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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Monday 4 March 2019

House of Commons

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Local Authority Services

1. **Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): What recent assessment he has made of the effects of changes in the level of central Government funding for local authorities on the adequacy of services provided by those authorities. [909522]

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): The local government financial settlement confirmed that core spending power for councils is forecast to increase to £46.4 billion, a cash increase of 2.8%. This real-terms increase in resources will be key to helping local authorities to deliver local services, support vulnerable residents and build stronger communities.

Mr Bailey: Ofsted has said in its latest monitoring report that despite the good work of my council, Sandwell Metropolitan Borough Council, it is still deeply concerned that children risk abuse due to unbearable case loads and a real problem in recruiting staff. Does the Minister think that that might have something to do with the £180 million in funding that the council has lost since 2010, and will he say whether the proposed community fund will fully and adequately restore the appropriate level of funding?

James Brokenshire: I recognise that, over some years, Sandwell has had some specific issues in relation to its children's services. I hope that the hon. Gentleman therefore welcomes the increase in Sandwell's core spending power to £268.6 million. He will also know that the funding that was set out in the financial settlement underlay additional funding for social care, and children's social care in particular, but clearly we will keep in contact with the Local Government Association and others in respect of councils' needs.

17. [909538] **Julia Lopez** (Hornchurch and Upminster) (Con): On Friday night, my community saw the despicable murder of 17-year-old Jodie Chesney in Harold Hill. If the Government's serious violence strategy is to work, we need confidence that all parts of the system are adequately resourced, including councils' children's services and social services. What assurances can the Secretary

of State give me on that front, and what conversations has he had with the Home Office to talk about these most serious of issues?

James Brokenshire: I am sure that the whole House will want to send its condolences to the family of Jodie Chesney, my hon. Friend's constituents, and equally, to the family of Yousef Makki, who also lost his life over the course of the weekend. My hon. Friend highlights the appalling situation with knife crime, which has claimed too many lives. I assure her that my Department is working closely with the Home Office to look at issues of prevention and, through programmes such as troubled families, is seeking to provide preventive services. In the last couple of weeks, I have provided £9.8 million for a fund supporting families against youth crime, to help workers to intervene early to prevent such senseless violence.

Mr Clive Betts (Sheffield South East) (Lab): I have previously raised with the Secretary of State the Government's proposal to remove deprivation as an element from the foundation funding part of the local government allocation. Is he aware of the research done by the University of Liverpool and the Institute for Fiscal Studies showing that although deprivation accounts now for only a 4% difference in spending, if we go back before austerity in 2010, in the early years before the disproportionate cuts in grants to the poorest communities, deprivation accounts for more than 10 times the amount of spending? In the light of that, will he review his decision to remove deprivation as a key element of spending allocations?

James Brokenshire: The hon. Gentleman, the Chair of the Communities and Local Government Committee, is obviously aware that there is an ongoing consultation on the formula. He highlights a point in relation to the primary formula and the way in which deprivation plays into that. We will look closely at the evidence that is presented to us and I encourage him to take part in that consultation.

Mr Philip Hollobone (Kettering) (Con): I declare my interest as a member of Kettering Borough Council. At its budget last week, the council confirmed that it will achieve a 10-year council tax freeze, and despite cuts in Government spending it has maintained all frontline services and support for the voluntary sector. Is that not an example that other councils should follow?

James Brokenshire: I warmly commend Kettering Borough Council for the work that my hon. Friend outlined, and indeed councils for the way in which they have risen to the challenges. I commend all the work of the members and officers in Kettering for being able to deliver good-quality services in an efficient way.

22. [909543] **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): Surely local authorities that willingly step up to the plate as asylum dispersal areas deserve additional long-term central Government funding in recognition of the extra resources required to undertake that valuable work, and surely to goodness the Secretary of State would agree that the Home Office, rather than his Department, should pay for it.

James Brokenshire: I note the hon. Gentleman's point about asylum dispersal and the costs of that. Obviously, the Home Office leads on how funds are supported in different authorities—indeed, in Scotland as well—and I will certainly pass on his points to the Home Secretary.

Henry Smith (Crawley) (Con): On funding to local communities and the Stronger Towns fund announced earlier today, can I get an idea of how much Crawley constituency will get? It has two of the most deprived wards anywhere in the south-east. I do not want to hear from the Front Bench that we are on the B list where we can bid for funding. This funding is needed now.

James Brokenshire: As my hon. Friend will know, there is a statement coming up later this afternoon, so I will save my comments for that, but it is a £1.6 billion fund, with a competitive element, and I would encourage people to bid into that.

Mr Speaker: I am sure that the hon. Member for Crawley (Henry Smith) will be in his seat for that statement and will leap to his feet to make his point with his customary force and alacrity.

23. [909545] **Graham P. Jones (Hyndburn) (Lab):** Nine of the 10 most deprived councils in the country have seen cuts almost three times the national average since 2010. Why is deprivation no longer to be a factor under the fair funding review?

James Brokenshire: I remind the hon. Gentleman of my response to the Chair of the Housing, Communities and Local Government Committee, the hon. Member for Sheffield South East (Mr Betts). That issue is part of our consultation on the review of relative needs and resources, and I encourage the hon. Gentleman to take part. Our view is that a lot of the measures are based on population distribution, but we will reflect on the evidence as we see it.

Huw Merriman (Bexhill and Battle) (Con): I thank the Secretary of State and our excellent local government Minister, the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), for the additional moneys given to East Sussex County Council for this year, but rather than additional one-off funds to top up, can we have more certainty in the future so that all local authorities can plan for the future?

James Brokenshire: I recognise the desire for long-term local government funding, and we have the local government financial settlement, which the House recently approved. We also have the spending review to come, and I will certainly be making the case for a multi-year settlement.

Alison Thewliss (Glasgow Central) (SNP): The European regional development fund moneys of €476 million and the European social fund moneys of €465 million have had a significant input into local government funding the length and breadth of Scotland. With the removal of this EU cash imminent, can the Secretary of State tell us precisely how much money the Scottish Government and local authorities in Scotland will get after we leave the EU?

James Brokenshire: The hon. Lady will know the guarantees in place in relation to structural funds currently provided by the EU, but clearly we want new arrangements in place through the UK shared prosperity fund. We will come forward with the details of that fund, and the spending review will set out the monetary aspects.

Andrew Gwynne (Denton and Reddish) (Lab): After nine years of this Government's slash-and-burn approach to deprived areas, the Secretary of State has announced a new fund for our left-behind towns, but since 2010 we have seen a cut to Wigan Council's spending power—the Government's preferred measure—of £67 million and a cut of £45 million to Blackpool's. As a region, the north-west has lost almost £1.5 billion but will receive just £281 million over seven years under this initiative. Does he understand why Members across the House feel disappointed and patronised by his announcement today?

James Brokenshire: I am surprised that the hon. Gentleman has not recognised the additional funding that will be going into local government this coming year. The cash increase I have outlined is a real-terms increase to local government that is focused on supporting issues such as social care. Yes, the Government recognise the hard decisions that councils have had to make, but we are now supporting councils to do the right thing for their communities and ensure the improvement we all want to see.

Andrew Gwynne: It is only an increase for councils because it is predicated on those same councils' increasing their council tax to mitigate a £1.3 billion Government grant cut. The announcement that the Minister has made today means very little, given that he plans to shift the funding formula away from those very same left-behind towns in future years to favour the wealthy Tory shires. Will he now remove any uncertainty, and ensure that deprivation is factored into any future fair funding review so that it is actually able to live up to its name?

James Brokenshire: I am sorry that the hon. Gentleman has clearly not been through the consultation, which demonstrates on various issues such as social care where deprivation is firmly relevant. We are ensuring that we provide support for councils—[*Interruption.*] The hon. Gentleman keeps saying “baseline”; he seems to have gone into some kind of trance. We are providing £650 million for social care in the settlement for the forthcoming year because we absolutely recognise local authorities' demands and needs; it is about seeing that local government is well supported for its communities.

New Homes

2. **Mary Robinson (Cheadle) (Con):** What steps his Department is taking to reduce the time taken to build new homes. [909523]

The Minister for Housing (Kit Malthouse): Last year more housing was delivered in England than in all but one of the past 31 years, but there is still much more to do, from reform of the planning system and developer contributions to deploying Homes England as the WD40 of the house building industry, working on the recommendations of the Letwin review, and accelerating

decision making in the Department. We are stretching every sinew to build more and better homes across the country, and to build them faster.

Mary Robinson: Building homes that people want to live in should be a challenge that we set ourselves as we aim to tackle the housing situation. Modern methods of construction encompass new and innovative building methods, including off-site manufacturing, to produce more homes in less time. During a recent visit to a modular homes factory, I saw how well constructed, well insulated and adaptable homes for life can provide quality housing in weeks rather than months. Does my hon. Friend agree that local authorities should recognise the diverse range of construction methods when developing their local plans to meet housing requirements?

Kit Malthouse: With her usual accuracy and perception, my hon. Friend has put her finger on one of the most exciting developments that we are currently seeing in house building, which is indeed off-site manufacturing. That technique holds enormous potential, not least because it is deployed to a significant extent in other parts of the world. We have a £450 million fund to support its development, and the first payment was made to Welwyn Hatfield just last week.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Minister not realise that this Government are not building enough new homes? Even the ones they are building are not in the right places for the right people. Is he not aware of the scandal—a situation my constituents cannot understand—that so much of the money that went to Help to Buy has ended up in the pockets of chief executives of building companies?

Kit Malthouse: The hon. Gentleman is right, in that Governments of all stripes have failed to build enough homes over the last few decades. Indeed, our efforts to correct that were hampered by the destruction of 50% of the small house building industry in the crash of 2008, when his party was in government. We have tried very hard to correct that, and last year we managed to reach a total of 222,000 homes, but we must push forward to 300,000. I hope that the hon. Gentleman will join me in encouraging civic leaders throughout the country to embrace that ambition, and to build the homes that the next generation needs.

Mr Speaker: The hon. Members for Shrewsbury and Atcham (Daniel Kawczynski), for Hornsey and Wood Green (Catherine West) and, for that matter, for Sittingbourne and Sheppey (Gordon Henderson) could all very legitimately shoehorn their inquiries into this question if they were so minded. That is merely a gentle hint; it is not obligatory.

Gordon Henderson (Sittingbourne and Sheppey) (Con)
rose—

Mr Speaker: Oh, very well done, Mr Henderson!

20. [909541] **Gordon Henderson:** Does my hon. Friend agree that one of the main concerns for young people is how to get on to the first rung of the housing ladder, and that using the new affordable Rent to Buy model is one option that should be encouraged?

Kit Malthouse: I sincerely agree with my hon. Friend that the Government's objective should be to create a big, wide menu of tenure options from which young people can choose at different stages in their lives, and depending on their circumstances. We want to ensure that everyone can acquire good-quality homes for themselves and their families, but critically that everyone in the country, at some point in their lives, should have a shot at ownership.

21. [909542] **Catherine West:** Last month thousands of children marched for a cleaner planet. What support are the Government providing to enable local authorities to bring about a genuine green revolution in new council housing schemes?

Kit Malthouse: As I hope the House knows, this Government are extremely ambitious about our environmental targets and want to push further and faster in order to achieve them. The hon. Lady is right that there is enormous potential, particularly in the affordable homes programme and the new generation of council homes that we hope will be built to create higher environmental standards. I saw this for myself on a visit to a factory in Aldridge in the west midlands, where Accord Housing is producing modular homes for social and affordable rent. They said to me that so good are the environmental standards in those homes that they have lower arrears in buildings built that way because they are easier to heat and light.

Mr Richard Bacon (South Norfolk) (Con): Would not the best way to reduce the time taken to build new homes be to support my Housing Reform Bill? Since I have not yet persuaded the Minister for Housing of that, if I bring it back in the next Session with a few tweaks, will he undertake to take another look at it?

Kit Malthouse: Mr Speaker, it will not surprise you to know that I am in constant conversation with my hon. Friend about his various ideas for the housing market from self-build to the reforms he is outlining, and I hope to continue those conversations. He is a veritable cornucopia of thinking and policy ideas in this sphere, and they are to be welcomed.

Mr Speaker: A smörgåsbord, I am sure.

Sarah Jones (Croydon Central) (Lab): We need to build new homes but they must be the right homes. In 2017, the then Secretary of State the right hon. Member for Bromsgrove (Sajid Javid) said:

“It’s unacceptable for home buyers to be exploited through unnecessary leaseholds”,

and added that “enough is enough”. He said that real action was needed and announced that the Government were banning the sale of leasehold homes. Last summer the current Secretary of State promised no new Government funding schemes for leasehold homes, yet the Government's own figures show that Ministers are pouring hundreds of millions of pounds of taxpayers' money into a state-funded racket by subsidising large house builders for the sale of leasehold homes through Help to Buy—some 17,000 homes over five years, half of which have been sold since the Government promised to ban that. Can the Secretary of State tell us: have the Government forgotten what they said, has he changed his mind, or can he let us know when he will deliver on his promises?

Mr Speaker: I enjoyed the hon. Lady's question, but it would nevertheless have benefited from the generous application of the blue pencil.

Kit Malthouse: I urge the hon. Lady to take care with her opinion of Help to Buy as a scheme: it is one of the few Government policies for which people actually stop me in the streets to thank me. *[Interruption.]* Even though it had nothing to do with me, I am quite happy to take the credit for the policy—for the origination of it in any case. Several people have stopped me and thanked me for it, because it gives young people access to homes that otherwise they would not obtain.

The hon. Lady is right, though, that problems have been experienced in the market with leasehold, and we are determined to bring about change. The new Help to Buy scheme will be used to bring about some of that change, and the Secretary of State tells me he has not resiled one ounce from his promises.

Future High Streets Fund

3. **Kevin Foster** (Torbay) (Con): What plans he has to use the future high streets fund to transform town centres. [909524]

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): I am delighted to announce that this year will see the return of our Great British High Street awards, in proud partnership with Visa. That is part of this Government's determination to keep high streets at the heart of our communities, not least supported by our future high streets fund.

Kevin Foster: I thank my hon. Friend for his answer. Paignton town centre is in need of reshaping and regeneration to create an attractive destination for the future, hence it will be the focus of a bid for support from the future high streets fund. Can the Minister confirm that Paignton is precisely the type of town centre he has in mind that will benefit from this fund?

Jake Berry: My hon. Friend is a redoubtable campaigner for his high street and I have previously met him and local authority leaders to talk about their ambition for their area. It is a competitive fund, but Paignton is indeed well placed to apply for this transformative cash, led I am sure, as always, by my hon. Friend.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): One of the problems the Minister might encounter in improving the high streets could be described as a roadblock, because it is a roadblock: the problem is that our roads are just so poor. I was disappointed that Hull missed out on the transforming cities fund to improve a road that is notorious for being an absolute roadblock: Calvert Lane. Will the Minister therefore look favourably on Hull when it bids for this money again—or alternatively just give us the cash now?

Jake Berry: I suspect that we are going to hear many special pleadings on behalf of hon. Members' constituencies across the House. This is an ambitious fund that is designed to transform towns, just like the towns fund that we have announced today. I am sure that the hon. Lady and the area that she represents will bid for all the appropriate funds to drive forward her community.

Mr Mark Prisk (Hertford and Stortford) (Con): One of the main findings of the recent Select Committee inquiry into town centres was that strong local civic leadership is crucial. Given that, may I ask the Minister to ensure that, when judging future bids to the fund, strong local leadership is a key criterion?

Jake Berry: My hon. Friend, an expert in this area, rightly points to the excellent Select Committee report on high streets. He will be aware of the recommendation of Sir John Timpson, one of Britain's best loved and best known retailers, that local leadership should be key to driving forward the future of the high street, and we will certainly be looking at that as part of these fund applications.

Tim Farron (Westmorland and Lonsdale) (LD): The Government's plans for a puny 2% digital tax on mega online firms that avoid paying their fair share is an insult to shops on the high street in towns such as Grange, Windermere and Kendal. Will he support higher taxes on tax dodgers, which would raise enough money to slash business rates for our town centres and help to save our high streets?

Jake Berry: The Government have been clear that online taxation in retail needs to be done as part of an international agreement, but we have also been clear that, if we cannot get such an agreement, we will come forward with our own 2% tax on online retail to ensure that we can continue, as we did in the last Budget, to give relief to those retailing on our high streets.¹ This year, we have already slashed a third off the business rates of shops with a rateable value of under £51,000.

Homelessness: London

4. **John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): What steps his Department is taking to reduce levels of homelessness among Scottish people in London. [909525]

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): I thank my hon. Friend for his interesting question. Preventing and reducing homelessness and rough sleeping are key priorities for this Government. We have implemented the Homelessness Reduction Act 2017 and allocated more than £1.2 billion in funding through to 2020. Through the rapid rehousing pathway early adopters, we will enable more than 80 navigators to work with up to 1,600 rough sleepers.

John Lamont: Scots account for 12% of the homeless population in London. Borderline is the only charity that provides support to Scots in London, yet, astonishingly, the Scottish Government stopped its funding last year. Will the Minister join me in congratulating Borderline on the work that it has done and continues to do? What more can this Government do to support homeless Scots in London?

Mrs Wheeler: I thank my hon. Friend for his tenacious work in looking after Scots wherever they might be, north or south. The withdrawal of that funding is, sadly, a matter for the Scottish Government, but we have allocated more than £220 million of funding to

1. *[Official Report, 4 March 2019, Vol. 656, c. 8MC.]*

London, largely through the flexible homelessness support grant and the Move On fund. Our expert advisers are supporting local authorities to tailor their services according to local need, particularly for our Scottish friends.

Ruth Cadbury (Brentford and Isleworth) (Lab): The number of homeless households seeking help in Hounslow—including some from Scotland—has doubled in the past 10 months. Hounslow has an admirable record, including a five-year programme of delivering 3,000 new social rent homes, yet it is losing council stock faster through the right to buy. Will the Government recognise that they have to take responsibility for delivering adequate numbers of social rent housing in order to deal with the homelessness crisis?

Mrs Wheeler: The hon. Lady is quite right to say that ensuring that we have enough affordable homes in London and elsewhere is a high priority for this Government, which is why we changed the rules on housing revenue account funding, and I look forward to the authority building even more houses than it has already.

Adult Social Services

5. **Thelma Walker** (Colne Valley) (Lab): What recent assessment he has made of the adequacy of funding for adult social services. [909526]

16. **Julie Elliott** (Sunderland Central) (Lab): What recent assessment he has made of the adequacy of funding for adult social services. [909537]

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): This Government have recognised the pressures facing adult social services and have provided councils with access to an additional £10 billion of dedicated funding for adult social care for the three years up to 2019-20.

Thelma Walker: I thank the Minister for his response. However, 96% of all local authorities told the Local Government Association that there is a major national funding problem in adult social care. Demographics are changing and demand is growing. What are the Government doing to provide long-term sustainable support to local authorities such as Kirklees Council, so that they can deliver vital services to our most vulnerable citizens?

Rishi Sunak: I thank the hon. Lady for her question. In the short term, £1 billion of extra funding for social care services was announced in the Budget. In the longer term, the Department of Health and Social Care will soon outline its Green Paper and a longer term sustainable settlement. However, the answer is not just about the amount of money that we spend. Her council is a fantastic example of providing good outcomes for social care by using taxpayer resources prudently. Just last week, it was named a top 10 council for social care.

Julie Elliott: The Princess of Wales Centre dementia day-care facility, which is based in the neighbouring constituency of my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) but serves the whole of Sunderland, recently announced that it will close in June, partly due to the cut in local

government funding. What will the Minister do to help to support my constituents and those of my neighbour before the extra funding becomes available? Will he meet me and my colleagues to discuss the matter?

Rishi Sunak: I would be happy to meet the hon. Lady and her colleagues or, indeed, her local council. Obviously, as she just heard me say, the Budget announced an extra £1 billion for social care, which her local authority will be able to use on its own priorities, perhaps including the example that she raised.

Mr Speaker: I call Bob Blackman.

Bob Blackman (Harrow East) (Con): Thank you, Mr Speaker. Honours were even on Saturday.

I congratulate the Minister on what he has done on adult social care, but one problem is that many people are asset rich but cash poor, and early intervention is required to prevent those people from degrading. What can he do to encourage local authorities to intervene early so that people live a healthier, longer life?

Rishi Sunak: As ever, my hon. Friend makes an excellent point. He is right about the importance of early intervention, whether it is with young families and children or people who are older and frail. The Government recently announced an increase in the disabilities facilities grant, which does exactly what he says and helps people proactively to adapt their homes so that they can stay independent for longer. That is an example of the prevention work that he mentions, and he is right that we should focus on that in future.

Andrew Bridgen (North West Leicestershire) (Con): Will the Minister join me in commending the excellent work of Conservative-controlled North West Leicestershire District Council? By building the new homes that our country needs and attracting business, investment and jobs, it has managed to freeze council tax since 2010 and it has pledged to freeze council tax for a further four years, if it is successfully re-elected on 2 May.

Rishi Sunak: I praise North West Leicestershire District Council, which I know well. My hon. Friend is a well-established champion of the council and he is right to highlight its focus on creating a pro-growth culture in its area, using the tools at its disposal to drive economic growth, keep taxes low for its taxpayers and provide high-quality local services.

Dr Sarah Wollaston (Totnes) (Ind): Has the Minister read the letter to the Prime Minister—it was sent last week but published over the weekend—from Health for Care, which is a new coalition of organisations that speak passionately about their view that social care is on the “brink of collapse”? Will he meet me to discuss the coalition’s concerns, the report published by the Health and Social Care Committee, which I chair, and the Housing, Communities and Local Government Committee, our findings and the work that we did with the Citizens’ Assembly?

Rishi Sunak: I praise the work done by both Select Committees in producing some options for the social care Green Paper, and I know that they are being actively considered, as they should be. To the hon.

Lady's broader point, her characterisation is perhaps a little unfair, because good things are happening in social care. The recent publication of the delayed transfer of care statistics showed that they have halved since the peak of a couple of years ago, which shows that good progress is being made.

Public Services: Newcastle

6. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): What steps he is taking to help ensure that public services in Newcastle are adequately funded. [909527]

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): The most recent local government finance settlement confirmed that core spending power in Newcastle is set to increase by £3.4 million in 2019-20. The North of Tyne devolution deal, for which there will be an election this May, will see £600 million invested in the area and, as part of the 2017 Budget, we announced our support for the £0.5 billion investment programme for the Tyne and Wear metro system.

Chi Onwurah: Since 2010, successive Conservative Governments have cut funding for children's social care in Newcastle by 40% and, at the same time, the number of looked-after children has risen by 40%, which is obviously untenable. Instead of talking about strengthening local authority funding when he has halved the amount available to Newcastle City Council, will the Minister instead say whether he agrees with the national charity Action for Children, which has called these cuts "devastating and dangerous"? Will he give us the money to look after our children?

Jake Berry: We have just announced an additional £400 million to tackle exactly that. The hon. Lady and I have met in her city on occasion and talked about the northern powerhouse. I am sure she has heard me say that Charles Parsons, that great Newcastle inventor, is my inspiration for the northern powerhouse. A great danger for continuing growth in the north-east of England is the unfortunate selection of the Momentum, hard-left candidate for the Newcastle and North of Tyne election. I am inspired by the engineers of the north-east; he is inspired by Ken Livingstone and Derek Hatton. My hon. Friend the Housing Minister and I are from Liverpool, and we know where that leads.

Planning Reform: High Streets

7. **Mohammad Yasin** (Bedford) (Lab): What steps his Department is taking to deliver planning reform for high streets. [909528]

18. **Helen Goodman** (Bishop Auckland) (Lab): What steps his Department is taking to deliver planning reform for high streets. [909539]

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): We are determined to support our high streets and we have consulted on a package of proposals. A decision will be made shortly about how best to proceed.

Mohammad Yasin: The announcement that Bedford will lose its Marks & Spencer store after 100 years is a massive blow for our town centre. Will the Minister accept the recommendations of the Housing, Communities and Local Government Committee's report and commit to helping local authorities such as mine that need urgent funding to redevelop our town centres?

Jake Berry: I said in response to an earlier question that I think the Housing, Communities and Local Government Committee's report is excellent, and we are considering it at the moment. I have sympathy with the local authority in Bedford and the challenge it faces with the closure of M&S, which is why I recommend that the hon. Gentleman, together with his local authority, makes an expression of interest in the Government's future high streets fund by 22 March. The fund is designed to help areas to ensure that high streets remain at the heart of their community, which is exactly where they should be.

Helen Goodman: People who live in Spennymoor, Shildon and Bishop Auckland in my constituency feel that the decline in their high streets symbolises the fact that they are not listened to in general. So cannot the Minister understand that the proposal to bypass the planning rules on permitted development is exactly the wrong way to go? What we want is more involvement and more control for local neighbourhood communities.

Jake Berry: On a recent visit to Bishop Auckland, I had the privilege of visiting the hon. Lady's high street. I am sure she would agree that the inspirational work taking place at the Bishop Auckland project, where a charity, in partnership with the local authority, is coming forward with an ambitious plan to regenerate the high street, is exactly what the Government should be looking to support as part of their future high streets fund. Although I am sure we are both passionate about Bishop Auckland, I disagree with her, because one way we can ensure that high streets thrive is to ensure that the free market can determine planning and that people are free to open shops in the sectors they see fit at the appropriate time.

Mrs Anne Main (St Albans) (Con): In high-value areas such as St Albans, previous planning reforms have meant that office space has been turned over to residential. Couple that with high business rates and there is a serious danger of losing much of our high streets in many areas similar to mine. What more can be done to help on business rates? The £51,000 limit is welcome, but it has not helped many of my businesses in St Albans.

Jake Berry: The reduction in business rates for shops with a rateable value under £51,000 is, of course, part of a wider package. My hon. Friend, as a campaigner for her high streets, will appreciate that the change from the retail prices index to the consumer prices index, and the other changes to make revaluations more frequent—*[Interruption.]*

Mr Speaker: Order. The hon. Member for Bedford (Mohammad Yasin) must not beetle out of the Chamber in the middle of the exchanges on his question. I know he has asked his question, but there are further questions

on the matter. I feel certain that he is interested in not only what he has had to ask, but the views expressed by other Members.

Jake Berry: You never know, Mr Speaker, but the hon. Gentleman might be interested in what I have to say, although I doubt it. *[Interruption.]*

Mr Speaker: The Whip says that the Minister is pushing his luck, but he must not get down on himself. People should be interested in hearing what the Minister has to say. The hon. Member for Bedford has, belatedly, stayed after all and we are pleased about that.

Jake Berry: This is not just about the help the Government have set out on business rates; it is also about ensuring that high streets can remain fit for the future. It is all very well for the Opposition Front-Bench team to scoff against the free market, as they did during my response earlier, but let us not forget that the people who ply their trade and work as retailers on the high street are the embodiment of all that is good about British entrepreneurship.

James Heappey (Wells) (Con): Mendip District Council has made some excellent inclusions in our local plan for rejuvenating high streets in the district. Will the Minister commend the council's work and look favourably on any bids it brings forward to help to fund the transformation of our high streets?

Jake Berry: I absolutely commend Mendip District Council and my hon. Friend for their work on taking forward a bid for their high street. He and his area will be aware, as will all other areas in the country, that they have until 22 March to put in an expression of interest—100% of the boroughs that receive the cash will have applied for it, so I suggest they get on with it.

Homelessness

8. **Daniel Kawczynski (Shrewsbury and Atcham) (Con):** What steps his Department is taking to reduce homelessness. [909529]

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): Tackling homelessness and rough sleeping is a key priority for this Government. We are spending more than £1.2 billion on homelessness through to 2020, with our rough sleeping initiative delivering more than 1,750 additional beds and 500 support staff. We recently published our delivery plan for the rough sleeping strategy, which will help us see rough sleeping become a thing of the past.

Daniel Kawczynski: I thank the Secretary of State for that answer. I say to him unequivocally that there are still not enough resources going into rural shire counties such as Shropshire to deal with this issue and many others, but does he agree that the rapid rehousing pathway announcement will be crucial in solving rough sleeping?

James Brokenshire: I know that my hon. Friend has been a champion for Shropshire and I commend him for his work on homelessness and on other issues. He rightly highlights the rapid rehousing pathway. That is a key part of our rough sleeping strategy to see that

support and care are provided quickly and to see people getting off the street into homes, with all the assistance they require.

Liam Byrne (Birmingham, Hodge Hill) (Lab): Homelessness in Birmingham has increased by nearly 1,000% and almost 100 people have died homeless in the past five years. This is a moral emergency. My interviews with homeless people show that collapsing healthcare services are part of the problem, yet the homeless people in our city have a primary care system rated as "inadequate". What steps can the Secretary of State take to fix this—not when the service is recommissioned in two years' time, but now, before more people die?

James Brokenshire: I recognise the right hon. Gentleman's passion, and indeed we have spoken about the situation in Birmingham. I hope he will acknowledge the additional funding that will be going to Birmingham in the next financial year through the rough sleeping initiative and the funding that NHS England has committed to health services for rough sleepers. Clearly, I will want to know and be certain that funding is applied to Birmingham and those areas where we have seen an increase in rough sleeping, for the very purpose that he underlines; we can save lives.

Brownfield Sites

9. **Michael Tomlinson (Mid Dorset and North Poole) (Con):** What steps his Department is taking to support building on brownfield sites. [909530]

The Minister for Housing (Kit Malthouse): Our national planning policies are clear about the importance of making full and efficient use of brownfield land, supported by the requirement for every authority to publish and maintain a register of brownfield land suitable for housing. The £4.5 billion home building fund also provides support for new housing, much of it targeted on brownfield land.

Michael Tomlinson: I am grateful to the Minister for that answer and for visiting the old power station site in Poole, one of the largest regeneration sites in the south-west. What more can he do to help to unlock brownfield sites such as that, which will provide the homes that we need and protect our green belt?

Kit Malthouse: It was a great pleasure to spend some time with my hon. Friend and his esteemed neighbour, our hon. Friend the Member for Poole (Sir Robert Syms), at the power station site in Poole. I would recommend it as a place to visit, not least to see the remarkable harbour bridge, which is a feat of British engineering worth visiting in itself. There is much that we can do in terms of applying funding, but the application of Homes England is critical to getting brownfield sites over the line. Homes England is becoming much more entrepreneurial and assertive in its use of the funds and the capacity we have given it to make these sites work. As we speak, it is releasing thousands of homes throughout the country.

Rachael Maskell (York Central) (Lab/Co-op): The City of York Council administration has an abysmal house building record, and we have seen a net loss of

social housing. We also have the largest brownfield site in the country, ready to be developed. In order to expedite matters, will the Minister say when he plans to announce the Government's response to the right-to-buy receipts review, so that we can get house building moving?

Kit Malthouse: I have not been a Minister for long, but I have learned to use a word well honed in government, which is "shortly". We will respond shortly but, more than that, it would give me enormous pleasure to visit York at some point over the next few months and view what I know is a large site with great potential that Homes England has already talked about in excited terms. Having had a fantastic weekend with my family in York just last year, it would be a great pleasure to repeat the experience.

Mr Speaker: Those outside the Chamber observing our proceedings could usefully know that in government the word "shortly" sometimes contains elasticity.

24. [909546] **Mr Marcus Fysh** (Yeovil) (Con): Brownfield sites can bring forward supply, which is good for everybody, but what can the Minister do in particular for students to make the supply of their accommodation more easily available and fairer for renters?

Kit Malthouse: That is a remarkably crafty attempt by my hon. Friend to shoehorn in a question about student housing. He is absolutely right that brownfield land offers enormous potential for all sorts of housing throughout the country. In fact, you might be interested to know, Mr Speaker, that in 2016-17 some 56% of all new homes were delivered on brownfield sites, and that will have included student accommodation. In truth, the secret to student accommodation is the same as that for all sorts of other accommodation: supply. The more there is, the cheaper it will be and the more providers will compete on quality.

Mr Speaker: Well, I am somewhat better informed, and I thank the Minister for that.

Alison Thewliss (Glasgow Central) (SNP): EU funds have been used to decontaminate brownfield land, making it suitable for development. A prime example of that is at Shawfield in the Clyde Gateway area. The Clyde Gateway has received £6 million of EU funds for decontamination work in the Shawfield area in South Lanarkshire, which borders on Glasgow. Recently, hexavalent chromium contamination from the former J&J White chemical works has seeped into the Polmadie burn, and it will cost tens of millions of pounds to clear up. It would be good to hear from the Minister exactly whether the shared prosperity fund will include any mechanism to cover brownfield land. Otherwise, it will go unremediated in future.

Kit Malthouse: There will be no intention to leave any sod of brownfield land unturned throughout the country in our quest for space to build the homes that the next generation needs. The hon. Lady makes a serious point and she is right that in the spending review and the consideration of arrangements as we leave the EU, we need to look to reproduce the capacity to deal with all

that contaminated land, which is perhaps a relic of our industrial past but now holds enormous potential for the future.

Local Authority Finances

10. **Bridget Phillipson** (Houghton and Sunderland South) (Lab): What assessment he has made of the financial sustainability of local authorities. [909531]

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): The hon. Lady will be aware that the recent settlement confirmed a real-terms increase in the resources available to local authorities. The Government responded to pressures faced by councils in the autumn Budget and supported financial sustainability with more than £1 billion of additional funding across this year and next.

Mr Speaker: Order. Before I call the hon. Member for Houghton and Sunderland South (Bridget Phillipson), we are very short of time so I hint that the hon. Members for Morley and Outwood (Andrea Jenkyns) and for Nuneaton (Mr Jones) could usefully seek to take part in the exchanges on this question, if they were so inclined. It would work perfectly well.

Bridget Phillipson: Since 2010, Sunderland City Council has been forced to make cuts of more than £290 million, yet the announcement today of the so-called stronger towns fund will see only £105 million for the whole of the north-east region put together. Given that our communities will be hit hardest by this Government's Brexit plan, does the Minister seriously expect us to be grateful for this announcement, and does he expect us to support another decade of Brexit-driven austerity and decline?

Rishi Sunak: I gently point out to the hon. Lady that the towns fund that she talks about has the highest per capita allocation exactly to her area, and it is something that she should be welcoming for her constituents. Beyond that, the only way sustainably to provide and fund the services that we care about is to drive economic growth, efficiency and innovation. I am glad that her council participated in our digital innovation programme, and that 100 other local authorities are benefiting from our business rates pilots to keep more of their economic growth in their local community.

11. [909532] **Andrea Jenkyns** (Morley and Outwood) (Con): From the £1.6 billion post-Brexit stronger towns fund, how much can Yorkshire and Humber expect to receive after we leave the EU, and will this money be used to get fair funding in place?

Rishi Sunak: I know that the Secretary of State will be making a more detailed statement on the towns fund later when I am sure that he can address my hon. Friend's specific question. This is a separate process from the fair funding review, which is, I know, something that all colleagues are interested to hear. That process is regarding ongoing spending and that will be done through the spending review later this year.

Sir Vince Cable (Twickenham) (LD): Will the Minister say how the financial sustainability of local government is helped by what amounts to negative rates support grants, where councils are paying in more to central Government than they get back?

Rishi Sunak: Perhaps the right hon. Gentleman was not here for the recent local government settlement. It is exactly because of the threat to sustainability that this Government eliminated negative RSG, which is something that the sector had asked for and we were pleased to meet that concern at the recent settlement.

