; £18 billion wasted on ID cards; and £50 million wasted on an Assets Recovery Agency that only recovered £8 million in assets. The list goes on, and of course vanity projects can happen on either side of the political argument and under either party, so at all times there must be checks and balances.

However, incompetence also has a lot to answer for and I believe that the balanced budget rule would, more than our current system, prevent incompetence. Under the last Labour Government, Gordon Brown described himself as the “Iron Chancellor”. Well, he may have known a lot about iron, but he did not know much about gold, given the fact that he sold it at the worst possible time, wasting billions.

The last Labour Government talked about benefits, as does the Labour party now. Of course, as the hon. Member for Dundee East (Stewart Hosie) said, people who do not have an income of their own and rely on the Government for benefits to exist deserve to be supported. What Labour does not like to talk about when it comes to benefits is the £2.6 billion that was wasted on benefit fraud and errors. If anyone thinks that is bad, £57 million of that money was wasted on paying benefits into the accounts of people who were dead.

This country was ill-prepared for the 2008 financial crash and the situation was summarised quite succinctly by the former Chancellor, George Osborne, who said that Labour’s problem was that it failed to fix the roof while the sun was shining. The difficult decisions that

this country has had to make since 2010 are due in part to the policies of that Labour Government. With the greatest of respect to the hon. Member for Bootle, I would have thought that Labour would by now have learned that lesson, but it has not. Instead, hundreds of billions of pounds of unfunded spending commitments are being made by the Opposition, even now.

My colleagues have worked hard to provide the successes in our economy today, but I urge them and the Minister to look at balancing the books with a balanced budget rule.

3.45 pm

**Alex Chalk** (Cheltenham) (Con): It is a pleasure to say a few words in this debate, Mr Stringer, and I begin by congratulating my hon. Friend the Member for North East Derbyshire (Lee Rowley) on securing it.

This is such an important issue, yet looking around this Chamber—in which there are only a few people—we could be forgiven for thinking that it is somehow a dry, bookish or niche issue. However, the reality is that what Governments of all stripes do in respect of the public finances resonates in people’s lives, including the lives of people who might be some of the most vulnerable in our community. If we lose control of the public finances, it is not the rich and the powerful who suffer, but the poor, the sick and the vulnerable. That is why it is so important that we engage with this issue, and I congratulate my hon. Friend on doing so.

However, part of the problem with discussing this issue is that we as a political generation fail to communicate about it properly. That is because if people are anything like me, once a figure gets above, say, £50 million or so, it just sounds like a very big number, and what we sometimes fail to do is to put these figures in context. How many Members of Parliament would be able to tell people the total budget that we spend every year as a nation? I suspect fewer than half. As a matter of fact, it is something in the region of £840 billion. That is an important figure to keep in mind, because it puts in context what has happened to our national debt over the last 10 years. Back in 2007, our total national debt—the total pile that we had to service as a nation—was about £500 billion or so. Now it is £1.8 trillion, and as my hon. Friend indicated that debt burden has to be serviced in some way.

Again, it is all very well to say, “Oh well, it costs roughly £50 billion a year to service that debt pile”, but that is a meaningless figure unless we place it in some sort of context. As has already been said, that sum is higher than the total schools budget. People like me, who represent places like Cheltenham, go and speak to headteachers about the pressures they face in their schools, where they might be looking to increase the high needs budget, which is about £6 billion. However, the reality is that we spend about eight times more on debt interest than we do on high needs funding, which supports special schools in our country, and more indeed than we spend on defence.

To put things further into context, the mighty United States is currently in shutdown because of the inability to agree on how to pay for the US President’s border wall. The sum required is about \$6 billion. To put things another way, every year we spend, on debt interest alone, a sum equivalent to about 10 of Trump’s border walls. It is a huge sum of money.

[Alex Chalk]

The reason this issue is important is because it has an impact on people's lives. Here are two things that I think are axiomatic. First, there is no national security without economic security. In other words, unless we live within our means, we cannot be sure that our military and indeed our intelligence agencies, such as GCHQ, which is in my constituency, can rely on the knowledge that they will have the resources they need to keep our country safe into the future. Secondly, we cannot have economic security without fiscal security. In other words, unless we keep control of our finances, when economic shocks come, which they will, the nation will be ill-prepared to deal with them. Put bluntly, the cupboard will be bare.

That is precisely what happened in Greece. That nation had a debt to GDP ratio of about 90% to 100%, and when the storm came it was unable to deal with it. As a result, as I indicated before, it was the poor, the sick and the vulnerable who suffered, with Greece's equivalent of NHS funding being slashed by half. The reason why that is so sobering is that the UK's debt to GDP ratio is in the high 80s; it is not a million miles away from where Greece was 10 years or so ago. That is an important point to raise, and as a political group we need to do better in explaining its impact, but I say respectfully to the hon. Member for Bootle (Peter Dowd) that the Opposition need to be straight with people as well. It is easy enough to say, "We are going to spend £1 trillion", but in the same sentence, Labour ought to explain the costs that will entail each and every year so that people can understand what that offer means.

The reality is that if Labour wants to spend another £1 trillion, that is absolutely fine for my generation—no doubt there will be more money for the NHS, and so on and so forth—but the next generation will suffer, because before they can pay for a single soldier, nurse, doctor or teacher, they will have to pay vastly more in debt interest. If that argument is made, people can make their choices, but everyone who does so has to be straight with the British people. I regret to say that that has not always been quite as transparent as it might be. There is a moral case for living within our means, and my hon. Friend the Member for North East Derbyshire has done an important service by making that case today. I am grateful to have had the opportunity to say these few words.

3.51 pm

**Marion Fellows** (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Stringer, for what I believe is the first time. I congratulate the hon. Member for North East Derbyshire (Lee Rowley) on securing this important debate, and I thank all Members for their input and their erudite performances. They have caused me to think quite clearly, and at length, about what they were saying.

[STEVE McCABE *in the Chair*]

The hon. Gentleman is passionate in his beliefs about balancing budgets, and used one quote that I find particularly apposite: that according to President Madison, "a Public Debt is a Public curse".

I do not think we need to go back that far to see the difficulties with balancing budgets. The hon. Gentleman wants a hard rule, and at some point he mentioned a referendum that could take place if that hard rule were broken; he also promised not to refer to Brexit. Unfortunately, I am going to break that rule: I think Brexit is important, as it has huge implications for the direction of our budget process. He also spoke about intergenerational fairness, a matter that is close to my heart, and I take his point. He is many years younger than I am, and I think I am allowed to say that he has the passion of youth in his ideology, which I do not always agree with.

My hon. Friend the Member for Dundee East (Stewart Hosie) made an erudite speech, especially in his description of the difficulties of forecasting when trying to get a balanced budget. He is absolutely right that past performances have shown how difficult it is to make accurate forecasts, and about how that will impact on this idea in its entirety. He referred to the New Zealand model, and we have also heard about models from the United States, Canada and Chile, as well as Greece, mentioned by the hon. Member for Cheltenham (Alex Chalk). There are lots of models and lots of places we could look to when considering this idea, but none seems to have the absolute answer.

The hon. Gentleman spoke briefly—for which I am grateful—but appositely. I have not forgotten the hon. Member for Southport (Damien Moore), but as he mainly went on the attack against the Opposition, I will leave it to the hon. Member for Bootle (Peter Dowd) to sum up what he said.

The Tories keep imposing deadlines for balancing budgets which they are missing. As far as the Scottish National party is concerned, their only interest is ideological cuts. Those cuts have not taken full account of circumstances at any given time, and in order to balance the budget, it has been impossible not to hurt those people whom some Members have already mentioned as needing the most from the public purse.

The Institute for Fiscal Studies has warned that wages have still not recovered to pre-crisis levels, and annual earnings are more than 3% lower than in 2008, with millennials the worst hit. Median earnings fell to £23,327 last year, 3.2% lower than in 2008, when the average wage was £24,088. People in their 20s and 30s have taken the biggest hit: those aged 30 to 39 have seen their earnings fall by 7.2%, to an average of £26,442, but I am not going to go on ceaselessly producing numbers. My children are affected by what has happened. It has not been a good idea to balance the budget on the backs of those people, and it is even more difficult for the Government when folk like Jonathan Cribb, a senior economist at the IFS, and Paul Johnson, director of the IFS, say as they did last year:

"The UK economy has broken record after record, and not generally in a good way: record low earnings growth, record low interest rates, record low productivity growth, record public borrowing followed by record cuts in public spending."

If the UK Government genuinely wanted a balanced budget, they would not be giving a major tax cut to high-income earners. In sharp contrast with the Scottish Government, who are helping those on low and modest incomes, the Tory Budget gave a tax cut to the better off: it gave basic rate taxpayers £21 a year, compared with £156 for those on higher rates. Where the SNP has

powers over tax in Scotland, it has introduced a progressive tax system, and 70% of all income tax payers will pay less tax this year on a given income than they did in 2017-18. If that were carried out across the UK, that surely would be something.

Scotland continues to have the fairest income tax of anywhere in the UK, with 55% of taxpayers paying less in Scotland than they would elsewhere in the UK. The draft 2018-19 Scottish budget aims for 99% of income tax payers in Scotland to pay the same or less than last year. Polling found that the public supported the SNP's progressive tax changes for this year by 2:1—not something that we often hear stated in the Chamber. Conversely, it is not acceptable that the UK's 2018 Budget gave the better off tax cuts at a time when those on low incomes continue to face tax squeezes on their income. Interestingly, the Government have rowed back on some of their proposed cuts. The UK Government fail to meet the Resolution Foundation's test of spending £31 billion more to end austerity by 2022-23.

Scotland's fiscal position is comparable to other parts of the UK, and revenue per head is the fourth highest among the UK's countries and regions—£913 higher per person than the UK average, excluding London. Scotland's fiscal deficit relative to its population is also better than that of Wales, Northern Ireland, and north-east and north-west England. The majority of advanced economies run a deficit; Scotland is not unusual in that regard, nor is the UK. Twenty-four out of 36 OECD countries ran a deficit in 2016, including the UK. The UK's deficit stood at £40 billion in 2017-18, and as has already been mentioned, it has been in deficit for 53 of the past 60 years. I know that the hon. Member for North East Derbyshire wants to put an end to that, but we cannot put an end to it at the expense of the poorest and most vulnerable in our society. Scotland also has a deficit, but that has fallen by £1 billion in the past year alone, and is projected to fall further in the coming years, from 7.9% of GDP in 2017-18 to 7.4% of GDP in 2022-23.

It is difficult for this Government to talk about balancing budgets when they have not included Brexit in many of their forecasts. The Governor of the Bank of England, Mark Carney, says that Brexit has cost households £900 on average already and the Fraser of Allander Institute estimates that leaving the single market and customs union would cost 80,000 Scottish jobs.

Tough times lie ahead. Even if the UK signs a free trade agreement with the EU, Scotland's GDP will be 6.1%—£1,610 a person—lower by 2030. It is clear that cuts to public services have markedly reduced life expectancy, with an even more significant impact in disadvantaged communities. Office for National Statistics figures show that the Tories have presided over a slowing of life expectancy increases. Between 2011 to 2013 and 2014 to 2016, improvements in a measure of life expectancy were the smallest seen in the 21st century. Is that what their ideology should lead us to?

The destruction done to the UK economy will have lasting effects on poverty and child poverty rates. The only way to avoid economic catastrophe is to stay in the single market and customs union permanently, and the UK Government have rejected that outcome. The Joseph Rowntree Foundation said last September that while child poverty rates are set to increase in spite of Brexit, many of the worst hit areas are

“highly exposed to change in trade with the EU and any loss of regional funding.”

According to the JRF, the benefits freeze will make a couple with two children £832 a year worse off by 2020. In those circumstances, can we continue to cut public spending to balance the budget?

UK private sector debt is staggeringly high, which will be a major risk in the next recession. It is now 5% of GDP. That is the largest percentage in the G7. The debt is 60% funded by capital real estate and the buying of leveraged loans. It is entirely reliant on external input. With tariffs and barriers, it is not sustainable. The Finance Committee heard last week that we face a painful adjustment post Brexit. The Bank of England has noted that personal unsecured debt now accounts for 40% of risk in its stress tests. As a nation, we are spending more than we earn. I know that is the point the hon. Member for North East Derbyshire made, and we would all like to see a balanced budget, as my hon. Friend the Member for Dundee East said, but we cannot continue to do that on the backs of the poorest and most vulnerable members of our society.

4.3 pm

**Peter Dowd (Bootle) (Lab):** It is a pleasure to serve under your stewardship, Mr McCabe. I thank the hon. Member for North East Derbyshire (Lee Rowley) for securing this debate, which gives us an opportunity to brush aside some of the myths that he referred to. I also thank the hon. Member for Southport (Damien Moore), the hon. Member for Dundee East (Stewart Hosie), who spoke eloquently and sensibly, and the hon. Member for Cheltenham (Alex Chalk), who referred to the Greeks. I remind him that Thucydides said that

“while the strong do what they will, the weak suffer what they must.”

That is precisely what the Tories have done. They talk about the poor all the time, but it is the strong that they stick up for, and they do it time after time.

The hon. Member for North East Derbyshire forgot to mention that the global financial crisis that the Tories use time and again started in the United States. *[Interruption.]* The hon. Member for Cheltenham can sit there and pretend to snore, but that is the reality: until the Tories accept that fact, we will not be able to move on. There is a danger that there could be accusations of dishonesty and disingenuousness—I am not making those accusations, Mr McCabe—until those on the Government Benches begin to acknowledge that.