14. [909535] **Mr Marcus Jones** (Nuneaton) (Con): The historic funding settlement does not reflect the shift in population by many families and older people from city to county areas, increasing the demand in those areas for high-value services. Will my hon. Friend say what more we can do to make the finances of local government in county areas more sustainable?

Rishi Sunak: We take funding for county areas extremely seriously, and it is of course important that the new funding formula accurately reflects needs brought about by changing demographics on the ground. I can assure my hon. Friend that I will continue to work with him, the County Councils Network and others to ensure that our new formula is fit for the future.

Topical Questions

T1. [909547] **Chris Philp** (Croydon South) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): Today marks 12 months on from the Novichok attack in Salisbury. Our thoughts remain with all those affected by this appalling crime, and we remain determined to see those responsible brought to justice. I pay tribute to the people of Salisbury for the strength and resilience they have shown and for the way that the community has come together at a time of incredible challenge. I am sure that the whole House will want to join me in thanking not only those involved in the clean-up operations, but everyone who has worked so hard to support Salisbury's recovery from this incident.

At a time when we need to show our resolve in standing up against division and hatred, I want to thank hon. and right hon. Members from across the house for their incredibly moving contributions during last week's antisemitism debate and to everyone who supported yesterday's "visit my mosque day". Strong communities will be a key to success post-Brexit, and I will be making a statement to the House on the new stronger towns fund later this afternoon.

Mr Speaker: I remind colleagues that topical questions are very brief. A sentence or so is quite sufficient. We do not need a long preamble. Chris Philp, get in there, man.

Chris Philp: Does the Secretary of State agree that promoting and encouraging home ownership is important? Recent figures on first-time buyers are, of course, encouraging, but what more can the Government do to encourage first-time buyers through starter homes and discount market homes and the prioritisation of first-time buyers over foreign speculators?

James Brokenshire: My hon. Friend has set out a number of important ideas. I certainly welcome the recent statistic showing the number of first-time buyers

at a 12-year annual high. There are further measures through the national planning policy framework, which include an expectation that local authorities secure 10% of new units for affordable home ownership including discount market sales and starter homes.

Mr Speaker: No more than two sentences, I am sure—John Healey.

John Healey (Wentworth and Dearne) (Lab): Thank you, Mr Speaker.

One year on from the Salisbury poisoning, we stand with the people and the city, and we applaud their resilience. The other message from Labour is also clear: such foreign aggression on our soil will never be tolerated.

Four weeks to Brexit, yet the Secretary of State is part of a Government who still threaten the country with a final collapse in negotiations and a crash-out exit. He may say that a no-deal Brexit is not his preference, but he supports this remaining an option and he is part of a Cabinet preparing for it. How many fewer homes will be built each year in the event of a no-deal Brexit?

James Brokenshire: The right hon. Gentleman should be more positive as to the future for our country. Indeed, we look to secure a deal that can command support from this House to ensure that our country—our United Kingdom—can look proudly to the future. Rather than talking things down, we should be talking up what we can do as a country—and, yes, securing a deal that takes us out positively and that ensures that we have that bright, positive future.

John Healey: Well, the Secretary of State has either not done the analysis or he refuses to share it. The Bank of England says that house prices could plunge by 30% on a no-deal Brexit—almost double the fall after the global banking crisis. A Labour Government kept Britain in business after that global financial crash with a big stimulus programme and a new low-cost house building programme as its centrepiece. If he still cannot say no to no deal, will he commit to a new stimulus of at least £4 billion for new low-cost homes next year so that, come what may, those who need new homes will not pay the price of this Government's mess of Brexit?

James Brokenshire: That is interesting. The right hon. Gentleman might reflect on the mess that his Government caused in terms of crashing the economy. We have a £9 billion affordable homes programme, and £2 billion beyond that in terms of long-term investment in affordable homes, as well as the new flexibilities and freedoms that councils will have to borrow to build. This is about that focus on building the homes our country needs and the support that this Government are giving to achieve that.

T3. [909549] **Damien Moore** (Southport) (Con): Does the Minister agree that town councils can help to strengthen the voice of constituencies like mine and that cynical attempts to divide this would weaken Southport's voice, not strengthen it?

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak): I commend my hon. Friend for championing his constituents. I do agree that town councils can empower local

communities. Southport electors can petition Sefton Council to be given their own town council through a community governance review, and I know he will lead them in doing exactly that.

Dr Roberta Blackman-Woods (City of Durham) (Lab): A recent report from Shelter states that permitted development is a totally

“unsuitable method of solving the housing crisis”,

and a *Guardian* piece at the weekend gave an example of permitted development rights flat conversions that are smaller than tiny hotel rooms and have no natural light and no communal space. The Government are presiding over a new generation of slum development. When are they going to deliver the properly planned, good quality, safe and healthy homes that our country and communities desperately need?

The Minister for Housing (Kit Malthouse): Permitted development rights have produced 46,000 homes over the past three years. Those homes have to come from somewhere. They are not, as the hon. Lady said, slums. All permitted developments have to comply with building regulations. As she knows, we are currently reviewing building regulations to see what can be required. As part of the work on the social housing Green Paper, we may well also look at the decent home standards that could, in time, apply to the private rented sector.

T5. [909551] **Trudy Harrison** (Copeland) (Con): When the last bank in town moves out, as is happening in Millom in my constituency, what is being done to ensure that remote and rural communities do not suffer economic and social hardship?

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Jake Berry): My hon. Friend is absolutely right. She is passionate about the high streets in Millom and more widely across her constituency. The loss of the last bank is of concern. That is why we are supporting the Post Office banking framework, which will ensure that 99% of personal banking customers will be able to keep their face-to-face banking at their local post office.

T2. [909548] **Alex Cunningham** (Stockton North) (Lab): Last week, the children's sector told us that funding for children's services has fallen by 29% in less than a decade, and councils, including my own in Stockton, have been forced to cut spending on non-statutory early interventions by half. Will the Secretary of State commit to press the Chancellor to come up with the desperately needed cash for these vital services?

Rishi Sunak: I agree with the hon. Gentleman about the importance of prevention and early intervention, which is why the Government have funded the troubled families programme by almost £1 billion over this Parliament. It is doing fantastic work, working with some of the most vulnerable children in our society, enabling them to stay out of care and out of harm's way.

T6. [909552] **Andrea Jenkyns** (Morley and Outwood) (Con): Last week I launched my “Towns of the future” campaign to help preserve and protect our high streets

locally. What steps is the Department taking to minimise the number of empty properties on our high streets and persuade landlords to find new tenants?

Jake Berry: The people of Morley and Outwood are extremely fortunate to have in my hon. Friend a Member of Parliament who can bring detail to retail, given her lifelong experience in the sector. I absolutely support her “Towns of the future” campaign. I am sure that she is aware of the Government's “Open Doors” pilot, which is working with landlords and local authorities to help fill empty shops.

T4. [909550] **Catherine West** (Hornsey and Wood Green) (Lab): The week before last, the teenager Kamali Gabbidon-Lynck lost his life to multiple stab wounds. The local authority has dug deep to help with community safety, but will the Government consider a special fund for children at risk of school exclusion?

James Brokenshire: I recognise the important point that the hon. Lady makes. Indeed, the specific fund I referenced earlier, through the troubled families initiative, is focused precisely on those steps, to ensure that we can support troubled young people who might be drawn into gang crime, but I am happy to discuss with her further the specific issue she highlights in her constituency.

T7. [909553] **Sir David Amess** (Southend West) (Con): Will my right hon. Friend join me in welcoming the visit of the Philippine ambassador to Southend this morning to explore investment opportunities and joint partnerships after we leave the European Union, during which he expressed his astonishment that Southend is not already a city?

James Brokenshire: I am not unsympathetic to my hon. Friend's long-standing campaign to turn Southend into a city, given that it is my birthplace. I therefore welcome any initiatives that see investment in Southend, and I commend the work that he is doing.

Mr Speaker: Indeed, Southend will probably judge that it should have its very own ambassador from the Philippines—not merely an ambassador visiting Southend, but an ambassador to Southend.

Sir David Amess *indicated assent.*

Mr Speaker: I am giving the hon. Gentleman ideas, I know.

T8. [909554] **Christian Matheson** (City of Chester) (Lab): Cheshire and Warrington were promised a decision on their devolution growth deal by November 2017. Why the delay? When are we going to get a decision?

Jake Berry: I met the leader of the Cheshire and Warrington local enterprise partnership only last week, and we discussed progress on its growth deal. We remain committed to working with it to see when progress can be made, but it is absolutely vital that the leaders of the three unitary authorities and all the Members of Parliament affected renew their commitment to the deal if we are to make progress.

T10. [909556] **Greg Hands** (Chelsea and Fulham) (Con): I have visited the 60 houseboat owners at Chelsea Reach many times, and all of them are under threat as they do not have the same legal protections as, for example, static caravan tenants. What action could the Government take to improve the legal protection for owners of permanently moored houseboats?

The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler): I thank my right hon. Friend for that question; he has been fighting for this cause through high seas and low seas, and I congratulate him on all his work. Houseboat owners are protected under the Consumer Rights Act 2015 and the Protection from Eviction Act 1977. The consumer rights Green Paper published by the Government last year set out principles to further improve the rights of all consumers, including houseboat owners, and the Government's response will be published this year.

T9. [909555] **Julie Cooper** (Burnley) (Lab): Labour leaders of Burnley and Hyndburn Borough Councils have joined Conservative leaders of Pendle Borough Council and Lancashire County Council to raise their serious concerns about the Government's proposal to remove deprivation as a factor when determining local authority funding. Will the Minister listen to that cross-party call for fair funding and today announce that he will drop the proposal?

Jake Berry: As one of the Members of Parliament from east Lancashire covered by the proposal, I can say that we certainly welcome the discussions that are taking place more widely across east Lancashire. The Department has only just received the letter—despite the press release being sent out last week—and is giving it some consideration, but surely we could make more progress if every council in east Lancashire supported it.

Nigel Mills (Amber Valley) (Con): Amber Valley Borough Council is holding a planning meeting tonight on building 2,000 houses on the green belt across a number of sites. Can the Minister confirm that that should be a last resort and that the council has to show exceptional circumstances for each site before it does that?

Kit Malthouse: My hon. Friend is exactly right. The green belt should only be used in exceptional circumstances, after local authorities have demonstrated that they have exhausted all other options, including the use of brownfield, co-operating with their neighbours and looking at further density in their developments. We strengthened protections for the green belt in the national planning policy framework published in July 2018, and that should be a last resort.

Helen Hayes (Dulwich and West Norwood) (Lab): The permanent secretary recently confirmed at the Housing, Communities and Local Government Committee that the Government have undertaken no evaluation of the impact of permitted development rights since they were expanded in 2013. While the Minister states that more than 46,000 homes have been delivered under the policy, he can have no accurate idea of the quality of those homes. Amid increasing reports of appalling quality, unsafe homes being delivered under permitted development rights, will he pause this policy so that a proper evaluation can be undertaken?

Kit Malthouse: There is obviously a concerted attack taking place against permitted development rights, which I find distressing, given the sheer number of homes that they have produced for people who are desperate for those homes. As I have said, all homes, whether under permitted development rights or normal planning permission, have to comply with building regulations, and it is down to local authorities to ensure that that is the case.

Kevin Hollinrake (Thirsk and Malton) (Con): Does my hon. Friend agree that we should deliver more affordable homes to purchase in the form of discount market sale, which remain affordable in perpetuity?

Kit Malthouse: My hon. Friend is indefatigable and has raised that issue at every opportunity when I have been at the Dispatch Box. He is right that, as part of our affordable homes programme, we would like to see more discount market sales, particularly to younger people across the country. I urge local authorities, which we hope are bringing forward authoritative and forward-looking plans, to embrace that type of tenure.

Colleen Fletcher (Coventry North East) (Lab): The number of homeless families in Coventry has more than tripled over the last three years, while the number of homeless children has increased eightfold in the last five years, with more than 600 children spending Christmas in temporary accommodation. Why does the Secretary of State think that the number of homeless families and children has increased so significantly under this Government?

James Brokenshire: The factors that lie behind this are complex, but I can assure the hon. Lady of our absolute commitment to deal with the challenges of rough sleeping and homelessness through the £1.2 billion that we have committed, as well as the initiatives announced at the end of last week on opening up the private rental sector to deal with temporary accommodation pressures. I can assure her of our resolution to increase supply, prevent homelessness and deal with some of the challenges we see today.

Point of Order

3.37 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): On a point of order, Mr Speaker.

Mr Speaker: Ordinarily points of order come after urgent questions and statements, but I have a sense that the right hon. Gentleman's point of order relates to today's business, and therefore I will take it and any related matters now.

Mr Mitchell: Thank you, Mr Speaker. You may recall that on 1 May 2018, in new clause 6 of the Sanctions and Anti-Money Laundering Bill, this House resolved that the overseas territories must establish registers of beneficial ownership by the end of 2020. It has recently come to our notice from statements made by a Foreign Office Minister in the other place that it is the Government's intention arbitrarily to extend that date by no less than three years to the end of 2023, in a flagrant breach of what was agreed by this House.

That is made yet worse by the fact that, at the urging of the Foreign Office, the right hon. Member for Barking (Dame Margaret Hodge), with whom I tabled new clause 6, only agreed to extend the date to the end of 2020 in view of the terrible damage done to many of the overseas territories in recent hurricanes and storms. The *Hansard* report of our proceedings makes that absolutely clear. Mr Speaker, how can this House seek your protection from the egregious sleight of hand being proposed by the Foreign Office?

Several hon. Members *rose*—

Mr Speaker: Thank you. I will respond, but let me hear the other points of order on this matter.

Dame Margaret Hodge (Barking) (Lab): Further to that point of order, Mr Speaker. I concur entirely with everything that has been said by the right hon. Member for Sutton Coldfield (Mr Mitchell). I see this as a blatant, deliberate and arrogant snub of this Parliament, and I ask you, with your excellent experience, to support us in taking this forward.

I simply add that today's business has been delayed: it has been deliberately taken off the Order Paper by the Government. Today's business included an amendment, in my name and that of the right hon. Gentleman, which would have not just extended public registers to Crown dependencies, but reiterated the point in relation to overseas territories. We were so angered by the action of the Foreign Office that we wanted to reiterate the decision of Parliament, which was passed unanimously by Parliament last summer, in the amendment we were proposing today, but that opportunity to reiterate our determination has been removed from us as well. I again urge you, Mr Speaker, to advise us what we can do and what you can do to ensure that the Government do what Parliament tells them to do in legislation.

Mr David Davis (Haltemprice and Howden) (Con): Further to that point of order, Mr Speaker. First, this matter, even were it dealt with in 2020, would have been long overdue. It was an issue that was critical for the Public Accounts Committee when I was the Chairman

of it many years ago, so it is a long overdue issue. Secondly, it is not a question of the will of the House, but of the laws passed by this House. The intention of the House was that the instruction to bring an Order in Council in 2020 ought to be carried out in 2020, and that is clear from the *Hansard* of the time.

As the right hon. Member for Barking (Dame Margaret Hodge) says, the business that has been pulled today was about protecting the reputation of the City of London. That reputation will not be protected if it is felt by our competitors around the world that our family, as it were, are allowed to have standards that are lower than those of the City of London. Mr Speaker, will you seek advice from Speaker's Counsel about how we can ensure that laws passed by this House are carried out by this Government?

Hilary Benn (Leeds Central) (Lab): Further to those points of order, Mr Speaker. Not only is tackling financial crime and money laundering essential for the reputation of this country, but if the Government feel that they can get away with changing a date contained in an amendment to legislation passed by this House in relation to this Bill, what is to stop them doing it on lots of other bits of legislation?

Further to the Government's decision today to pull the Bill at the last minute—I think that is a discourtesy to the House, since it was on the Order Paper—have you, Mr Speaker, been given any indication by Government Ministers about when and whether they intend to return the Bill to the House not only so that we can fix what they have tried to do, but to add further protection in this matter covering the Crown dependencies as well as the overseas territories?

Mr Speaker: I am extremely grateful to the right hon. Gentleman.

Alison Thewliss (Glasgow Central) (SNP) *rose*—

Mr Speaker: I assume the hon. Lady wishes to raise a point of order appertaining to the same matter.

Alison Thewliss *indicated assent*.

Mr Speaker: Finally, I call Alison Thewliss.

Alison Thewliss: Further to that point of order, Mr Speaker. To follow on from where the right hon. Member for Leeds Central (Hilary Benn) left off, this Bill—the Financial Services (Implementation of Legislation) Bill, left the Public Bill Committee on Tuesday and, at business questions on Thursday, it was notified for today, which meant that amendments had to be laid by Wednesday—the day before. Then we arrive this morning to find that the Bill has been pulled from the House with absolutely no notice or explanation. Will you tell the House, Mr Speaker, whether you have been given any indication about how long the Government will be running scared for?

Mr Speaker: First, may I say to the right hon. Members for Sutton Coldfield (Mr Mitchell), for Barking (Dame Margaret Hodge), for Haltemprice and Howden (Mr Davis) and for Leeds Central (Hilary Benn), before I turn to the hon. Member for Glasgow Central (Alison Thewliss), that it is a most unusual state of affairs, although extremely welcome in parliamentary terms, that two former Secretaries of State for International Development from either side of the political divide and two former

Chairs of the Public Accounts Committee from either side of the political divide should be present in the Chamber at the same time and, apparently, acting in concert to highlight their grave consternation about this important matter? Their efforts, which may or may not have been co-ordinated, have been underlined and buttressed by the hon. Lady.

Those points of order warrant a response, and this is mine. First, to a degree—although, I accept, only to a limited degree—the right hon. and hon. Members have found their own salvation in the sense that they have taken the opportunity to air their disquiet, not to say extreme dissatisfaction, at what is by no means an unprecedented but a most unusual turn of events, and those points of order are on the record. No business has been pulled as yet, although I gather that it has been heavily trailed that this afternoon's main business—the first and primary piece of business—is intended, I say for the benefit of observers, not to be moved by the Government; that is to say, it cannot proceed today. Beyond that, I have no power to act on the matter, but it is a most unusual state of affairs.

Members ask whether I received any advance notice of this from Government. The answer is no, and there has been no indication of when Ministers intend to bring forth that business, but I want to say this. The business was announced only on Thursday, so it was clearly the Government's intention on Thursday last that the business should be treated of by Parliament today. It is, if I may say so, a rum business, to put it no more strongly—all of a sudden, the business that was scheduled for today has been evacuated from Parliament; it has been air-lifted from the premises; it has suffered a mysterious and hitherto unexplained disappearance.

It is a very odd state of affairs altogether. One can speculate as to why that may be so, but it is a most unusual state of affairs, and it is at the very least very

discourteous to the House of Commons. It probably reflects a degree of anxiety and, if I may politely say so, perhaps just a little inexperience. It is not the sort of thing that would happen when the right hon. Member for Sutton Coldfield was in a senior position with responsibility for Government business, but things change and people who are perhaps less well-versed in these matters than him have been left to handle things as best they can.

That is the first thing. The second thing that I say to right hon. and hon. Members is that the legislation may have been delayed, but presumably it will have to come back. Here is the substantive point. Members have asked what I as Speaker can do. The answer is that Members have been complaining about the perversion of the purpose of a new clause that was accepted in earlier legislation. That purpose, and any current new clause or amendment, can feature again in the business. Insofar as it is for the Chair to select a new clause or amendment, people would expect that the Speaker would give an indication of his thinking. I had certainly intended to select either a new clause or an amendment on this matter today. For the avoidance of doubt, because I know that there has been some private lobbying on this matter, the proposal emanating from the right hon. Member for Sutton Coldfield, was entirely orderly. Whatever others thought of it outside this place, or even beyond this country, it would have been perfectly proper for it to have been debated and voted on in this House. If Members wanted to know whether I would have selected that proposition for debate and a vote, the answer is absolutely yes, because it was proper for Parliament to treat of it. It will have to come back, and doubtless it will be considered. I just hope that Parliament will be treated with rather greater courtesy in future on this matter than it has been until now. People really do need to raise their game. I hope that that is clear. *[Interruption.]* Very well.

Knife Crime

3.49 pm

Louise Haigh (Sheffield, Heeley) (Lab) (*Urgent Question*): To ask the Home Secretary if he will make a statement on knife crime.

The Secretary of State for the Home Department (Sajid Javid): This weekend two teenagers, Jodie Chesney and Yousef Ghaleb Makki, were stabbed to death. I am sure I speak for the whole House when I express my deepest condolences to their families and their loved ones; two young lives, tragically lost. They are the latest victims in a cycle of senseless violence that is robbing young people of their lives right across this country. There is no hiding from this issue. Serious violence is on the rise. Communities are being torn apart and families are losing their children. Last year, 726 people were murdered in the UK, 285 with a knife or bladed weapon, the highest level since records began.

After the horror of this weekend, I welcome the chance to come to the House and address this issue. We all wish that there was just one thing that we could do to stop the violence, but there are no shortcuts and there is no one single solution. Tackling serious violence requires co-ordinated action on multiple fronts. First, we need a strong law enforcement response. This includes the Offensive Weapons Bill, currently before Parliament, which will introduce new offences to help to tackle knife crime. We also need to give police the confidence to use existing laws, such as stop and search.

Secondly, we must intervene early to stop young people becoming involved in crime. We have amended the Bill to introduce knife crime prevention orders, which will help to prevent young people from carrying knives. Alongside our £200 million youth endowment fund, the £22 million early intervention youth fund has already funded 29 projects endorsed by police and crime commissioners.

Thirdly, we must ensure that the police have the resources to combat serious violence. I am raising police funding to record levels next year—up to £970 million more, including council tax. On Wednesday, I will meet chief constables to listen to their experiences and requirements.

Fourthly, we must be clear on how changing patterns of drug misuse are fuelling the rise in violent crime. I launched the independent drugs misuse review, under Dame Carol Black, in response to that.

Fifthly, we need all parts of the public sector to prioritise tackling serious violence. That is why I will very shortly be launching a consultation on a new statutory public health duty to combat violent crime and to help protect young people.

We must all acknowledge that this is an issue that transcends party lines. Politics can be divisive, but if there was ever an issue to unite our efforts and inspire us to stand together, then surely this is it.

Louise Haigh: Thank you very much, Mr Speaker, for granting today's urgent question. I thank the Home Secretary for making time to respond to it.

Today, the House is united in grief and shock at the tragic toll of the past couple of weeks, adding to the hundreds of children murdered in our communities

over the past year. In Birmingham, over the space of just 12 days, three teenage boys have lost their lives: Sidali Mohamed and Abdullah Mohammad, both 16 years old; and student Hazrat Umar, 18 years old. On Friday, Jodie Chesney was killed in a knife attack in an east London park as she played music with her friends. She was 17. Yousef Makki was stabbed to death in a village near Altrincham. He was 17. It adds to a 93% rise in the number of young people being stabbed since 2012.

These senseless murders are a national tragedy that must cause us to reflect on how the promise that these young boys and girls represent could so senselessly be extinguished. But it must also be a cause for action. One life lost in an act of violence is one too many; one mother who will never see her son or daughter again is one too many. This is a national crisis, and it requires national leadership from the Prime Minister and the Home Secretary to provide whatever support is necessary to help the police investigate and fight this outbreak, and to provide communities and services with whatever resources are necessary to protect our increasingly vulnerable young people.

May I put the following questions to the Home Secretary? Back in 2000, the then Prime Minister, Tony Blair, took the decision to activate the emergency Cobra committee and set a target for bringing violent street crime, which was then at a peak, under control. We need to see similar leadership today from our Prime Minister. Will she step up and convene a crisis summit backed with emergency funding? Will the Home Secretary confirm that that will take place this week? If not, why not?

Underpinning the cross-Government effort the Home Secretary mentioned has to be a public health approach to tackle the root causes of violence. This was something we thought the Government favoured too, encompassing youth services, school exclusions, housing, social services, mental health and health as a whole. It was therefore shocking to hear the comments from the Health Secretary on LBC this morning, when he did not appear to know that this was the approach adopted by his Government and criticised the Mayor of London, Sadiq Khan, for using public health terminology. Will the Home Secretary confirm whether the public health approach to tackling knife crime has been discussed at Cabinet, what action has been agreed as a result of this cross-governmental approach, and how the Department of Health and Social Care is supporting it? He has further committed to legislation to underpin the public health approach; when exactly will that be brought forward?

Finally, we cannot pretend that the cuts to policing have not made our country less safe. Sadly, the Prime Minister and other members of her Cabinet continue to deny this crucial link. In the coming weeks, police will have the heavy responsibility of running investigations into young lives lost and bringing perpetrators to justice. The funding settlement that we voted on last month is completely inadequate to allow them to do that, especially for the forces hardest hit by violent crime. Will he urgently review the funding settlement to ensure that the forces that have seen the biggest increases in violent crime are given whatever they need to fight this outbreak?

This country is facing a crisis. It is time for leadership from our Prime Minister and our Home Secretary, for clear action and a united vision from all arms of Government, and for emergency funding for the police and prevention programmes to keep our children safe. Warm words are no longer enough.

Sajid Javid: I thank the hon. Lady for her questions. She started, quite correctly, by talking about how the House is united in its grief with regard to all the deaths that we have seen, particularly of young people, not just in recent days but over the last number of years, when we have seen an increase in these tragic crimes that are dividing communities and causing so much pain for so many people.

The hon. Lady asked me three questions. First, this is a huge priority across Government. That is why, almost a year ago, the Government set out a serious violence strategy with over 60 actions taking place that involve not just Government but other public agencies and bodies. To help implement those actions, we also set up a serious violence taskforce, which is cross-party and includes people such as the Mayor of London, so that we can make sure that we are working well not just within central Government, but across public bodies.

That brings me to the hon. Lady's second point: the public health approach, which I announced towards the end of last year. Again, that came through listening to experience both from other parts of the UK and other countries that have seen a similar rise in serious violence. We should learn from wherever we can. It is important to have such an approach, which requires all Departments and agencies of Government to treat serious violence in the way we would treat, for example, a disease—to prioritise it and make that a statutory duty. That is why I welcome the support for that approach from hon. Members across the House. As I said, because it is a statutory duty, it will require legislation. That begins with a consultation, which is to take place shortly.

Thirdly, the hon. Lady asked about funding and resources. As I mentioned, I have long recognised that in tackling serious violence, there is no one single course, but having the right amount of resources is vital. That is why we set out in the House earlier this year an increase of up to £970 million for policing—almost double the increase in the year before and the largest increase since 2010—which will lead to a significant rise in capabilities, including in the number of officers. Finally, alongside that, we have announced a record allocation to early intervention, especially helping young people through the £200 million youth endowment fund, which is the biggest such investment that any Government have ever made.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): Thank you for granting this urgent question, Mr Speaker.

The other day I went out on patrol with the police in my area. In two and a half hours in the borough of Waltham Forest, we attended two knife attacks, one threatened knife attack and a shooting, and that was not even prime time. None of those made it into the media, by the way, so what is being reported is only the tip of the iceberg.

I want my right hon. Friend to ensure that we do this. There is enough evidence now of what works and what does not work. The Glasgow concept—of this being a public health issue—is not just about public health; it is about the co-ordination between the police and all the local authorities. Will he direct someone to co-ordinate the actions of all 32 London boroughs, focus on the safer streets process, which allows action to take place, and agree to immediate expenditure for voluntary sector organisations that can get children out of the gangs?

Sajid Javid: I thank my right hon. Friend for all his work, particularly through the serious violence taskforce, which he regularly attends. He made an important point about being led by evidence, and he pointed to the public health approach and rightly mentioned Glasgow. He also rightly highlighted the importance in a capital city of greater co-ordination. It is to ensure just that that we are working closely with the Mayor of London, local authorities and the Ministry of Housing, Communities and Local Government.

Joanna Cherry (Edinburgh South West) (SNP): The recent spate of murders by stabbing of children and young people across Greater London and England has shocked and horrified everyone. On behalf of the Scottish National party, I extend our deepest condolences to all those bereaved by these senseless acts of violence.

We are acutely aware of the problem of knife crime in Scotland, because until recent years it was a terrible scourge, but, as others have alluded to, as a result of a radical change of approach to the problem, the incidence of knife crime in Scotland has greatly reduced, and crimes of handling an offensive weapon decreased by 64% between 2007-08 and 2016-17. I think we all know now that this occurred because of a holistic approach that involved the creation of a violence reduction unit, initially in Glasgow and now for the whole of Scotland and funded by the Scottish Government, that treats violent crime as a public health problem and a social problem.

Scotland has also employed a whole-systems approach to young people at risk of offending that, rather than criminalising, labelling and stigmatising young people, provides early and effective interventions that keep young people out of formalised justice settings, and this includes the No Knives, Better Lives youth engagement programme.

All of this has been a huge success, which is why the Mayor of London, senior representatives of the Metropolitan police and senior representatives of the UK Government, including the Solicitor General, have all been up to Scotland in the last year to explore what lessons can be learned. The public health approach to knife crime is also advocated by the World Health Organisation. What specifically have the Home Secretary's Government colleagues learned on their visits to Scotland? Can he tell us the precise extent of his plans to follow the Scottish model? If he is planning to do it, when is he going to do it?

Sajid Javid: The hon. and learned Lady rightly points to Scotland and its own experience. It is important in tackling serious violence that we learn lessons from across the UK, and indeed the world—the public health approach she talked about has been tried in other countries and cities as well. I said we needed action across multiple fronts, but it is hugely important that we pursue that. It will require a consultation, because it is statutory, which is important to make sure that hon. Members and others have the opportunity to have an input, mould it and make sure it is as effective as it can be. I do not want to prejudge the outcome of the consultation, but there is a strong sense of support. The cross-party serious violence taskforce, which I referred to earlier, had a presentation on this last year where we heard from experienced people about how it can help,

[Sajid Javid]

and it is something that we plan to pursue. I look forward to working with friends and colleagues in Scotland to see how they can help.

Theresa Villiers (Chipping Barnet) (Con): Will the Home Secretary ask the Mayor of London to consider as a matter of urgency adopting the plan put forward by Shaun Bailey for funding an extra 2,000 police officers through reducing waste at City Hall and public affairs spending?

Sajid Javid: My right hon. Friend makes an important point about the need to ensure that everything is being done throughout the United Kingdom, including our capital city, to deploy as many resources as possible to law enforcement and efforts to prevent young people from turning to serious violence in the first place. The work being done by Shaun Bailey and others is important in that regard, and I hope that the recent increase in central funding will help as well.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Fatal stabbings are now at their highest level since the second world war, and the number of youth stabbings has doubled in five years. Teenagers are dying on our streets, and families are being devastated as a result. I agree with what the Home Secretary said about a public health approach, but that is why it was so concerning to hear the Health Secretary dismiss such an approach—the Home Secretary did not respond when his comments were raised earlier. That creates a feeling that there simply is not the right sense of urgency and grip across the Government on this crucial issue: this morning a former Metropolitan Police Commissioner warned of a lack of national leadership.

Does the Home Secretary believe that all the measures that he talked about earlier will lead to a fall in knife crime and in the number of serious stabbings in the next 12 months? If he does not, this is not a good enough plan.

Sajid Javid: I welcome the right hon. Lady's comments. I do believe that the action that we are taking is the right action, but I am also very open-minded about considering what further action can be taken. I think it important to listen to police chiefs, police and crime commissioners and others, and to consider whether other measures can be introduced. The idea of knife crime prevention orders came directly from the police, the Mayor of London and others, and we acted very quickly to pursue that.

As for the public health approach that the right hon. Lady and others have mentioned, it is important for all public Departments to buy into it. I want it to be statutory because I want Departments including the Department for Health and Social Care, the Ministry for Housing, Communities and Local Government and the Department for Education to make it a priority: I think that they all have an important role to play.

John Redwood (Wokingham) (Con): What action are the Government taking to ensure that enough resources are available and preferably targeted on this priority, and what further action can they take to spread best practice from places that have had more success?

Sajid Javid: My right hon. Friend has raised an important issue involving co-ordination and the need to make the most of the resources that are there. Last September I launched the national county lines co-ordination centre, which was intended to ensure that police forces and the National Crime Agency worked together. It is early days, but, having visited three police forces across the country over the last few weeks to see how the system was working, I know that it is bringing real results through co-ordination.

Mr David Lammy (Tottenham) (Lab): The public health approach in Scotland also involved a cross-party approach, with much of the work beginning under Labour and continuing under the Scottish National party. The whole House wants the Home Secretary to succeed, but we have been on alert since Tanesha Melbourne-Blake was killed in my constituency on bank holiday Monday almost a year ago.

I am grateful to the Home Secretary for allowing me to be part of the taskforce in that cross-party spirit, but the questions today are really about the Government's grip, because of what we heard from the Health Secretary this morning. What more can the Government do? I ask that question particularly because county lines is being driven by a demand for drugs, and we have cut our Border Force as a result of austerity.

Sajid Javid: First, let me thank the right hon. Gentleman for the work that he does, in the taskforce and elsewhere, in combating and helping to combat serious violence. He is right about the importance of a cross-governmental approach, and of ensuring that all parts of Government are joined up.

The right hon. Gentleman understandably raised the issue of drugs and drug seizures, and he mentioned the Border Force. Last year, the amount of class A drugs seized by Border Force was threefold higher than in the previous year, so it is up. That said, the volume of these types of drugs across the world has increased dramatically, and that is leading to some of the gang warfare we are seeing, especially the spread of county lines. So more needs to be done: more needs to be done both through the public health approach but also the other interventions I have just set out.

Several hon. Members rose—

Mr Speaker: Ah yes, an Altrincham knight: Sir Graham Brady.

Sir Graham Brady (Altrincham and Sale West) (Con): May I first give my deep condolences to the family of Yousef Makki, the young man whose life was tragically taken in my constituency on Saturday evening, and may I also thank Greater Manchester police for their rapid response to give some reassurance to the community?

The Home Secretary has spoken of increased resources going to the police. When he meets senior officers in the coming days, will he urge them and seek to persuade them to make sure as much as possible of that new resource goes to increasing the numbers of frontline officers, to give greater reassurance to communities the length and breadth of our country?

Sajid Javid: I join my hon. Friend in the condolences he just expressed; it is a truly senseless loss of life. He is also right to commend the response of Greater Manchester police to the tragedy.

My hon. Friend asked about resources. In terms of the increase in funding I referred to earlier—£970 million this year—it is good to see that almost all police forces across the country, including GMP, have responded by saying they will be hiring a significant number of officers to add to the frontline. The figure is almost 3,000 in total so far, but it is good to see that police forces across the country are looking to see what they can do to make a real difference.

Vernon Coaker (Gedling) (Lab): No one doubts the Home Secretary's desire to do something about knife crime across the country, but does he not recognise that for months this House has been crying out for the Government to get a grip: it has been crying out for the Government to do more about this? Belatedly, we all seem to be recognising that it is a national crisis—a national emergency. In the face of national emergencies—whether terrorism, flooding, or foot and mouth—the Government convene Cobra, because Cobra drives the Government forward with an urgency and passion that is lacking at present. Will the Home Secretary go back to the Prime Minister and say that we need to convene Cobra—we need to bring the right people together to drive forward with the enthusiasm and desire that this needs to be tackled as the national emergency that it is?

Sajid Javid: This is a hugely important priority issue across the Government: it was discussed very recently, just in the past few weeks, in the Cabinet, and just a couple of weeks ago we had a debate in this House on serious violence, both to set out the Government's plans but also to listen to hon. Members across the House on new initiatives that can be taken forward. The hon. Gentleman is absolutely right to talk about this being an urgent priority, and it is important that we all work together to see what more we can do.