The issue is not just about fixing the roof before the rain comes through; we were all in it together at the time, and we all know that we have not been in it together under Tory policies. The poor have been getting a stuffing year in, year out. The Tories have also missed every target they have set. Talk about a moving target! The situation was supposed to be sorted out years ago. The hon. Member for Cheltenham said there was a debt of £800 billion, but the Tories have doubled the debt since they came into power. They have borrowed more money than Labour ever has.

**Alex Chalk:** We have this extraordinary situation where on the one hand Labour complains that the national debt has gone up too much, and on the other it complains that the Conservatives are not spending enough. That kind of illogicality would embarrass a 10-year-old. Surely the hon. Gentleman can do better.

**Peter Dowd:** Of course I will do better. At the end of the day, it is about priorities. As the hon. Member for Motherwell and Wishaw (Marion Fellows) said, the Tories have spent the money in the wrong way. The hon. Member for Southport effectively accepts that. We have had £15 billion wasted on the introduction of universal credit by the Tory party, so let us get a little bit real.

I am sick to death of talking about how useless the Tory party is, so I will speak about Labour's fiscal credibility, which I am sure will get a certain amount of unanimity in the Chamber, and the issue of balancing. *[Interruption.]* I am happy to deal with it. We could have discussed the issue in a mature and grown-up way with adults in the room. Yanis Varoufakis wrote a book called "Adults in the Room", but there are not many in the Chamber today. I suggest Members have a read of that book; it will show them what happened to Greece.

Following discussions with our advisers, including Professor Joseph Stiglitz, on 11 March 2016, the shadow Chancellor announced a fiscal credibility rule, which has five key elements. I am happy to set that out in the symposium that hon. Members are here to attend. First, Labour committed to closing the deficit on day-to-day spending within five years. Secondly, we committed to excluding investment from that commitment so that we can borrow to invest, which is important. Thirdly, we undertook that Government debt as a proportion of trend GDP would be lower at the end of a five-year parliamentary term than at the start.

Fourthly, we committed to giving the Monetary Policy Committee of the Bank of England the power to suspend the rule if it determines that interest rates are not having their usual effect due to the lower bound. That would allow stimulus action to step in when monetary policy is ineffective. Fifthly, we would shift the reporting requirements of the Office for Budget Responsibility so that it reports to Parliament, rather than the Treasury, and ensures ongoing Government compliance, to which the hon. Member for Dundee East referred. All the facts are there, so let Parliament have them. The elements of the rule mean that a Labour Government would not need to borrow to fund our day-to-day expenditure.

**Alex Chalk:** The United Kingdom last lived within its means in 2001. Under a Labour Government, when would it next do so?

**Peter Dowd:** If the hon. Gentleman listens to what I have to say, he will find out in due course. *[Laughter.]* The hon. Gentlemen laugh and snigger. Meanwhile, millions of people suffer under their policies. They should stop their sniggering and listen. I know that the Tories think they have some divine right to rule and some divine economic ability, but they have not. They need to show a little humility occasionally and listen to other people.

Unlike the Conservatives' different, haphazard and unsuccessful attempts to achieve fiscal credibility, our fiscal credibility rule has three criteria for good economic policy. I know that economic good in economic policy is an alien concept to the Tories, but they might learn one or two things if they listen to what I have to say. The three criteria are: responsibility in economic management; recognition of the value of long-term public investment; and flexibility for changing economic circumstances. A Government trying to bind themselves into a model that has palpably failed all over the world are not particularly helpful. There has to be some flexibility.

**Stewart Hosie:** Is the irony not that that model would look like Greece? It is running a current account surplus, but the pain of a decade of even more brutal austerity than was faced here will be felt for generations to come. That would be success according to the hon. Member for North East Derbyshire (Lee Rowley).

**Peter Dowd:** The hon. Gentleman is spot on. I do not want to misquote the Secretary of State for Transport, but when East Coast went bottoms up he said that that just proved that the market works. That is the sort of economic approach that the Tories take to our country.

Let me go through the three criteria one by one. We are a party that, first, takes seriously the mantle of being guardians of a sustainable economy. We fully costed our election promises in our grey book, "Funding Britain's Future". The Conservative party, by contrast, gave no costings whatever in its manifesto. As the shadow Chancellor said, the only numbers in the Conservative party manifesto were the page numbers.

Meanwhile, Carl Emmerson of the Institute for Fiscal Studies said in his election briefing that Labour's

"forward-looking target for current budget has much to commend it".

The IFS also estimated that we would have met our deficit target with £21 billion to spare, and that we would meet our debt target.

Secondly, we recognise that Government spending is not something to be scared of, or to have a phobia about, and that some economic metrics do not fully capture the benefits of the gradual build-up of public assets, as the hon. Member for Dundee East mentioned. That is why we distinguish between day-to-day spend and investment in our fiscal credibility rule, because investment is a different kind of Government activity that contributes to a stock of public assets, providing benefits over time. A country is not a house, or an individual who has a lifetime; it goes on, as we know, for a long time. Comparing us to a household might be a soundbite, but it is economic fantasy.

**Lee Rowley:** Given the hon. Gentleman's point about us binding our hands, can he explain why, in 2006, I think, his sister party in Chile not only determined that it was going to adopt the kind of policies that he just described, but codified them into law?

**Peter Dowd:** I am not here to explain what sister parties anywhere do. I could quote sister parties for the Tories all over the place. The hon. Gentleman should be careful what he is wishing for when he starts to make those sorts of comparisons.

The Conservatives have been unable to appreciate this point in their words and in their actions: the Government's fiscal target of cutting borrowing to less than 2% of GDP by 2021 does not exclude investment, or distinguish between spending and investment. In so doing, the Government overlook, and undervalue, the special character of investment. They do that time after time.

Their austerity programme, the mythical end date of which was in 2018—previously, it was before that—was more a signal of the Government's failure than of any actual shift in approach. It has done lasting damage to our economy and society, and has left us with rough



sleeping up by 169% since 2010, stagnant wage growth—the worst since Napoleonic times—and few examples of public infrastructure being patiently built up and supported.

The third aspect is flexibility when thinking about sound economic policy. The Tories' austerity programme arises from, as the hon. Member for North East Derbyshire has reaffirmed today, a rigid ideological belief—not always reflected in practice, I have to say—that a smaller state is always better, notwithstanding good evidence of the state's entrepreneurial capacity and the human costs of austerity. Such rigidity in approach is something that we have avoided in our fiscal credibility rule.

The zero bound knockout that we proposed, which would allow the Bank of England to change course in times of impending crisis when interest rates can do only so much, shows our willingness to adjust economic policy frameworks in the light of circumstances. Any sensible Government would do that—not bind themselves into a failed ideology and process. That knockout is informed by lessons learned after the global financial crisis—lessons that the Conservative party seems incapable of learning—when it became clear that continual cutting of interest rates was having little impact on spending habits and aggregate demand.

More was needed from fiscal policy, and that zero bound knockout—the fourth element of the fiscal credibility rule—acknowledges that that will sometimes be the case. Professor Simon Wren-Lewis writes that if that part of the rule

“had been in operation in 2010, we would have seen further stimulus in this and perhaps subsequent years, leading to a much quicker recovery from the GFC.”

Wren-Lewis describes that part of the rule—the part that allows a reversion to expansionary fiscal policy in times of crisis—as the part that makes the rule

“unique, and brings it up to date with current macroeconomic thinking.”

**Stewart Hosie:** Is it not part of the problem, although we are moving slightly away from a balanced budget, that there has not been a comparable fiscal response to the substantial monetary response that we have seen over the last decade?

**Peter Dowd:** That is a perfectly reasonable comment. Time and again the Conservative Governments whom we have had to endure—I choose to use the word “endure”—over the last nine years have failed to take a wider view on policy-making in the country. Petty in-fighting over Brexit has put us on a precipitous, catastrophic no-deal path. They failed, through austerity, to see, and to care about, how an ideological commitment to cutting apart Government would have ripple effects across the country on rough sleeping, indebtedness, demand and productivity, which is virtually the worst in Europe under this Government.

Our fiscal credibility rule, and economic policy in general, takes a wider view, which is important. We understand how fiscal and monetary policy have to interrelate for the economy to function well in different times, and we understand how principles of economic management such as our fiscal credibility rule have to fit into a broader vision of an economy that serves society, and not just those with the strongest voices.

**Alex Chalk:** Will the hon. Gentleman give way before he sits down?

**Peter Dowd:** I have finished—I am sorry.

**Alex Chalk:** He did not answer my question.

**Steve McCabe (in the Chair):** Order. Have you finished, Mr Dowd?

**Peter Dowd:** Yes, I have.

**Steve McCabe (in the Chair):** Okay. I call the Minister.

4.17 pm

**The Exchequer Secretary to the Treasury (Robert Jenrick):** Thank you, Mr McCabe—it is a pleasure to serve under your chairmanship. When I saw that so few colleagues from both sides of the House had attended this debate, I thought that my hon. Friend the Member for North East Derbyshire (Lee Rowley) had rather made his point without having had to get to his feet. Of course, he continued with his speech for an hour, in three parts—a structure that all the best screenwriters tell people to use. He made some important points, and I do not demur from many, if any, of them.

Like my hon. Friend, I came to this House with the conviction that this country must live within its means, that it is the responsibility of our generation to be more fiscally responsible than those who came before us, that it is a moral imperative to do so, and that we must not leave the country in a weaker state, saddled with debt for the next generation to cope with. That is the task that the Chancellor, like his predecessor before him, and all of us at the Treasury have to take forward.

As my hon. Friend eloquently said, that task will also preserve what we care about in this country's democracy. This is not unique to the United Kingdom; it is a feature of almost all liberal democracies that, unchecked, the constant desire of politicians to promise more and more and to borrow more and more may turn out to be one of those democracies' gravest weaknesses. We want to leave the next generation a strong country, not one that is saddled with debt. The latter course would leave our economy, as my hon. Friend said clearly, at an unacceptable level of risk were there another macroeconomic shock, which inevitably there will be. The Office for Budget Responsibility sensibly predicts that there is a 50% chance of one within the next five years.

As my hon. Friend also said, that latter course would leave us in an unacceptable position in terms of our competitiveness, our ability to invest in public services and in the economic infrastructure that will drive the economy forward, and our ability to reduce taxes—all of which we want to do.

**Ian C. Lucas (Wrexham) (Lab):** Will the Minister confirm that he agrees that there was a macroeconomic shock in 2008?

**Robert Jenrick:** Of course there was a macroeconomic shock in 2008, but what I think the hon. Gentleman is asking is whether the then Government had prepared for that shock. Of course they had not: all the estimates and analysis suggest that public spending significantly overran growth in the years leading up to the macroeconomic shock. That is exactly what this Government have set out to avoid.

**Ian C. Lucas:** Will the Minister give way again?

**Robert Jenrick:** The hon. Gentleman was not here for the debate—he has come at the last minute—but I am happy to give way.

**Ian C. Lucas:** Did not the then shadow Chancellor, George Osborne—who is in Davos today, finding out how poor people live—actually tell us at the time that we were not investing or spending enough in the economy?

**Robert Jenrick:** I will not comment on the previous Chancellor, but he came into office to restore our public finances.

**Ian C. Lucas:** And he didn't do that either.

**Robert Jenrick:** As we have already heard today, a great deal of progress has been made in that respect. Of course there is more to do, but we have to recognise the considerable progress that we have made. In 2010, as my hon. Friend the Member for North East Derbyshire said, we inherited a very severe situation: debt had nearly doubled in two years and was snowballing, while the deficit soared to a near record level—the highest in 50 years. Of course the financial crisis had contributed to that, but so had poor management of the public finances in the years leading up to it. We have made progress, and we are nearing a turning point in the public finances. Debt has begun its first sustained fall in a generation and the deficit has been reduced by four fifths—from 9.9% of GDP to 2% at the end of 2017-18. That is an important step forward, but there is a great deal more to do.

**Stewart Hosie:** Does the Minister not accept that his party has any responsibility for slowing down the recovery? Does he not recognise that in 2010 the UK was one of only two countries—the other was Argentina—to completely end the fiscal stimulus, weakening the recovery and ensuring that the downturn lasted far longer than it ought to have?

**Robert Jenrick:** No, I do not accept that for one minute. It is exactly as a result of this Government's fiscal responsibility in that period that the public finances have now improved, credibility has been restored in the market and business has continued to invest. For those reasons and others, we now have continued record levels of employment, record low levels of unemployment and an economy that remains remarkably resilient. Let us not forget that public spending is £200 billion higher today than it was in the last year of the last Labour Government.

We are not complacent about the debt or the deficit. The fiscal outlook may be brighter, but the need for fiscal discipline continues, as my hon. Friend the Member for North East Derbyshire made very clear. The debt is still more than 80% of GDP, which is equivalent to approximately £65,000 per household, and we want to reduce that figure, for a number of reasons. We are concerned to ensure that if there is a future economic shock, the economy is resilient, and we want to improve fiscal sustainability. In the most recent Budget, the Chancellor set aside £15 billion of headroom for economic shock, out of concern for any further uncertainty that might arise as a result of Brexit.

There is a broader point, however: servicing debt is costly. If our spending on debt interest were a Ministry, it would be the third largest, after health and education. Our spending merely on servicing our debt is equivalent to what we spend on the police and the armed forces. As my hon. Friend made clear, that has an opportunity cost, because that spending has no economic or social value and reduces our ability to spend on our priorities and keep personal and corporate taxes as competitive as possible. The debt burden of interest is merely being passed to future generations.

The foundations of the Government's approach are our fiscal rules: first, to reduce the cyclically adjusted deficit to below 2% by 2020-21, and secondly to have debt fall as a percentage of GDP in the same year. Sticking to those rules will guide the UK towards a balanced budget by the middle of the next decade. The OBR's economic and fiscal outlook, which was published in October and was quoted from earlier, shows that the Government are forecast to have met both our near-term fiscal targets in 2017-18, three years earlier than predicted. Sensibly, given uncertainties in the fiscal outlook, the Chancellor took the view that we should retain the £15 billion of headroom against the fiscal mandate in the target year and £73 billion against the target of getting debt to fall. The forecast also shows that borrowing will fall to 0.8% of GDP by 2023-24, its lowest level since 2001.

**Peter Dowd:** If the Chancellor and his predecessor have been so wonderful at economic management, why have they missed every single target that they have set over the past eight years?

**Robert Jenrick:** The hon. Gentleman rather makes the point that my hon. Friend the Member for Cheltenham (Alex Chalk) made. He cannot have it both ways. Either the hon. Gentleman supports debt falling—in which case he should support continued fiscal responsibility, which is one of the Government's guiding missions—or he wishes to spend more and more. His speech argued that we should spend even more, getting us into further debt and making the situation more difficult for future generations.

**Peter Dowd** *rose*—

**Robert Jenrick:** I will give way one last time, but then I must make progress.

**Peter Dowd:** First, I did not make the latter point. The Tories can make up their own policies on the hoof—but don't make up ours. Secondly, the Minister still has not answered the question. It has nothing to do with the outcome; it is about why the Government, if they are so economically capable and confident, have missed all their targets.

**Julian Knight** (Solihull) (Con): He has already answered you.

**Peter Dowd:** No, he hasn't.

**Robert Jenrick:** I have tried to answer. We are meeting our fiscal rules, as the OBR states—in fact, we are meeting them three years early. That has given us room in the Budget to invest at record levels, with £20.5 billion a year for the NHS, for example—its largest injection—and

reserve headroom in the event of fiscal shock. However, the hon. Gentleman is arguing for £500 billion of additional public spending. As my hon. Friend the Member for Cheltenham said, that makes no sense whatever.

In the little time I have left, let me answer the question asked by my hon. Friend the Member for North East Derbyshire about how we can create better architecture to ensure that we and future Governments can be more fiscally responsible. We have done so in a number of ways. Our greatest step was the creation of the OBR, an institution that is now maturing and respected and will be retained on a cross-party basis in the future. It has enabled commentators and Members to have greater confidence in the figures—of course, there may be more that could be done in that respect. This year, we will institute the first zero-based spending review, which will look at all Government spending. We have taken account of the parallel with Chile, which has adopted that model in that past.

On longer-term spending, we have created the National Infrastructure Commission, which was designed to ensure that the Government think about the long-term challenges and invest appropriately within a defined spending envelope, guiding investments in our infrastructure according to a clear economic strategy. We have also taken action to ensure that our public accounts are among the world's most transparent—they have been certified as such by the International Monetary Fund, for example. Most recently, the Chancellor announced the retirement of the private finance initiative, so that we continue to ensure that when our accounts are scrutinised, they are as clear and transparent as possible and we are always seeking to derive the greatest value for money for the taxpayer.

We have also sought to distinguish clearly between day-to-day consumption—important though such investment is for the future of the economy, whether it is in the police, in education or in the health service—and the long-term economic infrastructure investments that will really drive the economy forward. Over this Parliament, we will make the greatest investment in such economic infrastructure—our roads, our railways, our digital infrastructure—by any Government since the 1970s.

I thank my hon. Friend the Member for North East Derbyshire for his remarks. This is an extremely

important and timely debate. He made his case in his usual eloquent way, as one of the great champions in this House of smaller Government, lower taxes and fiscal responsibility. If only there were more colleagues who followed his example.

4.29 pm

**Lee Rowley:** I thank everyone who came to the debate—word clearly got out and everyone came in towards the end to hear its quality. I thank my hon. Friend the Member for Cheltenham (Alex Chalk), the hon. Members for Strangford (Jim Shannon), for Dundee East (Stewart Hosie), for Motherwell and Wishaw (Marion Fellows) and for Bootle (Peter Dowd), and my hon. Friend the Member for Southport (Damien Moore) for their contributions.

I will end with a few points. First, I say to the hon. Member for Bootle, whose constituency I have the greatest affection for, having spent most of the decade before I joined this place working there, that it is possible to conflate austerity with this discussion, but the point was to go one step further and say that, whatever the political decisions we choose to make—we can have a debate about that—we should pay for them at the same time. Some of the people I have respected the most in fiscal and financial terms over the past 30 years have been social democrat and Labour Chancellors, including Roger Douglas in New Zealand and Michelle Bachelet in Chile, which, as I have said, codified a rule.

Secondly, in my view there is nothing ideological to living within one's own means, over an appropriate cycle and with appropriate stabilisers and appropriate flexibility. The hon. Member for Dundee East is absolutely right to say that there is no absolute answer, but I know what the answer is not. It is not continually increasing debts, running a deficit continually or semi-continually in the long run, with the costs of servicing that debt approaching and about to exceed £50 billion. If that is the passion of youth, I apologise, but perhaps when we meet again to talk about this issue—and I hope we do—and we figure it out, the hon. Gentleman might nominate us all for the Nobel peace prize.

*Question put and agreed to.*

*Resolved,*

That this House has considered the balanced budget rule.

## Furniture Manufacturers

4.32 pm

**Steve McCabe (in the Chair):** I should explain that we are running 30 minutes or so behind schedule because of votes in the main Chamber earlier. We now move to the debate on furniture manufacturers. I call Maggie Throup to move the motion on the next debate, which will end at two minutes past 5.

**Maggie Throup (Erewash) (Con):** I beg to move,

That this House has considered the contribution of furniture manufacturers to the UK economy.

It is a pleasure to serve under your chairmanship, Mr McCabe, and it is also really good to see so many people with an interest in the furniture industry. I move the motion as the chair of the all-party parliamentary furniture industry group, which exists to raise awareness of the UK's thriving furniture industry and to promote its importance to our economy.

I declare an interest as the Member of Parliament who proudly represents the town of Long Eaton, which is globally recognised as the UK centre of quality upholstery manufacturing. The furniture industry continues to flourish in Erewash, with more than 50 companies, such as Steed Upholstery, Artistic Upholstery, David Gundry and Gascoigne Designs, involved in furniture manufacturing and its supply chain in Long Eaton alone. It employs about 2,700 people with a turnover of more than £250 million each year. On a national basis, Government-verified figures show that the wider furniture and furnishings sector, including specialised retail but excluding general retail, supports some 327,000 jobs across 50,000 registered companies.

**Melanie Onn (Great Grimsby) (Lab):** I congratulate the hon. Lady on securing this very important debate. Does she agree that in addition to the larger companies there are some smaller companies, such as Rowlands Upholstery in Great Grimsby, that do a fantastic job—not only employing people, but providing high-quality furniture? They are essential to people's lives, and to our local economies.

**Maggie Throup:** I completely agree, because the majority of upholsterers in my constituency are exactly the same type of company—small and medium-sized enterprises that employ people locally, generation after generation.

Consumer expenditure on furniture and furnishings was almost £17.5 billion in 2017 and exceeded all other spend in the household goods sector. That represents a 21% increase from 2014. Year-on-year growth in the sector between 2014 and 2016 rose from 4.8% to 6.9%, with growth between 2016 and 2017 higher still, at 7.9%. The latest data shows that furniture and furnishing sales continued to rise into early 2018, with first and second quarter consumer expenditure 8.5% and 8.3% higher, respectively, than for the equivalent periods in 2017, despite many other retail sectors experiencing an increasingly challenging market.

In addition, trade fairs such as the biannual Long Point exhibition, held in Long Eaton, continue to attract global attention from international buyers looking to stock some of the finest sofas and easy chairs the UK has to offer. That has led to a steady increase in furniture exports since 2012, peaking at £1.19 billion in 2017 and representing a 12.4% increase on 2016 figures.

The good news does not stop there. Provisional estimates for 2018 indicate that exports for last year could be higher still, at £1.27 billion, which would represent a year-on-year increase of 7%. Taken together, these figures clearly demonstrate that the appreciation of and the demand for hand-made British craftsmanship remains high, both nationally and internationally.

It is hard to speak in this place without mentioning Brexit, but I promise the House that I will keep my remarks brief and confined to two main areas—trade and export, and standards and regulations. Like all sectors, the UK furniture industry now just wants clarity and a degree of certainty over Brexit at the earliest opportunity, in order to preserve confidence in the UK as a stable business environment in which to invest, and to assist with business planning.

With specific regard to trade and export, the industry wants to ensure that the Government give serious consideration to the cost of importing materials, both finished and components, during the renegotiation of our relationship with the EU. For example, if the import of fine Italian fabric were to be interrupted, manufacturers in my constituency have voiced concerns that production may be significantly disrupted or even halted while they sourced material from elsewhere. Consequently, that would have a huge knock-on effect on the local workforce and would risk the financial viability of many of these small, often family-run businesses.

Britain is soon to regain its ability to negotiate independent free trade agreements, which I believe presents a fantastic opportunity for all UK businesses to access new markets outside of the UK and Europe—something that the furniture industry already has significant experience in doing. Given that there are 30% more furniture manufacturers that do not currently export but are planning to do so within the next year, I welcome the Government's new five-year UK export support strategy, which provides manufacturers with further details of the package of support available to help exporters post Brexit. We also have a responsibility, as Members of Parliament with furniture manufacturers in our constituencies and as members of the APPG, to continue to bang the drum for the industry and ensure that they do not lose out to larger sectors during future trade negotiations.

I turn to standards and regulation. The UK already maintains some of the highest standards for furniture safety in the world, but here again clarity is needed on both product safety and the mutual recognition regime that the industry will have to work within post Brexit.

**Matt Western (Warwick and Leamington) (Lab):** I thank the hon. Lady for bringing about this debate. Before she moves beyond Brexit, does she agree with me that some of the pressures that some of our small and medium-sized furniture businesses face come from the lack of support and assistance that they are getting from the Department for International Trade with exports and exchange rate facilitation, or even things like intellectual property rights?

**Maggie Throup:** As I outlined earlier, the Government have produced an export strategy, which I would encourage all SMEs to look at and take part in. That is one of my messages today.

I shall move on from Brexit. As shown across my constituency, furniture manufacturers require a highly skilled workforce to retain their international reputation for quality. The skills of an upholsterer are passed down from generation to generation—often in the form of an apprenticeship, then finely tuned over a number of years, which can span well past the usual age of retirement. The industry therefore needs support from Government to help it to bring new generations of craftsmen and women through the system with the right skills to ensure that this type of art survives throughout the 21st century.

**Mr Tanmanjeet Singh Dhese** (Slough) (Lab): I thank the hon. Lady for securing this very important debate. She is just about to highlight excellent British craftsmanship. Just as in her constituency, in Slough there is an array of manufacturers, designers and fitters of furniture for bedrooms, kitchens and so forth. We pay tribute to those individuals for their craftsmanship. Does she agree that their high-quality, skilled jobs are an asset to the local and national economy?

**Maggie Throup**: I completely agree. I would like to invite the hon. Gentleman to be a member of the all-party parliamentary group.

**Sir Greg Knight** (East Yorkshire) (Con): Does my hon. Friend agree that when we talk of furniture manufacturers, we are referring not just to large factories in city centres? Many small rural towns and villages have small enterprises making furniture.

**Maggie Throup**: I completely agree. This is something that I think we underestimate: furniture manufacturing is happening across the country and has a great input into our economy.

**Chris Ruane** (Vale of Clwyd) (Lab): Will the hon. Lady give way?

**Maggie Throup**: Sorry, I am going to move on.

I know that the Minister has taken steps to address the issue of skills, which includes helping to ensure that young people understand the benefit of an apprenticeship as compared with remaining in formal education post 16. However, I ask him to review the viability of the apprenticeship levy, which businesses in my constituency have raised concerns about, and to work with the sector to raise awareness on how apprenticeship funding is relevant to SMEs.

I briefly want to mention the environmental role of the furniture industry and the important part it can play in our economy to reduce waste. It is said that the upholstery industry never dies; it always recovers. As we move from a throwaway society back to one that recycles and, thanks to Kirstie Allsopp, upcycles, that sentiment has perhaps never been truer. Once again, people are looking for something that is either bespoke or a quality piece of furniture that stands out from the crowd and lasts forever, or they want to restore a much-loved piece of furniture. The Government should capitalise on this shifting trend and work with the industry to encourage even more people to reuse and recycle a quality British piece of furniture rather than opt for a disposable flat-pack alternative.

It would be remiss of me to make a speech substantively about Long Eaton and not mention HS2. As the House might know, Long Eaton is the town most affected already by HS2, which in turn puts at risk a number of the historical upholstery firms to which I have previously referred and the homes of many of their employees, who will have to be relocated to make way for the rail line. The working draft environmental statements on phase 2b of the line identify that 1,004 jobs could be displaced or lost along the Ratcliffe-on-Soar to Long Eaton section of the route.

I made it clear in my response to the recent public consultation that it is unacceptable for any jobs to be lost because of HS2, but that need not be the case should the process for relocating displaced businesses be managed professionally. Given the unique nature of the upholstery industry in Long Eaton, displaced manufacturers must be relocated in the NG10 postcode area. The highly skilled workforce, many of whom live alongside the current factories in a true working town, must be able to access any new premises with ease. It is incumbent on both HS2 Ltd and the Government to use their discretionary powers of compulsory purchase ahead of Royal Assent to allow manufacturers to account for that in their forward business planning, and to allow for a smooth transition from their current location to a new one.

My personal ask of the Minister is to look seriously at the idea of establishing a cross-departmental taskforce with the Department for Transport to provide businesses being forced to relocate through no fault of their own with the necessary advice and support—including financial support—because this area is severely lacking. I have a meeting with the Minister already pencilled in for the first week of February, and I look forward to having a productive discussion with him, to make further progress on that idea.