Sir Desmond Swayne (New Forest West) (Con): Are sentences served long enough?

Sajid Javid: My right hon. Friend will know that, as recently as 2015, changes were made to sentencing for serious violence crimes, including with bladed weapons. While it is right that the courts make decisions on sentencing based on the evidence and the facts in each case, we have seen a rise in custodial sentences. That is important, too, to make sure the right message and right deterrent are set out for these horrible crimes.

Ellie Reeves (Lewisham West and Penge) (Lab): A primary school in my constituency recently told me that the three and four-year-olds who are likely to be vulnerable to gangs can be identified in the nursery, often because they have grown up in households afflicted by domestic violence or drug and alcohol abuse, or where other family members are in gangs. Yet our school budgets and Sure Start centres have been cut, making early intervention far more difficult. Has the Home Secretary had any conversations with the Treasury about proper funding for very early intervention, and if not, why not?

Sajid Javid: The hon. Lady raises the important issue of early intervention, including very early intervention. A ministerial taskforce is looking at this issue and

trying to do more in this space, and work is being done. Through my Department, work is already being done on the early intervention youth fund, which has made allocations to more than 20 social enterprises, including those that are helping people to exit from gangs. Also, the draft Domestic Abuse Bill sets out to help young people who are more likely to be vulnerable to committing crimes themselves, perhaps because of their own life experiences.

Richard Drax (South Dorset) (Con): I, too, extend my sympathy to the families affected by those two ghastly crimes. Has my right hon. Friend asked the chief constables how many more officers they all need to put on to our streets? Has he ever asked that question, and as he had an answer? How many officers are needed to physically patrol the streets of our country?

Sajid Javid: I regularly speak to chief constables across the country about their needs, in regard not just to serious violence—although that is of course a priority for almost all of them—but to the whole host of crimes they are trying to deal with. The information that we get from chief officers will then feed back into the annual police settlement. This year, as I have mentioned, the police settlement has the largest cash increase since 2010.

Wera Hobhouse (Bath) (LD): I should also like to add my condolences to the families of the recent victims. I am a mother of four, and I cannot even begin to understand what those families are going through. Extensive research now shows that adverse childhood experiences, such as abuse, neglect or a parent in prison, can severely harm a child's development. Too many children with multiple adverse childhood experiences are excluded from school, which in turn can lead them to become involved in gangs and violence. If we are to tackle this epidemic of youth violence, we need an approach—perhaps we can call it a public health approach—that is trauma-informed to care for children with ACEs. We also need much lower numbers of school exclusions. Will the Secretary of State liaise with the Department for Education on school exclusions, please?

Sajid Javid: I agree with the hon. Lady's points about young people suffering from trauma and who may have witnessed abuse, including in their own household. She is absolutely right to raise this. We talked earlier about experiences in Scotland, and there have also been some valuable experiences in Wales, especially on trauma-based therapy. She is also right to mention school exclusions. I welcome the independent work that is being done on this by Edward Timpson, and we will be working with the Department for Education to take that forward.

Crispin Blunt (Reigate) (Con): The Home Office has told me in a written answer that it does not collect statistics on the association between knife crime where people are killed or maimed. However, the serious violence strategy that was published last year tells us that in 57% of all homicides, either the victim or the offender is either a drug dealer or a drug user. The Secretary of State has asked Dame Carol Black to carry out an honest assessment of our capability and capacity to address this threat, but she is not allowed to consider whether we can take this threat out of the hands of criminals

[Crispin Blunt]

altogether. The Americans learned a very hard lesson in the 1920s and 1930s when they prohibited the drug alcohol, and the entire world has learned a very hard lesson in the global war on drugs over the past 50 years. Why cannot we carry out an honest assessment of the costs and benefits of prohibition?

Sajid Javid: This Government do not support the legalisation of these types of harmful drugs. I respect my hon. Friend's firmly held views, but the class of drugs that we are talking about is hugely harmful to anyone who takes them, especially young people. The answer is to look at how the misuse of drugs is driving violent crime and other crimes, and that is exactly why we have asked Dame Carol Black to look into the misuse of drugs. There is no question of legalising any of those harmful drugs.

Lucy Powell (Manchester Central) (Lab/Co-op): While I appreciate the Home Secretary's tone, I am unsure whether the reality totally matches up with what he is talking about. On school exclusions, he talks about an evidence base and following the evidence, but the overwhelming evidence is that those who are excluded from school end up getting involved in drugs, youth violence and gang activity. The Timpson review is long overdue, and we are not expecting it to be all that powerful. Given that we have been raising such issues for a long time, will the Government now look at the powers that local authorities need to ensure that children in their communities are getting an education? This atomised, fragmented school system means that too many are falling through the net.

Sajid Javid: I agree with the hon. Lady that it is vital that the whole issue of exclusions, alternative provision and pupil referral units is looked at properly, and it is vital that we follow the evidence. She seems to prejudge Edward Timpson's report, but I have a great deal of confidence in him. He is an experienced individual who will take the issue incredibly seriously, and we need independent evidence. However, if the hon. Lady is suggesting that we do not need to wait for that to do more work, she is right about that, too. Work is already ongoing between my Department, the Department for Education and others, but the report will certainly help.

Robert Halfon (Harlow) (Con): Following on from the previous question from the hon. Member for Manchester Central (Lucy Powell), although I strongly welcome my right hon. Friend's statement, the fact is that 40 children are excluded from our schools every day, either on fixed or temporary exclusions—4,000 such children have special educational needs—and a former Metropolitan Police Commissioner has said that that is a major cause of knife crime. We know that excluded children are twice as likely to carry knives and that children are being off-rolled. We must ensure, as the Education Committee report suggested, that schools are accountable for the pupils they exclude, that there is transparency and that this approach is the No. 1 priority for dealing with knife crime.

Sajid Javid: My right hon. Friend speaks with great knowledge of this issue, and I welcome the work that he and his Select Committee have done. Like the hon.

Member for Manchester Central (Lucy Powell) before him, he is right to raise the issue, which is critical if we are to deal with serious violence and drug misuse properly. The number of exclusions seems to be heading in the wrong direction, and it is important that we look at the links between that and crime. I welcome what my right hon. Friend says and the work that he is doing through the Education Committee.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Following another tragic wave of violence over the weekend, the Secretary of State for Health and Social Care dismissed treating it as a public health issue, contradicting the Government's apparent plans to tackle violence with a public health approach. Has the Home Secretary spoken to the Secretary of State for Health and Social Care at all about the Government's plans to adopt a public health approach?

Sajid Javid: I mentioned earlier that serious violence and the priority of tackling it was discussed in Cabinet in the past few weeks, and the matter is being taken seriously in every Department. The Department of Health and Social Care is key if the public health approach that I have talked about is to be success.

Greg Hands (Chelsea and Fulham) (Con): The impact of knife crime across London has been horrific in recent months, but has the Home Secretary seen the recent extraordinary comments from the Mayor of London? He said that it would take him 10 years to deal with the London knife crime epidemic—longer than anybody has served as Mayor—yet his website says that he has responsibility for the “totality of policing” in London. My constituents and other Londoners will not wait 10 years, so what discussions has the Home Secretary had with the Mayor of London?

Sajid Javid: The Mayor of London is an important partner in this, and he is a member of the serious violence taskforce. We do not have 10 years to deal with this, of course not. There are certain things that will take time, but there are also things that could be done that would have a much more immediate impact, such as some of the legal changes that will be brought in by the Offensive Weapons Bill. My right hon. Friend highlights the need to work together in partnership.

Mr Chris Leslie (Nottingham East) (Ind): The public health and public education approach, together with more police officers, is obviously right, but was not the former Metropolitan Police Commissioner correct this morning when he said that, ultimately, our young people need to know they are better off not being in possession of a knife than having that knife? Therefore, is it not time for us to have clearer mandatory sentencing for those caught in possession of a knife without just cause?

Sajid Javid: When the former Metropolitan Police Commissioner, Lord Hogan-Howe, speaks, it is important that we listen. I have great respect for him and for others who have served in our police. The issue of sentencing is very important—I mentioned earlier that there have been some changes in sentencing—and it is also about making sure that we have the right laws in place, which

is why I welcome the support across the House, including I believe from the hon. Gentleman, on the new Offensive Weapons Bill.

Neil O'Brien (Harborough) (Con): The Home Secretary has outlined some important measures, including this year's police settlement, which means 100 extra officers in Leicestershire, but what role does he see for longer sentences and stiffer penalties for knife possession as part of his strong plan?

Sajid Javid: Changes were made to the sentencing regime in 2015, but it is right that, when we consider the responses to the rise in serious violence and, especially, the tragic deaths that have occurred, we make sure our sentencing is right. That is why, through the work being done across the Government, it is time for us to look again at sentencing.

Jess Phillips (Birmingham, Yardley) (Lab): I grew up under the cloud of gang violence in Birmingham. When I was a teenager, it was really quite bad. It was dangerous for us when we lived there, and in the years since, I have found myself working tirelessly to try to improve the situation, which we had managed to do. Now I receive letters from my children's inner-city comprehensive school about how to spot whether my children are in a gang. We have gone straight back to day one. Nothing the Home Secretary has said allays my fears as a parent of a teenage boy in Birmingham. There used to be a police officer based at almost every inner-city school in Birmingham. None of them is there now. Why is that the case?

Sajid Javid: I hear what the hon. Lady says very clearly, and I am listening carefully. I also grew up in a place that, sadly, had lots of gangs and crime, and no one wants to see that in any community. I understand what she says. She specifically asks me about policing, and just last week I went to see some of the work that West Midlands police are doing with other police forces. Much more resource is going into fighting both gangs and drugs. As I mentioned earlier, the increased resourcing will directly lead to many more officers on the frontline.

Tom Pursglove (Corby) (Con): My right hon. Friend talked in the past of suspending social media accounts as one tool to help tackle this dreadful scourge and the needless loss of life we are seeing. How are his discussions going with the social media companies, which are integral to achieving that aim? Does he think we need to look again at sentencing policy?

Sajid Javid: My hon. Friend raises another important issue on the role that social media might be playing in spreading serious violence. Late last year, I provided £1.4 million of funding for a new social media serious violence hub so that the Metropolitan police can work with social media companies and specifically focus on this very issue. He knows that the Government will shortly be publishing an online harms White Paper, which will also look at this important issue.

Mr George Howarth (Knowsley) (Lab): I am sure the Home Secretary will agree that behind every fatal stabbing and shooting is a young person's future cancelled, and a family left grieving and wondering for the rest of their life, "How could this have been prevented?" He has demonstrated that he knows what needs to be done—it

is about interrupting the drugs industry, early intervention and having more police on the street—so why on earth we need yet another consultation is beyond me. What we do need is for him to come back to this House, within the next week, with a definite plan about how to deal with this and proper resources behind the plan. I ask him to do that, because he already knows what needs to be done.

Sajid Javid: The right hon. Gentleman is absolutely right when he talks of the tragic deaths, lives being cut short, all those opportunities that are forever gone and the impact on those families. I think he was referring to the public health approach and asking why it would require a consultation. That is because it is supposed to be a statutory approach. We could have taken the non-statutory route. That would have been quicker, frankly, but I think it would have been less effective because I need every Department—colleagues have mentioned the Department of Health and Social Care and the Department for Education—to make this a priority. We have talked about the experience in the other parts of the UK and in other countries. It has been a statutory approach. With very few exceptions, there is a requirement with such an approach to have a consultation to make sure it is legally watertight.

Mr Marcus Jones (Nuneaton) (Con): Warwickshire police are currently recruiting an additional 150 officers and extra officers are part of the solution here. My right hon. Friend has talked about a wider cross-Government approach and using resources of the whole of the Government. Can he say more about how we can get those resources and that approach down to the local level, where it is really going to make a difference?

Sajid Javid: I welcome the announcement by Warwickshire police. On other resources, a vital one that I mentioned earlier is support for organisations, mainly community organisations, to tackle the issue early on, through early intervention, especially to try to turn young people away from what might become a life of crime. The early intervention youth fund has already allocated funds to more than 20 projects, but the new youth endowment fund, which I said I would be publishing information on very shortly, will be allocating some £200 million very shortly to do just that work—early intervention.

Stella Creasy (Walthamstow) (Lab/Co-op): Jodie Chesney, Charlotte Huggins, Tudor Simionov, Nedim Bilgin, Lejean Richards, Dennis Anderson, Aliny Mendes, Simbiso Aretha Moola, Sarah Ashraf, Asma Begum, Kamil Malysz, Bright Akinleye, Glendon Spence, Che Morrison, David Lopez-Fernandez, Kamali Gabbidon-Lynck, Brian Wieland and Jaden Moodie—I am not sure that that is a complete list of everyone who has been killed by a knife in London this year alone, but I can tell the Home Secretary that the taskforce, the consultations and the more reports are not working. What on earth will it take for him to recognise that this is an emergency that requires an emergency response?

Sajid Javid: The hon. Lady reminds this House that this is such a tragic loss of life. She talked of those lives cut short in London. There are colleagues here representing seats across the country where we have, sadly, lost lives.

[Sajid Javid]

She is absolutely right to highlight this but, as I said, I really wish standing here that there was just one simple answer—just one single thing that could be done. We require action across multiple fronts and the best way to achieve that is for all of us to recognise that and to work together to deliver it.

Julia Lopez (Hornchurch and Upminster) (Con): As I regrettably advised the House earlier today, on Friday night, 17-year-old Jodie Chesney was murdered in my constituency. She was a bright, beautiful and kind young woman and she did not deserve to die in this way. The public are losing faith in our ability to control our streets and they need to see and feel a step change in our response to public safety concerns. Can the Home Secretary tell me what he is doing at all levels of governance—at Home Secretary level, Prime Ministerial level, Mayoral level and local council level—to draw together our response to these tragic incidents? Will he join me in paying tribute to the members of the community and the police officers who came to Jodie's aid when she was lying there in her final moments?

Sajid Javid: I thank my hon. Friend for what she has said and remind the House of the tragic loss of life when Jodie was murdered this weekend. As I said earlier, the whole House will want to send their condolences to her family and loved ones. My hon. Friend is right to point to the work of the police and emergency services and how they responded to that tragedy, and of course I join her in commending their work.

My hon. Friend asked specifically about the work being done across Government. This issue is a priority for all of Government, across all Departments, some of which are more important to this issue than others. Obviously, I am starting with my own, but we have also heard in the House about the work in the Department for Education and the Department of Health and Social Care. We have also heard about the work of the Ministry of Housing, Communities and Local Government—for example, the extra funding that the Secretary of State for Housing, Communities and Local Government has announced for the troubled families programme, to try to help to reduce violence. That kind of approach is what is going to be required to make a huge change and to reduce this senseless violence. It is going to be necessary for all Government Departments and public agencies to work together, and that means in respect of not only resources and co-ordination, but this new statutory approach, which will make a big difference.

Sarah Jones (Croydon Central) (Lab): Lord Hogan-Howe said today that the Government do not have a grip on this national crisis. Given the fact that there have been more than 100 knife offences every day over the past year, he is of course right. The Home Secretary said that he needs every Government Department to take part, but there is a silence from the very heart of Government: the Prime Minister has made no speeches, she has held no crisis meetings, she has not called Cobra meetings and she has not led any kind of serious cross-party campaign. In the past, Prime Ministers have activated Cobra because of crime levels and led cross-Government programmes that have successfully changed big societal issues of the kind we face today, and we

know the evidence for what works, so does the Home Secretary not think it is now time for the Prime Minister herself to step up and lead?

Sajid Javid: I mentioned earlier that the issue of serious violence and what more can be done to tackle it was discussed in Cabinet this year, so very recently. The Prime Minister herself is making sure that all Government Departments are playing their role and is very supportive of the measures that have been set out, and also the measures I am taking to make sure that we are listening to the chief officers, police and crime commissioners and others to see what more can be done.

Richard Graham (Gloucester) (Con): Just over five years ago, Hollie Gazzard was murdered in the hairdressing salon where she worked in Gloucester city centre. In an extraordinary act of courage and determination, her family created the Hollie Gazzard Trust, which worked with the police, the Gloucestershire constabulary, to learn lessons from their handling of the incident and then to fund and deliver an education programme to schools, to advise young people on the early warning signs of abusive relationships. So positive things can be and have been done at a local level to share best practice.

I am particularly interested in what my right hon. Friend had to say about Dame Carol Black's forthcoming report, because it seems to me that, in Gloucester, as elsewhere in the country, there is this huge link between drugs and drug dealing and serious knife crime that leads to deaths. The more we can learn about what best practice is in the handling of such incidents, the better we can try to tackle it in our own constituencies.

Sajid Javid: I am pleased that my hon. Friend mentioned the work of the Hollie Gazzard Trust and reminded us of how, through that tragedy, the family and friends came together to try to turn it into something that could help others. Indeed, I think the victims Minister met Mr Gazzard as well.

My hon. Friend asked me about the work that is being done to look into the drugs markets and drugs misuse. That is vital work because one thing that is clear is that sadly the changes in drugs markets seem to be driving much of this violence. If we can understand those changes better, we can come up with even more policy responses.

David Hanson (Delyn) (Lab): Has the Home Secretary tasked any individual to drive through the co-ordination, the prioritisation and the expenditure and to report back to Ministers? I simply say this because, when we faced this challenge in Government 10 years ago, we appointed the chief constable of Warwickshire to drive forward, across Government, a knife crime reduction plan, which reduced knife crime incidents through co-ordination and reporting to Ministers. He should look at what was done then and replicate it.

Sajid Javid: The right hon. Gentleman mentions an important issue about leadership. This is such an important issue that it requires, as we are seeing, leadership across different levels—not just at national level, but in local government. We have talked today about some of the mayors and their responsibilities, the police and crime commissioners and the chief constables. It is important that all that work is co-ordinated as well. The work of the serious violence taskforce, for example, is important

in this, as is the work that the National Police Chiefs Council co-ordinates and the work of the National County Lines Co-ordination Centre. So leadership at many levels is required.

Mr Philip Hollobone (Kettering) (Con): The gangs operating on our streets are “complex and ruthless organisations, using sophisticated techniques” — to recruit children — “and chilling levels of violence to keep them compliant.”

So says the Children’s Commissioner in an important report published only last week. That report identifies 27,000 gang members in England and a further 34,000 children who know gang members and have experienced violent crime. That is 61,000 young people, yet only 10% of that number are known to the authorities. The Children’s Commissioner identifies serious failings among local safeguarding boards, which, in too many cases, have not made any serious attempt to understand the level of risk in their area. I understand and recognise the Home Secretary’s commitment to tackle this issue, but it seems that we are starting from a very long way back if we only know now 10% of the children who are most at risk from knife crime. How are we going to improve that intelligence picture?

Sajid Javid: My hon. Friend is absolutely right to raise that issue. He has referred to the report just last week of the Children’s Commissioner, who is on the serious violence taskforce. I very much welcomed her report. She is absolutely right to look at this whole issue of vulnerable children who have been drawn into these gangs. Hon. Members have talked about the pupil referral units in that regard as well. There are some very sensible recommendations in the report and we will be working with her and others to see what more can be done.

Helen Hayes (Dulwich and West Norwood) (Lab): The past two years have seen six tragic knife murders in my constituency, including, in the past month, the murders of Dennis Anderson in East Dulwich and Glendon Spence, who died after being chased into a youth centre in Brixton. For every tragic victim, there are countless families who are living in daily fear. One mother told me recently of her teenage son. She said:

“I pray when he leaves the house and I don’t breathe until he is home again.”

The public health approach cannot be implemented by public services—whether health, education, police, social services, youth services or housing—which have been decimated by nine years of austerity. When will the Secretary of State commit to not just piecemeal pockets of limited funding, but a reversal of the devastation of our public services, which is resulting in our communities living in fear?

Sajid Javid: What I have outlined today, or summarised again for the House, are what I think are some very significant increases in resourcing: the increase in police resourcing, the largest since 2010, and the record amount invested in youth intervention, including the £200 million endowment fund. Those are very significant investments. I am not suggesting for a second that the hon. Lady cannot be right that more resources might be needed. If that is absolutely necessary, of course, that is what will happen, but it would be wrong to say that they are piecemeal resources and in some way insignificant.

Andrew Selous (South West Bedfordshire) (Con): When I asked the chief constable of Bedfordshire what was driving the increase in knife crime in my county, he mentioned the fact that there were too many homes where there was not a father telling young boys that carrying a knife was wrong. I hugely welcome the 160 extra officers in Bedfordshire this year, but what more can we do to support parents and families to tell all young people that real men do not carry knives and that this is an unacceptably evil thing to do?

Sajid Javid: I will give my hon. Friend two responses. First, last year, we started our #knifefree campaign, which is about sending messages to young people, on the social media they use and in more traditional advertising, about the dangers of carrying a knife. Secondly, we are working with the Ministry of Housing, Communities and Local Government, through its troubled families programme, to see what more we can do with those families, who are perhaps going through family breakdown or facing other issues, to get across the message that there is never an excuse to carry a knife.

Richard Burden (Birmingham, Northfield) (Lab): The call from my hon. Friend the shadow Minister and others for Cobra to be convened is not just about recognising this as a national emergency, which it is; it is also about ensuring that the cross-Government approach, which the Home Secretary says he recognises, is actually delivered on the ground, right across the country, with the resources needed to back it up, whether through early intervention work to identify the young people most at risk of getting involved in gangs and knife crime, or by reducing the level of school exclusions, which in all too many cases is a route into knife crime. I put it to him that what he said about resources rings pretty hollow in the west midlands, given that we have lost 2,000 police officers over the past nine years and are facing nearly 300 incidents of knife crime this year already. Will he now respond to the call from the West Midlands police and crime commissioner for an emergency funding package so that we can address this problem in a consistent and effective way?

Sajid Javid: The hon. Gentleman is right about the importance of a cross-Government approach. It is something that is needed not just today; it has to be a long-term, sustained approach, with Departments and public agencies working together. That is why our cross-party serious violence taskforce involves Government Departments as well as other agencies and public authorities. It is also important that we listen to all levels of Government. He rightly mentioned West Midlands police, a force I have visited on many occasions—I visited it only recently to look at some of the work it is doing to combat serious violence. I will always listen carefully to all local police forces, including West Midlands police, to see what more can be done.

Kevin Foster (Torbay) (Con): I welcome the overall tone of the Home Secretary’s responses to the questions asked by Members today. Does he agree that the approach needed to tackle this will vary dramatically across the country, from large urban areas such as London to places with towns and smaller urban areas, such as Devon and Cornwall? Will he commit to working with the police and crime commissioners for those areas, not only to co-ordinate national action, but to ensure that the local response reflects local needs?

Sajid Javid: My hon. Friend is right that we must ensure that we have the right approach for each area, and he has talked about the differences between some urban areas and more rural areas. Last month I was near Exeter, meeting officers from Devon and Cornwall police, including the police and crime commissioner, and I was pleased to see just how seriously they take this issue, and they talked about how the new national county lines co-ordination centre is already making a real difference.

Bill Esterson (Sefton Central) (Lab): My constituent Sam Cook was stabbed to death a year ago in Liverpool city centre, on the night he was celebrating his 21st birthday. His mum, Gill Radcliffe, asked me to tell the Home Secretary to remember that this is not just a London issue, but a national problem. When he meets the police chief constables in a couple of days' time, the chief constable of Merseyside police will remind him that the consequence of the scale of cuts in Government funding for Merseyside is that there are now 1,200 fewer police officers keeping our streets safe. He will also know of a 30% cut in probation services. Sam Cook's killer was on licence, having committed another knife offence, when he killed Sam. The probation service had not given the monitoring of Sam's killer sufficient attention, which allowed him to kill Sam. Will the Home Secretary please take this seriously across Government and address the concerns that have been caused by the scale of the cuts in multiple Departments since 2010?

Sajid Javid: First, the hon. Gentleman raises the tragic death of Sam Cook. It may have been a year ago, but it is still as tragic today as it was then, and he is right to remind the House of it. He talked about the importance of recognising that this is not just a London issue. Absolutely, it is not—it is across the country, as we have just seen this weekend, again tragically, with the terrible death in Manchester. He raised the issue of probation and making sure that it is the best it can be. Again, he is absolutely right to do so. I know that lessons have already been learned from the case of Sam Cook, but the hon. Gentleman is right to point to the issue, and also to stress the importance of cross-Government work and making sure that that includes the Ministry of Justice.

Huw Merriman (Bexhill and Battle) (Con): For those of us who, at the turn of the century, worked in inner-city youth organisations to try to turn young people away from the dangers of crime, this latest epidemic of knife crime is not only deeply depressing but amounts to a reversal of the good work that has been done. The Home Secretary has said that he is open-minded to all solutions and that there is no one solution to this. Will he look again at the proposal that knives for sale in retail outlets are prohibited from being anywhere outside a locked cabinet?

Sajid Javid: It is good to remind the House of the importance of early intervention. That is why we are making this record allocation of over £220 million, altogether, in early intervention projects. The retailing of knives is partly being addressed through the Offensive Weapons Bill. My hon. Friend has raised another aspect of that. As I have said, nothing should be off the table, and I would be happy to discuss it with him.

Rushanara Ali (Bethnal Green and Bow) (Lab): Last week, a knife attack led to the death of one of my constituents, and before Christmas three people were attacked outside a GP surgery. People are living in absolute terror. Although this is affecting young people in particular, it is affecting all communities up and down the country. Since 2010, 21,000 police officers have been taken out of our system. If the Home Secretary wants our support, he absolutely has it in lobbying the Prime Minister and the Chancellor so that we can have those police officers reinstated. The one thing he can do is to shore up our police services, because they are at breaking point and desperately need support to bring an end to knife crime. I cannot, and I know other colleagues cannot, bear the thought of having to return to this House in weeks and months to come having witnessed stories of further fatalities and deaths. That is why the Home Secretary needs to take action. Labour Members will support him to lobby for more funding, but he needs to put pressure on his Prime Minister and his Chancellor to fund our police service urgently and reinstate 21,000 officers in our system.

Sajid Javid: First, the hon. Lady rightly reminds us that these tragic crimes are of course affecting all communities—not just young people but communities of all ages. She talks about the importance of police resources. I hope that she will welcome the increase in police funding, which is the largest increase since 2010 and will help to make a big difference on the ground, including to policing in London. But I hope that she also recognises that this cannot just be all about resources. There is a need to look at police powers as well, and that is why the Offensive Weapons Bill is very important. It is also about resources in other areas such as early intervention.

Deidre Brock (Edinburgh North and Leith) (SNP): The Secretary of State spoke of other countries using the public health approach. The Scottish violence reduction unit's methods have been shared with South Africa, Jamaica and Lithuania, for instance. That unit was set up in Scotland in 2005. While we will never be complacent, as recent terrible events in Edinburgh showed, the unit's approach has broadly been extremely successful. I want to ask him, because it genuinely puzzles me, why has it taken so long for the UK Government to take a serious interest in this proven national strategy for reducing serious violence and knife crime?

Sajid Javid: I would like to answer the hon. Lady's question directly. The reason is probably that serious violence in England had been falling quite significantly for some time, but as I said at the start of this urgent question, we have sadly seen a significant rise in the last two or three years especially. That has rightly led my predecessors and me to work with others and look at what more can be done. It is right to look at evidence across the nation. She talked about the very important example in Scotland, which is being looked at.

Wes Streeting (Ilford North) (Lab): I want to express my thanks to the emergency services for their rapid response to a stabbing in my constituency last week. There is a huge amount of fear and concern in the community, and people understand that this is not a problem with one solution. Does the Home Secretary understand, as my constituents do, that whether it is the

legs taken out of community policing by police cuts, slower referrals because of cuts to children's services, the conditions that children are living in in temporary and overcrowded accommodation or the fact that youth services have been gutted, there are many facets to tackling knife crime, and they all have one thing in common: the policies of this Government for the last nine years have made it harder, not easier, to tackle this crisis?

Sajid Javid: First, I join the hon. Gentleman in commending the emergency services for the work they have done in his constituency and elsewhere. He highlights the importance of recognising the need for a cross-Government response; it is not just about the Home Office, although we have the most important role to play. For other Departments to play that role, they need to make it a priority, which is why a statutory public health approach is very important. We also need to ensure that Departments have enough resources and that those are prioritised.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): I agree in principle with multi-agency working. I know that it works, because when I got elected in 2001, it worked. When the police were properly funded, when Sure Start centres were properly funded, when youth services were properly funded and when schools were properly funded, it worked, because we eliminated gang crime, knife crime and gun crime by the middle of that decade. We worked together with the community and the police, who attended community meetings, to do that. We do not have the staff at the moment to come to those meetings, let alone attend some of the crimes. If the Home Secretary wants to do something about this, let us not talk about piecemeal funding. Let us look at the real figures about the police and community support officers we have lost and talk about how he is going to get them back, to save our future generations.

Sajid Javid: First, I thank the hon. Gentleman for his support of the multi-agency public health approach. I hope we will have his full support for that when it comes forward in Parliament. He talked about the importance of resources. He said that there is a piecemeal increase in resources, but the increase in police resources is hugely significant—it is up to £970 million, which is almost double what was there the year before and the biggest increase since 2010—and the £220 million on early intervention is a significant increase.

Nic Dakin (Scunthorpe) (Lab): The hon. Member for Hornchurch and Upminster (Julia Lopez) rightly said that we need a step change in response to this national emergency. There are two starting points for the Home Secretary: first, he needs to brief the Health Secretary on what a public health response to this epidemic is, and secondly, he needs to advise the Prime Minister to convene Cobra, so that we can focus properly on this issue.

Sajid Javid: If we take all the responses, especially in the last two years and since the adoption of the serious violence strategy, it is a step change. As I said earlier, I really wish that just one single thing could be done, but this requires action on multiple fronts. That is why the public health approach is so important. The Department of Health and Social Care is an important partner in that, and the Health Secretary understands that.

Diana Johnson (Kingston upon Hull North) (Lab): If this nationwide knife crime crisis is not a good reason to call Cobra, what exactly is?

Sajid Javid: Responding to the increase in serious violence requires a sustained effort, with action that needs to happen now, building on the initiatives I have already set out, and long-term, sustained action, which is exactly why we have the serious violence taskforce. It is important that it remains a cross-party taskforce to make sure that we are looking at all the things that can be done and that we sustain that effort.

Jack Dromey (Birmingham, Erdington) (Lab): Young men and women are dying on the streets—three in recent days in Birmingham alone, mourned by their families—and I meet teenagers in Erdington who are now afraid to go out at night. Of course a public health approach is vital, and we urge the Home Secretary to back the bid for a violence reduction unit to bring together all agencies to combat growing knife crime effectively.

However, that is not enough; we need more police officers. Forgive me if I say this, Mr Speaker, but the Home Secretary spoke about record resources. The previous Government put 17,000 extra police officers and 16,000 police community support officers on the beat. This Government have cut 21,000 police officers, including 2,100 in Birmingham alone. Does the Home Secretary not accept that there is an inevitable link between falling police numbers and rising crime, and in particular rising knife crime?

Sajid Javid: As I have mentioned, the increase in police resources this year is a record increase. It will take total police resourcing to approximately £14 billion, and the increase is the largest since 2010. It will lead to a significant increase in officers: almost 3,000 officers—I think, at least 2,700—across the country. When it comes to the local response—the hon. Gentleman mentioned the west midlands; he is right to do so, and I welcome the focus on serious violence by the local force—I am more than ready, as I have already been doing, including with his force, to sit down with the police and see what more can be done.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Sadly, Southwark is one of the communities worst affected by knife crime, with the two most recent stabbings in my constituency on 24 February. The Prime Minister has apparently said today that more must be done to tackle this problem, after nine long years in the Home Office and Downing Street. Will this Home Secretary please meet me, representatives and organisations from across Southwark that are working to tackle this problem, especially those representing the families directly affected?

Sajid Javid: First, I would be very happy to meet the hon. Gentleman. He is right to highlight what he has seen in his area. Recently, I visited one of the leading hospitals in south London that deals with patients who may be hurt through knife crime, and I saw the work of Redthread, a social organisation that helps to turn young people away from a life in crime. It is an organisation we are supporting with more funding for early intervention, and I hope he welcomes that. As I say, I would be happy to meet him.

Sandy Martin (Ipswich) (Lab): Since the tragic murder of 17-year-old Tavis Spencer-Aitkens in my constituency, I have been meeting local community groups to see what we can do to try to prevent young people from getting involved in gangs, gang violence and drug dealing. There is a move to glamorise this lifestyle through social media, so I hope the Secretary of State can imagine my horror at discovering, just over a week ago, that films are still available on social media—showing violence, drug taking, making money out of selling drugs and, indeed, abusing young women—starring members of the gangs who are themselves currently on trial for murder. What can the Secretary of State do? Does he agree with me that he needs to work with other members of the Cabinet right across Government, and that convening Cobra will enable that to happen? We cannot afford to have this sort of glamorisation of a gang lifestyle still available on social media.

Sajid Javid: I agree with the hon. Gentleman about the importance of this issue and the need to work across Government. He asked about social media and the way in which some parts of it glamorised violence. I, too, have seen some of the material to which he referred, and far too much is available on social media. Some of it is generated in the UK and some abroad, but it all glamorises this type of violence.

What are we doing about it? Last year, I funded a £1.4 million project on social media capability, run from London, to look at what can be done to try to tackle some of this material online, but we need to do much more. We need new powers to do that, which is why I am working with the Secretary of State for Digital, Culture, Media and Sport on a new online harms White Paper. The intention is to give the state more powers to tackle exactly what the hon. Gentleman was discussing.

Mr Jim Cunningham (Coventry South) (Lab) *rose*—

Mr Speaker: I call Jim Cunningham.

Mr Cunningham: Thank you very much, Mr Speaker. You have been very tolerant. May I tell the Home Secretary that it was useful to meet the Minister for Policing and the Fire Service about a fortnight ago? I want to reinforce the points that my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) made. We need more community police on the streets—there is no doubt about that—and they could do something about youth services, but 20,000-odd police officers have been cut over the past seven years, which is a very low base on which to build.

Sajid Javid: The hon. Gentleman, like other hon. Members, is right to raise the issue of resources. I have mentioned the increase in resources in this year's policing settlement. When it comes to his local force in the west midlands, as I have said to his colleague, the hon. Member for Birmingham, Erdington (Jack Dromey), I am more than happy to meet the West Midlands force again. I visited them only last week—it is a force that I regularly visit—and I am always looking to see what more we can do.

Privatised Probation System

5.6 pm

Richard Burgon (Leeds East) (Lab) (*Urgent Question*): To ask the Lord Chancellor and Secretary of State for Justice if he will make a statement on the future of the privatised probation system.

The Minister of State, Ministry of Justice (Rory Stewart): I am pleased to be called to address this urgent question, and fully understand why the hon. Member for Leeds East (Richard Burgon) has raised it. As the House will be aware, we have been looking very carefully at the future of probation services, and this gives me the opportunity briefly to set out the Transforming Rehabilitation reforms, some of the challenges, and our response.

As the House will be aware, Transforming Rehabilitation was strongly influenced by a Labour pilot—the Peterborough pilot—which demonstrated that by bringing in non-state providers, concentrating on a cohort of short-sentence prisoners who had not previously been supervised and paying providers for reducing reoffending, it was possible to achieve significant improvements. Transforming Rehabilitation was a coalition Government commitment and built on those principles by contracting the private sector and others—in Durham Tees Valley, for example, that included the local authority—and undertaking to pay the providers if they were able to reduce reoffending. The contracts were left flexible to encourage innovation. This private model was applied only to low-risk offenders—high-risk offenders continued to be supervised in the usual way by the state. The new model has delivered in some ways, but as the National Audit Office has pointed out, it has not delivered in others.