I turn to Parliament itself. We will shortly commence a multi-billion-pound programme of refurbishment to restore one of the world's most historic and iconic buildings. Although the Chamber was, on the orders of Churchill, purposely designed not to seat all 650 Members of Parliament at once, the refurbishment will undoubtedly include the restoration of thousands of pieces of furniture across the estate, including our famous green Benches. I cannot think of a better way for people in the UK furniture industry, including upholsterers from Erewash, to showcase their traditional skills than by contributing to the restoration of this mother of all Parliaments.

Like the art of upholstery, where much of the detailed work goes unseen—covered neatly by a colourful fabric—the UK furniture industry, particularly manufacturing, is so much more than it has perhaps been traditionally given credit for. Yes, it faces its own challenges, some of which I am sure the Minister will address in his remarks. Despite that, the industry remains resilient in the changing and challenging world of retail, and it continues to fly the flag for British manufacturing both at home and abroad.

I am delighted that the House has had the opportunity to consider the contribution to our economy made by UK furniture manufacturers and the wider sector. I thank the British Furniture Confederation for its continued support for the all-party parliamentary group and its tireless efforts to promote the industry. I commend this motion to the House.

4.47 pm

**The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Richard Harrington):** It is always a pleasure to serve under your chairmanship, Mr McCabe, and today is no exception. I am grateful to my hon. Friend the Member for Erewash (Maggie Throup) for securing this debate, and to all hon. Members who have attended just to hear her—or maybe just to hear me. She mentioned much-loved pieces of furniture. I would not like to pick out any particular Members, but there are some who have been here longer than others and who could be referred to as such. I know she is very interested in representing her constituents who work in Long Eaton, and I pay tribute to her for doing so. Her predecessor, Jessica Lee, did exactly the same job, representing the interests of upholstery and furniture manufacturers—maybe she should be the greatly loved piece of furniture to which the hon. Lady referred.

The British manufacturing industry fell into—shall we say—disrepair in the eyes of commentators for a long time. There was the clothing industry in the Leeds of my childhood and that of my parents and grandparents. The Long Eaton lace industry has gone, as have many other industries in our constituencies.

**Maggie Throup:** Will the Minister give way?

**Richard Harrington:** I think my hon. Friend wants to talk about the lace industry—I know it is still there, although I believe that it was in the next town rather than in Long Eaton, if my memory is correct.

**Maggie Throup:** I am delighted that the Minister recognises the importance of the Nottingham lace industry, which was actually mainly in Derbyshire. My constituency has the final remaining Nottingham lace manufacturer in Ilkeston, which is the other town.

**Richard Harrington:** I actually corrected myself—it is Ilkeston. I know there are two towns in my hon. Friend's constituency, but for the purpose of the debate, Long Eaton is a centre of upholstery and furniture, which she will know as chair of the APPG for the furniture industry. We all support business in our constituency. I am pleased that the industry we are talking about is doing so well—so much so that people will come to Long Eaton from all over the world for the big annual exhibition that she mentioned. That is wonderful.

Industries are often forgotten about. In my role as Minister for businesses and industry, I spend a lot of time on the automotive industry, the aerospace industry and other huge employers throughout the country, but it is so pleasing when the House debates examples of how well more localised industries are doing. The economic importance of the furniture manufacturing sector is clear: it numbers 15,000 businesses and nearly 100,000 people. The east midlands region alone accounts for about 14% of that total across the country.

Furniture is fundamental to all our lives. The massed ranks of the House of Commons are sitting on nicely upholstered furniture in this Chamber. How many of them would be here if we had only planks to sit on? I am not sure. Obviously, Mr McCabe, you would always have a nice leather-upholstered chair.

**Hon. Members:** We would still be here!

**Richard Harrington:** The hon. Member for Great Grimsby (Melanie Onn) looks very comfortable in her chair, and I am not sure that she would be attracted to something less comfortable. Maybe she sacrifices herself and uses more uncomfortable chairs in Great Grimsby, in which case I would advise her constituents to buy comfortable things made in Long Eaton.

My hon. Friend mentioned three things. First, the current uncertainty around EU exit; secondly, the regulatory framework in which the sector operates; and thirdly, the need to maintain a skilled workforce. I will try to deal with those separately.

On the EU exit, I know that the uncertainty of not knowing the rules of the future is very difficult for business. I have been in business for most of my life and I know that the one thing you need is certainty to plan—not you, Mr McCabe, but one generally. I am sure you would if you were in business, as you may be in the future if you decide to change career; I am sure it would be a brilliant career, whatever you decided to do. One thinks about the certainty of rules and the importance of frictionless trade in goods for supply chains across industry.

That is particularly important for the furniture industry, which relies, as my hon. Friend said, on sourcing the very best materials, from wherever they may come. That could be the EU, with the Italian fabrics that she mentioned, or hardwoods from other parts of the world. The Government will do everything we can to ensure that the movement of goods remains as frictionless as possible to the benefit of industry across the UK.

Secondly, on regulation, the Government understand the importance of clarity on product safety and mutual recognition issues.

**Ian C. Lucas (Wrexham) (Lab):** To return to Brexit momentarily, I visited the Silverlining furniture company in Wrexham—a very high-quality business that exports high-spec furniture abroad—and one point it made was that skilled labour from all across Europe works for it at a very high level. We have to focus not only on materials, but on people.

**Richard Harrington:** The hon. Gentleman makes a brilliant point, which concerns not only the people who come to work in factories such as the one in his constituency, but the free flow and ability of labour to install and maintain many UK-manufactured products in the European Union. Many of the companies that we regard as manufacturing businesses make a lot of their added value from precisely those sorts of services. Although, like most people, I accept that when we leave the European Union we will not exactly have free movement of labour—that is part of being in the European Union—there has to be a system that enables businesses to fill vacancies quickly, without thousands of pounds-worth of bureaucracy and too many rules. I pay tribute to the people from the European Union who contribute so much to the manufacturing industry in this country. Long may that continue.

I just got going on free movement, but I shall return to regulation, which it is also important to get right. We need to maintain the industry's reputation for excellence in both quality and safety, and to make sure that we have the support of businesses, because they work to the regulations. By and large, they want regulations that are the same here as in the countries to which they sell.

**Mike Wood** (Dudley South) (Con): My hon. Friend rightly speaks about our furniture manufacturers' reputation for high standards, which is one of the many reasons why Boss Design in my constituency has been picked to furnish the new World Trade Centre in New York. Research by the British Furniture Confederation showed that some products that come into the UK with CE approval are not properly flame resistant and can be burnt to a cinder in as little as 10 minutes, whereas a properly compliant product would self-extinguish within 10 to 15 seconds. Is he as concerned about that as I am?

**Richard Harrington:** I thank my hon. Friend for bringing that to my attention; it is a relevant point. I remind hon. Members who may have temporarily forgotten that the Prime Minister visited Boss Design and was very impressed with what she saw. I will make sure that the relevant officials are aware of the point that my hon. Friend makes.

We share the desire of businesses for consumers to have confidence that the products in their homes are produced to rigorous safety requirements. We have to work with both business and our EU partners to ensure that regulations are effective and fit for the future. That has nothing to do with whether or not we are in the European Union. There is a commonality of interest and desire among people all over the world to have the same standards.

I recognise that the industry's continued success relies on having the right skills. As my hon. Friend the Member for Erewash mentioned, just one sofa requires a range of skills, from carpentry to the intricate skills of the upholsterer. The Government are keen to ensure that the industry has the skills it needs. We have heard the call for an immigration system based purely on skills and qualifications, and such a system is set out in the immigration White Paper. There has to be an easy and simple route for skilled workers, because it is otherwise difficult for manufacturers and other employers as far as time and money are concerned. When we talk about friction, we mean not only the friction of raw materials coming in, but of all things to do with business, and we are very conscious of that. That is particularly important

where there is a skill shortage. The Government will engage businesses and employers on setting salary thresholds and the conditions around them.

In the long term, we want to nurture home-grown talent within companies, which is where apprenticeships come in. We need to develop that. The apprenticeship levy was a good idea, but it must not become a payroll tax that means that companies are unable to spend money that was theirs to begin with. That will require a lot of work. The sector has been very willing to work with Government to make the apprenticeship levy a success. Whether through the British furniture manufacturers' FIESTA—Furniture and Interiors Education, Skills and Training Alliance—programme, T-levels or the national apprenticeship awards, the furniture industry has outperformed in its contribution to apprenticeships relative to its size. We have to ensure that the future generation of furniture makers succeed.

Finally, my hon. Friend raised the concerns of her constituents in Long Eaton about High Speed 2, as she has done numerous times in the House. The Government's local growth team—a joint unit between the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government—is supporting the Department for Transport in working constructively with places along the HS2 route and taking into account the needs of local businesses. I hope that her constituents were able to engage with the consultations on phase 2b of the route which were undertaken between October and December last year. We are analysing the feedback from that consultation and I would be happy to discuss it with her in our meeting on 5 February, which we arranged following her recent questions to me in the House. I will ensure that the relevant officials from all Departments are there.

The country has a rich history of producing world-class furniture, and my hon. Friend's constituency has a tradition of producing world-class MPs. I thank her for reminding us both of the furniture industry's great contribution to our country and of the strong position it is in to make a positive contribution to a more sustainable future.

*Question put and agreed to.*

## Town of Culture Award

4.59 pm

**Steve McCabe (in the Chair):** This debate is obviously not very popular! It is scheduled to run until four minutes past 6 and about 15 people have put in to speak, so I guess that is about two minutes each. I will leave you to sort that out. I call David Hanson to move the motion.

**David Hanson (Delyn) (Lab):** I beg to move,

That this House has considered the establishment of a town of culture award.

I appreciate the opportunity to serve under your chairmanship, Mr McCabe. I am grateful to my hon. Friends for their turnout, which shows the Minister the strength of feeling and the focus on towns that we all share. I am pleased to see Government Members here, too. The debate has one clear aim: to explore with the Minister the possibility of establishing a specific town of culture award on similar terms to the city of culture award, so the smaller towns we all represent can participate on equal terms and enjoy the benefits of such an award.

**Sir Greg Knight (East Yorkshire) (Con):** Is it not the case that towns can apply for the city of culture award but it is very much a David and Goliath competition, because towns often do not have the resources to put in a bid of the necessary quality? For that reason and others, I support the right hon. Gentleman's initiative.

**David Hanson:** I am grateful to the right hon. Gentleman for his support. It is true that towns are part of the wider city of culture establishment, but I defy the Minister to name a town that has won that award. I think there is merit in enabling towns to regenerate, promote themselves and participate, because they have a great deal to give.

I hope the Minister focuses on our one demand and establishes a town of culture award, but will he also discuss the idea with the devolved Administration in Scotland and my colleagues in the devolved Administration in Wales, and meet his ministerial colleagues in Northern Ireland and, in due course—I hope—the devolved Administration there, to establish the scheme on a UK-wide basis? We could have winners in Scotland, Northern Ireland, Wales and England, and perhaps an overall town of culture for the whole United Kingdom.

This idea has gained traction over the past few weeks. Although I welcome the support of the right hon. Member for East Yorkshire (Sir Greg Knight), the idea had its genesis in the Labour Towns group, where Labour Members who represent towns have looked at how we can help regenerate our towns and communities through transport, housing, employment and tourism. The Minister will know that my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) has written to the Secretary of State to ask for our central demand—the establishment of a town of culture award—to be considered. It is an idea whose time has come.

**Ian C. Lucas (Wrexham) (Lab):** I commend my right hon. Friend for securing the debate. Does he agree that the attendance indicates the real sense of frustration among non-city Members of Parliament that there has

been far too little discussion of the beneficial effect of culture on towns up and down the country? That needs to change.

**David Hanson:** I look forward to hearing my hon. Friends' contributions in due course. They know that culture is an economic generator for towns. It provides individuals with an opportunity to promote themselves and their skills, it can bring towns together to celebrate their history, and it can be a catalyst for change, confidence and support for economic regeneration.

**Gloria De Piero (Ashfield) (Lab):** D. H. Lawrence, the internationally famous writer, was born and raised in the town of Eastwood in my constituency. We have a fantastic birthplace museum there. It is run by the local authority, which is obviously under financial pressure. We could do so much more to celebrate and promote our most famous son. Does my right hon. Friend agree that we could do a lot more to enable our towns to reach their full potential if there were equitable distribution of lottery funding?

**David Hanson:** Indeed. There is a separate debate, albeit relevant to this one, about whether towns, which contribute to the lottery pot, receive a fair share of lottery funding. In effect, there is a transfer of wealth from poorer towns to cities. That enables the promotion of important cultural projects, but I think my hon. Friends would agree that we should look at how we can invest that money to promote culture in our towns.

**Stephanie Peacock (Barnsley East) (Lab):** On that point, as of last March, my constituency had received £13 million of lottery funding since 1995, compared with £64 million for the Prime Minister's constituency. Barnsley is a fantastic cultural town; in my constituency, we have everything from Elsecar Heritage Centre to Worsbrough mill. I congratulate my right hon. Friend on securing the debate. I totally agree with him, not least because I think Barnsley would win the award.

**David Hanson:** Well, I think participating in the award would be as important as winning it, because it would energise community groups, local councils and businesses to aspire to meet the objectives that I am sure the Minister will share.

**Yvette Cooper (Normanton, Pontefract and Castleford) (Lab):** I thank my right hon. Friend for securing the debate and for being generous with his time. We will hear all sorts of amazing examples of the culture and heritage in towns across the country. Pontefract is the home of a historic castle and a liquorice fair, and Castleford was the home of Henry Moore.