There has been a reduction in the binary rate of reoffending, although there has been an increase in the separate frequency measure. Some 40,000 additional offenders are currently being supervised who were not supervised under the old system. Some innovation has come into the system, and it has saved the taxpayer money. Even though the hon. Gentleman would point out that through changes to the contracts, more money has gone in, we are forecast to spend significantly less than we originally anticipated—perhaps as much as £700 million less.

The programme was challenged by external factors, some of which were difficult to model and predict. For example, societal changes and different sentencing decisions by judges meant that the case load given to community rehabilitation companies shifted, and the accredited programmes that were allocated were fewer than expected. That meant that the income streams of those companies was less than anticipated. Broader issues such as drugs, housing and treatment programmes also made it difficult for providers to control all the factors in reoffending, which led to the companies losing significant sums of money. We have therefore taken a new approach that seeks to address all those problems.

We have just conducted a consultation and are carefully studying the responses. Our intention, first, is to remove the dependence in the new probation system on unpredictable case loads and to improve co-ordination with the national probation service. We are emphasising overall quality of service in future, not just the reoffending

rate. We will be ending the existing contracts two years early. We will be setting minimum conditions for offender supervision, and we have invested over £20 million in through-the-gate services. Our objective, while retaining the benefits of flexibility and innovation, is to create a much higher-quality probation service that focuses on good-quality delivery and protects the public.

Richard Burgon: The National Audit Office report on probation privatisation is another damning indictment of the current Transport Secretary. Once again the Conservatives' part-privatisation of probation has been exposed as a dangerous experiment that left the public less safe and out of pocket. The NAO highlights a 22% increase in reoffending. Will the Minister now admit that this privatisation has put public safety at risk in a reckless pursuit of running justice for private profit?

The NAO says the Ministry of Justice will pay at least £467 million more to failing private probation companies than was originally required. Does the Minister believe that rewarding failure in that way is the best use of much-reduced Ministry of Justice resources? Despite such failings, the Conservatives are recklessly planning to sign new private probation contracts. Will the Minister halt the current tendering plans to allow an independent review into whether probation should be returned to the public sector, or are they just ideologically driven?

Last month, Working Links, one of the largest probation providers, collapsed. Will the Minister explain the tendering process by which it was quietly handed to another private company? Will he guarantee that there will be no further staff losses under this new arrangement? Another private provider, Interserve, is in deep financial difficulties. Does the Minister have an emergency probation plan ready for if or when Interserve goes under?

Finally, private shareholders should be left in no doubt: Labour will return probation to the public sector. Will the Minister guarantee today that new probation contracts will include break clauses, so that a future Labour Government can put an end to this disastrous privatisation if his Government will not?

Rory Stewart: As you would anticipate, Mr Speaker, we do not feel that this is simply an ideological choice between the private and the public sector. There are things that we can learn from the private sector. There have been some significant improvements in the way that services are delivered and in IT. We must also remember that this is not just a question of the private sector. In certain areas, we are working with local authorities and the voluntary sector.

To address the specific challenges that the hon. Gentleman raised, he pointed out that the frequency rate of reoffending has gone up, but the binary rate of reoffending has in fact gone down through the course of these programmes. On the question of cost, it is true that more money has gone in, but it is still much less money than anticipated. Broadly speaking, we were anticipating that we would spend about £3 billion over the course of the contract. The companies committed to spend about £1.8 billion and the Government put in an additional £400 million. That still leaves us spending perhaps £700 million—something of that sort—less than we anticipated. So the public have spent less money than they expected to over the course of this programme.

The Kent, Surrey and Sussex Community Rehabilitation Company is a good provider and we are confident it can step in successfully, but we also have the national probation service working with it to ensure that it operates well in the Working Links areas.

On the broader issue that the hon. Gentleman raised about whether we have looked carefully at the lessons, we absolutely have. As I explained, we will make absolutely sure that we look very carefully at the consultation requirements and that anything we do in the future carefully learns those lessons, de-risks, focuses on quality, improves performance and protects the public.

Mr Kenneth Clarke (Rushcliffe) (Con): In the field of justice policy, as in the field of health policy, arguments are being reduced to a notion that if the public sector provides a service it is automatically better than if the private sector does so. That is completely irrelevant and just a lazy substitute for producing any real ideas on what can be done to improve rehabilitation. I am very attracted by the Department's idea that we might replace prison sentences of six months and less, because prison tends to toughen up the inadequate and unpleasant people who get those short sentences and need to be punished. It is essential that we strengthen the effectiveness of our probation-based rehabilitation services alongside that. I welcome what the Minister has announced, but does he accept that we need more trials of what can be done in various parts of the country so that we can carry public confidence, if we change the sentencing system, that people can be punished, but punished in a way that might more effectively stop them committing more crimes against the public when they are released?

Rory Stewart: Absolutely. As my right hon. and learned Friend points out, if we are to reduce the number of people serving ineffective short prison sentences, we must improve the quality of community sentences. That means that we need better supervision of offenders, better sentence planning and more use of technology, including electronic monitoring. One of the key objectives of the reforms that we will be bringing into probation is to reassure not just the public but the sentencers that good community protection exists.

Joanna Cherry (Edinburgh South West) (SNP): In Scotland, the probation service role is carried out by criminal justice social workers, who are part of local authorities' social work departments—in other words, it is a public service, and I believe that that is as it should be. Effective reintegration and rehabilitation of offenders is at the heart of the Scottish system—rather than profit and hitting targets—and lately in Scotland, of course, we have had great success with getting rid of short-term sentences, which has led to a fall in the rate of reoffending. Does the Minister accept that probation should never be run for private profit and that reunifying the probation service under public control is the only way to properly protect the public across England and Wales?

Finally, this fiasco is part of a long list of scandalous wastes of public money for which the Minister's colleague the right hon. Member for Epsom and Ewell (Chris Grayling), has been responsible in his roles as Secretary of State for Justice and Secretary of State for Transport. This is one of two such scandals that have come to light over the weekend. We are hearing rumours that he is

[Joanna Cherry]

not coming to the House later today to answer the urgent question about the ferry tendering disaster, so I ask the Minister, for whom I have the greatest respect—I realise that none of this is his fault—to tell us when the right hon. Member for Epsom and Ewell is going to be held to account for his shocking irresponsibility with taxpayers' money.

Rory Stewart: As hon. Members would expect me to say, these things have more nuances and complexities. The basic idea that it is impossible for anybody except the Government to deliver good probation services was disproved, in fact, by the Labour pilot—the Peterborough pilot—which by bringing in the voluntary sector and social investors was able to reduce reoffending by a staggering 9%, particularly by providing something that we are developing at the moment and that does not fully exist yet in Scotland: a fully integrated through-the-gate service linking the prison officer in the prison with probation in the community. We need to take into account that this is not a binary choice.

Crispin Blunt (Reigate) (Con): I am very slightly disappointed that my hon. Friend referred only to the Peterborough pilot, which we inherited when my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) and I arrived in the Ministry of Justice in 2010. By the time that we were moved from the Ministry of Justice—for me, that was to spend more time with the Kaleidoscope Trust and with you, Mr Speaker—we had at least 20 different pilots, putting responsibility for the rehabilitation of offenders on the probation service in Wales and Staffordshire, three police services, three local authorities and eight health authorities dealing with issues such as drug addiction. We were waiting to see what was going to work best when all these pilots were swept away and the probation service was broken up. Will the Minister look at trying to make the system more coherent by establishing a link between the probation service and police and crime commissioners in the community to make the justice system rather better joined up across the community?

Rory Stewart: First, I pay tribute to my hon. and gallant Friend for the work he did on piloting many of these ideas. We can learn a great deal from those pilots. Central to our reforms will have to be co-ordination—having the right relationship between the national probation service and the community rehabilitation companies, and thinking about the geography—and part of that will be thinking about how the CRCs work with the police and crime commissioners.

Chris Bryant (Rhondda) (Lab): I know that the Minister has done a lot of work on brain injury in prisons. Is it not vital, where prisoners with a brain injury have started some form of rehabilitation in prison and have been receiving advice and support, that that is carried through into their experience in the outside world? Otherwise, there is a strong likelihood that they will simply go back inside.

Rory Stewart: First, I pay tribute to the hon. Gentleman for the work he has done on acquired brain injury. As the House will be aware, he has argued very strongly that brain injury frequently suffered as early as childhood

can have a long-lasting effect, particularly on behaviour, and contribute to reoffending. The major question is about getting the right relationship with the NHS. The Under-Secretary of State for Justice, my hon. Friend the Member for Charnwood (Edward Argar), is leading some interesting work, drawing on some of the extra funding now available to the NHS, to make sure we have the right programmes in the community, not just on acquired brain injury but on everything stretching from mental health issues to addiction services provided by the local authority.

Robert Courts (Witney) (Con): Does the Minister agree that, although CRCs need to improve and perform better, we need to focus on reducing the rate of reoffending, which is what we are seeing, and not on ideological concerns about how a service is provided?

Rory Stewart: That is absolutely right. The key thing is learning what works and how to do it in a way that works for the Government budget. We are increasingly learning that although it is about treatment programmes, it is also about housing, getting people into employment and dealing with addiction issues. Getting all of this properly integrated from within the prison out into the community will be the key. That is how we will protect the public.

Kate Green (Stretford and Urmston) (Lab): The problems with Transforming Rehabilitation were entirely predicted in 2014, so the NAO report should come as no surprise to Ministers.

I want to ask the Minister about women. There is a great deal of evidence that many CRCs are not offering good-quality tailored provision to women. As he and his ministerial colleague, the Under-Secretary of State for Justice, the hon. Member for Charnwood (Edward Argar), know, women's centres do a much better job. Will he now consider removing women wholly from the remit of the CRCs and making full use of the provision in women's centres to address the causes of their offending behaviour?

Rory Stewart: That is a very interesting proposal. The London CRC attempted to do it by setting up a programme designed for women entirely separate from the male programme. There were challenges, however, that were then criticised by the independent inspector of probation. I am happy to sit down with the hon. Lady and talk through some of the complexities of doing that.

Robert Neill (Bromley and Chislehurst) (Con) *rose*—

Mr Speaker: No less celebrated a denizen of the House than the Chair of the Justice Select Committee is among our number. We are deeply appreciative of that fact. Let us hear him.

Robert Neill: I am very grateful, Mr Speaker.

I welcome the Minister's frank and honest response to the findings of this report, which, as he knows, mirror almost entirely the conclusions of the Select Committee's report last June. As well as confirming, as I am sure he will, that the Government accept the three principal recommendations in paragraph 21 of the NAO report, will he reflect particularly on the division between CRCs and the national probation service in two respects? First, the division by categorisation of risk has been

much criticised, because risk levels vary and change during the process of supervision and the current categorisation does not reflect that. Secondly, the separation and distancing of the CRCs, which deliver the programmes, from the sentencers in court has undoubtedly undermined sentencer confidence in community sentences and alternatives to custody.

Rory Stewart: Of the two arguments, I think that the second is the stronger. The fact that CRCs are not involved in the pre-sentence reports, in particular, is a real issue. Shifting case loads is also an issue. We have seen a 48% variation in case loads, with more focus on serious crime, and we need a way of responding to that, such as better integration between the NPS and CRCs.

Nic Dakin (Scunthorpe) (Lab): The reckless fragmentation of the probation service back in 2014 has predictably led to this sorry end. I appreciate what the Minister is saying—it did not happen on his watch, and he has been put there to put it right—but I want to reinforce what was said by the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill): what we need is a coherent system with no gaps through which people can fall. Will he achieve that?

Rory Stewart: I absolutely agree. I could not have put it better. That is exactly what we are trying to achieve; that is exactly what the consultation is about; and its delivery is exactly what I expect people to judge me on over the next few months.

Victoria Prentis (Banbury) (Con): The Minister has engaged fully with the Justice Committee's report, which our Chair mentioned a moment ago, but I should be grateful for further clarification of what he intends to do about the increasing number of people who are recalled to prison. Specifically, I should like to know whether a way can be found to monitor that number. Transforming Rehabilitation increased the number of people who were included in work on reoffending, so it is difficult to establish whether or not the number of those recalled is in fact increasing.

Rory Stewart: One of the key measures in Transforming Rehabilitation was the supervision of 40,000 people who had not previously been supervised and whose sentences were shorter than 12 months. Previously, we had no idea what they were doing, because they were not being supervised by any probation officer. By supervising those 40,000 people—they tend to be a cohort of prolific reoffenders—we end up with many more recalls than happened previously. The answer must be to consider on a case-by-case basis whether the recalls are justified, but we must also acknowledge that it is a good thing to supervise 40,000 more people. When they were not supervised, the public were more endangered.

Several hon. Members *rose*—

Mr Speaker: Order. Speaking to school students in Twickenham on Friday, and subsequently giving a talk at Royal Holloway College, London University, in Egham, I referenced the hon. Member for Kingston upon Hull East (Karl Turner), not least for his tendency to yell "Shocking!" "It's a disgrace," or, alternatively, "Be'ave!" at the Treasury Bench. I think that the hon. Gentleman's

profile is now substantially higher at both those institutions, and I am sure that, if they are listening, they will listen to him with great interest.

Karl Turner: This situation is indeed shocking. *[Laughter.]* I do wonder: either very senior civil servants follow the right hon. Member for Epsom and Ewell (Chris Grayling) around giving him really bad advice, or he is in fact just incredibly incompetent. Which is it?

Rory Stewart: I look at this very seriously.

Karl Turner: It is very serious.

Rory Stewart: Yes, it is. Big lessons need to be drawn from it, not just for the purpose of probation reforms but for the purpose of any other reforms that we make in government. One of the big issues concerned is our ability to predict the consequences of large-scale system change, and in particular to predict the shifts in caseload. As the National Audit Office points out, there was a modelling of a 2% shift, and the reality was a 48% shift. Drilling down into how that advice was given and responded to is one of the ways in which we can draw those lessons.

Vicky Ford (Chelmsford) (Con): In Chelmsford, we have a very busy prison and people want to know that when people leave prison they do not reoffend. Can the Minister confirm that although some people have gone on to reoffend more, the number of people reoffending has reduced?

Rory Stewart: First, may I pay tribute as always to my hon. Friend, who has been a real supporter of the prison officers in her prison and the turning around of Chelmsford prison? It is true that the frequency rate of reoffending has gone up, which means that very prolific offenders continue to offend more, but the absolute number and proportion of people reoffending has decreased—the binary rate has come down—and that is a good thing and worth celebrating.

Lilian Greenwood (Nottingham South) (Lab): The National Audit Office says there is limited time to procure the new contracts, that persisting with the split between the National Probation Service and the community rehabilitation companies still poses risks and that the transition to new contracts threatens service quality. Having wasted millions of pounds and failed miserably to reduce reoffending, why is the Minister intent on pursuing this two-tier system?

Rory Stewart: First, wherever we go with this new system, we will have a much more integrated system: it will continue to be a mixed market, but it will be a much more integrated system. Secondly, whatever we do now will involve some transition costs and risks, and we do not want to minimise what they will be, but we have learned the lessons and the most important one is that, instead of focusing on just paying people in terms of reducing reoffending, we will pay people for the overall quality of the services they deliver.

Dr Matthew Offord (Hendon) (Con): The Minister will probably be aware that the former Home Secretary Charles Clarke very much wanted tendering for probation to be, as he described it, the norm. Why does the Minister think there has been a sudden change among some Members in the Chamber today?

Rory Stewart: That is a good reminder. The former Home Secretary Charles Clarke and my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) are articulating the same point, which is that there is an enormous amount that non-Government actors—not just the private sector, but the voluntary sector—can bring in terms of innovation, efficiency and delivering very good services.

David Hanson (Delyn) (Lab): Volumes for offences were 48% lower than expected; community rehabilitation companies had losses of £294 million when they were expected to have profits of £269 million; and the figures relating to the reoffending of individuals were 22% up: who signed off these projections and who is accountable for this delivery failure?

Rory Stewart: These questions of accountability are quite difficult for me to answer. Normally, I answer by offering to resign; I am not about to do that again, but I would say that these things are related. On the question the right hon. Gentleman raised about the caseload shift, as the NAO pointed out, a 2% case load shift was predicted, but a 48% case load shift happened, directly impacting the second issue of the income coming to the companies. That prediction is a question we are really trying to look into and understand. This is to do with the fact that more violent and sexual offences were committed than previously, and the Crown courts managed to make different decisions in terms of sentence length and not giving accredited programmes. The question is, how do we predict that type of social change? Could we have predicted it; was it predicted; and how do we act on it?

John Howell (Henley) (Con): Does the Minister agree that the task of rehabilitation can be helped enormously by looking at the experience in Denmark and Germany, where prisoners are encouraged at an early stage to cook for themselves and undertake work that provides valuable training?

Rory Stewart: Yes, we can learn a great deal from Germany and Denmark, and indeed in some of our most successful prisons, as prisoners develop in their sentence—as they develop more skills—they are given opportunities to cook for themselves and look after themselves, and of course through the use of release on temporary licence, we can get prisoners into work while they are still in prison. This means, when they leave, they are more likely to have a job. One of the key things about reducing reoffending is making sure there is not a cliff edge at the prison door, but that for at least 10 weeks before people leave a lot of preparation goes into setting up the life they will have outside prison.

Jo Stevens (Cardiff Central) (Lab): I genuinely have sympathy for the Minister: he is the man with the shovel and brush following a horse that has been ridden by his colleague the right hon. Member for Epsom and Ewell (Chris Grayling). We have seen an award-winning public probation service turned into an unmitigated privatised disaster. The Minister did not answer the earlier question about new contracts having break clauses, which was the same question we asked in 2014, so will he confirm that any new contracts issued will have break clauses?

Rory Stewart: We will look very carefully at the contracts. Along with the issues that we will be examining, there is the issue of break clauses, but there are other issues, too. One issue that we have learned from is what happens in procurement legislation to allow us to put more money into a service if something unpredictable such as the caseload shift happens and what it takes to bring it back into the public sector. Contracts are the key to this.

Suella Braverman (Fareham) (Con): I hope that my hon. Friend does not resign, because he is doing a very good job in his post and I hope that he continues to do so. Dickson House is a probation service bail hostel in Fareham, which I have visited. The team there delivers a vital service in supporting former serious offenders and integrating them back into the community. Does my hon. Friend agree that work such as that being done at Dickson House is helping to improve reoffending rates and keep our citizens safe?

Rory Stewart: It is great to have an opportunity to pay tribute to the work of our probation hostels. Some of the people who work in them are incredibly dedicated public servants, and they often have to work with very challenged individuals. They often have enormous success in changing lives and protecting the public.

Dr Roberta Blackman-Woods (City of Durham) (Lab): I have three prisons in my constituency, and it is really tragic to see what has happened to the probation service in recent years. It is now fragmented and under-resourced, and, critically, it is not reducing reoffending. Given the indictment of the service by the National Audit Office report, is it not now time to call a halt to this privatisation experiment, return the service to the public sector and resource it properly so that it can really bring about the genuine rehabilitation of prisoners and others?

Rory Stewart: I absolutely agree that we need to resource the service properly, and I absolutely agree that we need to focus this mixed market on getting the quality of delivery, but respectfully, I disagree with the idea that the answer is simply to bring it back into the public sector. I think it needs to be a mixed market, but it needs to be a mixed market that is unified and that really focuses on reducing reoffending.

Mr Philip Hollobone (Kettering) (Con): The longer a prisoner serves in jail, the less likely he or she is to reoffend. That is simply a fact. If, under the this new system, repeat prolific offenders are more likely to reoffend—which is what the Minister has just said—why are those repeat prolific offenders being released early from their sentences in the first place?

Rory Stewart: There is an issue here of correlation and causation. It is true that people who serve 40 or 50-year sentences are less likely to reoffend, for two reasons. The first relates to the offence type. For example, murderers are generally less likely to reoffend than shoplifters. Secondly, the mere fact that they are locked away for 40 or 50 years makes it difficult for them to reoffend. Generally, short-sentence prisoners who are in for under 12 months are overwhelmingly dominated by chaotic individuals who often have drug or alcohol problems and who often commit offences such as

shoplifting. They are a much more difficult target group to deal with than the people who are locked away for 40 or 50 years.

Mr Khalid Mahmood (Birmingham, Perry Barr) (Lab): After the failure of Working Links and in the light of the National Audit Office's damning report into the implementation of Transforming Rehabilitation the first time round by the former Secretary of State—who was then promoted to the Department for Transport, proving that Conservative rehabilitation does not work—as well as continual criticism by Her Majesty's inspectorate of prisons proving that the mixed system is not beneficial to the taxpayer, why is the Minister continuing with the TR2 programme?

Rory Stewart: The first thing is to absolutely reassure the hon. Gentleman that we are looking very carefully at the responses to the consultation and listening carefully to what is being said around the House. Our response will address many of his fundamental concerns. We should see a better resourced, more unified and higherquality probation system at the end of this.

Tom Pursglove (Corby) (Con): The Minister's reply seemed to mention a £700 million underspend in the system. Will he redirect just a small part of that to Care after Combat, whose work in prisons is working and is reducing reoffending?

Rory Stewart: I pay tribute to Care after Combat's work, and the Under-Secretary of State for Justice, my hon. Friend the Member for Charnwood (Edward Argar), and I have met the organisation on several occasions. Unfortunately, as my hon. Friend the Member for Corby (Tom Pursglove) will know, when we have a £700 million underspend in the Department, that does not necessarily mean that we have £700 million available to spend on anything we like.

Diana Johnson (Kingston upon Hull North) (Lab): Following the question from my hon. Friend the Member for Kingston upon Hull East (Karl Turner), is not the real lesson from all this that the right hon. Member for Epsom and Ewell (Chris Grayling) should not be allowed anywhere near any large-scale, transformative Government projects or, indeed, near any projects, as the House will hear during the next urgent question?

Rory Stewart: No. Respectfully, that is not the fundamental lesson here. The lesson is that reducing reoffending is very complicated. The reoffending rate has been static across the developed world for nearly 50 years, and addressing that involves changing the lives of some of the most challenged individuals in society, dealing with their housing, their education and their early childhoods. Fundamentally, we need to be serious about the scale of the task.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I rise as the co-chair of the justice unions parliamentary group. Friday's NAO report identifies an inherent risk that offender managers may avoid breaching offenders when that would affect CRC performance against contract targets, and that is the unacceptable face of the profit motive undermining justice for victims and communities.

Given that the Justice Secretary has admitted as much and with probation in Wales set to come back into public management by the end of this year, what steps is the Minister taking to ensure that the future Wales probation model is properly resourced to succeed?

Rory Stewart: I am glad that the hon. Lady welcomes the decision in Wales, where it was right to bring things under a single, state-run probation system. I know that she has had the opportunity to meet Amy Rees, who is now the executive director of both prisons and probation in Wales. We will be putting in extra resources; but above all, we are relying on the fact that bringing the two things together will deliver significant efficiencies, and if we can get the through-the-gate investment right, I think the hon. Lady will be pleasantly surprised.

Bill Esterson (Sefton Central) (Lab): My constituent Sam Cook was stabbed to death last year. His killer was on licence having been released after being convicted of a similar knife offence, but the probation officer did not know how to use the IT system, so the monitoring of the killer was not appropriate to the concerns of the probation service. I have no idea how that could possibly happen, and I am sure that the Minister is the same. Will he therefore tell us what processes are in place to ensure that processes are properly carried out, that every member of staff is trained to use the system and that we never again see another young man like Sam Cook killed due to inadequate supervision?

Rory Stewart: I pay tribute to the hon. Gentleman for raising that tragic case, and I am happy to sit down with him and, indeed, the family to talk through the details. The way that we learn the lessons of every serious further offence—this happens in about 0.1% of the cases that we supervise under probation—is to conduct a comprehensive SFO review, and those lessons may be about IT, training, support or how a probation manager raises a matter with a senior probation officer. We are happy to sit down with the hon. Gentleman and the family to learn the lessons from that case and ensure that it does not happen again.

Jim Shannon (Strangford) (DUP): I thank the Minister for his responses. Some 69% of females in the judicial system have mental health problems, so how will the current probationary regulations take that disturbing figure into consideration and address it in the privatised probation system?

Rory Stewart: I am pleased to have my right hon. Friend the Secretary of State for Health and Social Care alongside me on the Treasury Bench at this point, because the question of addressing mental health needs goes to the core of the kind of collaboration that we have with the national health service. In the end, our offenders are among the biggest public health risks in the country. Their average life expectancy is 50; their suicide rate is seven times the national average; and as the hon. Gentleman says, their addiction and mental health condition rates are far higher than those of anyone else. We are working closely with the Secretary of State for Health and Social Care, because getting things right will be good for society and for individuals and, ultimately, will protect the public.

Eurotunnel: Payment

5.45 pm

Andy McDonald (Middlesbrough) (Lab) (*Urgent Question*): To ask the Secretary of State for Transport to make a statement on the payment of £33 million to Eurotunnel over no-deal ferry contracts.

The Secretary of State for Health and Social Care (Matt Hancock): I would like to update the House on the settlement that the Government have reached with Eurotunnel, which will help to deliver the unhindered supply of vital medicines and medical devices in the case of a no-deal Brexit.

The best way to ensure a smooth and orderly exit from the EU, both for the NHS and for the wider economy, is to support the deal that the Attorney General is currently finalising. Anyone in this House who cares about the unhindered supply of medicines should vote for that deal, but leaving the EU without a deal remains the default position under the law, and it is incumbent on us to keep people safe. It is therefore vital that adequate contingency measures are in place for any Brexit scenario.

Preparing for a no-deal exit has required significant effort from the NHS, the pharmaceutical industry and the whole medical supply chain, and I pay tribute to their work and thank them for their efforts on these contingency measures. The settlement struck between the Government and Eurotunnel last week is an important part of these measures. Because of the legal action taken by Eurotunnel and the legal risks of the court case, it became clear that, without this settlement, we could no longer be confident of the unhindered supply of medicines. Without this settlement, the ferry capacity needed to be confident of supply was at risk. As a Government, we could not take that risk, and I doubt anyone in this House would have accepted that risk, either. With this settlement we can be confident, as long as everyone does what they need to do, that supply will continue unhindered. Under the settlement, Eurotunnel has to spend the money on improving resilience, security and traffic flow at the border, benefiting both passengers and business.

The Department for Transport, on behalf of the whole Government, entered into these contracts in good faith. Our duty is to keep people safe, whatever complications are thrown up. Although we continue to plan for all eventualities, it is clear that the best way to reduce all these risks is to vote for the deal in the days to come.

Andy McDonald: Once again, the Transport Secretary is not in his place to answer a question directed to him. His disregard for taxpayers and this House is clear. On Friday he reached a £33 million out-of-court settlement with Eurotunnel to provide services in the event of a no-deal Brexit because the Government were going to lose the case.

The Transport Secretary's decision to bypass procurement processes in awarding a contract to Seaborne Freight, a ferry company without any ships, breached public procurement rules, and Eurotunnel had the Government over a barrel. Will the Minister now detail the total cost to taxpayers of this decision, including legal costs? How much money will be paid up front?

Eurotunnel will seemingly make Brexit-related improvements at Folkestone. Can the Minister say exactly what sort of agreement the Government have with Eurotunnel? What makes him think that this contract with Eurotunnel will not be challenged on anti-competition grounds? A former Department for Transport adviser said:

"there is a risk it could be construed as another piece of public procurement without open and transparent competition."

That would risk further legal action and yet more public money being squandered.

Even in this golden age of ministerial incompetence, the Transport Secretary stands out from the crowd. He leaves a trail of destruction in his wake, causing chaos and wasting billions of pounds, yet he shows no contrition, no acknowledgment of his mistakes and no resolve to learn and improve. He is now ridiculed in *The New York Times*. The mayor of Calais has banned him from his town. The Transport Secretary has become an international embarrassment. The Prime Minister is the only person in the country who retains confidence in this failing Transport Secretary, and she does so only because of her own political weakness. The public deserve to know: how many more calamities is the Prime Minister prepared to tolerate? How many more billions of pounds will she allow him to waste before saying, "Enough is enough"? This country cannot afford this Transport Secretary. He should be sacked without delay.

Matt Hancock: In listening to that, I notice that the hon. Gentleman did not disagree with the decision we made on Friday. That decision was to ensure that we have the ferry capacity in place so that whatever happens in the Brexit scenario we can have the unhindered supply of medicines. That is the duty of this Government and that is why the whole Government came to this decision. He asked some specific questions, which I answered in my statement. However, let me reiterate: this is a legal settlement with Eurotunnel; the maximum cost is £33 million, as was set out clearly on Friday; and the purpose of the decision is to ensure that unhindered flow of medicines. So, as I said in my statement, the purpose of this is to make sure that whatever happens in Brexit people can be safe. I was happy to support that decision, which everybody in this House would have made in the same circumstances.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): Many of my constituents are concerned about the supply of medicines after Brexit. What reassurance can the Secretary of State give me that the supply of medicines to harder-to-reach places such as Scotland will continue after we leave the European Union?

Matt Hancock: My hon. Friend is absolutely right to ask about the unhindered supply of medicines. The first thing he can do to ensure that that supply continues, with no risks to it, is to support the deal in the meaningful vote, as he has done before. Secondly, we are working with all parts of the country and with the devolved authorities on this. Although ensuring that we have these supply chains in place in any Brexit scenario is a UK Government matter, we are working with the devolved Administrations, especially to ensure that the flow reaches all parts of the country.

Alan Brown (Kilmarnock and Loudoun) (SNP): I wish to echo the question: where is the £2.7 billion man? I have asked him to step aside several times, I have

challenged the Prime Minister to sack him and now he has his own social media hashtag—FailingGrayling. Surely now is the time he has to go.

Apparently, we hear that this is not compensation for Eurotunnel but a contract for vital services. If they were so vital, why did it take Eurotunnel going to court to get a contract? Why was Eurotunnel overlooked in the first place? The secrecy on this is a real concern. How much documentation is still hidden away from public view? If the no-deal contract is not invoked, how much money will still be paid to Eurotunnel? Why on earth would the Health Secretary entrust the transportation of life-saving medicines to the Transport Secretary?

Bechtel is set to sue the Government over the HS2 tender process. What other departmental procurement risks still exist? After his efforts at the Ministry of Justice cost us £600 million, the Transport Secretary has allowed Virgin Trains East Coast to walk away owing £2 billion; he has blamed Network Rail for mishaps when he is in charge of the organisation; and he has culpability for Southern rail, for the £38 million Northern rail timetable fiasco and for the £800,000 ferry due diligence contract, where due diligence was not carried out on the company with no ships. He has tried to argue that the Seaborne fiasco has not cost the taxpayer any money. Only for this Transport Secretary can this £33 million be just the tip of a financial iceberg. What does it take for him to be sacked—or to do the decent thing and walk away?

Matt Hancock: Unlike in the question from my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont), what I did not hear in the hon. Gentleman's long question was a statement about whether he supports the decision or not. I think that is because he does support the decision to ensure we have what we need to get the unhindered supply of medicines. More than that, he and his Scottish National party friends complain endlessly about a no-deal Brexit, yet they do not do what is needed to avoid a no-deal Brexit, which is to vote for the deal.

Mr Kenneth Clarke (Rushcliffe) (Con): It is always a pleasure to see my right hon. Friend the Secretary of State for Health and Social Care, although rather a surprising one on this occasion. The usual reason for settling an action is to minimise your losses when you are obviously on a loser in defending it, but I am relieved to hear that this was done in order to ensure the safety of medicines. As we are on that subject, can he give me some reassurance about the long-term future for the regulation and approval of medicines in this country? If and when we leave the EU—we look as though we are bound to do so—we of course leave the European Medicines Agency, which is leaving this country, and I am not clear what our long-term arrangements will be. Are we going to seek some association with the EMA system, or will we be setting up a totally new British system to replace it? Can he guarantee continuity of the proper regulation of medicines while that process is under way?

Matt Hancock: The short answer to that is yes. The medium length answer is that we will ensure that medicines can be licensed in this country with no further burdens than under the EMA system by matching some of the

EMA processes, but in a no-deal scenario we would also be looking to introduce our own processes so that some medicines could be brought and licensed here before they could be licensed in Europe. Indeed, changes to this area is one of the examples of advantages from Brexit, which I am sure my right hon. and learned Friend will be delighted to hear about, because they mean that we can grasp some of the opportunities that the future of medicines presents. The long answer is so long that I will be happy to write to him with full details and place a copy of the letter in the Library of the House.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): There is something quite wrong here. I have been in the House for quite a few years—usually people say, “Too long,” but I have been here a long time. This almost seems to be an abuse of the House. The fact is that the Opposition asked for an urgent question on the Eurotunnel payment of £33 million. I do not know what £33 million means in Suffolk, but in Huddersfield it would make a hell of a difference in regenerating our local economy. I am not calling for the Transport Secretary's resignation because he is a symptom of something deeply wrong with this Government. They are totally incapable of arranging their policies ready for Brexit. That is the truth of the matter. There is total chaos on the Government Benches because they had not predicted what was going to happen with Brexit, and they are showing no ability to cope with post-Brexit conditions, what is happening in the Eurotunnel and so on.

Matt Hancock: The hon. Gentleman is normally a sensible man, but I could not disagree with him more on this one. The point of this settlement is to ensure that we have the unhindered supply of medicines, so that, whatever the Brexit scenario, people can get their medicines. This was a cross-Government decision and I am here, as the Health Secretary, because it is medicines that will be carried on these ferries. If the court case had gone against the Government and the court had struck down these contracts, we would not have been able to be confident about the supply of those medicines. I think it is incumbent on any Government to ensure that they can deliver that. There is something else we can do to deliver the unhindered supply of medicines and he can do it too; it is within his gift—he can vote for the deal.

Mr Marcus Fysh (Yeovil) (Con): I welcome my right hon. Friend's sensible contingency planning for any eventuality, but may I highlight that it is important to focus on all the routes across the channel and everything related to that? Although it is good that Eurotunnel is being focused on, it is worth looking at the transit system as a way to smooth the procedures on the main ferry routes across the channel also.

Matt Hancock: Yes, and that is exactly what these contracts, with which we can now proceed because of the settlement, do. Essentially, they provide for more capacity away from Dover-Calais so that medicines can be routed into the UK and, indeed, onwards to Ireland through other routes. They allow for that. I am glad of my hon. Friend's interest in this matter and hope he will vote for the deal.

Lilian Greenwood (Nottingham South) (Lab): The Secretary of State for Transport may have ducked today's questions, but I am pretty sure that my Committee will still require his answers. If there is a Brexit deal or, indeed, if there is no Brexit, how much of our taxpayers' £33 million do the Government expect to recover from Eurotunnel?

Matt Hancock: Of course, the medicines are going on these boats that we are procuring and that makes this a serious health matter. The hon. Lady is perfectly within her rights to ask these sorts of questions. The truth is that the £33 million is the maximum figure. It may not be as high as that, but we have been clear about the full exposure.

Damian Green (Ashford) (Con): If we can essay a transport-related question, could my right hon. Friend give me some assurance that the extremely important cross-channel rail link will continue as it is now, under any circumstances, after 29 March? On the medical front, can he say what steps his Department has taken on radioactive isotopes and particularly important medicines? I have constituents who are very concerned about that.

Matt Hancock: Of course, we very much hope that the train will also continue to operate as now and we have received such assurances. When it comes to radioisotopes, we have also procured flights and aircraft capacity to ensure that those goods and those parts of the medical supply chain that need to be brought in faster and cannot be stockpiled can also be brought through.

Tracy Brabin (Batley and Spen) (Lab/Co-op): Can the Secretary of State tell us precisely how much of the £33 million being paid to Eurotunnel is being contributed by the Department of Health and Social Care?

Matt Hancock: This was a cross-Government decision. It is all taxpayers' money, at the end of the day.

Mr Marcus Jones (Nuneaton) (Con): It is important that people with long-term health conditions are reassured that they will have access to the right medicines, so my right hon. Friend is right to make sure that there is proper access across the channel. What are the pharmaceutical companies doing to keep a greater stock of reserves over and above those that they usually hold?

Matt Hancock: We have a multifaceted approach to making sure that we have an unhindered supply of medicines, and stockpiling is of course another important part of that. The vast majority of the 12,300 medicines that are commonly used in England can be stockpiled. For those that can be stockpiled, we asked for a six-week stockpile to be put in place, and we have plans in place for almost all of those. For the very small number remaining, we are putting plans in place right now. We are doing all that with the confidence that by the time we get to 29 March, so long as everybody does what they need to do between now and then, we will be able to have confidence in that unhindered supply.

Joanna Cherry (Edinburgh South West) (SNP): The Secretary of State is making the mistake of insulting the intelligence of those of us who have been pursuing this issue for the past two months. What happened on

Friday was nothing to do with the unhindered supply of medicines: it was an out-of-court settlement to avoid the British Government's being found in breach of the law of competitive tendering. Will the Secretary of State confirm that even in the event of a deal, not a penny of that £33 million will be recoverable, because it is not for a contract but for an out-of-court settlement to avoid a finding that his Government were in breach of the law?

Matt Hancock: On the contrary: this is all about the unhindered supply of medicines, because that is what we will be doing with the boats.

Vicky Ford (Chelmsford) (Con): I do not know when you last travelled through the channel tunnel, Mr Speaker, but when I came back on Saturday 5 January there was complete chaos at Calais, with miles of queues and hours of delays, so I am glad that Eurotunnel is going to improve its investment in our borders and security. Will the Secretary of State confirm that if the money is not spent on improving our borders and security, it will be paid back to the taxpayer?

Matt Hancock: I can go even further than that: it will not be paid over unless it is being spent on security, resilience and other measures, so we will get some of the improvements that my hon. Friend seeks.

Steve McCabe (Birmingham, Selly Oak) (Lab): With all due respect to the Secretary of State for Health and Social Care, surely the House and the taxpayer are entitled to hear today what the main mistake made by the Secretary of State for Transport was that has resulted in this unnecessary pay-out of £33 million. Where does this latest shambles rate in the Secretary of State for Transport's top 10 catalogue of ministerial mishaps?

Matt Hancock: Frankly, I do not think we should really pay much heed to such a statement, rather than a question, unless the hon. Gentleman is going to vote for the deal as well.

Kevin Foster (Torbay) (Con): It is always a bonus to see my right hon. Friend the Secretary of State for Health and Social Care at the Dispatch Box answering questions, particularly today. On the deal and making sure that we have a secure supply of medicine, will he reassure me that he will continue to ignore some of the noise and party political point scoring and focus on making sure that the NHS can function in whatever circumstances it faces after 29 March?

Matt Hancock: There is a notable difference in tone, is there not, between those who care about ensuring that people get the supply of medicines in future, and those who want to make political points out of it but do not oppose the decision we are discussing.

Layla Moran (Oxford West and Abingdon) (LD): I find this utterly extraordinary, because in the Public Accounts Committee hearing on this matter, the permanent secretary said:

"I am confident that our process was lawful, and obviously the Department and I acted on legal advice in determining how to take that process forward".

If we were so confident in that legal advice, why was this settlement reached at all? Actually, is this not an admission of a catastrophic failure in stakeholder management?

Matt Hancock: No. It is clear that we needed to ensure that there were no risks around the two contracts for the capacity that we need to bring in an unhindered supply of medicines, whatever the Brexit scenario. I do not know whether the hon. Lady thinks it would have been worth bearing the risk of a court case, which may well have struck down the capacity to make sure that people who have serious and life-threatening conditions can get the medicines that they want. She implied that she was against such assurances, and I think that would have been a mistake.

Neil O'Brien (Harborough) (Con): I support the withdrawal agreement—it is a good deal—but I also support our being ready for no-deal eventualities. I was reassured by the Secretary of State's answer to the question from my hon. Friend the Member for Nuneaton (Mr Jones) about stockpiling medicines that can be stockpiled, but for those that cannot be stockpiled, what action is the Secretary of State taking to be sure that they can be air-freighted rather than have to come through the tunnel?

Matt Hancock: My hon. Friend is quite right to support a deal and the action that we have taken in case there is no deal. That is the position that anybody who cares about the unhindered supply of medicines should take. When it comes to those medicines that cannot be stockpiled, we have contracts for flights to ensure that those medicines can be flown in. We have in place a flight from Birmingham to Maastricht, and the return journey, obviously, to ensure that we can get those short-term medicines in.

Diana Johnson (Kingston upon Hull North) (Lab): This must be making parliamentary history this afternoon. We have two urgent questions about the same incompetent Minister causing mayhem and chaos in two different Departments and he does not even have the face to come here and front it out—and we are left with Hancock's half hour! Let me ask the Secretary of State for Health and Social Care: is any of the £33 million going to be reimbursed from his budget to the Department for Transport?

Matt Hancock: This was, of course, a cross-Government decision, which is why I am here. It is the medicines that will be using that capacity. In the Hancock family, we are very proud of "Hancock's Half Hour", and we thought that Tony was a very funny man.

Mr Speaker: It is worth pointing out that that Hancock was deliberately funny.

John Howell (Henley) (Con): The Secretary of State has talked about medicines, but there are also prescribed foods—for example, the gluten-free food on which some people depend. What will the situation be for those foods?

Matt Hancock: Of course that matters enormously, too. Although medicines are the category 1 prioritised goods that will be using the extra procured capacity

safeguarded by this settlement, there are other measures being undertaken by the Department for Environment, Food and Rural Affairs to protect the supply of foods.

Paula Sherriff (Dewsbury) (Lab): That £33 million would pay the annual salary of 118,000 nurses, and God knows we need them. The NHS has 40,000 nursing vacancies in the NHS in England. Does the Secretary of State for Health think that the cost of the latest blunder of the elusive Secretary of State for Transport is money well spent?

Matt Hancock: Well, I do think that it is very important that we spend what is necessary in order to have the unhindered supply of medicines. *[Interruption.]* The hon. Lady shakes her head, but would she, in these shoes, put at risk the unhindered supply of medicines? Of course she would not, so she must agree with me that this was the right decision to take.

Tom Pursglove (Corby) (Con): My right hon. Friend has dealt with the channel aspect, but one of my constituents, Jeff Screeton, has a small business that specialises in small-scale freight on domestic passenger rail services. That includes medical items, particularly items that need to move quickly. Might he be interested in this work, particularly from the domestic transportation side of this contingency planning?

Matt Hancock: Yes, I would be very happy to talk to my hon. Friend about that business.

Graham Stringer (Blackley and Broughton) (Lab): This expenditure is only necessary because of the sheer incompetence of the Secretary of State for Transport. I have sat and listened to him in this Chamber and listened to him in the Transport Committee, and after every fiasco his defence is that it has not cost the Exchequer any money. The fact is that this has cost the Exchequer £33 million. Has he not run out of runway and should he not resign?

Matt Hancock: No, the decision to settle this case in order to provide for the unhindered supply of medicines, which I am sure that, like me, the hon. Gentleman, agrees is important, was the correct judgment and the correct decision, because we need to make sure that we keep people safe.

Dr Matthew Offord (Hendon) (Con): Although it can never be comfortable to give a settlement to any organisation, I have to agree with the Father of the House, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), that it is better to draw a line under this and move on. *[Interruption.]* The hon. and learned Member for Edinburgh South West (Joanna Cherry) is chuntering. I shall have to defer to her knowledge of losing cases in the legal courts. Can the Secretary of State tell me whether it is correct that Eurotunnel has said it will use this money to provide increased resilience at the Dover port?

Matt Hancock: Yes, my hon. Friend is correct. He makes a broader point: people watching these proceedings, people who have serious illnesses, and people who rely on medicines every day to keep them alive will be amazed by those Members who will not vote for the deal and therefore make a no-deal exit more likely, and by those Members who just cause political noise rather

[*Matt Hancock*]

than admitting that, in the circumstances, they too would have settled this case. We are hearing a lot of that from those on the Opposition Benches. On the Government Benches, however, we are hearing from Members who care deeply about making sure that people get the medicines that they need.

Justin Madders (Ellesmere Port and Neston) (Lab): Does the £33 million include all the possible expenditure under this agreement, or are there any additional costs, such as legal fees, that need to be added on top? If there are, how much are they?

Matt Hancock: The settlement is £33 million. Of course, there are lawyers, and legal time was also needed inside the Department. That happens all the time in order to try to make sure that we can keep people safe, which is the whole purpose of this exercise.

Alison Thewliss (Glasgow Central) (SNP): The reality is that the Secretary of State is engaged in deflection. We are now in a situation where this country risks running out of vital medicines for each and every one of our constituents because of this Government's relentless pursuit of a no-deal hard Brexit that will ruin this country. Is it not the case that this money that we are having to pay out is emblematic of the chaos in this Government and the incompetence of this Government and that our constituents will go without medicine because they cannot get their act together?

Matt Hancock: If the hon. Lady really, really believes what she just said, it is incumbent on her to vote for the deal.

Jo Stevens (Cardiff Central) (Lab): The Health Secretary really is taking one for the team in this urgent transport question. Incidentally, where is the Transport Secretary?

Matt Hancock: The Transport Secretary is working hard on making sure that we can improve the transport system.

Nic Dakin (Scunthorpe) (Lab): And the Secretary of State almost said that with a straight face. What went wrong and who is taking responsibility for it?

Matt Hancock: This is a cross-Government decision. The purpose of this settlement was to ensure the unhindered supply of medicines. I am the Health Secretary and it is my job to do everything that I can, in all circumstances, to ensure that there is that availability of medicines. I am sure that, whatever the Brexit scenario, the hon. Gentleman's constituents who need medicines would rather that we made this settlement to ensure that we have the confidence that we can deliver that.

Dr Roberta Blackman-Woods (City of Durham) (Lab): I have recently been to see the Secretary of State for Education to lobby him for desperately needed resources to rebuild schools in my constituency and I was told that there is no money. Can the Secretary of State tell me how incompetent I need to be to walk away with £33 million for my constituents?

Matt Hancock: I am sure that the hon. Lady's constituents will need to be confident that there is medicine for them, whatever the scenario is under Brexit, and that is what this settlement is all about.

Ronnie Cowan (Inverclyde) (SNP): Is the Minister aware of the number of healthcare companies that are reluctantly extending their bank credit so that they can stockpile goods and components because of the lack of forward planning by this Government? What can he do to help those companies and also to help the banks that have to lend on longer terms than they normally would have an appetite for?

Matt Hancock: I mentioned in my statement that the pharmaceutical industry has stepped up to the plate and acted extremely responsibly in order to put in place the stockpiling that is necessary for a contingency in the event of a no-deal Brexit. All of us in this House can do something about the potential of a no-deal Brexit: we can vote for the deal.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I know that the Health Secretary dreams of being Prime Minister, but to his great surprise, and to ours, he woke up as the Transport Secretary's fall guy this morning. Trying to explain to constituents what is happening in this place is really hard. Trying to explain why a Transport Secretary has not been fired or has not resigned for effectively taking a decision that has lost the taxpayer £33 million is really difficult. Why is it that the Health Secretary cannot get up and simply apologise for the Transport Secretary's error here? It would go such a long way to restoring confidence in politics. At the moment, this shows Parliament and the Government at their very, very worst.

Matt Hancock: I think I have mentioned that the point of this settlement was to ensure the unhindered supply of medicines, which is very much a matter for me as Health Secretary. People watching these proceedings will also be astonished that the Labour party can argue against a settlement such as this when it is refusing to vote for the deal that could ensure that we have a smooth and orderly exit and that the plans and the contingency plans for a no-deal Brexit are not necessary. Mr Speaker, the hon. Gentleman should vote for the deal, too.

Carol Monaghan (Glasgow North West) (SNP): I do not know what is more embarrassing: that the Secretary of State has the brass neck to sit there this afternoon, or that his entire Front-Bench team are nodding along with his "Jackanory" stories.

Since the Secretary of State insists that this is about the supply of medicines, I am going to ask him, for the second time in a fortnight, about radioisotopes. Last time he said that there was no problem because we could fly them in. Can he now tell us how we can get radioisotopes supplied to us if we are not a member of Euratom?

Matt Hancock: Access to radioisotopes is precisely through the aviation route—that is exactly what I said to the hon. Lady last time, and I say it to her again today.

David Hanson (Delyn) (Lab): Was the Secretary of State for Transport advised by any officials that his decision to award a contract to Seaborne Freight would result in a challenge in the courts by Eurotunnel?

Matt Hancock: This is not linked to the Seaborne Freight contract; this is about ensuring that the contracts that are in place are able to deliver the unhindered supply of medicines in whatever Brexit scenario.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I do not know about you, Mr Speaker, but I think this is the worst “Hancock’s Half Hour” I have ever seen—and it is in colour for the first time. The Secretary of State, in response to the hon. Member for Middlesbrough (Andy McDonald)—I am grateful to him for securing the urgent question—advised the House that he has been speaking to the devolved Administrations. When did it come to pass that the Government of the United Kingdom of Great Britain and Northern Ireland have to discuss out-of-court settlements to get medicines with the devolved Administrations?

Matt Hancock: I am not sure that the hon. Gentleman had a question in there, but all I will say is that of course discussing the supply of medicines with the devolved Administrations is important, to ensure that those supplies reach all parts of the UK. The devolved Administrations support the wish to ensure that we have in place the capacity to deliver that unhindered supply, and I think that he should support that too.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP) *rose*—

Douglas Chapman (Dunfermline and West Fife) (SNP) *rose*—

Mr Speaker: I call Drew Hendry.

Drew Hendry: The streak continues, Mr Speaker.

I am going to be more charitable to the Government, because I think they blatantly realise that having no Secretary of State for Transport is infinitely better than having the one they have got. We have listened to the Secretary of State for Health and Social Care’s fairy tale about medicines today, but will he at least have the decency to admit that £33 million is a lot of money, especially to people facing hardship on universal credit, the disabled and the low-waged?

Matt Hancock: It is very important that we always remember that this is taxpayers’ money. One of the duties of Government is to use taxpayers’ money to keep people safe, and that means having an unhindered supply of medicines, which is what we on the Government Benches are working so hard to deliver.

Douglas Chapman: This is not about the deal; this is all about incompetence at Government level, with £50 million for the original no-ships contract and a further £33 million in legal compensation to clear up the Eurotunnel mess. Now that the Government have found the magic money tree, how much is coming to Scotland, since we actually have ferries that we want to run?

Matt Hancock: I find it astonishing that Members on the Opposition Benches continue to make the case that this is not about medicines; it is all about medicines, because that is what we are going to be putting on this capacity in the event of a no-deal Brexit. It is about ensuring that, whatever happens on Brexit, people can still be safe. That is why this cross-Government decision was the right one to take. I think it is the same decision that anybody in the House would have taken were they in this place.

Several hon. Members *rose*—

Mr Speaker: Points of order are flowing from this urgent question and, exceptionally, I will take them, if they are relatively brief.

Andy McDonald: On a point of order, Mr Speaker. I seek your guidance. This is now the second time that I have tabled an urgent question asking the Transport Secretary to come to the House and respond. We are told that he is busy—presumably pouring more money down the drain. Should he not be here, and what can you do to secure his attendance?

While we are at it, will the Secretary of State for Health and Social Care come to the Dispatch Box and explain that he has inadvertently misled the House by saying that this has nothing to do with Seaborne Freight? It has everything to do with that contract. That was the reason Eurotunnel took the Government to court in the first place. He must put the record straight.

Mr Speaker: I am grateful to the shadow Secretary of State for his point of order. As he will know, the choice of Minister to respond to an urgent question is exclusively a matter for the Government. For example, it is commonplace for somebody other than the Secretary of State to appear. It is not altogether uncommon for a Department other than that at which the question was tabled to field a representative to respond. I recognise that it is relatively unusual for the Secretary of State in the Department questioned not to appear, and for someone who rejoices in the seniority of Secretary of State in another Department to appear instead, but we should never underestimate the enthusiasm, stoicism and commitment to regular performance in the Chamber of the Secretary of State for Health and Social Care, and he has demonstrated that again this afternoon. Colleagues will form their own assessment of how he has batted at the wicket of the governmental team.

As to what the Secretary of State said about the question not being about Seaborne Freight, I think I will say that he has placed his own interpretation on the matter, and colleagues will form their own assessment. I thought that most of the inquiries were about legal action flowing from the cancellation of the contract, but the Secretary of State does have a legitimate public policy interest in the matter, both as a member of the Government and because of his regard for the safe delivery of medicines. Some people will think that he was absolutely right, and others will think that his interpretation of matters was a tad quirky, but nevertheless he has offered us his own assessment and colleagues can now assess it at leisure, possibly over their tea.

Layla Moran: On a point of order, Mr Speaker. In reply to my question, the Secretary of State said:

[Layla Moran]

"I do not know whether she thinks it would have been worth bearing the risk of a court case, which may well have struck down the capacity to make sure that people who have serious and life-threatening conditions can get the medicines that they want. She implied that she was against such assurances".

I did no such thing, and you were here to hear it, Mr Speaker. I asked very specifically why we no longer have confidence in the legal advice that the permanent secretary herself told the Public Accounts Committee she did have confidence in. I do not take particularly kindly to men putting words in my mouth, so I wonder what recourse I have to get a retraction.

Mr Speaker: The hon. Lady has made her point with considerable force and alacrity, and I have no doubt whatever that she is totally sincere, because she came up to the Chair to register her displeasure. I think that the Secretary of State was mildly carried away with the theatricality of the occasion, and he is very accustomed to jousting from the Dispatch Box. Ordinarily I have found him a most good-natured individual, so I think it unlikely—very unlikely indeed—that he would willingly impugn the integrity of a very committed and conscientious Member of Parliament in the hon. Lady, because at heart he is a very gracious chap. He may well wish to proffer an apology to her—[*Interruption.*]

Matt Hancock: Come on then. Further to that point of order, Mr Speaker. The first thing to note following these points of order is that—

Mr Speaker: Order. I am not inviting the Secretary of State to give a sort of general response, in the style of a Second Reading debate, to everything that has been said. If he wants to respond in relation to personal offence being taken, he can. That would be appreciated.

Matt Hancock: The point I was making, Mr Speaker, which I think I made a few times, is that those who care about having unhindered supply of medicines should vote for the deal, because that is the best way to ensure that people can be kept safe. That is all that I was implying by my comments.

Mr Speaker: Well, the Secretary of State has said what he has said, and colleagues will make their own assessment of it. I thank him for coming to the Dispatch Box.

David Hanson: On a point of order, Mr Speaker. The Secretary of State said in response to me a moment ago that the Seaborne Freight issue was nothing to do with this contract and the payment of £33 million to Eurotunnel, but it self-evidently and centrally is. Could you give me some advice as to how we can ensure that Ministers at the Dispatch Box who do not have departmental responsibility are better briefed and/or that the real Secretary of State comes to this House to answer legitimate questions on factual matters about which this Secretary of State does not know?

Mr Speaker: I think that the right hon. Gentleman's question was more rhetorical than not, and there was not really a question mark at the end of it. I can only say, for my own part, that when discharging my duties to the best of my ability this morning, I was rather under the impression that the urgent question was

about the cancellation of the contract on account of legal action and that it was to do with Seaborne Freight. It may be that my interpretation was notably eccentric, but I do not think so. I think I was pretty clear what it was about, and that my assessment was shared by the team that accompanies me at the 12 o'clock meeting on a Monday morning.

Matt Hancock: On a point of order, Mr Speaker. You are an esteemed and eloquent Member of this House, as you often say to us, and you have just made a comment about what this case was about. Can I be very clear? The reason we settled this case, as I said to the hon. Member for Middlesbrough (Andy McDonald), was to ensure that the freight capacity purchased from DFDS and Brittany Ferries continues, in order to have the unhindered supply of medicines. That is what the settlement was about.

Mr Speaker: No, no—I am not arguing the toss with the Secretary of State. I said earlier that he placed his own interpretation on what he judged to be the gravamen of the matter. That the question was about the cancellation of the contract and that it was about Seaborne Freight is, I think, so manifestly clear as to brook no contradiction by any sensible person. That it also related to the delivery of medicines is a perfectly arguable point. The Secretary of State has made his own point in his own way, and if he is satisfied with his own efforts and goes about his business with an additional glint in his eye and spring in his step, then I am very happy for him.

Alan Brown (Kilmarnock and Loudoun) (SNP): Further to those points of order, Mr Speaker. You take pride in being a Speaker who is very generous in allowing urgent questions to be asked. The whole reason for urgent questions is so that parliamentarians, particularly Back Benchers, can hold the Government to account. It is quite clearly frustrating today that, yet again, the Transport Secretary, who is culpable for this mess, has not come to answer the questions. We have a stand-in Health Minister who has parroted two lines in response to every question that has been asked: first, "This is about medicines"; and secondly, "If you don't like it, back the deal." That is palpable nonsense, and it makes a mockery of urgent questions that are to hold the Government to account. I also know that, as a parliamentarian, if I submit written parliamentary questions on this scenario, the answers will come back saying "commercial confidentiality", and I will not get any clear information. I am asking for guidance, Mr Speaker, on how we get real information out of this Government when they are trying to shroud everything in secrecy.

Mr Speaker: On the matter of secrecy, the Government will make their own judgment about what constitutes commercial confidentiality, and every Government are entitled to do that. More widely, I would say to the hon. Gentleman that he has a number of recourses. He has, potentially, access to freedom of information legislation like any citizen. As for as the business of the House, it is open to him and to others to table written questions—not necessarily an isolated question but potentially a series or, if necessary, several series of questions. It is open to Members to put oral questions to Ministers. It is open to them to apply, as happened today, for an urgent question. It is open to them also to seek debates under

the auspices of the Backbench Business Committee or, in certain circumstances that commend themselves to the Chair, under the terms of Standing Order No. 24.

I understand that the hon. Gentleman—I mean this very sincerely and, not least, for the benefit of those who are listening to our proceedings—is disquieted, not to say irritated. However, I suppose I am making the point that I have often made to Members on both sides of the House, including, some months ago, to the hon. Member for South Leicestershire (Alberto Costa), who very sagely took my advice last week: persist, persist, persist. That is the essence of success in parliamentary endeavour—not to make a point once but to pursue one's goal on a continued, indefatigable, and, if necessary, remorseless basis. I think that the hon. Member for Kilmarnock and Loudoun (Alan Brown) has become accustomed to such an approach over the past four years in which he has served as a Member of the House.

I thank the Members who have raised points of order and the Secretary of State for proffering his replies. We will have to leave it there for today.

Stronger Towns Fund

6.35 pm

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): With permission, Mr Speaker, I would like to make a statement on the work the Government are doing to support our towns.

Last week, my right hon. Friend the Prime Minister informed this House that the Government would launch a new fund to help our towns to grow and prosper. Today, I am delighted to confirm further details of our new stronger towns fund—a £1.6 billion fund in England, between now and 2026, to help our towns to grasp the opportunities available to them in the years to come. The British people, supported by the balanced, long-term approach taken by this Government, have worked hard to rebuild the economy after the debts we inherited in 2010. As a result, we have seen strong and consistent growth, but we want to make sure that the benefits of that growth help to support towns across the country. The country voted for Brexit—communities expressing their desire to see change in their local areas. That must be a change for the better, with more opportunity and greater control.

It is important to remind all Members that as we move to support our nations and regions to take control of their own economic destiny, we do not start with a blank slate. Since 2010, seven city regions in England have elected metro mayors, with an eighth to follow in May. We created the local growth fund and devolved it to local enterprise partnerships across England to invest in their priorities for growth. We have agreed, jointly with devolved Governments and their local authorities, city and growth deals, including in Cardiff capital region and in Glasgow and the Clyde valley, with billions of pounds of additional funding. Our modern industrial strategy sets out a clear plan for the future that puts places at the heart of our ambition to create an economy that works for everyone.

But we know there is more to do. That is why we are in negotiations with other parts of the UK on more deals, including in Belfast and in Derry/Londonderry. It is why we are agreeing local industrial strategies with all places in England to get, for the first time, a real, long-term sense of what their local economies could look like in 30 years' time. Our new stronger towns fund will build on that approach and extend our principles of devolution further, out to the towns that our success was built on. Through this, we will ensure that we spread opportunity more widely so that every community can benefit from our economic prosperity. It will be used to create new jobs, help to train local people and boost growth, with communities having a say on how the money is spent.

Today, I have published notional allocations of £1 billion of the fund. I have allocated that amount based on need. I have looked at the relative productivity, income and skills levels, and targeted more funding to those places with levels that are lower than the average, ensuring that local towns can access the funding needed to support productivity growth. Given that we all know that pockets of deprivation exist even in our most successful local economies, I have made sure that we take into account such very localised economic conditions. We will work with local areas to explore town deals that unlock local potential, investing in places and investing in people.

[James Brokenshire]

Today, I can therefore confirm initial allocations of £583 million to towns across the northern powerhouse, £322 million to those in the midlands engine, and £95 million across the south. The remaining £600 million will be invested following a competitive process that I invite all towns to take part in. I will publish a prospectus, which will include further details of the process, and I am keen to encourage high-quality, ambitious bids.

The message today to all Members who serve our towns is that we want those who know these places best—community leaders, local businessmen and women, civic leaders and others—to begin to think about the investments that could build on their heritage, improve productivity and boost the life chances of all their people and to bring those into a coherent plan that sets out a positive vision that people living there can rally behind and play a role in making happen.

As a Government, we have set out the value of investing in infrastructure, people, business and ideas in our industrial strategy, and we want each place to tell us the balance between those priorities for their town. We also want our local institutions to be involved. No one knows towns better than the local councils that serve them, and we want to ensure that local enterprise partnerships and mayoral combined authorities take a leading role. The Business Secretary and I are working with them on the development of local industrial strategies across England. LEPs and MCAs should play a guiding role to ensure that the plans of individual towns across a functional economic area are joined up, so that the overall strategy is greater than the sum of its parts. After all, we know that the success of many of our towns is intrinsically linked to the success of those around them.

Today's announcement is also about our commitment to the whole Union. The Government will seek to ensure that towns in Wales, Scotland and Northern Ireland can benefit from the stronger towns fund. This will build on the success of our city and growth deal initiatives. Today, we extend our approach to devolution and make a new offer to towns and the millions of hard-working people who live in them to set their own futures.

Finally, I want to impress on the House what the prize at stake is: people coming together, the public and private sectors working with their communities to set out what their towns can be if everyone pulls together and works together, and the steps it will take in the short term to make that vision happen. The stronger towns fund is this Government's offer to help make that become a reality.

My right hon. Friend the Member for Harlow (Robert Halfon) is spearheading plans in his constituency, and other towns, such as Blackpool, are bursting with ideas. So many people who care so much about the towns in which they live are passionate to see that their potential is fulfilled, harnessing the strength of place and identity and unlocking the potential of all parts of our proud United Kingdom. I share that ambition and am intent to see that, as we look to the future, all parts of our country play their part and no one is left behind. This fund is part of helping to achieve that, and I commend this statement to the House.

6.42 pm

Andrew Gwynne (Denton and Reddish) (Lab): I thank the Secretary of State for advance sight of his statement, but we should call this out for what it is. This supposed funding boost is a pittance that will do little compared with the billions that his Government have already cut from our local communities. It will do little to reverse the damage that they have inflicted in each and every region. The reason that many of our towns are struggling is a near decade of politically imposed cuts, including to council funding and public services, by this Conservative Government. No one should be hoodwinked by such a shameful and pitiful attempt to gain support for the Prime Minister's botched withdrawal agreement.

The fact is that between 2010 and 2020, councils will have lost 60p out of every £1 that the Government provide for services. Why has the Secretary of State cut 60p in every £1 from local government? Why did he not announce a reversal of that cut today, considering that it has left local services facing a funding gap of £3.2 billion? By 2025, the gap facing our local councils will rise to £7.8 billion.

If that was not bad enough, at a time when the Government should be reinvesting in our most deprived areas, they are instead cutting them even harder. Nine of the 10 most deprived councils in England have seen cuts of almost three times the national average. With such policies, does the Secretary of State believe that his party is truly showing itself to be the party for the few and not the many, or is this, as many of us suspect, a thinly veiled effort to mask its near decade of failure?

The Secretary of State says that he has taken deprivation into account when considering the allocation of this fund. That is baffling, because earlier in oral questions he again refused to say that deprivation would be included when considering the local government settlement. Why is deprivation rightly included in this fund but not the fair funding formula review? He mentioned Blackpool, yet Blackpool—the most deprived area in England—has seen a cut in spending power of more than £45 million this decade. That is more than the £40 million a year that the entire north-west of England will get from this fund.

Compared with the cuts that the Conservative Government have inflicted on our local communities across the country, this funding announcement is a drop in the ocean. We have seen cuts in spending of £7.3 billion over the past decade as a result of nine years of austerity. Even if we are being favourable to Ministers, the Government's enticement is £5.7 billion short of the cuts that they have already inflicted. It is £434 million short of the damage they have caused to the east of England; £405 million short of the damage they have caused to the east midlands; £505 million short of the damage they have caused to the north-east; £1.18 billion short of the damage they have caused to the north-west; £353 million short of the damage they have caused to the south-east; £273 million short of the damage they have caused to the south-west; £709 million short of the damage they have caused to the west midlands; and £735 million short of the damage they have caused to Yorkshire and the Humber. What does the Secretary of State have to say to local people in regions for which this money still leaves a massive shortfall of hundreds of millions of pounds?

The funding promised by the Secretary of State over the next seven years does not even get close to matching the amount that regions have received from the European Union over the last seven years through European regional development and social funding. This package is £642 million a year short of the money that English regions would have received, and that is despicable.

This announcement is inadequate and confused. Why is £600 million unallocated? Why is there no clarity at all about where the money will go and on what? The Secretary of State talked about other parts of the United Kingdom. Will this money be distributed through Barnett consequentials, or will the Ministry of Housing, Communities and Local Government be given a new role? What will the allocations to Scotland, Wales and Northern Ireland be? Why did No. 10 not know what period the fund was for this morning, only for it then to be clarified that it is a long period of seven years?

There is still time for Ministers to reconsider the cuts to councils. I ask the Secretary of State to do so, and to do so immediately, because the danger for us all is that our communities will continue to decline if they do not get the proper support they need. It is time for a Government that will give our towns and communities the funding, resources and support they need to recover—one that will act genuinely in the interests of the many, not the few.

James Brokenshire: I thank the hon. Gentleman for his comments. He sets out a narrative in relation to the savings that councils have had to make, but he ignores the fact that the last Labour Government had already set in train cuts to local government. The idea that cuts would not have had to be made by any incumbent Government is simply not a reflection of the reality.

The hon. Gentleman sets out various points in relation to the benefits attached to different communities and investment into regions, but he ignores the £9.1 billion of local growth funds to local enterprise partnerships through three rounds of competitive growth deals, the investment of £3.4 billion for the northern powerhouse, £1.9 billion for the midlands, £700 million for the east of England, £2.1 billion for London and the south-east and £970 million for the south-west. He does not mention the coastal communities fund, the home building fund and the housing infrastructure fund, and he does not mention the national productivity investment fund, which is all about investing in our regions and our communities, and ensuring that we grow productivity and all communities are able to benefit further.

However, this is about towns, as I have indicated. It is about the towns that need a sense of identity and sense of growth, as I set out in my statement. Yes, on the allocation of £1 billion, which the hon. Gentleman asks me to set out, there are notional allocations to the particular regions, and we want to see bids from towns, working with the local enterprise partnerships, coming through in a very positive way. Equally, as I indicated in my statement as well, we want to ensure that we reflect on the fact that towns in other areas may not necessarily fall within those neat parameters. We therefore want to see bids come in from towns across the country for deals based on their ability to set out their bright, positive future.

The hon. Gentleman listed a number of figures in relation to, as he set it out, cuts. I would say to him, equally, that he well knows that the local government

financial settlement this year has a real-terms increase in the money going to the core spending power of local councils across the country. He asks what we can point to in other areas. Let us look at the changes in employment that this Government have seen: there has been a 5% increase in the north-east, 7.1% in the north-west, 7.7% in Yorkshire and the Humber, 6.8% in the east midlands, 10.1% in the west midlands, 9.1% in the east, 22.4% in London, 7.5% in the south-east and 8% in the south-west. This Government are growing the economy and seeing the benefit in jobs and prosperity, and we want to take this to the next level.

The hon. Gentleman highlighted the devolved Administrations. We will seek to ensure that towns in Wales, Scotland and Northern Ireland can benefit, building on the success of the UK Government's city and growth deals. We will confirm in due course the additional funding we will provide to reflect this new funding for England. This is about the determination we have for our towns—those places at the heart of our growth, our identity and our sense of who we are as a United Kingdom. I am sorry if he cannot see that, but it is actually about investing in the future, investing in our communities and seeing the bright, positive future ahead for our United Kingdom.

Mr Andrew Mitchell (Sutton Coldfield) (Con): This is an excellent announcement, and I particularly welcome what the Secretary of State has said about money for the midlands engine. He said that any town may apply, and given the very serious structural change going on in the town centre of the royal town of Sutton Coldfield, resulting from the decline in retail and the need for a reconfiguration in what we do, will he confirm that the royal town of Sutton Coldfield will be able to apply? He mentioned that there will be challenge funding and competition for the funds, which is very welcome, and he also said that the most local element is the one closest to those it represents, so will he confirm that, with the largest town council in the country, the Royal Sutton Coldfield Town Council will be able to apply for this challenge funding?

James Brokenshire: I welcome the pitch my right hon. Friend has made for Sutton Coldfield. I do want to see ambitious applications coming in from towns across our country. That is why, as he will no doubt note, we have made a provisional allocation to the west midlands of £212 million from the main £1 billion fund, but, equally, there is the ability, on the competitive element, to bid for the £600 million, too. I want to see really ambitious proposals coming forward, because this has the potential to transform the future of a number of our towns. By having such an ambition, I know that we can achieve that.

Alison Thewliss (Glasgow Central) (SNP): Another day, another tawdry bribe by this Government to distract and to grab headlines from their failing Brexit plans.

First, I want to ask the Secretary of State whether this money will be Barnettised for Scotland, and when can we expect to receive that money? Every single—*[Interruption.]* Mr Speaker, I want to know whether this will be Barnettised because every single city deal so far has seen Scotland short-changed, with more money going in from the Scottish Government than from the UK Government time and again.

[*Alison Thewliss*]

I do not grudge any town any investment, but this is simply a bauble on the bare Christmas tree of austerity. The £1.6 billion announced today pales into insignificance compared with what the EU funds would have put in. The Conference of Peripheral Maritime Regions estimates that, over the same period, the UK would be due €13 billion. The £33 million for the south-west alone is only one Grayling.