There are amazing examples right across the country that are just not celebrated because we do not have the investment we need. We also need investment in new arts and culture jobs. Given the widening gap in jobs growth between city and town constituencies, does my right hon. Friend agree that the town of culture campaign has to be part of a much wider programme of investment, and that we must ensure we get our fair share of investment and jobs in towns across the country?

**David Hanson:** Absolutely. My right hon. Friend knows that we are focused on transport, the economy, jobs, businesses and the regeneration of our town centres,



but culture and activities celebrating our history and what happens in towns are linked to all those things, because they bring people in to spend.

Two of my favourite cities in the United Kingdom—Hull, where I went to university, and Liverpool, where I was born—have recently been part of the city of culture programme. The city of Hull estimates that that programme generated £60 million in 2017 alone from visitor income and additional drive. It generated 800 new jobs, 5 million visitors and £220 million of additional investment in Hull. After Liverpool was city of culture, 44% of its residents expressed a positive response to the programme. It made them feel proud of where they lived—perhaps even more so than things have in the past. I am very proud of where I was born and I am very proud of where I live now, but the city of culture gave the people of Liverpool an energy that could be translated into action and used to create jobs.

Towns are extremely important. I do not want to take up too much time, because I know many Members want to speak, but I cannot resist mentioning the four towns in my constituency as examples of the potential benefit of a town of culture award. Flint, where I live, has a population of 13,000 people. It was founded around a castle built in 1277. That castle is still there. It is a historical monument that people could and should visit. It was the scene of the deposition of Richard II, who was put on trial in Westminster Hall. The whole second act of Shakespeare's "Richard II" is set in Flint castle, and that play has been performed in the castle. We have had festivals, we have had choirs—male and female—and we had the Eisteddfod in 1969. Even Tom Cruise's great-great-grandfather came from Flint, which shows that people can aspire to achieve in the arts. There is a Turner painting of Flint castle, which—believe it or not—has never been to Flint. It is currently in a gallery in London. If Flint won the town of culture award, that painting could be brought to Flint to be seen on a regular basis.

**Caroline Flint** (Don Valley) (Lab): I have been to Flint—I had my photo taken in front of the station sign. On my right hon. Friend's point about national treasures being in galleries and museums in our cities, a cultural award for our towns might not only embolden and encourage our communities to celebrate their creativity, but be part of a much wider debate about the disproportionate amount of funding that goes to our cities. We should share our national treasures and, on occasion, allow them to go back to their home town to be seen by local people.

**David Hanson:** As I said, a number of things are happening in Flint. They could all be celebrated by the people and that painting could return as part of being a town of culture.

Without revisiting my maiden speech, I should say that another important place in my constituency, when it comes to this debate, is Mold—a town of 10,000 people. The Mold gold cape is an ancient gold object currently in the British Museum: it is not being displayed in Mold. Let me turn to culture. Mold has Theatr Clwyd, the only production company in the United Kingdom owned by a local authority. It produces plays, some of which will shortly be in the west end. We have a food festival and a Novemberfest beer festival, as well as art installations through the town. This summer marks the

150th anniversary of the Mold riots, in which four miners and one bystander were shot dead. We will be having a community play in the town this summer to commemorate that, which will involve people and make them feel part of the history of the town.

We have a blues and soul festival, the eisteddfod, and the Daniel Owen festival, which is a major Welsh language poetry festival, in the town. We have the football. Rhys Ifans, who people will know from "Notting Hill", came from Mold, as did Jonny Buckland, one of the guitarists in Coldplay. Siân Gibson, who is in "Peter Kay's Car Share", is currently resident in Mold. There is a cultural appetite and there are cultural aspirations for people to do things in the future.

In Holywell, in my constituency—where the actor Jonathan Pryce was born—there is the Well Inn music festival, as well as a country music and line-dancing festival and the Cadi Ha Welsh dancing festival. There are also heritage walks and the Greenfield Valley Heritage Park, which has historic buildings on display.

The smallest town in my constituency is Caerwys, with just over 1,500 people, but the eisteddfod held there in 1523 and 1568 led to the first ever legislation to control minstrels and bands, which was passed by Elizabeth I's Parliament in 1588.

There is a cultural history that people need to understand and celebrate, but it also has an economic impact. Theatr Clwyd, as a major production theatre, employs hundreds of people and produces quality plays. Flintshire County Council invests something like £750,000 into the theatre. For every pound it invests in that theatre, we get an external economic impact within Flintshire of £8 and across north-east Wales, including Wrexham, of over £10. That is because people come to the theatre, but they also go to the shop and the petrol station, stay in a hotel and eat in a restaurant. They support the local economy in that theatre by buying goods for sale in the local theatre, and by spending their wages in the theatre. It has an economic impact.

Flint, Mold, Holywell and Caerwys are all supported by their local councils, which are active and engaged, and invest ratepayers' resource in supporting activities. Mold, Flint and Holywell happen to be Labour-controlled councils that are investing, supporting and sponsoring activity that is having an economic impact. I hope the Minister will recognise that and look at how we can celebrate and promote it, and be engaged by it. With due respect to those three towns, great as they are, Flint, Mold and Holywell cannot compete with the cities of Hull or Liverpool, in terms of their scale or ambition. What they can do is have great activity in their own world, which the town can celebrate and look to promote in the future.

The central ask today, from all of my right hon. and hon. Friends, is for us to relish the chance for those four towns, and every town that those of us here represent, to be able to say, "We aspire to do better, to increase our economy, to engage with our community and to put culture at the heart of our towns." All our towns have had that in the past—through miners welfare clubs, social clubs and a whole range of activity. We have to give that back to the community and support that for the future.

There is a city of culture, which is a great thing that we relish, welcome and appreciate, but the challenge for the Minister is that there is scope for a town of culture within that. The Minister has the chance to encourage

[David Hanson]

investment, to reignite county pride, to celebrate history and culture, to encourage diversity, to promote ambition and to nurture talent. I hope that he takes that chance today.

**Several hon. Members** *rose*—

**Steve McCabe (in the Chair):** Order. I want to start the wind-up speeches at 5.44 pm.

5.14 pm

**Mr Tanmanjeet Singh Dhesi (Slough) (Lab):** It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing this important debate, about which I am very keen—so keen, in fact, that my recent column in the *Slough Express* was entirely devoted to a town of culture award.

Slough is on the up: we have moved on from John Betjeman's poem. We want no friendly bombs, there is grass for cows to graze, we do not just eat tinned food and it is certainly fit for humans now. We are keen to show that we have a lot more than just David Brent and "The Office" to offer. Slough is a fantastic, diverse cultural melting pot and now it has become a major business, creative and cultural powerhouse, with Pinewood Studios right on our doorstep. A lot of people from Slough are working there, contributing to our collective national culture and increasing our collective national pride in our country.

We have the iconic old Adelphi cinema in Slough, where the Beatles performed on more than one occasion. The council and other organisations are doing brilliant work. We have the Slough youth awards, which exemplify the magnificent creativity of our young people. I think our town would do very well if we were competing with other towns up and down the country.

I impress on the Minister that there is so much support for this idea: we would be obliged if he confirmed that an annual town of culture prize rather than just a city of culture prize would be conferred. If it comes to sharing the money more fairly, current statistics show that Arts Council funding is more than four times higher on average in city constituencies than in town constituencies. About 70% of Arts Council national portfolio theatre grants awarded in 2015 to 2018 went to cities, with a pitiful 12% awarded to towns. The current scenario is not good enough; our towns are being left behind.

Many people from working-class backgrounds, residing in towns, are being excluded from arts and culture. Our communities can benefit. I am well aware that there are many different Members wanting to speak, so I will bring my points to a conclusion, but please, please let us have the annual town of culture award.

5.18 pm

**Jim Shannon (Strangford) (DUP):** I congratulate the right hon. Member for Delyn (David Hanson) on bringing forward the debate. We were proud to be the home nation of the first UK city crowned city of culture in 2013—lovely Londonderry. As the Member for Strangford, I well remember thinking that Newtownards, despite all

that we have to offer, could never be considered for that prestigious title because it is not a city. That is why I am pleased to be here and to support the right hon. Gentleman.

The award would enable the tourism industry to point its eyes and minds towards the hidden gems throughout this beautiful United Kingdom of Great Britain and Northern Ireland; it would be worth every penny needed to set the initiative up.

Let me give the example of Newtownards—we are all here for our constituencies, and why not? The little town is 25 minutes from the airport on a great road with enhanced travel links in the form of local bus routes, which are fully modern. Visitors could stay in the local hotel or in one of the many B&Bs that dot the area. The B&Bs have phenomenal views of countryside and the incomparable Strangford lough; I live on the edge of it. Ulster Scots culture, history, verse, poetry and music—it is all there.

People can have an active holiday as well, with water sports, cycling and quad racing parks, sedate walks in our forest parks and country rambles. We have the world-famous Mount Stewart gardens and country home, Scrabo tower and Exploris in Portaferry, which is renowned the world over. Those who want the arts can enjoy choral performances in the old Priory, which dates back to St Patrick, and the independently-owned Lyric theatre, as well as all the other things that come with cinema and nightlife. For those who want to shop—everybody likes to shop, especially the ladies—we have a high street packed with boutique shops to suit anyone's tastes. For the kids, we have the Ark open farm, which is exactly what we need.

You want a spa weekend? Of course you do. We have a brand new all-singing, all-dancing Ards Blair Mayne Wellbeing and Leisure complex, with clip and climb, crazy golf, soft play and swimming facilities for the children, Swedish saunas, steam rooms, aromatherapy rooms, heated seating, heated relaxation pools and beauty appointments, all in one place—Newtownards. We have fine dining, because once you have got rid of all that extra weight, you can go for Thai, Chinese, Indian, or Italian food, good homemade cooking and even pub grub. It is all there—[*Interruption.*] The hon. Member for Vale of Clwyd (Chris Ruane) knows it, too.

I know that other MPs can well boast of their towns, and they should, but I will say this: I do not think any of them can really compare to Newtownards. Yet the sad fact is that not enough people know that the £50 flight to Northern Ireland is well worth every penny. This award is something that could highlight Newtownards and other towns like it. I thank the right hon. Member for Delyn and give him my full support. I have my application ready for the first award.

5.21 pm

**Helen Goodman (Bishop Auckland) (Lab):** I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing this debate. In thinking about the decline of towns, we have concentrated a lot on shopping and shops, and I think we have the balance wrong. The idea of a town of culture award is really important, because people want far more in the place they live in than to be able to go shopping.

My constituents have a fantastically rich heritage. Barnard Castle, for example, was the home of Richard III and it is now the home to the greatest collection of

European paintings between London and Edinburgh, at the Bowes Museum. Shildon is the birthplace of the railway and at the moment we are limbering up for the celebration of 200 years since 1825, with a heritage action zone. Bishop Auckland itself has been the home of the Bishops of Durham for 900 years.

Perhaps this is the most interesting example of how culture can be used to regenerate: the Church Commissioners had the idea of selling Zurbarán paintings that hung in the palace, and local people completely opposed that. We ran a very successful campaign to keep those works of art in Bishop Auckland and not to let them be taken to a gallery in London or even the west coast of America. Consequently, a philanthropist, Jonathan Ruffer, came and has invested in the castle. We are now seeing an absolute flowering, including a new Spanish art gallery, in partnership with the Museo del Prado in Madrid, a mining art gallery, a summer night show, Kynren, and a museum of the history of religion supported by the Heritage Lottery Fund.

That is all absolutely flourishing and it is giving people a new focus and a new sense of pride. It is great for people who live there, but it is also a reason for tourists to come to the town, and that has economic spin-offs. We have created lots of apprenticeships and are hoping to create 1,000 jobs. If anybody wants to get off the train between York and Edinburgh, I suggest that a long weekend in my constituency would be fantastic.

5.23 pm

**Susan Elan Jones** (Clwyd South) (Lab): It is a great pleasure to speak in this debate, which was opened so magnificently by my right hon. Friend and near neighbour, the Member for Delyn (David Hanson); I am sure the Minister can feel our enthusiasm.

I do not want to sound biased, but of course the constituency of Clwyd South has the best range of towns and villages, the magnificent Chirk castle, the outstanding Llangollen international eisteddfod and of course Corwen, the great home of Owain Glyndŵr. All those towns have magnificent histories and culture and so much going on, but I also want to put in a word for our villages. As we speak about the importance of developing a town of culture, it is important that we recognise the culture in our villages.

I think of Glyn Ceiriog in my constituency, which so magnificently hosted the Powys eisteddfod a few years ago. I think of the community of Cefn Mawr, which has the wonderful Cefn Mawr and District Museum, entirely run by volunteers. Such is the interest in that museum that local schoolchildren produced a wonderful history set at the time of the first world war armistice. Among the other many magnificent villages in my 240 square mile constituency is my home community of Rhosllanerchrugog. My right hon. Friend spoke earlier about the miners' institute there—the wonderful Stiwt—with several choirs and so much more. It has a great Welsh nonconformist heritage. Those are just a few of the things in my constituency that I can do justice to in a couple of minutes, but as we speak about the towns, let us speak about the villages too.

**Nick Smith** (Blaenau Gwent) (Lab): On the subject of Rhosllanerchrugog, I know it has a fantastic working men's hall and institute. In Blaenau Gwent we have a world-class brass band, the Tredegar town band, and

the estimable Beaufort male choir, who recently performed with Public Service Broadcasting. People may be surprised to know that in the villages above Trefil in Tredegar we now have a growing film industry, which has contributed to Hollywood blockbusters and, of course, "Doctor Who", which is produced in Cardiff in Wales. Does my hon. Friend agree that this initiative would be brilliant for boosting our cultural pride across our country?

**Susan Elan Jones:** I agree totally with my hon. Friend. I am aware of so many people still wanting to speak that I will end my speech, but I think the award is a wonderful idea.