The Secretary of State still cannot tell us anything useful about the UK shared prosperity fund—how it will work, whether it will be fully devolved to the Scottish Government to administer and whether its needs-based formula will apply to the money that he seeks to dole out. Is this another power grab? Will the funding levels for this shared prosperity fund be at the very least the same level that they are at now, because the Scottish National party will not accept one penny less?

We are getting into this Brexit situation, but Scotland did not choose Brexit, we did not choose this Tory Government and we do not choose to have this Tory Government rip us off time and again. We have seen Northern Ireland getting £1 billion un-Barnettised, and these are further funds going un-Barnettised, as far as we know. The CPMR says that Scotland would be due to receive €840 million in structural funding between now and 2027. Will the Government tell us exactly how much Scotland is getting and when we will get it?

James Brokenshire: As I have indicated already, in response to earlier questions, we will confirm the additional funding we will provide to Scotland, Wales and Northern Ireland to reflect this new funding for England.

The hon. Lady asks about the UK shared prosperity fund, which is separate from this; I want to stress that. We are committed to creating the new fund to reduce inequalities between communities across our four nations by raising productivity once we have left the EU. We will operate that across the United Kingdom. We have made a commitment that we will respect the devolution settlements in Scotland, Wales and Northern Ireland and we will engage with the devolved Administrations to ensure that the fund works for all places across our United Kingdom.

We will consult widely on the design of the UK shared prosperity fund. I recognise the importance of reassuring local areas on the future of local growth and we will also be consulting firmly with the devolved Administrations. We have repeated our commitment to respect the devolution settlement and we intend to commence discussions between Ministers of the UK Government and the Governments of the nations in advance of the consultation. The hon. Lady can have my assurance of that in relation to the UK shared prosperity fund. We are committed to do that.

Robert Halfon (Harlow) (Con): I strongly welcome this post-Brexit dividend, which I am sure is the beginning of more dividend to come. My right hon. Friend kindly mentioned my constituency of Harlow, which, despite being a wonderful place to live, has significant deprivation and disadvantage. Will he confirm the timing and the mechanisms for applying for this grant, so that we can apply for regeneration and for our new hospital? Although

the east of England gets £25 million, will he confirm the mechanism for applying for money from the extra £600 million fund that he has announced?

James Brokenshire: My right hon. Friend rightly makes the distinction between the two elements of the fund and the town deals that we want to see emerging from both of them. On the first element, we have allocated this on the basis of a number of different factors, but I will be publishing a prospectus—that is the next stage—to set out the application process and the basis for the applications we want to see coming through from the towns that can apply under the £600 million fund. We will be setting that out in detail so that towns such as Harlow, which I know he is so passionate about, are able to apply.

Mr Clive Betts (Sheffield South East) (Lab): The Secretary of State will be aware that, if the UK were still a member of the EU after 2020, South Yorkshire would again be eligible for less-developed region status because its economy has fallen back against EU averages since 2014. If it were entitled to EU funding, South Yorkshire would receive £1 billion over seven years. So either his announcement today is totally inadequate, or he is going to promise that, under the shared prosperity fund, South Yorkshire will get exactly what it would have got under EU funding if we were still in the EU.

James Brokenshire: One of the things that would encourage investment in the right hon. Gentleman's area is getting the devolution deal done in relation to South Yorkshire, Sheffield and the Sheffield city region, as he well knows. He makes an important point about the distinction between this fund and the UK shared prosperity fund, which will follow. Those are separate, and there will be a consultation on the prosperity fund and, indeed, the settlement of amounts in the spending review. There is more to come, so this fund should not be seen in isolation. It links into more funding and more structures that will support growth in all areas.

Mr Marcus Jones (Nuneaton) (Con): I commend to my right hon. Friend the “Transforming Nuneaton” project, which is very much designed to regenerate Nuneaton town centre and make it fit for the 21st century. A bid is going to be made for the future high streets fund. Is that compatible with the stronger towns fund so that further bids can be made?

James Brokenshire: There will certainly be some overlap with the high streets fund, so there is an opportunity for town centres and town deals to come together in this way, and there are different purposes that the high streets fund is intended to advance. There is potential to be transformative through the fund that we have announced and, indeed, the new stronger towns fund that I am announcing today.

Lisa Nandy (Wigan) (Lab): I welcome the Minister's understanding that, for decades, our towns have suffered from chronic under-investment and disrespect from national politicians. It is therefore frustrating to hear him talk about handing decision-making powers over this funding to local enterprise partnerships, which have enabled this city-centric model of decision making to persist for far too long. They do not understand our towns and they are not accountable to them. I urge him to make a

commitment today to move those decision-making powers to communities and their local councils, which understand best what we need. If he is serious in his acknowledgement that our towns are proud, important places, he must trust us to make these decisions for ourselves.

James Brokenshire: I absolutely recognise the impassioned statement that the hon. Lady has set out on the significance of our towns. We see this as a partnership. Ultimately, those bids, those ideas, and those things that will make a difference in our towns, have to come from the community—from councils, businesses and civic leaders who can shape those ideas, make sure that those bids are competitive and ambitious, and deliver the transformation that she wants for her area and that I would want for her area too. We will work with this, and we will make it work so that towns are seen to have that strength, we get the deals in place and see the sort of thing that she is talking about.

Henry Smith (Crawley) (Con): Almost £1 billion has been allocated to the new stronger towns fund. When will we know when those allocations have been confirmed to individual communities?

James Brokenshire: There are two elements, as my hon. Friend will appreciate. The first element is the notional allocations that I have set out, and we will work to provide further detail in relation to the LEP allocations and the next steps on that. Then there is the prospectus that sits alongside the £600 million, which will allow people to bid. I anticipate that there will be different phases, because different towns and communities will need to build their plans and get their ideas together, but I will set out further details in due course.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Towns such as ours in Yorkshire are sick of losing vital services such as libraries, buses, community centres, jobcentres, courts and maternity units, and we need that investment. Our job growth has been half the level of job growth in cities since 2010, but the problem is that the Government are still cutting investment in councils that serve our towns. Analysis by the House of Commons Library this afternoon shows that the cuts in funding for councils covering Yorkshire towns over the next two years alone far outweigh any investment that our towns are likely to get from the funds that the Secretary of State has announced. Does he not accept that, unless councils have the investment and unless we get a fair deal on transport, rather than the rubbish one we get at the moment, we will still not get a fair deal for our towns?

James Brokenshire: For a number of reasons that the right hon. Lady has set out, I would expect her to welcome the allocation for Yorkshire and the Humber of £197 million, set out in today's announcement, to allow towns to bid for that and to see some of those transformations, whether in transport or other aspects. I would gently underline to her that core funding growth for councils in the forthcoming year has increased, recognising a number of pressures that exist. I have spoken about other funds and, together with those, I see this as transformative. I hope that she and others can work with us to ensure that it has an impact in her community as much as anywhere else.

Andrew Percy (Brigg and Goole) (Con): I welcome the fund, especially the funding for Yorkshire and northern Lincolnshire, as we prefer to call it. When I was Minister for local growth, I trotted up to No. 10 and pitched something very similar, but I was not as effective as the current ministerial team, so I congratulate them. I agree with the point made by the hon. Member for Wigan (Lisa Nandy). When I was responsible for the local growth fund—there were good reasons for it—I was frustrated by the fact that much of it was predicated on a city-centric model, so can we have an assurance this time that, important as investment in cities is on a sub-regional basis, this will absolutely be focused on our towns, and we will seek to work in partnership with things such as the coastal communities fund and the new future high streets fund so that we have a proper, joined-up policy in this regard?

James Brokenshire: I welcome what my hon. Friend has said on that join-up and on the potential that it offers between the different funds, and his emphasis on towns. Yes, the focus thus far has been on cities, which is why this is about setting out a different course, recognising that towns in many ways have been left behind. It is why we need to focus more on seeing the solutions at that level, where we can make a significant difference, and I look forward to working with him as we take that forward.

John Mann (Bassetlaw) (Lab): My hon. Friend the Member for Wigan (Lisa Nandy) and the hon. Member for Brigg and Goole (Andrew Percy) have made important points, which I am sure the Secretary of State will contemplate. Is he delighted by the cross-party support for this welcome initiative? In accepting the enthusiasm, including from the Labour Front Bench, will he feed back to the Chancellor that such is the enthusiasm of Members across the House for this idea, that if more moneys are put into the fund, that will be even more welcome?

James Brokenshire: I am grateful for the hon. Gentleman's invitation. He makes an important point, because in some ways this transcends party. It is about how we reshape our towns, recognising that some have been left behind because of lack of investment from many, many Governments. This fund begins to reset that relationship, and there is almost a new sense of Unionism, with a strong sense of all communities playing their part. We should look positively at what the fund can deliver alongside other initiatives so that our towns are absolutely at the forefront.

Peter Aldous (Waveney) (Con): Lowestoft is a town with a proud history that faces significant challenges, including deep pockets of deprivation. However, there is an exciting future in which Government can play a pivotal role in unlocking potential. My concern is that the money from the coastal communities fund is spread thinly around the coast, and the east of England is at the bottom of the table of regional beneficiaries of this fund, so resources will not be available to unlock that potential. Can the Secretary of State allay my concerns?

James Brokenshire: What I would say to my hon. Friend in relation to Lowestoft and the work of the coastal communities fund is that today's announcement has two elements: the £1 billion—he references the

[James Brokenshire]

£25 million notional allocation to the east of England—and the £600 million for competitive bids. Lowestoft should be positive, put in its submission and get the concept of its own town deal together, so we can pool resources, through the coastal communities fund, the future high streets fund and this fund, and it can have a bright, positive future.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): We were promised that Wales would not lose a penny if we left the EU, but the grubby money offered to the UK's most deprived areas is petty in comparison to the £2 billion Wales currently receives from the EU over the 2014-20 cycle. If this is the pork-barrel future of UK politics, Wales is better off out of it. Will this fund be Barnettised, or will the Secretary of State admit that this money is indeed all about need—not economic need or social inequality need, but the Prime Minister's need to tout for votes for her deal?

James Brokenshire: We are looking to the UK shared prosperity fund to replace the European structural investment funds that the hon. Lady references. The Government have already guaranteed the full 2014-20 allocations, providing assurance to all parts of the UK in all scenarios. The UK shared prosperity fund will follow. As I indicated, we will confirm in due course the additional funding to be provided to Wales, Scotland and Northern Ireland to reflect the new funding for England.

Andrew Bridgen (North West Leicestershire) (Con): I welcome the establishment of the stronger towns fund. Will my right hon. Friend assure the House that towns across the midlands and the north, from Cleethorpes to Coalville and from Accrington to Ashby-de-la-Zouch, will have an opportunity to benefit from this fund?

James Brokenshire: Yes. My hon. Friend will have heard about the allocations already set out as part of today's announcement. It is that sense of ambition, that positive sense of what can be achieved for our towns, that lies at the heart of it and why I believe it has the potential to be so transformative.

Gordon Marsden (Blackpool South) (Lab): The Secretary of State said that towns such as Blackpool are bursting with ideas. Unfortunately, his funding for such towns is wholly inadequate. His seven-year itch, if I can describe it as such, will deliver £280 million to the north-west. By my reckoning, that is £40 million a year for the whole of the north-west. Blackpool, as my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) said, has lost half a billion pounds in council funding cuts from this Government and their predecessor since 2010. So how can he possibly sit there with a straight face and say that this is a transformative process? I think the old saying, "The louder he protested his honour, the faster we counted the spoons" is probably more appropriate.

James Brokenshire: I am sorry that the hon. Gentleman does not reflect the work that has been going in through the coastal communities fund, of which Blackpool has been a real beneficiary, and the work we are looking to take forward to give a sense of a new deal for Blackpool.

Indeed, he highlights local government finance, while ignoring other sources of income for councils—business rate growth, council tax and so on. When we look at the fund I am talking about today, together with those other funds, we can see the bright positive future I want to see for Blackpool, as I want to see for towns up and down the country.

Stephen Kerr (Stirling) (Con): I thank my right hon. Friend for his statement. I note that at the beginning he described the fund as a £1.6 billion fund in England, but of course my ears pricked up at every mention of Scotland. When he came to the sentence,

"The Government will seek to ensure that towns in Wales, Scotland and Northern Ireland can benefit from the stronger towns fund",

my ears truly did prick up. May I ask my right hon. Friend how?

James Brokenshire: I recognise the need for towns across our United Kingdom to benefit and to see that positive sense of what can be achieved, in many ways applying the lessons learned from our city and growth deals initiative. It is that type of approach that we intend to pursue further. As I indicated in response to other questions, recognising that this involves new funding for England, we will set out details on additional funding for Scotland, and how that will benefit towns in Scotland and across the whole of our United Kingdom. That is the positive future we want to see for my hon. Friend's constituents and all constituents across the UK.

Caroline Flint (Don Valley) (Lab): It should not have taken a referendum and Brexit to get the focus on towns we are hearing about today. I was proud to take part, with Labour colleagues, in two Westminster Hall debates on culture in our towns and transport in our towns, both of which are vitally important. From my end, it is really important that this fund does not just morph into every other fund that currently exists and that the local enterprise partnerships end up as the sole arbiters of whether bids can go forward. It is also important to recognise that within every big town there are many smaller towns and communities. I want to know and want to be reassured that there will be a voice not just for elected representatives, businesses and so on, but for the ordinary, everyday people who do not feel that the projects at the end of their street are being listened to and attended to. Will the Secretary of State guarantee that in those circumstances match funding will not be necessary for them to secure a bid?

James Brokenshire: The right hon. Lady makes very powerful and important points about the role and voice of communities, the recognition that there are different towns of different sizes and how they need to be connected into this, and the role of Members of Parliament. I want grassroots communities to be properly engaged and involved in helping to shape the deals. That is the challenge and the approach I adopt, so that we do not slip into the sort of approach she rightly challenges those of us on the Government Benches on about how we can make a difference. I am willing to work with her, and Members across the House, to ensure that we reflect the vision and passion she sets out and that we get this right.

Steve Double (St Austell and Newquay) (Con): The Secretary of State's announcement today has caused a great deal of concern in Cornwall. We were told that the allocation would be based on need and deprivation, yet Cornwall, an area that has some of the lowest wages and productivity and some of the highest levels of deprivation in the country, has been put in with the south-west and received one of the lowest allocations. Will the Secretary of State please explain why Cornwall has had such a low allocation, and will he reassure the people of Cornwall that the criteria used for this allocation will bear no relation to the criteria used for the shared prosperity fund when it replaces European structural funding once we leave the EU?

James Brokenshire: I can give that assurance to my hon. Friend. The UK shared prosperity fund is a completely different process and we look forward to consulting in detail on that. I recognise the challenges Cornwall faces. I have a really positive sense of what Cornwall can be from the exciting projects my hon. Friend showed me on my visit to parts of his constituency last year. The notional allocations have been set out based on productivity, income, skills, deprivation and the proportion of the population living in towns, with all those criteria weighted together. I want him to remain ambitious. I am ambitious for Cornwall: what it can do, the opportunities that are there, and how the £600 million, as part of the overall fund, provides huge potential, alongside all the other great initiatives that I know are happening in Cornwall.

Helen Goodman (Bishop Auckland) (Lab): The north-east will get £105 million, which means £15 million a year over seven years. That is £5 per person each year. Under the European system, we would have received €500 per person each year. At the same time, Durham County Council has had cuts of £212 million. This is totally inadequate. Furthermore, the Secretary of State's practice of having a packet for this and a packet for that, and a fund for this and a fund for that, means long-term planning is impossible. The only productivity he is increasing is the productivity of his officials in increasing the number of press releases they deliver.

James Brokenshire: I am sorry that the hon. Lady has not recognised that the north-east has had the highest allocation per capita of any part of the country and therefore the recognition that has been given in that way. I do not accept the challenge she sets out in terms of long-term funding arrangements. We still have the UK shared prosperity fund to come, which talks to some of the replacement for the European funding she mentions. The assembly of the different funds together does allow that opportunity to be transformative. I want her to realise that, recognise that, and work with us to make that happen for her towns as well.

Martin Vickers (Cleethorpes) (Con): I welcome the Secretary of State's announcement, which builds on the Prime Minister's commitment from her first day in Downing Street. Will he clarify whether the projects that are currently being carried out in Cleethorpes through the coastal communities fund and the Government's commitments made through the Greater Grimsby town deal can be enhanced by this additional funding?

James Brokenshire: My hon. Friend highlights the contribution of the Greater Grimsby town fund and the work that the coastal communities fund is delivering for his constituents, as well as the potential for this new fund to add to that. Precisely that sense of what the existing funding—through the coastal communities fund and the future high streets fund—is able to do to be transformative is the reason I hope colleagues will get behind it.

Chris Ruane (Vale of Clwyd) (Lab): To put this rehashed, re-mashed £1.6 billion into perspective, Wales alone has received £4.5 billion in funding from Europe since 2000. Will the Secretary of State explain exactly how much Wales will benefit from this funding announcement? Does he agree, to draw upon some porcine sayings, that this is pork—barrel politics at its lowest and that the good people of Wales will see this pig in a poke a mile off?

James Brokenshire: No. Again, I underline the contribution that the UK shared prosperity fund will have, and we will set out the details of the contribution for Wales, recognising that we want all parts of the UK to benefit.

Douglas Ross (Moray) (Con): While I welcome the aims and ambitions of the fund, will the Secretary of State outline why he is unable to come to the Dispatch Box tonight to explain how much money will be available for Scotland and to towns in Moray? When will he do that and how much will be available, because that is extremely important for the whole of the United Kingdom, including Scotland?

James Brokenshire: I commit to my hon. Friend to see that we set out that detail as soon as possible. I want to ensure that the fund benefits all parts of the United Kingdom and that we learn the lessons about the benefits from the Government's city and growth deal initiatives. We will set out that additional funding, recognising that England is getting new funds from this and that Scotland will, too.

Stephanie Peacock (Barnsley East) (Lab): My town of Barnsley has seen its budget cut by 40% over the last nine years—nearly £700 per person. Does the Minister honestly think that today's announcement makes up for the huge cuts that the Government have made to my town?

James Brokenshire: Again, I highlight the South Yorkshire devolution deal, which can bring additional investment into the hon. Lady's community. I have highlighted a range of other funds that are available and that can be benefited from, such as the future high streets fund to transform high streets. I encourage her to get behind those funds and deals and to see that her area is investing and putting applications in to help to make the difference for her constituents.

Mark Pritchard (The Wrekin) (Con): I welcome the £212 million that has been allocated to the west midlands, but will the Secretary of State reassure my constituents that Birmingham and the urban conurbations will not gobble up most of that money and that market towns such as Shifnal, Newport and Wellington in my constituency, working with the Marches local enterprise partnership, will see a lot of this funding, not just the rump of it?

James Brokenshire: That is why this is a town-based approach, not a city deal of the kind that we have seen before. I recognise how that has benefited our cities, but we need to ensure that our towns benefit, too. It is why that lies at the heart of the fund's structure and my hon. Friend should be confident about the towns in his area being able to make those bids. I hope and want to see them succeed.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): It would be disingenuous of me not to welcome the Minister's statement, but it would also be disingenuous of me not to say that I am a wee bit concerned that there are no figures at all on what will be given to Scotland and Wales. Will the Minister therefore tell us two things? First, in terms of coming back to the House and informing us about the moneys for Scotland and Wales, will he make sure that the Governments of Scotland and Wales are told first? Secondly, and this is important for Members for English constituencies, last week the Government gave Northern Ireland £140 million outside of the block grant. Will that be replicated in England, Wales and Scotland, and if not, why not?

James Brokenshire: I am sure that the hon. Gentleman will be able to ask others about the situation in Northern Ireland. We will ensure, in coming back to the House, that Members of the House are informed about additional funding for Scotland and Wales, and equally, we will communicate that to the devolved Governments.

Fiona Bruce (Congleton) (Con): I welcome the fact that over half of the first £1 billion of stronger towns funding will come to the north, but will the Secretary of State please consider how small towns such as Middlewich, Sandbach and Alsager in my constituency could bid directly for funding, not just through the filter of a large principal authority or a LEP, because only then will local townspeople really have confidence that their grassroots needs will be considered by the funding decision makers?

James Brokenshire: We are reflecting on precisely that point in terms of the separate elements of the fund—the £600 million—and the prospectus that we will produce to ensure that areas are able to make those sorts of bids. Recognising the challenges of different towns and areas and being able to feel the sense of opportunity is why we have sought to break the fund down in the way that we have.

Chris Bryant (Rhondda) (Lab): I like the Minister, but I simply cannot recall a ministerial statement that has angered me more. My constituency, the Rhondda, is one of the poorest in the land. My council, because of the Government's cuts to the Welsh Assembly grant of several billion pounds over the last few years, has had to close schools and libraries. The Government have closed the courts in the constituency and we have some of the lowest wages of anywhere in the country. When he suddenly turns up having discovered the magic money tree, having lectured us for years about its non-existence, I frankly feel furious that we are now meant to feel awfully grateful that we might have a few crumbs from the table. The worst of it is that today, he cannot even bring himself to say how much money is going to go to Wales—probably not a penny, or is he going to say now,

“Yes, you are going to have £5, maybe £20, maybe £100”? Come on, tell us how much we are going to get in Wales.

James Brokenshire: I am sorry to anger and disappoint the hon. Gentleman—I have a huge amount of respect and admiration for him and the way that he conducts himself in the House. I recognise that desire to see towns in Wales—in his constituency—being able to benefit from the stronger towns fund. I promise to come back to this House to provide the details in relation to Wales, and hope to see him in slightly better humour on that occasion.

Jack Brereton (Stoke-on-Trent South) (Con): Stoke-on-Trent is a city that is made up of six towns, quite uniquely in our country. Does my right hon. Friend agree that all the six towns that make up Stoke-on-Trent, but especially Longton and Fenton in my constituency, are exactly the sorts of places that must benefit from this funding?

James Brokenshire: I recognise the picture that my hon. Friend paints, and therefore the opportunity that this fund provides. We want to see people being ambitious and really positive about how funding can be transformative and can make that difference, and I look forward to continuing to work with him as we take the fund forward.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I welcome the Government's conversion to regional funding, but the amounts are derisory by comparison with what has been lost through austerity and economic neglect and what will be lost if the Tory Government's no-deal/bad-deal Brexit goes through. They refuse to give any details of the shared prosperity fund that the Secretary of State has mentioned a few times, which shows that by comparison with the European Union the Government are less transparent and open—we know that under European Union funding, we would have got up to £1 billion in the north-east. Will he at least say that the north-east would be better off with European Union funding?

James Brokenshire: I have already highlighted the per capita funding the north-east will receive through this fund. We will consult soon on the UK shared prosperity fund—the funding for that will need to be settled through the spending review—and set out the details. We recognise the need for areas such as the north-east to be able to flourish and prosper. I hope the hon. Lady will recognise what this fund delivers and that there is more to come beyond the European structural investment fund guarantee through to 2020. We should look beyond that to the UK shared prosperity fund.

Mr Marcus Fysh (Yeovil) (Con): Somerset has some of the most deprived towns in the south-west, and they really need strengthening, so residents will be a little confused by the numbers in today's announcement. I welcome the idea that the shared prosperity fund will be calculated differently, but given that productivity is similar in the south-west and the north-west, that income levels are not so different and that about two thirds of my constituents live in towns, it is slightly odd that the north-west gets nearly 10 times as much money. Why is that?

James Brokenshire: We have sought to assess the notional allocations based on the various factors I have spoken about. I recognise that for some people this will be positive and for others it will not be so welcome, but I underline to my hon. Friend the reason we split the fund into two parts and the benefit that his towns should enjoy through the £600 million of separate funding. I encourage him to ensure his towns make a bid through that process.

Tracy Brabin (Batley and Spen) (Lab/Co-op): Batley and Spen, like many towns in the north, is sick to death of being bypassed and left behind—banks closing, theatres closing, cinemas closing, Sure Starts closing, and its council, Kirklees, having a 60% cut since 2010—so I was really excited this morning to look at this fund, until I saw the detail. We have nearly £700 million in European regional development and social funding for 2014-20. Over seven years, that is £97 million a year. This allocation—£197 million—equates to £28 million a year, which is a loss of £70 million in spending power and allocation. The Minister also spoke about Yorkshire and mayors. He had the opportunity to give us loads of money by listening and agreeing to the unequivocal desire for a One Yorkshire. He had the chance to give us that money, but he kicked it out and said no. With the greatest respect, we will not doff our cap for crumbs from the table. We want a fair slice of the cake.

James Brokenshire: I do not want the hon. Lady to doff her cap in any way, shape or form. This fund is part of a package of measures that we will be bringing forward. That is why I have highlighted the UK shared prosperity fund. She talks about European money. That fund is part of the replacement for those funds post-2020. I recognise the passion and ambition and the sense of identity of people across Yorkshire, which is why I had that meeting at the end of last week with Yorkshire leaders. I cannot take the Yorkshire deal forward in the way that she and some of her colleagues may wish, but I certainly have that ambition for Yorkshire, which is something we discussed positively last week.

Matt Warman (Boston and Skegness) (Con): Boston and Skegness are proud and ambitious towns that, frankly, have been frustrated because we have not been spending money like this for many years on our great towns. I welcome enormously what the Secretary of State is doing today. He is extolling the virtues of a plethora of different funds. It should be for towns to come up with their own ambitions and perhaps for the Department to help them in saying how best they can be put together and allocated from different pots of money.

James Brokenshire: That is why we want to see the development of what I might categorise as town deals, whereby we can bring different funding streams together to support that positive sense of how towns can fulfil their potential. This firmly forms part of that, but, as I have indicated, there are other sources of funding, and bringing those strands together will add that further leverage. I look forward to working with my hon. Friend as we seek to establish more of those town deals.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): The biggest challenge facing many towns, including Cumbernauld, is the impending

loss of a major employer: Her Majesty's Revenue and Customs. Some 130 offices are set to be closed. If the Government want to support towns, surely HMRC must ditch its plans to move tens of thousands of good-quality jobs away from those very towns and into city centres.

James Brokenshire: The hon. Gentleman has made his point about HMRC, and I will ensure that it is relayed to the appropriate Treasury Minister.

Alex Chalk (Cheltenham) (Con): Cheltenham has areas of relative affluence but also pockets of intense deprivation. Does my right hon. Friend agree that any applications must be assessed against the circumstances that prevail in individual neighbourhoods, rather than the town overall, which might lead to an artificial assessment?

James Brokenshire: My hon. Friend makes an interesting point. As we form the prospectus for the £600 million element of the fund, it is precisely these factors that we will weigh and consider to ensure it has the impact we want it to have.

Liz McInnes (Heywood and Middleton) (Lab): My local council, Rochdale, has had its funding cut by nearly £200 million since 2010, so why does the Secretary of State think that £281 million for the entire north-west—a drop in the ocean compared with the cuts my council has had to make—offers a sustainable plan to strengthen the towns of Heywood and Middleton?

James Brokenshire: As I understand it, the hon. Lady's constituency benefits from the Greater Manchester devolution deal and the investment it brings to her area. She is confusing different aspects. I have already spoken about the increase in core funding for councils across the country in the coming year. The particular aspect of this fund is its ambition for towns. I want to see towns in her area and across the country harnessing their potential and seeking to make that difference.

Colin Clark (Gordon) (Con): I welcome the Minister's stronger towns fund. The north-east of Scotland raises an extra £100 million of local taxes a year, but local communities do not see it. Pitmedden, Inch and Huntly, to name a few, would welcome the opportunity to bid for Her Majesty's Government's funds. Can the Secretary of State confirm that Scottish towns will get that opportunity?

James Brokenshire: It is precisely that intent that I have set out. We want towns in Wales, Scotland and Northern Ireland to benefit from the stronger towns fund, building on the success of the city and growth deal initiatives, as I have indicated, and I look forward to continuing that conversation with my hon. Friend.

Tonia Antoniazzi (Gower) (Lab): I join hon. Members from Scotland and Wales across the House in being disappointed at today's statement. The Secretary of State says that the Government will communicate soon what the deal will be for the devolved nations. Does he realise how insulting today's statement is? Wales is not an add-on or an extension of England. I hope he realises how upset we all are.

James Brokenshire: I share the hon. Lady's perspective. Wales is no add-on. I want all parts of our United Kingdom to benefit from the funding arrangements, building on the success of the city and growth deal initiatives, which have benefited all parts of our United Kingdom. We want to get this right and to work carefully with colleagues. I recognise her frustration, but I also underline our ambition and desire to fulfil that for her and Members across the House.

Maggie Throup (Erewash) (Con): I welcome the focus on towns rather than cities. In that spirit, will my right hon. Friend consider allocating a proportion of the east midlands' £110 million for the regeneration of the old Stanton ironworks for housing and industrial use, which would bring skills and jobs to my constituency?

James Brokenshire: We have set out the relevant notional allocations for the east midlands. I hear what sounds like an interesting and ambitious plan that my hon. Friend has for her constituency, but it must be taken to the next phase and the bid must come together, and I am sure that that will involve working with the local enterprise partnership.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for the commitment that he has shown. He said that Northern Ireland would benefit from the stronger towns fund. My constituency contains four major towns: Newtownards, Cumber, Ballynahinch and Saintfield. Those four strong towns would like to make themselves stronger. When will that happen? When can they apply for these moneys?

James Brokenshire: I know how beautiful the hon. Gentleman's constituency is, because I have had the privilege of visiting it a number of times, and I recognise his ambition for the towns in his constituency. As I have said, we are seeking to finalise the arrangements for Wales, Scotland and Northern Ireland, and I will report back to him to give him a sense of how his towns can benefit.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): Too often in the past, money transferred from the United Kingdom Government to the Scottish Government has not reached the communities and public services that Conservative Members would like it to. Will the Secretary of State confirm that my local authority, Scottish Borders Council, can apply directly for funds from this pot of money?

James Brokenshire: As I have said in previous answers, we want to build on the success of the city and growth deal initiatives, which have cemented our approach to the idea of people working together and the bigger picture of how benefit can be felt at community level. That is the approach that we are taking to the next stage and this additional funding, and my hon. Friend's constituents will be able to feel the benefit.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): The Secretary of State's allocation of just £33 million over seven years for the 5.4 million population of the south-west is insulting. The far south-west and Cornwall in particular contain some of the most deprived communities in the country. The Secretary of State has said that this fund, and the shared prosperity fund, will be allocated on the basis of need. What faith can the

south-west have in that when we receive one of the highest levels of needs-based EU funding and one of the lowest levels of need-based Government funding?

James Brokenshire: As I said to my hon. Friend the Member for St Austell and Newquay (Steve Double), the UK shared prosperity fund is different. Let me also point out that this fund includes £600 million for competitive bids. I know that the south-west has benefited from the coastal communities fund. I encourage the hon. Gentleman to make applications and see towns across the south-west benefit.

Kevin Foster (Torbay) (Con): Another one from the south-west, Mr Speaker. I am proud to represent Paignton and Torquay, which are seeing new investment but clearly have some years of decline to tackle in the town centres. Can my right hon. Friend reassure me that the new fund will work in conjunction with, for instance, the coastal communities fund, and could potentially lay the ground for town deals for such places as Torquay and Paignton?

James Brokenshire: Absolutely. I can give my hon. Friend that assurance. Towns such as Paignton and Torquay are great places, but they want more to be done for them. We have the opportunity to consider options such as town deals so that we can advance the agenda and my hon. Friend's constituents can feel the benefit.

Patricia Gibson (North Ayrshire and Arran) (SNP): It is clear that the level of the stronger towns fund—whenever it is announced for Scotland—will not make up for the fact that Scotland is now in danger of losing £840 million in EU structural funds between 2020 and 2027. In response to my question to the Prime Minister on 5 December, she told me that a consultation on the UK shared prosperity fund, which is supposed to replace EU structural funds, would be held by the end of 2018. Given the importance of the EU funds to my constituency, will the Secretary of State update the House on the progress of that consultation?

James Brokenshire: I can say that we have already begun to engage with officials and external stakeholders in the devolved Administrations and discuss their experience of current European funding programmes and priorities for the design of the UK shared prosperity fund. We have repeated our commitment to respect the devolution settlement, and we intend discussions between Ministers in the UK Government and the Governments of those nations to begin before the consultation. Obviously we will take a specific approach in the case of Northern Ireland, in the absence of a sitting Executive, but we are advancing the work on the prosperity fund, and I can assure the hon. Lady that we will work with the Scottish Government in that regard.

Tom Pursglove (Corby) (Con): It is welcome that extra money is being provided for communities in the east midlands. In Corby, 64% of people voted to leave the European Union, and there is a strong desire to see a new enterprise zone in the town, not least because the last one, under the Conservative Government in the 1980s, was such a success. Will funds be made available to support such projects?

James Brokenshire: I recognise my hon. Friend's ambition for Corby, and for an enterprise zone like the one that was there previously. I shall be happy to discuss the details with him. We want towns to feel able to come forward with bids, and we are looking into the various transformative services, skills and jobs that will feature in the new economy that we want to create, along with a sense of ambition for growing enterprise and business. I am sure that this fund can offer that potential to Corby, and to other towns throughout the country.

Wayne David (Caerphilly) (Lab): Most Members can welcome a bit of extra cash for their areas, but we cannot avoid the context of huge cuts in local government funding. Nor can we avoid the context of a possibly imminent Brexit, which makes it difficult to believe that today's announcement has absolutely nothing to do with that. My question, however, is this: if the Secretary of State can produce indicative allocations for England, why on earth can he not do the same for Wales?

James Brokenshire: In response to the hon. Gentleman's first point, let me underline the Prime Minister's commitment during her first days in office, when she spoke of her desire to see a country that worked for everyone and where no one was left behind. The fund that we have announced today is very much part of that agenda, because we want all parts of our United Kingdom to benefit. I have already mentioned the funds for Wales, Scotland and Northern Ireland, and I promise the hon. Gentleman that I will report back.

Paul Masterton (East Renfrewshire) (Con): My I press home the point made by my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (John Lamont)? If this money is simply Barnettised, the Scottish Government will fritter it away on other things, just as they have done with the £92 million on Brexit preparedness, not a penny of which has made its way to any Scottish council. I am sure that, having received yet another real-terms cut from the Scottish Government in the latest Scottish Budget, East Renfrewshire Council will be delighted to be able to bid for the money directly.

James Brokenshire: I recognise my hon. Friend's ambition for his constituents. We share that ambition. We want towns in Wales, Scotland and Northern Ireland to benefit. We want to get this right. We can build on the success of what we have seen from the city and growth deal initiatives in the past, and we want to strengthen that so that people throughout our United Kingdom can benefit, and can realise their passion for their towns and the potential of those towns.

Justin Madders (Ellesmere Port and Neston) (Lab): The Secretary of State has linked this fund to Brexit. My constituency voted leave. As its name suggests, it consists of two towns, both of which contain significant pockets of deprivation. I should have thought that they were exactly the communities for which the fund was designed, but under the rules there is no guarantee that they will see a penny of it. If that comes to pass, will the Secretary of State be saying that he has learned nothing about the reasons why people voted leave, and about the idea that some areas deserve more opportunities than others?

James Brokenshire: This is about towns coming forward with bids and having a sense of ambition, and a sense of how the fund can be transformative and make a difference to people's life chances. There is still the work in relation to the UK shared prosperity fund, so the hon. Gentleman is wrong to try to link the two. I look forward to working with him, and with other colleagues on both sides of the House, as the further work on the towns fund is advanced through the prospectus involving the £600 million, and I want to see ambitious bids come from towns throughout the country.