5.26 pm

**Liz McInnes** (Heywood and Middleton) (Lab): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing this important debate.

Something happened to me last night that illustrates the importance of this debate. I was talking to a colleague of mine who represents, shall we say, a more prosperous south Manchester seat. I told him I was going to speak about Heywood and Middleton's rich cultural heritage, and his response was, "What are you going to talk about for the other 59 minutes?" He probably had not envisaged how popular the debate would be—I actually have only two minutes, so in the other minute I have left I will talk about the rich cultural heritage of Heywood and Middleton.

Even the Wetherspoon pub in Heywood is named after the Lancashire dialect poet Edwin Waugh. Steve Coogan was born in Middleton. The Chameleons and the Courteeners are famous bands born and bred in Middleton. Julie Goodyear, also known as Bet Lynch, was born in Heywood and still lives there. We have Middleton Arena, a fantastic cultural hub that is currently rolling out a new programme of National Theatre live broadcasts, making theatre from here in London accessible to residents in my constituency. We have Heywood Civic Centre, a venue providing a programme of live events and community participation, aiming to become a borough-wide hub for community-led cultural participation and creation.

We have my friend, Labour councillor Kallum Nolan, who has made a film about Sam Bamford, the radical who led the march from Middleton to Peterloo—the film is a rival to Mike Leigh's film, "Peterloo"—and used local people as actors. We have Cartwheel Arts, based in Heywood, and we have the architecture of Edgar Wood, who left Middleton with a fine collection of historical buildings, immortalised in a recent film, "A Painted Veil", made by Middleton filmmaker Anthony Dolan and which I was proud to host in Parliament last year.

I wish I had more time to talk about the artistic and cultural activities that go on in my wonderful constituency. I will finish by saying that I cannot wait to enter Heywood and Middleton for the newly founded town of culture award.

5.29 pm

**Tracy Brabin** (Batley and Spen) (Lab/Co-op): It is an honour to speak under your chairmanship, Mr McCabe. I thank my right hon. Friend the Member for Delyn (David Hanson) for securing the debate.

[Tracy Brabin]

Why do we need a national town of culture award? It is really simple: it is about pride and confidence in where we live, bringing our communities together, enhancing social cohesion and growing economic and social investment in our towns. According to the 2011 census, more than 38 million people live in towns—about 59% of our population. Yet despite being the majority of the population, people in towns frustratingly feel that they are competing with cities for jobs, infrastructure and wider arts and cultural investment, so it is about fairness, too.

Obviously, I will speak about Batley and Spennings, which includes the wonderful towns of Birstall, Cleckheaton, Heckmondwike and Batley. We have amazing organisations, such as the Batley festival, the Bagshaw Museum, the Cleckheaton folk festival and the Batley and Spennings Youth Theatre Company. I would love to celebrate all those things, but I also need to say to the Minister that we know that the Department for Digital, Culture, Media and Sport understands the impact that winning the city of culture award has. Impacts derived from that award were referenced in the recent cultural development fund announcements, in which funds were awarded to Wakefield, Grimsby, Plymouth, Kent, the Thames estuary and Worcester. Of course I congratulate those communities, but we want to take the impacts of that award much further; we want to bring them to our towns and communities.

**Ruth George** (High Peak) (Lab): Buxton, in my constituency, has world-class arts; it has the Buxton festival and the Buxton opera house. It also has fantastic community arts, in which people can get involved to boost their health and wellbeing; that is an amazing treatment for post-traumatic stress disorder. Given that we have less mental health treatment in our towns and rural areas, does my hon. Friend agree that the Government should look at the ongoing benefits of supporting the arts in our towns?

**Tracy Brabin:** I thank my hon. Friend for that powerful statement about how creativity can affect mental health. Certainly Creative Minds in my constituency works with social prescribing to support mental health.

Other Members want to speak, so I will conclude. I am co-chairing a parliamentary inquiry on social mobility in the performing arts. My personal commitment, in supporting the call for a town of culture award, is to work to ensure that we have diverse participation in both the bidding and the implementation process.

Being a town of culture is a key opportunity to drive better access and social mobility in the arts sector. We cannot continue to see statistics such as 12% to 13% working-class participation in the arts. We must do better, and we can. As they say, “If you don’t see it, you can’t be it.” I ask the Minister to please let us make this happen. Let us celebrate what makes towns great.

5.32 pm

**Chris Ruane** (Vale of Clwyd) (Lab): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing the debate.

I fully support the call for a town of culture for the UK. Culture plays a huge part in our economy—it is worth £90 billion a year. One in every 11 jobs is in the cultural industries. The percentage of our GDP spent on goods is going down; the percentage spent on experience is going up. The UK is a world leader in music, theatre, film, literature, architecture and design, but that has been too closely focused in cities. We need to expand that to towns. We need to increase the amount spent by central Government on culture, which is 0.4% of GDP, even though it produces 9% of jobs.

I was approached recently by creatives in my home town of Rhyl, who want to use creativity to encourage regeneration. They reminded me of the great people from my town who have been involved in the creative industries: Mike Peters and The Alarm; Lisa Scott-Lee from Steps; Nerys Hughes from “The Liver Birds”; Lee Evans the comedian; Adrian Henri, the beat poet, who worked in a fairground in Rhyl; Carol Vorderman, who was educated in Rhyl; Paul Higginson, my friend, who is chief executive officer of 20th Century Fox in Europe, Africa and the middle east; and Sara Sugarman, the Hollywood film director. We have had a folk club in Rhyl for 55 years, a musical theatre for 100 years, a brass band for 120 years, a classical music group for 70 years, and the first purpose-built children’s theatre in the whole of the United Kingdom.

I ask Members to look at examples of seaside towns. Where arts come, regeneration follows. St Ives was regenerated around the Tate gallery. Margate is regenerating as we speak, as a result of Tracey Emin and her art. Southport is regenerating through the Gormley statues, and the billionaire Roger De Haan has invested his own money—tens of millions of pounds—in art and creativity to regenerate the town of Folkestone.

We should tap into the passion in the Chamber, so that we can be leaders in our towns and communities, and ensure that culture plays its proper part in the regeneration of our towns.

5.34 pm

**Nic Dakin** (Scunthorpe) (Lab): It is a pleasure to serve under your chairmanship, Mr McCabe. I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing this debate. It is already clear that the case for a town of culture award is absolutely irresistible. I am sure the Minister will stand up and tell us that it is nailed on. The competition is so intense that whoever will be on the judging panel will have a difficult job.

As my right hon. Friend said in opening the debate, the award is about aspiration, celebration and pride. It is about identity around people and place, and about culture. Those are all important things. Our towns are in danger of being forgotten a bit. Putting them on the map with a town of culture award would make a real difference.

Let me mention the three towns in my constituency. The town of Bottesford has the magnificent St Peter’s church, and interesting cultural activities around Bottesford Beck, which spawns all sorts of interesting things. The town of Kirton-in-Lindsey celebrated its diamond jubilee town hall by renovating it in the 60th year of this Queen’s reign, although it was first put there in the 60th year of Victoria’s reign. The town of Scunthorpe has its magnificent steel heritage. Only a few weeks ago,

thanks to the work of Jim and Christine Pearson, former mayors of Scunthorpe, a steelworkers statue was unveiled. People thronged to see that. That is just one example of how culture lifts people's spirits. The town of culture award will lift everyone's spirits.

5.36 pm

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): As the only south-west Member of Parliament here, I am here to speak up for the west country and our fantastic array of towns. There is so much more competition than just the excellent towns we have heard about from the north and from Wales; there are those in the west country, too. We are about so much more than clotted cream and whether it should be jam first or cream first. We have fantastic towns right across our region. We have the world heritage site in Tavistock; the Tate at St Ives; our Cornish tin mining museum; amazing food in Dartmouth; Fowey and its sailing; and Plymouth, the creator of the pasty, Plymouth Gin and the Mayflower Steps. The Mayflower Steps and the Mayflower story are so powerful.

We have the opportunity to tell stories that connect our towns right across the country, from Scrooby and Babworth in Bassetlaw to Gainsborough, Boston, Immingham, Harwich, Rotherhithe, Southampton, Dartmouth and Plymouth. We need not only to have a towns of culture competition, but to join up our towns, because telling the story of how our towns are connected will create more jobs and more passion. An awful lot of people are proud of their towns in the west country. This competition would be such a boost for that.

5.37 pm

**Graham P. Jones** (Hyndburn) (Lab): I fully support all those who have spoken. In particular, I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing this debate on a wonderful idea.

The past few years have seen immense success for the UK city of culture, which has created renewed interest in those cities that have had successful bids. The bidding process has been beneficial even for cities that have not been successful. Crucially, it has showcased culture and arts outside London and the big metropolitan hubs. Government figures show that 53% of the population of England live in an urban settlement that is not part of a conurbation, but towns get less than half the Arts Council funding that cities receive.

Towns are the fabric of our nation, and their cultural offer needs to be acknowledged, respected and celebrated. Unfortunately, too often they are the areas that are made to suffer as a result of private and public sector decisions, such as closures, underinvestment and consolidation in cities. When Hull's year of culture was launched in 2017, there were unprecedented crowds; hundreds of thousands of people came from all over the country to celebrate. It was 12 months of visitors, events and inward investment in the city from tourism.

Many Members have mentioned their towns. I represent six. Like all small towns, there is an element of pride to them. Composers, bands, authors, scriptwriters, "Coronation Street" actors, artists, Dave Pearson, politicians come from the towns I represent. My home town of Accrington has the beautiful Haworth art gallery, with its Tiffany glass collection—the only one outside the United States. We also have the club that would not die, Accrington Stanley.

We have to go beyond arts and look at engineering and textiles in some of these proud towns. Accrington produces the hardest bricks ever produced; they prop up the Empire State building and others. I am trying to save a tower that dates from 1148, which is hard to do in a town where the local authority does not have the funding for that. Some of these towns suffered as a result of globalisation, and they need the resource and the support that cities get. A fraction of the £220 million that Hull received would go a long way.

I will conclude by saying that this is a fantastic initiative. I support this debate and personally congratulate my right hon. Friend the Member for Delyn, who secured it. I hope the Minister listens and takes this initiative forward.

5.40 pm

**Melanie Onn** (Great Grimsby) (Lab): It is a pleasure to serve under your chairmanship, Mr McCabe, and I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing this debate. Yesterday was Great Grimsby Day. If Members did not know about that, they know about it now. They can put the date in their diary for next year and can expect something spectacular, because my town will be doing something amazing, thanks to a Labour council and Charlotte Bowen of the Culture House; I especially wanted to mention her tireless, assiduous efforts to bring a range of cultural activities to north-east Lincolnshire, and her assistance in securing the £3.2 million of Government funding for culture and arts that was recently announced. Members need to come and get involved in that.

Grimsby is a proud, tough, hard-working town full of committed and enthusiastic people who are keen to improve the area and make it a more desirable place to stay, work and play. On top of the exciting events and installations that we hope to see once this money comes through, we have had our town deal agreed. We have had agreements from the landowner and the port operator, Associated British Ports, that the famous Kasbah area of the Grimsby docks can start to be developed and opened up. It has received money from the Heritage Lottery Fund and has been given a boost by a company called Creative Start Art, which is taking up a tenancy to kick-start regeneration in the heritage action zone.

Culture comes in many different forms. Grimsby has not only a wonderful concert venue, the Grimsby central hall, which more people should go to, but the annual Bradley youth festival, which showcases local acting, musical and spoken word talent. We have an amazing arts section at the local college, which excels in designing for movies, doing makeup and theatre sets. We have the Caxton theatre, the auditorium in which Kevin from Grimsby will star in "Burn the Floor"; the fishing heritage centre; the Time Trap museum; and a range of knitters, sportspeople and dancers. The people of Grimsby know that they are much more than "Skint" and Sacha Baron Cohen's "Grimsby" film. How wonderful it would be if we had the chance to put all those positive things together and won what will clearly be a much-coveted award.

5.42 pm

**Caroline Flint** (Don Valley) (Lab): I congratulate my right hon. Friend the Member for Delyn (David Hanson) on securing the debate. Sir Walter Scott sat in the Boat Inn pub in the village where I live and drafted his novel

[Caroline Flint]

“Ivanhoe”, inspired by Conisbrough castle. Ted Hughes lived in Mexborough, did his newspaper round through Old Denaby, and went on to write his famous poems. Of course there are others, such as Diana Rigg and Lesley Garrett, and let us not forget Brian Blessed—all home-grown in Doncaster.

Today’s debate is about having a showcase to celebrate our heritage and what we have achieved over the centuries in our towns and villages, but I would not like the Minister to think that this is all about the past. It is about the future as well; it is about creating new art, new music, new plays, new novels and new poems, as well as enriching a sense of aspiration within our communities. A person does not have to go to London or our cities to get a job as an actor, musician or artist, or to work in the creative sector. We can grow those sectors in the towns and villages of the UK. I hope the Minister will act quickly to establish the town of culture award.

5.43 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): It is a pleasure to see you in the Chair, Mr McCabe, and I congratulate my colleague on the Select Committee on Justice, the right hon. Member for Delyn (David Hanson), on securing this debate. I am pleased that this ever-so-slightly oversubscribed debate is taking place, and I fully support the initiative that he set out so eloquently. I am not sure what the record is for the number of contributions in a 60-minute debate, but so far we have heard 19 passionate sales pitches on behalf of constituencies across England and Wales, and we are about to hear one from Scotland.

**Jim Shannon:** Northern Ireland as well.

**Gavin Newlands:** And from Northern Ireland, with apologies to the persistent hon. Member for Strangford (Jim Shannon). I will come to him. We have heard so many pitches. In a 60-minute debate, we have heard from the right hon. Members for Delyn, and for East Yorkshire (Sir Greg Knight), the hon. Members for Wrexham (Ian C. Lucas), and for Barnsley East (Stephanie Peacock), the right hon. Members for Normanton, Pontefract and Castleford (Yvette Cooper), and for Don Valley (Caroline Flint), and the hon. Members for Slough (Mr Dhesi), for Strangford, for Bishop Auckland (Helen Goodman), for Clwyd South (Susan Elan Jones), for Blaenau Gwent (Nick Smith), for Heywood and Middleton (Liz McInnes), for Batley and Spen (Tracy Brabin), for High Peak (Ruth George), for Vale of Clwyd (Chris Ruane), for Scunthorpe (Nic Dakin), for Plymouth, Sutton and Devonport (Luke Pollard), for Hyndburn (Graham P. Jones), and for Great Grimsby (Melanie Onn). The strength of feeling is pretty clear.

It is vital that we recognise the value of our towns, big or small. They often have bigger personalities than cities many times bigger. I am proud to be an MP for Paisley, the town I was born in. My friend George Adam, the MSP for Paisley, often refers to it as the centre of the universe. In an Adjournment debate in November 2016, I provided evidence to show that, for its size, Paisley is unrivalled in its contribution to the world. It can be said that Paisley is one of the reasons why we are having this debate: as some hon. Members

will be aware, the Paisley 2020 campaign for UK city of culture helped raise awareness of Paisley’s spectacular, historical and ongoing cultural contribution to the world. Although we were robbed blind of what was rightfully ours, the bid alone was fantastic for the town and will leave a legacy of its own. The fact that Paisley was the first town to make the shortlist highlights the issue with the city of culture award, as it stands, without an accompanying town award.

A city or town of culture award will provide an excellent opportunity to boost the profile, economy and self-confidence of the winning town or city. The bidding process alone is a huge opportunity and can be cathartic. I can speak only for Paisley’s experience, but at the start of the process, the number of Paisley buddies and those from wider Renfrewshire who were highly cynical about the bid and viewed the town negatively far outweighed the number who supported the bid. However, as the months passed, buddies were reminded of what was and is great about the town, and learned about some of the planned investments and events, and that opinion rapidly shifted.

Despite losing out on the award, some of the investment plans have remained in place; there is a £110 million investment plan for the town centre and venues. To me, the real value and prize of the bid was getting buddies to believe in the town again. Unlike the majority of UK cities, the name Paisley is known worldwide, having given the world the famous pattern of the same name, though we may have borrowed it from somewhere else, as you may well know, Mr McCabe. Paisley’s textile mills—the first of which was built by the Coats company, which at one point was the biggest company in the British empire and the third-largest company in the world—started mass producing shawls with the pattern. The name Paisley is literally woven into history.

Paisley was home to the world’s first constituted Burns club and is also home to the UK’s largest youth theatre, PACE, which has helped produce fantastic performers—this is where Paisley outshines the towns mentioned in the rest of the contributions, I would say—such as James McAvoy, Paolo Nutini and Richard Madden, who recently won a Golden Globe for his role in the BBC drama “The Bodyguard”, which featured a fantastical plot about a UK Government Minister up to no good, which obviously would not happen in real life. Paisley can also boast of calling Gerry Rafferty, David Tennant and Gerard Butler our own.

Paisley is not the only town or village in my constituency with a proud cultural heritage. From Bishopton to Bridge of Weir, and from Elderslie to Erskine, everywhere has something to offer. The historical capital of Renfrewshire, my home town since I was four years old, has a proud history that few can match. Renfrew is known as the cradle of the royal Stuarts, as it was an early home to the final royal family of the Kingdom of Scotland. In 1164 at the battle of Renfrew, King Malcolm IV of Scotland repelled Somerled, the Lord of the Isles.

We all have many towns and cities rich in history and culture, many of which miss out on vital investment. This proposed town of culture award would potentially unlock that investment and bring a sense of pride back to these places. My message to hon. Members across this House is that Renfrewshire stands ready to win any such award. I urge the Minister to take this proposal forward.

5.49 pm

**Kevin Brennan** (Cardiff West) (Lab): There is not a lot of time left, but I remind the Minister that he will not need long to say, “Yes,” in response to this debate. I endorse the proposal by my right hon. Friend the Member for Delyn (David Hanson) and other hon. Friends. I congratulate the Labour Towns group on turning up en masse and coming up with such compelling arguments, as well as the other hon. Members who spoke. My right hon. Friend rightly said that there was an opportunity to do something on a UK basis and involve the devolved Administrations; I thought his proposals were very good. He also took some very good interventions, including those of my hon. Friends the Members for Barnsley East (Stephanie Peacock) and for Ashfield (Gloria De Piero), who are no longer in their places, and my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper). He mentioned Richard II and Flint castle; as he may know, my brother Patrick is an actor who once played a small part in promoting Flint indirectly—he starred in “Richard II” at the Globe theatre.

My hon. Friend the Member for Slough (Mr Dhesi) spoke passionately about his constituency, putting to bed the reputation that it was perhaps unfairly given by John Betjeman. My hon. Friend quite rightly said that arts funding tends to be higher in cities than in towns—we really need to look at how to redistribute resources much more effectively through the arts budget.

It is always very comforting when the hon. Member for Strangford (Jim Shannon) speaks in a debate—when he turns up, we know that things are normal in the world. He made his constituency sound like the garden of Eden, although I remind him that that is where original sin was invented. I look forward to playing crazy golf with him in Strangford some day.

My hon. Friend the Member for Bishop Auckland (Helen Goodman) referred to Richard III—another king who met a dodgy end. I look forward to a long weekend in Bishop Auckland, which sounds like a wonderful place.

In reply to my hon. Friend the Member for Clwyd South (Susan Elan Jones), may I take the opportunity to mention Rhosllanerchrugog? She took an intervention from my hon. Friend the Member for Blaenau Gwent (Nick Smith), who is no longer in his place. My mother was born in his constituency—in Nantyglo, another town that would really benefit from the sort of initiative we are debating.

As ever, my hon. Friend the Member for Heywood and Middleton (Liz McInnes) spoke passionately about her community. So did my hon. Friend the Member for Batley and Spen (Tracy Brabin), who made the important remark: “If you don’t see it, you can’t be it.” I know that her constituency work is very much based on that idea. She took an intervention by my hon. Friend the Member for High Peak (Ruth George), who mentioned Buxton and the importance of cultural and artistic activities to health and wellbeing.

My hon. Friend the Member for Vale of Clwyd (Chris Ruane) spoke passionately about Rhyl. I remind him of Cerys Matthews’s song “International Velvet”, in which she sang, “Darganfyddais gwir baradwys Rhyl”—“I discovered true paradise in Rhyl.” My hon. Friend reminded us to “tap into the passion”, and his speech certainly did that.

My hon. Friend the Member for Scunthorpe (Nic Dakin) spoke brilliantly, rightly pointing out that the judging panel will have a difficult job. He also pointed out Scunthorpe’s steel heritage, which he knows that I share in my background.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) mentioned clotted cream and the question whether the jam or the cream should come first. What I say to the Minister is that we do not mind which it is—as long as it is not “jam tomorrow.”

My hon. Friend the Member for Hyndburn (Graham P. Jones) spoke, and my hon. Friend the Member for Great Grimsby (Melanie Onn) spoke brilliantly about the welcome investment in the arts in her community. My right hon. Friend the Member for Don Valley (Caroline Flint) promoted her constituency, as ever, and gave us a remarkable list of people from it who have risen to prominence—they have a very prominent MP as well. The hon. Member for Paisley and Renfrewshire North (Gavin Newlands) spoke for the Scottish National party.

I represent a city seat, but I was born and brought up in Cwmbran, a new town. Every time I drive back to see my 89-year-old mother, a song comes into my head: Simon and Garfunkel’s “My Little Town”. One of the lyrics is:

“And after it rains there’s a rainbow, and all of the colors are black.

It’s not that the colors aren’t there—it’s just imagination they lack.”

If we have the imagination and the investment, we can do wonderful things. We all know what has happened to our towns through the evisceration of local government funding, the removal of services from our high streets and the loss of banks, libraries and museums. Those institutions are very important. Let us have a renaissance in our towns, let us have a town of culture, and let us hear the Minister say yes.

5.54 pm

**The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Michael Ellis):** It is a real pleasure to close this debate, Mr McCabe. I thank the right hon. Member for Delyn (David Hanson) for securing it and all hon. Members present for their valuable contributions and advertisements for their towns or localities. I also thank those hon. Members who co-signed the letter to the Secretary of State asking that our Department establish a town of culture award.

I am thrilled with this debate, because it really is recognition of the value of culture generally, which we all know about; as Culture Minister, people would expect me to say that. I have been to 35 locations around the country in the past 12 months and seen the value of culture in towns, villages and cities alike, and how important it is for society as a whole.

I join colleagues in celebrating the rich heritage and culture of towns across the UK. I must confess to being possibly a little biased in favour of this motion, as my own constituency is in a town. Of course that town is the very best of towns—I was born and brought up there and it has its own very generous share of cultural heritage—so I recognise, first and foremost, the value of towns. Creativity, arts and heritage make our towns and all our places—cities included—unique, and our

[Michael Ellis]

communities better places to live in. A Conservative colleague suggested recently that we should also have a county of culture. Culture goes across the board.

As the right hon. Member for Delyn has highlighted it, I will say something about the UK city of culture award, because it has a powerful social and economic impact on the winning bidders. Hull 2017, which has been alluded to, leveraged truly enormous private investment and generated £300 million through increased tourism alone.

I understand the potential for arts and culture to transform communities, which is why a range of places, including towns, can already enter the UK city of culture competition. Of course I recognise that towns will have a lot to compete against when they come up against cities in the same competition. The bidding process for the title of the 2021 UK city of culture, which was awarded to Coventry, invited bids from cities and towns, and it allowed partnership bids from two or more neighbouring cities or towns, or from a closely linked set of urban areas. That is one way of dealing with this issue.

It is for individual places to weigh the benefits of bidding, in terms of galvanising local partners and raising the profile of the place, compared with the costs of putting together a bid. I am currently reviewing the criteria for any future competitions and will continue to keep under careful consideration the offer to towns, as well as the burden of bidding. This debate has been very influential in that regard, so I again congratulate the right hon. Gentleman on securing it.

**Kevin Brennan:** It is welcome that the Minister is reviewing the competition criteria. When does he expect to report back on his conclusions?

**Michael Ellis:** The hon. Gentleman will be among the first to know. Of course, there are already a number of Government-wide initiatives to invest in our towns and high streets. I have only a few minutes left to highlight some of them; indeed, some have already been alluded to by hon. Members.

I am also keeping under careful consideration the effectiveness of different types of support to help towns and other places to prosper. Wider Government support for towns and high streets includes, of course, the future high streets fund, which is worth £675 million. It was announced in the autumn Budget to encourage vibrant town centres where people can live, shop and spend leisure time.

The prospectus for that fund was only published in December. It invites local authorities to submit expressions of interest for capital funding. There is a lot of money available, so I encourage hon. Members to invite their local authorities to take an interest in the fund and submit expressions of interest.

Of course, DCMS-related sectors contribute to successful and healthy high streets, and it is key that they do so. The Royal Society for Public Health report, "Health on the High Street: Running on Empty 2018", found that residents of towns with healthy high streets live on average two and a half years longer, and that libraries, museums and galleries contribute to the

healthiest high streets. Culture has a powerful health as well as wellbeing benefit, and has a positive cultural impact.

The Government's plan for the high street also includes the creation of a high street taskforce in 2019 to support local leaders. The Government already run the Great British High Street awards, a hotly contested competition to find Britain's best high street. Crickhowell was announced as the overall UK winner for 2018, and I was delighted to see St Giles Street in my town of Northampton win the category in 2015. Towns can win, and this competition enables towns to raise their profile and celebrate local efforts to create vibrant town centres that are loved by their communities.

**David Hanson:** Just before the Minister finishes, I want to try to tie him down. My right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) has written to ask for a meeting with Members of Parliament to discuss this process further. Will he and the Secretary of State agree to attend the meeting?

**Michael Ellis:** I cannot speak for the Secretary of State, but I will agree to meet. We will set that up, and I am happy to do so.

My Department believes that place-based cultural investment should be a key part of the local growth strategy for all towns and cities in England. The cultural development fund, which has already been mentioned and was launched in 2018, is a £20 million competitive fund to support towns and cities to develop and implement transformative, cultural and creative growth plans. Just last week the Secretary of State announced the winners: Grimsby, Plymouth, the Thames estuary, Wakefield and Worcester.

Grimsby will receive £3.2 million to deliver a new programme of international events and public art to revive the town centre, provide a business support programme for local creative businesses, and create new production facilities in the town's historic centre. The Thames estuary will receive £4.3 million. The cultural development fund and the UK city of culture projects are exemplars of local enterprise partnerships. We also welcome the innovation of local areas developing their own initiatives to celebrate local culture. For example, the Liverpool borough of culture and the London borough of culture are attempts to broaden the impacts of cultural titles and moments to areas beyond city centres.

I want to stick up for Arts Council England. Some 75% of its funding goes outside London—it is being distributed widely. We of course have to bear in mind that large centres of population are within cities, but my experience of Arts Council England is that it recognises that its role is to spread its resources around the country, which it is doing. Some 9.2 million people saw British Museum exhibitions and objects on show outside the museum in 2017-18, and more than 2,500 objects were loaned to 126 venues around the country.

A lot of work is already being done in this area. I am very happy to meet colleagues and interested partners to discuss the matter further, and I am keeping the situation under review. My Department and the Government recognise the value of culture. It is a precious part of our community life and has multiple assets and benefits. We will continue to support it.