Nic Dakin (Scunthorpe) (Lab): Bottesford, Kirton and Scunthorpe are all great towns, but they have all been badly affected by the cuts in Government spending in our area across a whole range of services since 2010. The money that is now being talked about is only a third of what is being cut from local government over the next two years, and there is a bidding culture as well. Sometimes the areas most in need of support have the least capacity to make bids; what is the Secretary of State going to do about that?

James Brokenshire: There is the increase in funding for local government for the forthcoming year, which I have already referred to, and the town approach to this fund is profoundly about communities being able to shape this agenda, with civic leaders, business and the community being able to set out their ideas. I have talked about my ambition for the fund for the hon. Gentleman's constituents and for people across the whole of our country.

Douglas Chapman (Dunfermline and West Fife) (SNP)
rose—

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP)
rose—

Mr Speaker: I call Douglas Chapman.

Douglas Chapman: Thank you, Mr Speaker; it is like winning the raffle.

No doubt the Minister will be aware that many towns throughout the country need a leg up at this time, especially in the run-up to Brexit, but it appears that this deal is very much a case of "except for viewers in Scotland and Wales." If the Minister is genuinely supporting Scotland and Wales, where is the detail, what discussions have taken place with the devolved Governments to date, what is the funding formula, will it be Barnettised, and, in short, where's the beef?

James Brokenshire: As I have indicated, I do want towns in Scotland to be able to benefit from this. We are continuing our discussions on finalising the additional funding to go to Scotland and Wales to reflect the new funding for England, and, as I have also indicated, I will update the House.

Angus Brendan MacNeil: With Seaborne Freight, with the channel tunnel fiasco, with no idea for Scotland, with no idea for Wales—maybe Northern Ireland has had its cash, we don't know—this is the UK at peak banana republic; it is make it up as you go along at the Dispatch Box thrown in with the expense of bidding and the patronage of doling out the money.

[Angus Brendan MacNeil]

The Secretary of State has missed a trick: had he announced this over 14 years rather than seven, he could have said it was £3.2 billion rather than £1.6 billion. Either way, it works out at about £20 million a year for Scotland, and to make it worse we in the islands have been waiting a long time for our islands deal, and the UK Government do not know which Department is dealing with it—is it the Treasury, or the Scotland Office? The towns of Castlebay, Daliburgh, Lochboisdale, Balivanich, Lochmaddy, Tarbert and Stornoway could surely do with a good bit of this cash, and the crux here is that England is not bidding for this cash; England is getting this cash. And Scottish Tories, who have got the mushroom treatment, have to decide whether they are Unionists or submissionists who are doing what they are told. So the long and the short of this, is will this money be Barnettised? Will we see our fair share, or is this just peak, zenith banana republic coming from the Dispatch Box?

James Brokenshire: I am sorry that the hon. Gentleman does not, it seems, have that sense of ambition that we have for Scotland through Brexit and beyond. I know that Members on his party's Benches have a different perspective on Brexit, but I say to him that I do want the towns in his constituency to be able to benefit from that, and therefore while there is new funding coming for England, we are seeing that Scotland, Wales and Northern Ireland benefit from that in the appropriate way. As I have indicated to him and other hon. Members, we will come back with the detail of that funding. I want Scotland to see the positive vision and sense that I have. Even if the hon. Gentleman is looking to extend this out for 14 years, we want to see the benefit sooner than that.

Tax Avoidance, Evasion and Compliance

7.53 pm

The Financial Secretary to the Treasury (Mel Stride): With permission, I should like to make a statement on tax avoidance, evasion and compliance.

This Government take a balanced approach to the public finances, investing in our vital public services while getting our debt down and keeping taxes as low as possible, and part of that approach is that everybody must pay the tax that is properly due. The vast majority of taxpayers, from individuals and the smallest businesses to the largest companies, already pay their fair share. This Government recognise their duty to that compliant majority to build a fair and sustainable taxation system and, through that system, to make sure that those who try to avoid or evade their tax liabilities are held to account.

Our approach is working. At 5.7%, the tax gap is at a near-record low. The difference between the tax that should be paid to Her Majesty's Revenue and Customs and the actual tax that has been paid is at its joint lowest level in five years, thanks to HMRC's sustained efforts to tackle non-compliance and to help customers get their tax affairs right first time.

HMRC tailors its approach to different taxpayers, subjecting the largest businesses and the wealthiest individuals to the greatest level of scrutiny, while using data and digital tools to help smaller and mid-sized businesses to get it right, with close attention on those where avoidance or evasion is suspected. We must make sure the tax system is not a barrier to setting up, running or growing a business, but we should never forget that the tax brought in by HMRC directly funds our vital public services.

I am proud of this Government's success in this respect. Since 2010, we have introduced over 100 measures to tackle tax avoidance, evasion and other forms of non-compliance. Alongside this, HMRC's compliance work has secured and protected £200 billion in tax revenue that would otherwise have gone unpaid. In addition, at Budget 2018 the Government announced a further 21 measures that together are forecast to raise around £2.1 billion by 2023-24. This success demonstrates the Government's continued efforts to address tax avoidance, evasion and non-compliance in all its forms.

At the same time, the Government recognise that these efforts must be designed and targeted carefully. All HMRC powers, which are given by Parliament, must be accompanied by the necessary safeguards to ensure that they are used correctly. The Government will keep the tax administration framework under review, in consultation with interested external stakeholders, to ensure that it continues to strike the right balance between robustly challenging tax avoidance, evasion and other forms of deliberate non-compliance and treating all taxpayers fairly.

As part of our continuing efforts to reduce the gap between money owed and money paid, the Government have also set about reforming the rules that govern off-payroll working. These rules, known as IR35, were first introduced in 2000 to ensure people working through their own company, who, but for the existence of the company, would be taxed as employees, pay broadly the same tax and national insurance as other employees.

The rules do not affect the genuinely self-employed and the Government recognise the contribution that contractors make to business and to public services across the country. Our aim is simply to ensure that contractors who work through their own company pay the right tax.

However, evidence has suggested that these rules have been frequently misapplied, so contractors were incorrectly paying tax as though they were self-employed when they were actually acting as employees. It is right and fair that everyone must pay the tax that is due irrespective of the nature of their employment. We want a tax system that is simple and clear to use, so that businesses and individuals alike can understand what they owe and how and when to pay it.

In April 2017, the Government introduced new rules for public sector organisations that take on contractors through their own company. The reform means that public sector organisations are now responsible for deciding both whether the contractor is acting as an employee, and therefore within the rules, and ensuring the right amount of tax is paid.

I am pleased to report to the House that this has proved to be effective, with HMRC estimating that an additional £550 million has been raised in income tax and national insurance contributions in the first 12 months since the measure was introduced. However, non-compliance in the private sector remains a persistent and growing problem that, if left unchecked, will cost the taxpayer as much as £1.3 billion by 2022-23, according to the Government's estimates.

In last year's Budget, the Government announced that we will extend the reform of off-payroll working rules to the private sector from April 2020, and tomorrow we will publish a consultation to seek views on the detailed design of the reform to enable effective implementation. By changing the design of the off-payroll working rules, we are helping individuals working in this way to ensure that they are compliant with the existing legislation. For this reason, the Government's focus will be on supporting organisations and businesses to apply the rules, rather than enforcing historical cases. Our aim is to provide individuals and businesses with greater certainty around how the off-payroll working rules will operate from April 2020 and the actions that individuals and businesses can take to prepare for the reform.

Our reforms to off-payroll working are just one of the ways in which this Government are ensuring that we have a tax system that is fit for the 21st century, and I commend this statement to the House.

7.59 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The Opposition came to Parliament today prepared to debate, to amend and to scrutinise the Financial Services (Implementation of Legislation) Bill, and we did so in good faith, even though we were given just three hours to table amendments to the Bill last week, having been told on Wednesday afternoon that the remaining stages would be taken today. I should make it clear that the Bill had only come out of Committee the day before, on Tuesday, and that the business for this week was announced only last Thursday.

Let me be absolutely frank. The Bill has been pulled, and this statement scheduled instead, for one simple reason: the Government thought that they were going

to lose. They have shown such contempt for Parliament today, and they are in such a state of chaos, that even the annunciator could not keep up with them this morning. This is not a statement from the Government on tax avoidance; it is a poor attempt to put up something that the Government can hide behind, because they are afraid to let Members of Parliament vote on the provisions of the Financial Services (Implementation of Legislation) Bill.

There were two main amendments to the Bill. The first would have prevented the Bill from legislating for a race to the bottom in regulatory standards if we were to crash out of the EU without a deal—something that the Government say they are already committed to. The second, standing in the names of my right hon. Friend the Member for Barking (Dame Margaret Hodge) and the right hon. Member for Sutton Coldfield (Mr Mitchell), would have compelled the introduction of public registers of beneficial ownership in the Crown dependencies and reiterated their introduction in the overseas territories—something that the Government are already committed to doing. It is woeful and embarrassing for the Government to pull the business of the House today, to avoid Parliament having a say on those amendments, and to make this statement instead.

In relation to the substantive point on tax evasion that has led to this, I know that the Crown dependencies have a difference of opinion with this Parliament on the merits of public registers of beneficial ownership, but I believe that there is a majority view in Parliament that public registers provide for greater transparency than the existing data-sharing protocols between ourselves and the Crown dependencies provide for. Public scrutiny would provide for analysis of suspicious patterns of behaviour, and it would disclose inconsistencies in supposedly factual information and reveal wrongdoing by people who might not already be the subject of official law enforcement action. Around the world, such information getting into the public domain has been essential to exposing tax evasion and corruption, from the laundromat scandal to the Panama papers, and the public want to see action.

In relation to what the Minister has said today, all I can ask him is whether his reference to not enforcing historic cases is code for the Government not proceeding with the 2019 loan charge? His words suggested that they might not be proceeding, but he did not really say one way or another. If the answer is that they are not proceeding, I am not really sure, with all due respect to the Minister, why he needed to make a statement today at all.

Let me return to the main point. If we had debated the Financial Services (Implementation of Legislation) Bill today, I had intended to start with a genuine word of solidarity with my opposite number, the Economic Secretary to the Treasury, who is also the MP for Salisbury, because it is exactly a year since the appalling attack in his constituency that featured chemical weapons. I still want to take this opportunity to express our support and solidarity with him and the people of his constituency. I mention this now because the House has united on a cross-party basis to push for new laws in this area precisely because transparency in overseas jurisdictions has become an issue of national security for us in the UK. We cannot, and should not,

[Jonathan Reynolds]

tolerate those who threaten the safety of our people being able to hold major assets in the UK through complex and opaque financial arrangements.

In the light of that, the Government's words today are simply not good enough. If there is consensus in this House that action must be taken now, how can the Government deny us the chance not only to vote for further action but to vote to reaffirm the action that we have already passed through the House of Commons? Real action on tax avoidance, transparency and money laundering is well overdue, and if the Government cannot bring themselves to take that action, they should at least stop preventing other Members of Parliament from getting on with the job.

Mel Stride: I thank the hon. Gentleman for his reply. He spent some time focusing on the legislation that was due to come before the House this evening. Some amendments have been tabled, particularly the second one to which he referred, that could have significant constitutional ramifications for our Crown dependencies and overseas territories. For that reason, and given that the amendments were tabled only last Thursday, it is only right that we should have time to consider these important matters. They are not directly Treasury matters; they are more a matter for the Foreign and Commonwealth Office and the Ministry of Justice.

The hon. Gentleman refers to wanting to see public registers of beneficial ownership of companies, but he neglected to mention that we have already introduced these in respect of UK companies. That came in in 2016, and that database has been accessed in excess of 2 billion times. He mentioned that we have already made commitments to work with the overseas territories to bring in those measures by 2023. He asked me specifically what the meaning was, in the context of IR35, of focusing particularly on future compliance rather than on the history of the businesses that would be in scope of this measure. This is simply a clear indication that this is not about trawling through previous activities. It is about looking to the future and ensuring that we take a fair, proportionate and reasonable approach to IR35 as it goes into the private sector.

The hon. Gentleman asks me whether there were any implications for the loan charge. I know that people often conflate IR35 and the loan charge in relation to disguised remuneration, but as he will appreciate, they are entirely different things. There is no implication in any element of my statement on any change in respect of the loan charge.

The hon. Gentleman makes an important point, in relation to our national security, about the importance of general transparency in business and tax affairs internationally. I remind him that this Government and this country have been at the forefront of the base erosion and profit-shifting project with the OECD and that it is this country that has helped to drive our common reporting standards, which provide information across hundreds of overseas tax jurisdictions. With that, I will conclude, because I think that I have addressed the points that the hon. Gentleman has raised.

Nicky Morgan (Loughborough) (Con): The Minister, whom I respect greatly, has been handed an enormous hospital pass today, although perhaps not as great as

the one handed to the Secretary of State for Health earlier, when he had to justify the conduct of one of his Cabinet colleagues. I should like to ask the Minister to build on what the hon. Member for Stalybridge and Hyde (Jonathan Reynolds), the shadow Minister, was saying. The Minister said in his statement that

"the Government's focus will be on supporting organisations and businesses to apply the rules, rather than enforcing historical cases."

Have the Government learned from the 2019 loan charge cases, where people are very concerned about the importance of historic cases rather than looking forward? Is the Minister saying that these changes will be done differently from what we see happening under the loan charge?

Mel Stride: I thank my right hon. Friend for her questions. To reiterate, there is no connection between the loan charge and IR35; they are two distinctly different aspects of Government taxation policy. The purpose of my statement, in making it clear that we will not be actively or aggressively looking at previous activities in this area, was to show that we recognise that we need to get this right and that we need to support employers and contractors as we go through this process. That is the approach that we will take.

Alison Thewliss (Glasgow Central) (SNP): We should have been debating the Financial Services (Implementation of Legislation) Bill this evening, but the UK Government are clearly feart. Can the Minister tell us when the Bill will return to the House? We were told that it was vital, urgent and necessary in the event of a no-deal Brexit, yet today we find that that urgency has evaporated. The statement today is nothing but a fig leaf to cover the embarrassment that the UK Government feel over the amendment tabled by the right hon. Members for Sutton Coldfield (Mr Mitchell) and for Barking (Dame Margaret Hodge). The Government should have acted on this after the Sanctions and Anti-Money Laundering Act 2018, but on public registers of beneficial ownership, they have taken their lead from the Prime Minister and kicked the can down the road to 2023.

On IR35 and the loan charge, what assessment has the Minister made of how many people were forced into the system by their employers and what action has been taken by the employers involved in those cases? How many people were separate from that and perhaps knowingly used the system to avoid tax? It seems to me that they are two separate classes of people who should be recognised and treated differently as we go forward.

On compliance and enforcement, this Government have a poor record because they have already closed HMRC offices in Scotland, the local knowledge of which played a vital and valuable role in enforcement, ensuring no avoidance or evasion and enforcing compliance. My hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) has asked this before, but will the Minister put the plans to close the HMRC office in that constituency on hold because it plays a vital role in the tax avoidance, evasion and compliance regime?

Finally, will the Minister act to make Companies House part of the anti-money laundering regime, which would close a huge loophole in the system that allows people to register companies falsely? Will he take action on Scottish limited partnerships, which are still allowing

people to hide money and move it around? The last time I asked about SLPs, thousands of people still had not registered as a person of significant control but had not been fined. Does he not have an interest, as a Treasury Minister, in having that significant amount of money in the Treasury coffers rather than going unpaid?

Mel Stride: The hon. Lady asks about when today's business will return to the House. That will be a matter for the business managers and the usual channels in the usual way. She asks about the loan charge and, specifically, about those who would be impacted by it, and I can tell her that, of the £1 billion that has been received by HMRC via pre-loan charge settlements, some 85% of those settlements by value came from companies, rather than from individuals. HMRC will go for companies in the first instance.

The hon. Lady raises the issue of HMRC offices up and down the country. We are going through a transformation programme, as she will know, reducing the number of offices from 170, some of which had fewer than 10 staff, to produce 13 state-of-the-art hubs that will move our tax authorities into the 21st century, and so much more can be done through analysis, computers and intelligent interventions. I was privileged last week to visit our new office in Bristol, which will be the hub for the south-west of England. It is a truly stunning building that will house a state-of-the-art approach to tax collection.

The hon. Lady mentions Scottish limited partnerships and urges the Government to act. She will know that we have already taken action in that respect. The main point remains that we have been successful in keeping our tax gap as one of the lowest in the world, safeguarding and protecting some £200 billion of tax, which, let us not forget, is there for a purpose. Taxes support our vital public services, our doctors, our nurses, our brave servicemen and women, and our police force. We need that money, and that is why I am proud of our achievements in that area.

Robert Neill (Bromley and Chislehurst) (Con): My right hon. Friend is right to say that the best approach is to get things right for the future, rather than to overemphasise enforcement of the past, particularly when people may well have acted in good faith when they received professional advice. That takes me to the loan charge and I will press the Minister on that. The Government accepted a new clause to the Finance Act 2019 relating to a review of the loan charge. For that to be meaningful, it must have an independent element and must be given time to do its work. Would not common justice indicate that the sensible thing for the Revenue to do would be to use its discretion to suspend the implementation of the loan charge against individuals until the review has been fully completed and its conclusions fully digested and debated?

Mel Stride: During the passage of the Finance Bill, we committed to provide a report by 30 March, which is shortly upon us and, of course, is prior to the moment when the loan charge will come into effect, which is at the beginning of the coming tax year. My hon. Friend referred to whether individuals getting involved in such schemes knew what they were all about, but if something looks too good to be true and one ends up being asked for basically no or little tax, it probably does not work and that, I am afraid, is the case.

Dame Margaret Hodge (Barking) (Lab): I know that this Government find it difficult to listen to anybody and to accept the will of Parliament and legislation if they do not like what it says—they have form—but I want to ask the Minister two questions, one relating to the overseas territories and one relating to the Crown dependencies. On the overseas territories, it is utterly shameful for this Government to ignore legislation that was enacted only last year and to invent their own date for the implementation of public registers of beneficial ownership. If the Government are serious about wanting to tackle tax avoidance, tax evasion, financial crime and money laundering, they ought to be acting with greater speed, not delaying the implementation of legislation and ignoring the will of Parliament. Will the Minister explain to us what on earth the Government are doing?

On the Crown dependencies, I cannot for the life of me understand how the Minister can pray in aid the constitutional implications of this House legislating on a matter that was perfectly in scope in relation to the Bill that the House is considering and perfectly in order on the matters it was attempting to address. Such praying in aid of inadequate and ill-thought-through reasons simply will not do. Indeed, I cannot understand why the Minister does not recognise the consensus across this House on the issue. Transparency is a vital tool in fighting tax avoidance, evasion and financial crime, and all we want is that transparency to exist across the family. Would it not be better for the Minister to concede gracefully to the will of Parliament, rather than battling limply to a defeat in the future?

Mel Stride: I assure the right hon. Lady that I always listen extremely carefully to what she has to say, as I have done in the context of her current two questions. She asked why we are delaying—as she terms it—the implementation of public registers of beneficial interest for overseas territories. The short answer is that it is important that we allow time to ensure that we get these things right, not least because our Parliament is legislating on behalf of another jurisdiction—albeit one that is closely related to ourselves. It is important that we are considered and measured in that way.

The right hon. Lady's second question relates to the Crown dependencies. She made the quite legitimate point that the amendment to the legislation that was due to go through this afternoon was indeed in scope and in order. However, that is not the same as saying that that contradicts my earlier point that that particular amendment would have considerable and significant constitutional ramifications for our Crown dependencies. For that reason, as I stated earlier, the Government feel that it is important to reflect carefully upon that before we come back with the legislation in due course.

Nigel Mills (Amber Valley) (Con): I welcome the statement before us—if not its existence, at least its content. The Minister says that he wants to support individuals. Can he create a mechanism whereby someone can have their standard contract precleared by HMRC so that, if they engage with half a dozen customers a year, they will not get half a dozen different treatments chosen by those companies when they put the contract through their tool, or something similar?

Mel Stride: The issue of ensuring that we make it as simple as possible for employers to be able to assess the employment status of employees or contractors providing

[*Mel Stride*]

services is extremely important. It is central to the consultation that I have announced will open tomorrow and run for several weeks, and I urge my hon. Friend to contribute to it with his specific idea.

Christine Jardine (Edinburgh West) (LD): Can the Minister explain why, on a day when they pulled business to avoid defeat on an amendment that could have meant the wealthiest businesses paid millions of pounds in tax, the Government feel it is acceptable to clamp down on ordinary families for national insurance and not pursue widespread, large-scale tax avoidance?

Mel Stride: On the first part of the hon. Lady's question, I think I have already answered why we decided not to go ahead with the legislation today. On clamping down on national insurance issues, I am not entirely sure to what she is specifically referring. If she would like to have a word with me after this statement, I would be happy to have a look at it.

Mr Philip Hollobone (Kettering) (Con): May I accuse the Minister directly of encouraging a very large number of people to avoid tax? Is it not the case that, in 2010, when the Conservatives came into government, low-paid people had to earn only £6,500 a year before they paid income tax, but from next month the income tax threshold will be £12,500? May I accuse him of taking millions of people out of income tax altogether? Is not the fundamental truth that, if tax rates are lowered, tax take is increased by encouraging economic growth, giving us all more money to spend on public services?

Mel Stride: I thank my hon. Friend, and I take it on the chin. I am bang to rights. I and this Government are guilty of lowering taxes, particularly for the lowest paid in our country. He refers to the increase in the personal allowance, and he is absolutely right that, since 2010, some 4 million people have been taken out of tax altogether—I am extremely proud of that fact.

It is often suggested by the Opposition that the wealthiest get away with it. Well, they certainly do not. Under this Government, the top 1% pay 28% of all income tax; under Labour, it was about 24.5%.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Is not the Government's decision to pull the Financial Services (Implementation of Legislation) Bill in the face of the amendment on public registers of beneficial ownership, tabled by my formidable right hon. Friend the Member for Barking (Dame Margaret Hodge), reflective of their entire approach to the wider issue? Can the Minister confirm when the Government will finally take decisive action on extending corporate liability for economic crime? Their call for evidence closed two years ago and we are still waiting for a response.

Mel Stride: The hon. Lady will know that this Government have an exemplary record when it comes to clamping down on tax avoidance, evasion and non-compliance, including overseas. We have been at the vanguard of the base erosion and profit shifting project, and in 2015 we brought in the diverted profits tax, which has already saved some £700 million. We are very active in this space and I refer her to my earlier answer on why we have delayed the legislation today.

Ruth George (High Peak) (Lab): I echo the words of the Chairs of the Treasury Committee and the Select Committee on Justice. The Minister's words that the Government will not focus on enforcing historical IR35 cases will stick in the gullet of those, like my constituents, who are sick with anxiety at facing huge bills of over £100,000 relating to the loan charge. These are not affluent people; they are businesspeople who have ploughed everything they have into their business and into employing local people. Does the Minister understand just how stressful this is when they have not even received their settlement amount from the Inland Revenue after the date, at the end of February, by which they were promised it?

Mel Stride: It is very important for us to be extremely clear as to what disguised remuneration is all about. It is a situation where I, as an employer, instead of paying an employee in the normal manner, on which basis PAYE would be due—that would be income tax, employee's national insurance and employer's national insurance—I say to the employee, "Look, we'll do it a different way. I'll send some money out, typically into a trust in a low-tax or no-tax overseas jurisdiction. That money will then come back into the United Kingdom disguised as a loan"—not a real loan, as the hon. Lady and I would recognise, but one where there is no expectation that it will be repaid—"and, as a consequence because it is treated as a loan and not earnings, it attracts no tax at all." This Government do not believe that is right.

Nic Dakin (Scunthorpe) (Lab): Clause 95 of the Finance Bill 2019, which the Government accepted on Report, agreed a review of the loan charge. I have met constituents. They are ordinary folk who, when they were working for particular people, were told that this was the arrangement they had to make. They are now suffering huge penalties, although they are still not clear exactly what those penalties are because HMRC keeps changing the rules. Following the question of the hon. Member for Bromley and Chislehurst (Robert Neill), will there be a proper independent review that reports by 30 March and allows time before these things come in? I like the Minister a lot and I think he is a good Minister, but what he just said suggests that the Government have already determined the outcome of that review, which is not very helpful.

Mel Stride: I am sorry if the hon. Gentleman formed that opinion. We are certainly not going to prejudge any review on any aspect of tax, whatever it may be. I gently say to him, and to those who got involved in these schemes, that by and large when something looks too good to be true, it is too good to be true. Where hon. Members refer to very large demands for tax, we are, of necessity, looking at situations where very large amounts of money went through tax avoidance schemes. We have had debates in this House in which Members have raised tax demands, on behalf of their constituents, of up to £900,000. In those circumstances, about £2 million-worth of income would need to go through one of those schemes in order to result in an unpaid tax bill of that magnitude.

Ruth Cadbury (Brentford and Isleworth) (Lab): The Minister needs to clarify whether he is just writing a report or whether he will genuinely do a serious review. He says that the bulk of the loan charge tax by volume

has already been collected. However, 50,000 ordinary, hard-working people are in despair and living in limbo, waiting to know whether the tax returns they put to bed years ago are to be reopened.

I am the vice-chair of the all-party loan charge group, and last week we heard from the family of a man who committed suicide over a small amount. It was the shame and fear that he would go to prison that sent him over the edge. *The Sunday Telegraph* has reported on a leaked HMRC letter from 2011 that clearly shows that it knew it was out of time for pursuing these cases back then, so will the Financial Secretary now admit that the real reason for the loan charge is HMRC's failure to act when it was legally entitled to do so and that that is no good reason to undermine the rule of law by retrospectively rewriting the rules?

Mel Stride: May I correct one thing the hon. Lady said? She said I suggested that the bulk of the money due under the disguised remuneration measures has already been collected, but I am pretty certain I said that, of the £1 billion that has been collected thus far, some 85% has come from companies, as opposed to individuals. HMRC will go for the company before the individual. We have to get back to the reasons for this charge, which I have just set out. As for whether it is retrospective as the hon. Lady says, I can assure her that there has been no time in our history as a taxing nation when this kind of structure—this kind of contrived arrangement, which is set up simply for the avoidance of taxation—has ever fallen appropriately within our tax code. It has never been right. These schemes have been taken through the courts, not just the general courts, but the Supreme Court, over a number of years and they have always been found to be defective and not to work.

Patricia Gibson (North Ayrshire and Arran) (SNP): The Government's decision to pull tonight's vote on the remaining stages of the Financial Services (Implementation

of Legislation) Bill, which would allow the UK to continue to implement EU rules, because they feared a defeat on the cross-party amendment on the introduction of beneficial ownership registers in Crown dependencies by 2020 is truly shocking. Does the Minister think that pulling that vote will dispel or heighten the concerns of the general public about the general chaos at the heart of this Government, which we are currently enduring, a mere three weeks from Brexit?

Mel Stride: No, it certainly will not heighten any sense that the public may or may not have of chaos. What it will do is give the Government the time to reflect upon what has emerged as an extremely important constitutional matter, in order to take a measured and careful approach to our response, and of course the legislation will come back to the House in due course.

Jim Shannon (Strangford) (DUP): I thank the Minister for his statement. Since the last time this matter was raised in the House, what has he done to close the loophole that has allowed big business to avoid paying the appropriate tax? Big business should not be trying to avoid paying tax; it should be paying its just taxes and doing it cheerfully.

Mel Stride: I could not agree more with the hon. Gentleman when he says that big businesses should be paying their fair share of tax, which is why half of the largest companies at any one time in the UK are being looked at closely or investigated by HMRC. That is not to say that they are doing anything wrong, but it is to indicate that we and HMRC take looking into the tax affairs of large companies extremely seriously. He will be aware of the measures we have brought forward in various Finance Bills specifically aimed at large companies, be it the legislation that has come out of the OECD BEPS—base erosion and profit shifting—project or the diverted profits tax measures of 2015. We do take this very seriously. We are a world leader at bringing in taxation, not least from large companies.

Points of Order

8.31 pm

Nicky Morgan (Loughborough) (Con): On a point of order, Mr Speaker. Tonight, a programme is going to be broadcast on national television—an advance screening is already taking place for Members in Committee Room 10 upstairs—that looks behind threats received online by Members of Parliament from across this House in relation to Brexit. My hon. Friend the Member for Eddisbury (Antoinette Sandbach), the right hon. Member for Broxtowe (Anna Soubry) and I have co-operated with and appear in this documentary. I know we are grateful to the police and all the authorities for their responses and for the prosecutions that have been launched after those threats, but this is systematic intimidation and influencing of the votes that MPs cast in this House. Next week, we expect to have further key Brexit votes. Will you help us to ensure that this threat to our democracy and our safety is to be taken seriously and is to be challenged at all times?

Mr Speaker: I am extremely grateful to the right hon. Lady both for this immensely serious point of order and for her characteristic courtesy in giving me advance notice of her intention to raise it. The short answer, though it warrants a fuller response, is that I will do everything in my power, sitting in this Chair, to uphold and champion not merely the right but the duty of every Member of this House to do what he or she thinks is right for the country. I am sorry to say that there has in recent times been a burgeoning phenomenon of people who hold a particular view, often rather an extreme one, simply not seeming to be able to imagine that anyone can legitimately hold a view that diverges from their own. This is very different from straightforward political disagreement. What seems to have happened is that people who violently disapprove of the opinion of a Member of Parliament think it is somehow proper to write in quite the most horrific and obnoxious terms, to post blogs on the matter, to tweet in the most offensive terms and in person either to threaten or, worse still, to inflict violence.

With the help of the House authorities, conscientious reporting to the police and, above all, effective action by the police, two things are obviously necessary. The first is that such people should be brought to book and made to realise that that behaviour is not acceptable. The second is that Members, as a result, should feel that proper safety net around them, to which anybody is entitled. However, the importance of free expression in voice and vote for Members of Parliament can hardly be overstated, just as it is impossible to overstate the sinister character of the threats posed to journalists to boot.

It is true that men as well as women have been threatened, but I think it legitimate and proper to point out—I think this will chime with the right hon. Lady's experience, and certainly with that of the right hon. Member for Broxtowe (Anna Soubry), the hon. Member for Liverpool, Wavertree (Luciana Berger) and others—that women have been disproportionately targeted by chauvinist and misogynistic abusers. This is intolerable.

In dealing with this threat, we have to be clear on three fronts. First, no matter how strongly people may feel, this behaviour is wrong. Period. It is not possibly wrong or partially wrong, but wrong. Period.

Secondly—I hope this reinforces the right hon. Lady's collective and cross-party spirit on this matter—an attack on one Member has to be viewed as an attack on us all and on our democratic principles. Someone who is not currently in the line of fire has a responsibility to realise that he or she could be at any time. An attack on or threat to the right hon. Lady is frankly an attack on and a threat to every single one of us.

Thirdly, as a result of our conscientiousness and an effective regulatory and police enforcement process, it has to be made clear to the bigots—and they are bigots; there is really no other way to describe it—that not only is their behaviour objectionable, bullying, in many cases misogynistic, and utterly immoral, but it will fail.

If the House of Commons, as one of the two Houses of Parliament and the elected House, cannot do what it thinks is right, that would be the death of democracy. None of us in this House is going to allow the bigoted extremists, who do not just disagree with a person but want to trash that person's motives, to win. It simply must not, cannot and will not happen. I applaud the right hon. Lady and her colleagues across the House and in several different parties for their courage and persistence in speaking up and out about this matter. I wish to associate myself both with what she said and with the actions she has undertaken.

Tracy Brabin (Batley and Spen) (Lab/Co-op): On a point of order, Mr Speaker. I seek your advice as to how Members of this House might be able to debate the allocation of MPs' pay and their staff budgets. Last Thursday, the Independent Parliamentary Standards Authority announced an inflation-busting 2.7% pay rise for Members of this House; however, our staff budgets are set to rise by a much more modest and below-inflation 1.5%. Some 200 MPs have already signed a letter expressing disappointment that we may not be able to grant staff the pay rise that they deserve, and I am aware that another letter is being circulated among staff.

I understand that the Leader of the House, as a member of the Speaker's Committee for the Independent Parliamentary Standards Authority, would be the most appropriate member of the Government to respond to a debate on this matter. However, Members are unable to apply to the Leader of the House for Westminster Hall or Adjournment debates, so those avenues are not open to us. I note that the changes are set to take effect at the end of the month, so any advice that you can offer on this pressing matter, which is clearly a concern to many Members, would be greatly appreciated, Sir.

Mr Speaker: I thank the hon. Lady for giving me notice that she wished to raise this matter, which I know is of concern to many Members; indeed, I think the feeling is widespread across the House. I am sympathetic to the case, which the hon. Lady makes, that Members ought to be able to debate this matter. Although the Leader of the House is not on the usual rota for Westminster Hall debates, there is no reason of principle why Members should not apply for debates on subjects within her ministerial responsibility. In other words: where there's a will, there's a way. I hope the hon. Lady will understand that I have not had the opportunity to discuss this matter with the Leader of the House, but I have no reason to think that she will not be receptive to these points, and I very much hope that a resolution can be reached.

Decisions on MPs' pay and expenses are, of course, made by the Independent Parliamentary Standards Authority. It is called the Independent Parliamentary Standards Authority because its decisions are independently made—independently of both Government and Parliament. For that reason, the matter does not formally fall within the responsibilities of Ministers. However, I would argue that, with a degree of flexibility and sensitivity to colleagues' concerns, that fact should not preclude applications for a debate either via the Table Office in the usual way, or, alternatively, via the Backbench Business Committee. The Leader of the House of course has some role in deciding on the date of Backbench Business Committee days, and that is quite a germane point in this context. The hon. Lady can also discuss the matter with the Chair of the Backbench Business Committee, which, I rather imagine if she is keen on this idea, she will speedily do.

Finally, the Table Office can offer the hon. Lady advice on the options, so if she is asking me whether there is a recourse to facilitate debate, the answer is that there is. With her legendary ingenuity and persistence, I feel sure that salvation will be found.

Mrs Emma Lewell-Buck (South Shields) (Lab) *rose*—

David Linden (Glasgow East) (SNP) *rose*—

Mr Speaker: I am coming to the hon. Gentleman. It would be a pity to squander him too early.

Mrs Lewell-Buck: On a point of order, Mr Speaker. Last Monday, I was advised that the Department for Work and Pensions intends to implement the asks in my Food Insecurity Bill, which is an important step towards ending the devastating levels of UK hunger. I was, however, notified of this via an outside organisation. On Wednesday last week, the news was confirmed by an anonymous DWP spokesperson via an article in *The Guardian* newspaper. Although I am of course delighted that the Government have eventually listened to me and the 159 MPs across this House who supported my Bill, I am a little bit put out that they did not feel it necessary to contact me directly, worse still to make no written or oral statement to this House on such an important matter.

Can you advise me, please, Mr Speaker, if there has been a change in practice whereby Secretaries of State and Ministers are no longer required to give updates to this House on important policy developments?

Mr Speaker: I thank the hon. Lady for giving me notice that she wished to raise this matter. The short answer is no, there has been no change in that requirement. The way in which the requirement is interpreted varies from one Department to another, and sometimes even from one Minister to another. What I mean by that is that it is not always absolutely unarguably the case that an oral statement is required; it can be a matter of discretion, and in some instances a Minister will feel that a written statement suffices.