**Steve McCabe (in the Chair):** Do you want to make a concluding remark, Mr Hanson?

**David Hanson:** I thank all Members who have turned up today. I thank the Minister for his positive response, and we will be in touch to make further progress. The time has come to encourage economic development in our towns on a cultural basis.

*Question put and agreed to.*

*Resolved,*

That this House has considered the establishment of a town of culture award.

6.3 pm

*Sitting adjourned.*



# Written Statements

Wednesday 23 January 2019

## TREASURY

### Counter-terrorist Asset Freezing Regime

**The Economic Secretary to the Treasury (John Glen):** Under the Terrorist Asset-Freezing etc. Act 2010 (TAFE 2010), the Treasury is required to prepare a quarterly report regarding its exercise of the powers conferred on it by part 1 of TAFE 2010. This written statement satisfies that requirement for the period 1 July to 30 September 2018.

This report also covers the UK's implementation of the UN's ISIL (Daesh) and Al-Qaida asset freezing regime (ISIL-AQ), and the operation of the EU's asset freezing regime under EU regulation (EC) 2580/2001 concerning external terrorist threats to the EU (also referred to as the CP 931 regime).

Under the UN's ISIL-AQ asset freezing regime, the UN has responsibility for designations and the Treasury, through the Office of Financial Sanctions Implementation (OFSI), has responsibility for licensing and compliance with the regime in the UK under the ISIL (Daesh) and Al-Qaida (Asset-Freezing) Regulations 2011.

Under EU regulation 2580/2001, the EU has responsibility for designations and OFSI has responsibility for licensing and compliance with the regime in the UK under part 1 of TAFE 2010.

A new EU asset freezing regime under EU regulation (2016/1686) was implemented on 22 September 2016. This permits the EU to make autonomous Al-Qaida and ISIL (Daesh) listings.

The tables available as an online attachment set out the key asset-freezing activity in the UK during the quarter.

The recently passed Sanctions and Anti-Money Laundering Act will help ensure that UK counter-terrorist sanctions powers remain a useful tool for law enforcement and intelligence agencies to consider utilising, while also meeting the UK's international obligations.

Under the Act, a designation could be made where there are reasonable grounds to suspect that the person or group is or has been involved in a defined terrorist activity and that designation is appropriate. This approach is in line with the UK's current approach under UN and EU sanctions and would be balanced by procedural protections such as the ability of designated persons to challenge the Government in court.

Attachments can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-01-23/HCWS1267/>.

[HCWS1267]

## Double Taxation Convention (United Kingdom and Israel)

**The Financial Secretary to the Treasury (Mel Stride):** A protocol to the double taxation convention with Israel was signed on 17 January 2019. 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.

[HCWS1266]

## DEFENCE

### RAF Aerobatic Team: North American Tour

**The Minister for the Armed Forces (Mark Lancaster):** On 21 October 2018, the Secretary of State for Defence announced that the Royal Air Force aerobatic team (the Red Arrows) will fly the flag for Britain, both in the skies and on the ground during a tour of North America in summer 2019. This tour will be called Western Hawk 19.

As well as displaying at a range of shows across North America the Red Arrows will also attend engagements promoting the Government's GREAT campaign, visit local schools, meet with business leaders and showcase the very best of British culture. Western Hawk 19 will showcase our excellence, professionalism and proud heritage in education, engineering and technology to our allies. It will also demonstrate the global reach and capability of the RAF and our continuing support of the United Kingdom's defence and commerce industries.

The tour of North America will also be an opportunity to celebrate and strengthen our incredible relationship with the US and Canada.

I can now announce the planned tour dates. The Red Arrows will fly at the royal international air tattoo from 19 July to 21 July 2019. After a short period of maintenance and leave for Red Arrows personnel, they will depart the UK at the end of July and will tour North America until after the end of the UK display season. While the Red Arrows will not be displaying in the UK for the latter part of the 2019 UK display season, the RAF's other display assets including Typhoon, the Battle of Britain memorial flight and the Falcons parachute team will continue to keep the RAF in the public eye during this period. Their air display participation will be carefully prioritised to deliver maximum impact. Local communities will have the opportunity to bid for participation of the Red Arrows in their area in the 2020 display season in the normal manner.

[HCWS1264]

## FOREIGN AND COMMONWEALTH OFFICE

### Cyprus: Civil Litigation

**The Minister for Europe and the Americas (Sir Alan Duncan):** I would like to update Parliament on a legal settlement that the UK Government have reached concerning civil law claims arising from the emergency period in Cyprus from 1955-59 ("the emergency").

During the emergency, Greek Cypriot paramilitaries fought an armed guerrilla campaign to try to bring to an end British rule in Cyprus and establish a union between Cyprus and Greece. As part of the response to this campaign, the Governor of Cyprus instituted emergency measures which included the deployment of UK military and police personnel.

In July 2015, 35 individuals (since reduced to 33) brought claims against the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Defence regarding their treatment in detention during the emergency.

The Government have now reached an agreement with the claimants, in full and final settlement of those claims. The UK Government have agreed to pay a settlement sum of £1,000,000 in damages with an amount in legal costs to be determined by the court in due course. The settlement does not constitute any admission of liability and is not a precedent in respect of any potential future claims against the Government. Indeed, the Government have maintained throughout proceedings that the passage of time means that it is now no longer possible to establish all of the facts with certainty. However, the Government have settled the case in order to draw a line under this litigation and to avoid the further escalation of costs, which would ultimately be borne by the taxpayer.

In reaching this settlement, the UK Government reaffirm their highest respect for the memory and sacrifice of British and Cypriot service personnel and employees of the Crown who gave their lives, who lost family members or loved ones, or whose lives suffered permanent disruption as a result of the emergency.

The UK Government acknowledge the strongly held views of many Cypriots about the emergency. It is a matter of regret for the UK Government that the transition of Cyprus from British administration to independence should have been preceded by five years of violence and loss of life, affecting all residents of the island.

We must not forget the past—and indeed we must learn from it. But it is most important to look to the future. Today, the bilateral relationship that the UK shares with Cyprus is one of friendship and close partnership; spanning a broad network of security, personal, business, administrative, cultural and educational ties. The Government reaffirm their commitment to building a modern, forward-looking relationship between the UK and Cyprus, built on shared values of mutual respect and full equality.

[HCWS1269]

## HEALTH AND SOCIAL CARE

### Social Care

**The Minister for Care (Caroline Dinéage):** Today I would like to update the House on social care funding following the Opposition day debate of 17 October 2018.

Modern society is in the fortunate position where people are living longer and life expectancy for those living with complex health conditions, including disabilities, has dramatically increased. However, with 1.5 million more people aged over 75 expected in the next 10 years, we recognise the pressures this places on the health and social care system and the Government are taking steps to support the sector in responding to these challenges.

In the short term, the Government have given Councils access to up to £3.6 billion more dedicated funding for adult social care in 2018-19 and up to £3.9 billion for 2019-20. This injection of funding is the biggest that councils have ever received and is helping the NHS and social care to support people to live for longer and more independently.

Despite the fact that the NHS is busier than ever before, the majority of patients are discharged quickly. We know that adult social care capacity can become increasingly pressured over the winter months and this can have a knock-on effect on NHS hospitals. This funding is helping to reduce delays, get patients home quicker and free up hospital beds across England for more urgent and acute cases. This is having a tangible effect with delayed transfers of care accounted for 4,580 occupied beds per day in November 2018—a decrease of 2,081 per day against the February 2017 baseline.

The autumn Budget also announced an additional £650 million of new money for social care in 2019-20. This includes another £240 million for adult social care to alleviate winter pressures on the NHS next year and a further £410 million to improve social care for older people, people with disabilities and children. Councils will also benefit from an additional £55 million increase in the disabled facilities grant in 2018-19. This additional capital funding will provide home aids and adaptations for disabled children and adults on low incomes to help them continue to live independent lives in their own homes.

References to £1.3 billion of cuts are entirely misleading as the figure refers only to the revenue support grant which should not be considered in isolation when councils have access to council tax, business rates and other local income to deliver their local services. In fact, funding for local government will increase in real terms in 2019-20. This means more money for councils to deliver for their local communities.

This Government's actions mean that funding available for adult social care is set to increase by 9% in real terms from 2015-16 to 2019-20 and the additional funding is allowing councils to support more people and sustain a diverse care market.

All councils have statutory duties to look after the vulnerable, elderly and disabled people in their area. The Care Act established a national threshold that defines the care needs that local authorities must meet which eliminates the postcode lottery of eligibility across England. In addition to providing social care services, last year local authorities in England advised over 500,000 people on how to access other services to meet their care needs. This includes services provided by leisure, housing, transport and care providers as well as voluntary groups.

In the longer term, the NHS's Long-Term Plan is committed to supporting people to age well. As part of this the Government will increase investment in primary medical and community health services by at least £4.5 billion by 2023-24. This will support people to get joined-up, integrated care closer to home and will increase the capacity and responsiveness of community and intermediate care services to those who will benefit the most. Furthermore, the plan recognises the importance of integration between health and social care and commits to upgrading NHS support to all care home residents

who would benefit by 2023-24 through the enhanced health in care homes programme, which embeds healthcare professionals into care homes.

The Government have committed to publishing the Green Paper at the earliest opportunity which will consider the fundamental issues facing the adult social care system and present proposals for reform while the social care funding for future years will be settled in the spending review where the overall approach to funding local government will also be considered.

[HCWS1268]

## HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

### Tenant Fees Bill

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler):** Today I have placed in the Library of the House the Department's analysis on the application of Standing Order 830 in respect of any motion relating to a Lords amendment, for Commons consideration of Lords amendments stage for the Tenant Fees Bill.

[HCWS1265]

## WORK AND PENSIONS

### Diffuse Mesothelioma Payment Scheme Levy

**The Minister for Disabled People, Health and Work (Sarah Newton):** The Diffuse Mesothelioma Payment Scheme (Levy) Regulations 2014 require active employers' liability insurers to pay an annual levy, based on their relative market share, for the purpose of meeting the costs of the diffuse mesothelioma payment scheme (DMPS). This is in line with the insurance industry's commitment to fund a scheme of last resort for sufferers of diffuse mesothelioma who have been unable to trace their employer or their employer's insurer.

Today I can announce that the total amount of the levy to be charged for 2018-19, the fifth year of the DMPS, is £39.8 million. The amount will be payable by active insurers by the end of March 2019.

Individual active insurers will be notified in writing of their share of the levy, together with how the amount was calculated and the payment arrangements. Insurers should be aware that it is a legal requirement to pay the levy within the set timescales.

I am pleased that the DMPS has seen four successful years of operation, assisting many hundreds of sufferers of diffuse mesothelioma. The fourth annual report for the scheme was published on 29 November 2018 and is available on the gov.uk website. I hope that members of both Houses will welcome this announcement and give the DMPS their continued support.

[HCWS1263]



# Ministerial Corrections

Wednesday 23 January 2019

## HEALTH AND SOCIAL CARE

### Diabetes: Artificial Pancreas

*The following is an extract from the Adjournment debate entitled Diabetes: Artificial Pancreas on 12 December 2018.*

**Caroline Dinéage:** As the right hon. Gentleman said, artificial pancreas devices are an emerging technology that combines continuous glucose monitoring with insulin pumps. One system, the Medtronic 670G system, which he mentioned, was recently approved by the US Food and Drug Administration and a European licence is being pursued.

*[Official Report, 12 December 2018, Vol. 651, c. 361.]*

*Letter of correction from the Minister for Care:*

An error has been identified in the response I gave to the right hon. Member for Knowsley (Mr Howarth) in the debate entitled Diabetes: Artificial Pancreas.

The correct response should have been:

**Caroline Dinéage:** As the right hon. Gentleman said, artificial pancreas devices are an emerging technology that combines continuous glucose monitoring with insulin pumps. One system, the Medtronic 670G **hybrid closed loop** system, which he mentioned, **was approved by the US Food and Drug Administration in 2016 and received a Conformité Européenne mark in June 2018.**”

## FOREIGN AND COMMONWEALTH OFFICE

### Syria

*The following is an extract from Foreign and Commonwealth Office questions on 22 January 2019.*

19. [908712] **Brendan O’Hara** (Argyll and Bute) (SNP): A stable Lebanon is vital to securing a resolution to the conflict in Syria. I have just returned from Lebanon with Aid to the Church in Need, and we saw there that Lebanon is a country barely able to cope with the pressure it is under, having been without a Government for the past eight months. What has been done to ensure, while a Government are being found, that Lebanon remains stable and secure?

**Alistair Burt:** I met the Prime Minister of Lebanon, as did my right hon. Friend the Foreign Secretary, on his visit to the United Kingdom. We work very closely with all parties in Lebanon to encourage the process of Government formation. We are acutely conscious of the pressure of 1.3 million refugees in Lebanon. We would encourage the return of refugees from Lebanon to Syria, but only when it is safe to do so. Support for Lebanon and its economy is a fundamental part of the United Kingdom’s engagement in the region.

*[Official Report, 22 January 2019, Vol. 653, c. 118.]*

*Letter of correction from the Minister for the Middle East:* An error has been identified in the response I gave to the hon. Member for Argyll and Bute (Brendan O’Hara).

The correct response should have been:

**Alistair Burt:** I met the Prime Minister of Lebanon, **and my right hon. Friend the Foreign Secretary spoke to him on the telephone**, on his visit to the United Kingdom. We work very closely with all parties in Lebanon to encourage the process of Government formation. We are acutely conscious of the pressure of 1.3 million refugees in Lebanon. We would encourage the return of refugees from Lebanon to Syria, but only when it is safe to do so. Support for Lebanon and its economy is a fundamental part of the United Kingdom’s engagement in the region.





# ORAL ANSWERS

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**not later than  
Wednesday 30 January 2019**

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