However, what I am concerned about here is less the question of whether an oral statement rather than a written is required, or a written rather an oral will suffice, and rather with the matter of courtesy. There is some concern that the courtesies are observed in this place inconsistently, and that saddens me. There are many members of the Government Front Bench—I am

looking at one in the Financial Secretary—who, in my experience, are unfailingly courteous and do see it as their duty to keep others informed, and that, I think, is good not only for their parliamentary reputations but for the House. In other instances, such courtesies do not seem to be observed. I would have thought that, just on a human level, if the hon. Lady has taken a very key and leading role in this matter, it really would require very little forethought and modest consideration to notify her. I am sorry that that did not happen.

I cannot say I know exactly what process was followed, or what error in thinking caused this lapse, but it is disappointing. What I say to the hon. Lady is this: Ministers are expected to announce important policy changes to this House. It is unsatisfactory that she has not been directly informed of developments that concern her Food Insecurity Bill. I trust that this point has been noted on the Treasury Bench and that it will conveyed to the relevant Ministers. I hope that that is helpful.

David Linden: On a point of order, Mr Speaker. On Friday, the director of a business in my constituency attended my advice surgery to complain that the company's visa sponsorship licence had been unilaterally revoked by the Home Office, and that two members of staff had had their permission to work withdrawn. That has caused significant disruption to a company that is already up to its neck in post-Brexit planning.

To add insult to injury, the Home Office then somewhat crudely implied that it suspected that the two individuals in question do not actually work for the firm, which is as offensive as it is baseless, not least because they have worked for the company for several years and are an integral part of the team. The company also provided the Home Office with countless items of evidence as proof of work. Moreover, when I visited the warehouse this morning, alongside local MSP Ivan McKee, I saw with my own eyes where those members of staff worked, and that the work is now literally piling up on their desks.

Immediately after my Friday surgery, I established contact with the Immigration Minister's office to request the hon. Lady's personal intervention. I firmly believe that this is a case more of cock-up than of conspiracy, but I would be grateful for your guidance on how I may place details of the case on the record, Mr Speaker. In the event that the Minister does not resolve this timeously, can you advise what further mechanisms might be open to me to resolve this sorry saga, which is adversely impacting an otherwise perfectly functioning business in my constituency?

Mr Speaker: I am grateful to the hon. Gentleman for giving me notice of his wish to raise the matter. He has to some extent achieved his own salvation by putting his concerns very firmly on the record. I say in the gentlest possible spirit to the hon. Gentleman, who is a most conscientious parliamentarian, that he could not be accused of excluding any matter of any potential importance at any time from the summary case that he has just articulated to the House. He has made his point comprehensively—we are grateful to him for doing so—and, as a consequence, put his concerns on the record to be studied by others.

I note that the hon. Gentleman has already been in contact with the office of the relevant Minister, and he did ask about redress or resolution. If that contact does not lead to a satisfactory resolution, there are a number

[Mr Speaker]

of avenues open to him, including tabling questions, and indeed potentially seeking an Adjournment debate—a matter in which I have some modest, but I hope helpful, role myself to play. I suggest that he seeks the advice of the Table Office on the options. Knowing him as I do, I feel sure that his journey to the Table Office will be made with dispatch.

FINANCIAL SERVICES (IMPLEMENTATION OF LEGISLATION) BILL [LORDS]

Bill to be considered tomorrow.

Social Security

8.48 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Justin Tomlinson): I beg to move,

That the draft Social Security Benefits Up-rating Order 2019, which was laid before this House on 30 January, be approved.

In my view, the provisions in the order are compatible with the European convention on human rights. The order reflects the Government's continuing commitment to increase the basic and full rate of the new state pension by the triple lock, to increase the pension credit standard minimum guarantee in line with earnings, and to increase carer's benefits, and benefits intended to meet additional disability needs, in line with prices.

The Government's commitment to the triple lock means that the basic state pension will continue to be uprated by the highest of rises in earnings, rises in prices or 2.5%. The triple lock has been an invaluable tool in combating pensioner poverty, and keeping it in place gives pensioners the financial security and certainty that they deserve. This year the increase in earnings was the highest of the triple lock figures. As a result, the basic state pension will increase by 2.6% to £129.20 a week for a single person. Consequently, from April this year the basic state pension will be over £1,600 a year higher than it was in April 2010. We estimate that the basic state pension will be around 18.4% of average earnings, which is one of the highest levels relative to earnings for over two decades.

Three years ago, the Government introduced the new state pension, which provides a transparent and sustainable foundation for private saving and retirement planning for people reaching state pension age on or after 6 April 2016. We have also committed to increase the full rate of the state pension by the triple lock. As such, from April 2019 the full rate of the state pension will increase to £168.60 a week—about 24% of average earnings.

Sir Peter Bottomley (Worthing West) (Con): If the Minister will not say this, may I? That increase does not go to half our overseas pensioners, including those in South Africa, Canada and Australia and other places—50 countries around the world. Does he agree that it is about time we considered that?

Justin Tomlinson: I thank my hon. Friend, who has campaigned tirelessly on this issue. It has been the case for some 70 years that we do not uprate those pensions, and at this stage there are no plans to make any changes to that.

On the additional state pension, this year the state earnings-related pension scheme and the other state second pensions, as well as protected payments in the new state pension, will rise by 2.4% in line with prices. With pension credit, we are continuing to take steps to protect the poorest pensioners, including through the pension credit standard minimum guarantee—the means-tested threshold below which pensioner incomes should not fall. That will rise by 2.6% in line with average earnings. From April 2019, the single person threshold of this safety-net benefit will rise to £160.25—over £1,800 a year higher than it was in 2010.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): What assessment have the Government made of the changes to pension credit that will come in in May this year, making it unavailable to people whose partner is under 65? How many more pensioners will be driven into poverty as a result?

Justin Tomlinson: There are two elements to that. First, it depends on individual circumstances and the impact of factors such as different arrangements in whether people are working, their caring responsibilities, and their health conditions. Secondly, it is about the principle of fairness, in that those of working age should not be accessing pension-related benefits. We should not be taking people of working age out of the workplace. Pensioner poverty continues to stand at one of the lowest rates since comparable records began, and we intend to keep it that way.

Ruth George (High Peak) (Lab): Will the Minister give way?

Justin Tomlinson: I will come back to the hon. Lady.

Turning to universal credit, in the 2018 autumn Budget statement the Chancellor announced additional assistance for those on universal credit. As such, the universal credit work allowance will increase by £1,000 after they have been increased by prices, helping 2.4 million working families. This measure raises the amount someone can earn before their universal credit payment is reduced and directs additional support to some of the most vulnerable low-paid working families.

Finally, let me turn to disability benefits. This year the Government will continue to make sure that carers and people who face additional costs as a result of their disability will get the additional support they need.

Alison McGovern (Wirral South) (Lab): I have to ask the Minister: is that it? We are in the middle of a benefits freeze that is seeing family poverty rise—is that all he has got to say about it?

Justin Tomlinson: With this uprating order, I am bringing forward plans to increase support for some of the most vulnerable people in society to the tune of £3.5 billion, with £3 billion alone to help those with disabilities and long-term health conditions, and pensioners—key people who the Government, as we share the proceeds of growth, will continue to target support towards. That is why the incomes of the lowest-paid have risen by over £400 in real terms since 2010 while the wealthiest fifth of society have seen their income fall by £800. We recognise the right places to target support through additional measures, including the introduction of the national living wage, worth £2,000 a year, and the increase to the income tax threshold of £1,200.

Ruth George *rose*—

Justin Tomlinson: I will make some more progress.

These increases will cover disability living allowance, attendance allowance, carer's allowance, incapacity benefit and personal independence payment. They will all rise by 2.4%, in line with prices, from April 2019.

Neil Gray (Airdrie and Shotts) (SNP): I thank the Minister for giving way. I appreciate some of the uprating, but we have to note, as key stakeholders in this sector

have, that the biggest driver of child poverty that this Government are enforcing is the benefit freeze. With £4.5 billion due to be saved this coming year, why have the Government not brought forward the necessary legislation to scrap the final year of the freeze?

Justin Tomlinson: As I have set out before, as the economy has continued to grow, we have been able to share the proceeds of growth to support some of the most vulnerable in society. That has seen increases to the income tax threshold, which will reach £12,500 this year, taking 4 million of the lowest earners out of paying any income tax at all. We are also seeing significant additional support for those with children. Whereas spending on childcare was £4 billion in 2010, it will be £6 billion by 2020—a 50% increase as part of our doubling of free childcare support, particularly helping lone parents who seek to take advantage of the record employment in all regions.

Alison McGovern: I thank the Minister for giving way again. He knows as well as I do that none of the figures he has just announced add up to the £12 billion of welfare cuts previously announced in this House by George Osborne. By the end of the benefit freeze and the other measures that the Government have introduced, children in poverty in this country will be worse off—is that not right?

Justin Tomlinson: But we know from announcements in the last two Budgets that spending on working-age benefits will be £2 billion higher than it would have been under the legacy benefits. That is why we now see 300,000 fewer children in absolute poverty, as we continue to target support at the most vulnerable in society.

Ruth George: Will the Minister give way?

Justin Tomlinson: I am going to make some progress.

In addition, the carer and disability premiums paid with pension credit and working-age benefits, the employment and support allowance support component and the limited capability for work and work-related activity elements of universal credit will increase by 2.4%. Those increases will ensure that our welfare system continues to provide the most support for the people who need it.

In conclusion, in this order the Government propose to spend an extra £3.7 billion in 2019-20 on increasing benefit and pension rates. With this spending, we are upholding our commitment to the country's pensioners by maintaining the triple lock, helping the poorest pensioners who count on pension credit, ensuring that working people can earn more before their universal credit payment is reduced and providing essential support to disabled people and carers. I commend this order to the House.

8.57 pm

Margaret Greenwood (Wirral West) (Lab): This uprating order increases a range of social security entitlements. However, it does not uprate those included in the Government's freeze to working-age benefits enacted in the Welfare Reform and Work Act 2016—a freeze that is causing real hardship to some of the poorest people in our country. The Minister set out the range of benefits to be uprated in line with the consumer prices index. The order also increases the state pension in line

[Margaret Greenwood]

with the triple lock—a measure that the Opposition fully support—and increases universal credit work allowances by £1,000, in line with the announcement in the last autumn Budget.

While we welcome measures to increase those payments, we are deeply concerned that most working-age benefits remain frozen. The fact is that austerity continues under this Government, and it is pushing individuals, families and children into poverty. This order fails to uprate a long list of social security benefits: child benefit, jobseeker's allowance, employment and support allowance, income support, housing benefit, local housing allowance rates, child tax credit, working tax credit and the equivalent elements in universal credit. None of those are uprated by this order.

Let us think for a moment about who that failure affects. It is the person who has just lost their job after working for 20 years in the same firm. It is the parents struggling to feed their children. It is the sick or disabled person who is looking for work. These are vital social security payments that should lift people out of poverty and ensure that they do not become destitute.

Ruth George: I thank my hon. Friend for being prepared to give way to me, which the Minister was not. Does she agree that the freeze on housing benefit and local housing allowance is driving not only people of working age but more pensioners into poverty? Contrary to what the Government claim, pensioner poverty has risen by 0.3 million, and we are seeing more and more elderly people who have to rent houses suffering because of it.

Margaret Greenwood: My hon. Friend makes an absolutely pertinent point, and she does so with her usual alacrity and attention to detail.

These vital social security payments should lift people out of poverty and ensure that they do not become destitute, but under this Government that aim is not being met. Last year, research by the Joseph Rowntree Foundation found that more than 1.5 million have experienced destitution in the UK, and the social security freeze is a key reason for that. To put this in perspective, destitution in this context—[*Interruption.*] Yes, destitution. I do not know why the Whip on the Government Front Bench finds destitution such a matter for mirth.

The Lord Commissioner of Her Majesty's Treasury (Craig Whittaker): You don't know the meaning of the word.

Margaret Greenwood: Well, let me explain. In this context, destitution means that a person has lacked two or more of the six essentials in the last month—[*Interruption.*]

Madam Deputy Speaker (Dame Eleanor Laing): Order.

Margaret Greenwood: Thank you, Madam Deputy Speaker.

To put this in perspective, destitution in this context means that a person has lacked two or more of the six essentials in the last month—shelter, food, heating,

lighting, clothing and basic toiletries. It is truly shocking that 1.5 million are going without basic essentials in modern Britain.

The Social Metrics Commission, whose members are drawn from the left and the right of the political spectrum, has found that 14.2 million people in the UK are in poverty, including over 4 million children. More than one in 10 of the UK population live in persistent poverty. This is a shocking indictment of a country that has the fifth biggest economy in the world.

Heidi Allen (South Cambridgeshire) (Ind): I want to put on the record that I have visited some of the poorest parts of the country in recent weeks with the right hon. Member for Birkenhead (Frank Field), and I can confirm that I have seen this destitution with my own eyes. I have spoken to individuals who have literally £5 a week to live on for a variety of reasons, including their inability to access universal credit, but the overriding fact is that people can no longer afford to live on the subsistence level that universal credit and working-age benefits are set at—they cannot.

Margaret Greenwood: I thank the hon. Lady for making the point so powerfully.

The benefit freeze increases poverty. According to the Joseph Rowntree Foundation, the freeze is set to drive almost 500,000 more people into poverty by 2020. In 2018, a couple with children claiming universal credit were up to £500 worse off, and a lone parent with children was up to £400 worse off, due to the benefit freeze. The JRF says that the freeze is the single biggest policy driver behind rising poverty levels. Before the freeze was introduced in the Welfare Reform and Work Act, working-age benefits were capped at 1%, yet living costs are rising. In the 12 months to September last year, prices grew by 2.4%, according to the CPI inflation measure. The Joseph Rowntree Foundation says that between the introduction of the benefits freeze in April 2016 and November 2018, the annual cost of living for people on low incomes rose by £900.

Rising living costs and frozen social security mean that the value of benefits is increasingly inadequate to protect people from poverty. A recent report by the National Audit Office shows how the real value of the basic rate of jobseeker's allowance and income support has fallen nearly every year since 2012-13, and it is now below its value in 2009-10. Overall, the real cut to many benefits from the four-year freeze is over 6%. According to the Resolution Foundation, child benefit is now already worth less than it was in April 1999. Beyond a family's first child, child benefit in April 2019 will be worth 14% less than it was when it was fully introduced in April 1979. This is compounded by the Conservatives' broken economy: low wage growth and the rise of insecure and zero-hours contracts mean that incomes are failing to meet the rising cost of living.

Alison McGovern: Simply, child benefit is easy to claim and has wide support in society, so are not the statistics my hon. Friend has laid out absolutely terrible for working families?

Margaret Greenwood: My hon. Friend makes an absolutely pertinent point, and I thank her for it.

Mr Philip Hollobone (Kettering) (Con): The hon. Lady has concerns about working-age benefits—we all understand that, and she is right to highlight them—but at the beginning of her speech, she spent about five seconds on the £3 billion extra going to pensioners. Does she recognise that never in our country's history have we ever spent more on the state pension than now, and the average pensioner is getting £1,600 a year more now than they were when Labour left office?

Margaret Greenwood: I will come on to pensions further on in my speech, if the hon. Gentleman will wait for that.

Some 8 million people are in poverty and live in families where at least one person is working. According to Shelter, more than half of homeless families in England are in work. Under the Conservatives, having a job is not even a guarantee that someone can avoid homelessness. The benefit freeze cannot be seen in isolation. It is just one part of the Conservative austerity programme that has seen billions cut from public services around the country and taken the core out of our communities. The Conservatives have targeted social security with devastating cuts, taking vital support from poor and disabled people. According to figures produced by the Library, measures announced in the June 2010 Budget onwards are forecast to cut social security by £36 billion in 2020-21. Nearly £5 billion is forecast to be taken from disability benefits, including employment and support allowance and incapacity benefit; £4.6 billion from tax credits; and £3.4 billion from child benefit. These cuts have had a devastating impact on the incomes of millions of people. The freeze should be seen in the context of the chaotic roll-out of the Government's failing flagship social security programme, universal credit.

Jim McMahon (Oldham West and Royton) (Lab/Co-op): I congratulate my hon. Friend on the points that she is making, many of which will resonate with my constituents. Does she agree that in-work poverty is a modern-day scourge on British society, and it exposes the lie that if someone is willing to work hard and make their own luck they can get on in life? Absolutely the opposite is true for too many people under this Government.

Margaret Greenwood: My hon. Friend is absolutely right, and there is a real sense of betrayal that that myth has been perpetrated by Government Members.

It is clear that universal credit is not working. It is driving many people into poverty, debt and rent arrears. One of its key defects is the inbuilt and unrealistic five-week wait. Originally it was even worse—a six-week wait. It seems that that senseless policy was devised by the Government without any thought for how people are supposed to survive for five or six weeks without any payment at all. The Secretary of State herself has spoken of the link between universal credit and the significant rise in food bank use. Why then have the Government failed to tackle this issue and why do they offer people a loan, rather than solving the problem?

The Secretary of State has said that the benefits freeze will not be extended beyond next year, but families cannot afford another year of the freeze. Next year alone, the benefits freeze is expected to cut £1.5 billion from the value of working-age benefits. We have called

on the Government repeatedly to end the benefits freeze. It is not too late for them to stop the freeze. Ending it a year early would lift 200,000 people out of poverty altogether and boost the incomes of 13.7 million people on low incomes by an average of £270. The Government might be reluctant to do that now because the next financial year is only weeks away. However, when there is a desire to get a short Bill through and general agreement that it is non-contentious, Parliament can move primary legislation along quickly. As we saw in the recent work and pensions estimates debate, there is a cross-party desire to remove the damaging benefits freeze.

Part of the Government's concern might be that the passage of such a Bill would be slowed down by amendments, so we will lay down a challenge to them: if they introduce a short Bill to end the benefit freeze one year early, Labour would support it and do whatever is possible to ensure its smooth passage before the next financial year. Will the Government agree to this measure, which would take hundreds of thousands of people out of poverty?

The increase in universal credit work allowances was introduced after considerable pressure from the House and Labour Members in the autumn statement. We welcome the increase, but we question why the Government cut the work allowances in the first place only to partially reinstate them a few years later. The 2015 cuts to work allowances dealt a major blow to the work incentives of universal credit and took money out of the pockets of working families. According to the Resolution Foundation, the increase to work allowances announced in the autumn restores only half the original cut overall. There are no work allowances for single people and couples who do not have a disability. Will the Government revisit this decision?

Turning to the uprating of the state pension in line with the triple lock, we are pleased that the Government have kept to this, despite the Conservatives' plan to scrap the triple lock, which they announced in their manifesto. Presumably, the pressure from Labour Members made them think about that again. The latest figures show that pensioner poverty, as my hon. Friend the Member for High Peak (Ruth George) said, is rising again, with more than 300,000 additional pensioners living in poverty compared with 2012-13. That could be made worse by the news, slipped out on the eve of an all-important Brexit vote, that mixed-age couples will no longer be able to claim pension credit. They will instead be forced into making a universal credit claim, and some couples may lose as much as £7,000 a year as a result. Cumulatively, the cut amounts to £1 billion over the next five years. What assessment have the Government made of the effect this cut will have on pensioner poverty?

As the Government are still recklessly failing to rule out a no-deal Brexit, the threat of no deal and the effect it would have on the state pensions of UK citizens living abroad looms ever greater. As has been mentioned, the Government already withhold the pension uprating from pensioners living abroad in many countries outside the EU, an injustice Labour has pledged to reverse. In their no-deal planning, the Government have failed to commit to uprating the state pension across the EU beyond 2019-20. I have met pensioners who are very worried about this scenario and the effect it will have on

[Margaret Greenwood]

pensioner poverty abroad. People who previously moved to the EU did so on the understanding that their pensions would be uprated. Why will the Government not give assurances to protect UK pensioners living abroad, whatever the outcome of the Brexit negotiations?

The Government have failed to address the financial hardship faced by millions of women born in the 1950s due to changes in pensions policy. Why, despite constant lobbying raising awareness of the issue, have the Government failed to take action? The Conservatives' austerity agenda has inflicted real hardship on many of the poorest and most vulnerable people in our society. It has also drastically undermined our social security system.

We on the Labour Benches believe that we need a social security system that is valued as highly as our NHS and is there for any one of us should we need it. The Government are failing to deliver. If the Prime Minister was really serious about austerity being over, the Government should take action to tackle the rising poverty we are seeing throughout our country.

9.11 pm

Paul Masterton (East Renfrewshire) (Con): The greatest achievement of the modern capitalist system has been its ability to consistently deliver rising living standards across the globe. With higher living standards come longer lives, and that is absolutely something to be celebrated. Many of us can now look forward to living healthy and fulfilling lives into our 70s, 80s and, God forbid, possibly even beyond.

Alison Thewliss (Glasgow Central) (SNP): The hon. Gentleman is making a point about life expectancy. Is he not aware that recent figures suggest that life expectancy is now rolling backwards and that a good deal of that could well be attributed to Tory austerity?

Paul Masterton: I should point out that I spent 10 years as a pensions specialist before coming into this place. The hon. Lady is not actually correct. What has happened is that the increase in life expectancy is slowing down. That is not a UK-only phenomenon; it is happening right across the western world because of very large advances. It is not unreasonable or linked to austerity. Longer lives mean that there will be an increasing number of older people in our society; the proportion of people aged 85 and over is projected to double over the next 25 years.

Debbie Abrahams: I am afraid that the hon. Gentleman has made an error. Public Health England published a report, alluded to by the hon. Member for Glasgow Central (Alison Thewliss), that says exactly that life expectancy is flatlining for certain groups but going backwards for others and for certain regions. Not only that, it pointed the finger at austerity as the cause.

Paul Masterton: I thank the hon. Lady for that intervention, but I would point out that that is not what the hon. Member for Glasgow Central (Alison Thewliss) actually said.

I want to address the order, which delivers on the triple lock to the state pension and provides an extra £3 billion for pensioners in 2019-20, uprating in line with earnings at 2.6%. The UK has a system whereby

today's taxpayers pay for pensions currently in payment. When people are living healthier lives for longer, spending much greater proportions of our lives in retirement, that is both unfair and unsustainable. The figure has already grown from 26.5% in 1981 to 33.1% in 2013. In 2010, the basic state pension stood at 16% of average earnings. Thanks to the triple lock, it will soon be around one quarter of average earnings. That has contributed to pensioner poverty falling significantly in recent years and the Government can be rightly proud of that. By some estimates, typical pensioner households now have higher incomes than their working-age counterparts. The triple lock has therefore served its purpose, and I would argue that it cannot be maintained indefinitely.

Jim McMahon: Does the hon. Gentleman see that as a justification for removing the free TV licence?

Paul Masterton: I thank the hon. Gentleman for that point. I will come on to some of the questions about universal pensioner benefits in just a second.

As the hon. Member for Wirral West (Margaret Greenwood) mentioned, all Conservative MPs were elected on a manifesto commitment to replace the triple lock with a double lock of inflation and earnings from 2020. I believe that that was the right policy, and it would of course be more generous than the Cridland review's recommendation of moving to a simple earnings link. Even this year, we are raising the state pension in line with earnings, because they have risen above the 2.5% floor the triple lock provides. The system should of course provide generous support for vulnerable pensioners, but that support should be properly targeted.

The current universal system means precious public funds are being spent on well-off pensioners. In fact, the richest one fifth of pensioners on average receive a higher weekly income from benefits, including the state pension, than the poorest one fifth. That would be a shocking statistic even without the context of strained public finances. If we are serious about addressing intergenerational unfairness, we must recognise the unfairness of allowing higher income pensioners, many of whom remain in very well-paid employment—for example, as MPs—to retain certain entitlements, while workers on an equivalent income lose their child benefit and their marriage allowance, to give just two examples.

We are building huge levels of intergenerational inequity in this country under the current system that the triple lock, having done what it was designed to do, will only continue to exacerbate. If we want to avoid increasing the burdens on younger workers to fund large transfers of wealth to better-off pensioners, issues around the triple lock and, although they are not in the scope of the measure today, universal benefits need to be addressed. Why are we increasing and providing these benefits to extremely wealthy individuals if it means having to freeze the entitlements for those who are in work and struggling to make ends meet?

I know that the political reality following the experience of the 2017 election meant that that manifesto commitment had to go and that that could easily lead the Conservative party to conclude that it has had its fingers burnt on many of these issues and should steer clear of them in future, but that would be a betrayal of my generation and those to follow. While I, of course, support the

uprating order and particularly the increase to the UC work allowances, which many Government Members lobbied very hard for, I hope that the door is not being slammed shut on the grown-up discussion that we all need to have in the House about the triple lock and other universal pensioner benefits in the near future.

9.16 pm

Brendan O'Hara (Argyll and Bute) (SNP): As much as on one level I would love to say otherwise, with some reluctance I say that we will not oppose this statutory instrument this evening. However, just because we do not seek to block these paltry, parsimonious increases to some social security benefits, Government Members should not think for one moment that we think that these miserable, inflation-linked rises are in any way adequate or go far enough to assist those in our society who are in most need of help.

Alison Thewliss: Does my hon. Friend agree that the WASPI women are one such group who deserve a pay rise and deserve the money that they have paid in but have not received? Does he pay credit to the women who came to march in Govan a couple of weeks ago not just from Scotland, but from other parts of these islands?

Brendan O'Hara: I absolutely do. My hon. Friend and many other Opposition Members have been fantastic champions of the WASPI women. I pay tribute to the WASPI women—in my time as a Member of Parliament, I do not think that I have come across a more co-ordinated, invigorated group. Those who attended in Govan should be left in no doubt that we know that they have not gone away and that they will not go away until justice is done.

As far as the Scottish National party is concerned, the Government stand accused of deliberately widening the gaps in the social safety net. If they push on with the final year of the benefit freeze, they will do so in the full and certain knowledge that those gaps will get wider. As they widen, low-income families, children, the sick, the working poor, the unemployed, the vulnerable and disabled people will continue to fall through that net—the collateral damage in the Government's ideological crusade to seek to balance their books on the backs of the weakest in our society. I believe that, along with the catastrophic Brexit that we are about to face, entrenching poverty across the UK will be this Government's legacy. I reiterate that these cuts are not a necessity. This is a political choice. These cuts are simply ideological.

Almost two years ago, the Prime Minister said famously, in response to a nurse who asked why she and her colleagues had not been given a pay rise, that

“there isn't a magic money tree that we can shake that suddenly provides for everything that people want”.

Really? No magic money tree? You could have fooled me, because as far as I can see, there always seems to be a magic money tree handy when the Prime Minister needs £1.6 billion to bribe English MPs to back her appalling Brexit deal. There always seems to be one when her Government need to find £1 billion to buy off the Democratic Unionist party in order to keep themselves in power. Of course, there is always a magic money tree around when the historically hopeless Transport Secretary needs to be bailed out when he—as we know he will—messes things up again. Perhaps a more accurate answer to that nurse would have been, “Of course there's magic

money tree but not for the likes of you and those others who need it most.” Perhaps an even more honest answer would have been, “Of course there's a magic money tree, and you and the millions of people across the UK hammered by this Government for almost a decade are that money magic tree,” because the billions of pounds taken from the poorest and most vulnerable in our society have gone to bankroll much of the Government's programme, and it has left deep wounds across many communities in the United Kingdom.

Stephen Kerr (Stirling) (Con): As usual, the hon. Gentleman makes an impassioned speech—I admire the passion he brings to this debate—but the SNP are running away from their responsibilities for certain social security payments that it is within their power to take responsibility for. They cannot even begin to put their arms around the administration of those devolved responsibilities until 2024. When they talk in such impassioned terms, we have to match their words, sentiment and passion with the reality of the actions of the SNP Scottish Government, which are lacking in this significant area.

Brendan O'Hara: That is the sort of patent nonsense I have come to expect from Conservative Members. The Scottish Government have spent hundreds of millions of pounds in mitigating the worst excesses of this callous UK Government. The bedroom tax, universal credit and carer's allowance have all been mitigated by the Scottish Government. However, I am sure the hon. Gentleman would agree that the Scottish Parliament is not a mitigation Chamber for this Government. As long as we are to be in this place and this Government control the vast majority of welfare legislation, this is the source of the problem. As responsibility for benefits gets to the Scottish Parliament, we will use it properly and in time, but my goodness I will take no lectures from the Conservative party about universal credit and welfare.

I reiterate the oft-made calls from the SNP Benches for the UK Government to end their deeply damaging and socially divisive benefits freeze. In the last three years alone, the value of benefits affected by the freeze has fallen by more than 6%, meaning that those who can afford it the least have been hardest hit. This is seen as one of the key drivers in pushing up the number of children living in poverty across the UK. Data from the Office for National Statistics shows the reality of the benefits freeze on something as simple as the cost of basic foodstuffs. In the past three years, when working age benefits have not increased at all, the reality facing families on benefits is that bread is now 11% dearer, sugar is 17% more expensive, whole milk is up 12%, tea and coffee are up 7% and butter is up an incredible 23%. That is the price increase since 2016.

It goes without saying—or it should—that poorer families are hit hardest by economic shocks. The poverty premium means that what middle-income families may consider to be a small economic shock, such as a rise in the cost of bread or milk, has a much greater impact on those with smaller incomes who have less disposable income. The Social Metrics Commission report on poverty in the UK published last year found that 2.5 million people were living less than 10% above the poverty line. Relatively small changes in their circumstances could mean they easily fall below it.

Alison Thewliss: My hon. Friend is making some very good points about the cost of living. Is he aware that the UK Government's cuts and their restricting of the child element of universal credit to the first two children in a family mean that a single mum with three kids working 16 hours on the Government's pretend living wage will have to work 45 hours to make up the difference from the cuts?

Brendan O'Hara: I was aware of that. The statistics are shocking, as I will come on to shortly.

In this, its final and most punishing year, the benefits freeze will claw back nearly £4.5 billion. That is nearly £1 billion more than the amount for which the Government budgeted. Late last year, the Joseph Rowntree Foundation said that, by lifting the freeze a year early, the Government could take 200,000 out of poverty. Given the economic turmoil that is expected as a result of Brexit, the Government know that the quickest way in which they could get money to those who need it most would be simply to lift the freeze. It is not too late to do that. As we heard from the hon. Member for Wirral West (Margaret Greenwood), they could introduce primary legislation as soon as they wanted in order to remove the four-year freeze section from the Welfare Reform and Work Act 2016, and they could introduce a statutory instrument to uprate benefits ahead of April. Like the hon. Lady, I can guarantee the support of my right hon. and hon. Friends if the Government were to take that bold and imaginative step.

We said at the outset, back in 2015, that the imposition of a benefits freeze was morally reprehensible, but to continue that freeze in the face of the almost unprecedented economic uncertainty caused by Brexit would, in my opinion, be an unforgivable abuse of the weakest and the most vulnerable in our society. In his report of November 2018, the United Nations special rapporteur on extreme poverty and human rights wrote:

"Given the vast number of policies, programs and spending priorities that will need to be addressed over the next few years, and the major changes that will inevitably accompany them, it is the most vulnerable and disadvantaged members of society who will be least able to cope and will take the biggest hit."

Worryingly, he also wrote that, on the basis of his meeting with UK Government officials,

"it was clear...that the impact of Brexit on people in poverty is an afterthought".

If, back in 2015, the Government intended those receiving benefits to suffer the effects of austerity more than most, they have certainly succeeded. Recently published statistics from the Resolution Foundation make sobering reading. According to the foundation, basic support for jobseekers will be equivalent to 14.5% of average earnings in 2019-20, its lowest ever level. Only once since its introduction in 1979 has child benefit for a first child been lower, and for a family with two children, its value has never been lower.

We all know that the 2015 Budget contained some of the most punitive cuts in social security that this country has ever seen, which are now beginning to actively reverse previous reductions in child poverty. Today, in some of the poorest areas of the United Kingdom, child poverty rates are running at 50%. That is an unbelievable figure in one of the wealthiest countries in the world, although, sadly, it is all too believable in one of the most unequal countries in the developed world. According to Oxfam's analysis of the 2016 Credit Suisse

report, just 600,000 of the UK's richest people are worth 20 times as much as the poorest 13 million combined.

It is predicted that, if the Government continue on the same path, 200,000 more children will be growing up in poverty by 2020. The Resolution Foundation has said that child poverty is projected to rise by a further 6% by 2024, which would mark a record high. I understand that the Government will soon publish some very damning child poverty statistics, but must we wait for those figures to come out before the Government start to listen to calls for them to change direction? According to the Child Poverty Action Group and the Institute for Public Policy Research, Government policy, particularly the two-child policy, will be responsible for pushing hundreds of thousands of children into poverty. When giving evidence to the Work and Pensions Committee in December 2018, CPAG said of the two-child policy:

"You could not design a better policy to increase child poverty than this one".

Alison Thewliss: That is absolutely right. It is welcome that the Secretary of State rowed back on making the policy retrospective, but it will still have a huge impact on child poverty in the future. If it is unfair to some families, it should be deemed to be unfair to all of them, and the policy should go altogether.

Brendan O'Hara: Absolutely. I could not have put it better myself.

What the Government have created is a social security system that believes people can be punished out of poverty. They have created a system where benefits are fraught with the threat of sanctions, and where disability assessments are psychologically and physically distressing and involve an appeals system so complex and drawn out that they actively discourage claimants from accessing the support they are due.

This is not a system based on dignity or respect; it is a system where all too often compassion is the exception. This is a system deliberately designed to afford the individual claimant as little personal respect as possible, and a system deliberately designed to make the poorest and most vulnerable in our society pick up the tab for an increasingly incompetent Government as they desperately cling to power.

9.30 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): It is a pleasure to follow the hon. Member for Argyll and Bute (Brendan O'Hara). I think it would be useful to reflect on the categories of claimant who will not be receiving this uprating. Among those who will not receive any additional support this year are people on child benefit, on jobseeker's allowance, on employment and support allowance who are looking for work, on income support and on housing benefit. It will not affect local housing allowance rates, child tax credit, working tax credit and the majority of comparable elements of universal credit. These have all been subject to a four-year freeze, and before that they had two years of just a 1% uprating. The freeze since 2015 is equivalent to a 6.1% cut. So I would be grateful if the Minister could confirm the savings to the Exchequer for this year alone. Could he also confirm that 10.5 million households will have the equivalent of £150 less in support available to them?

We have already heard estimates of the impact on child poverty, but it is important to reflect on them again. The freeze of child benefit and the child element of universal credit will be responsible for pushing 200,000 more children into poverty by 2020. The Minister said at the beginning of this debate that in his view the Human Rights Act is not affected. One of the rights in the Act is the right to education. How can children in poverty who are hungry and cold maximise the potential made available to them through education if they are hungry? More and more children are facing that.

More and more people from across all parts of this House are calling for the freeze to be ended, as are charities. My hon. Friend the Member for High Peak (Ruth George) has written to the Chancellor and the Secretary of State calling for the freeze to be lifted. I hope that the Minister can give us some good news at the end of the debate.

We had the DWP estimates debate last week, as I know you are aware, Madam Deputy Speaker; you were in the Chair at the time. We debated how in some respects the DWP budget has increased to cover the additional pensioners we now face and the fact that tax credits in terms of universal credit have transferred from HMRC to DWP. But, as has been mentioned, the generosity of other social security payments has actually decreased. The freeze and other social security changes have meant there have been £30 billion of savings to the Exchequer. By 2021, that will be £36 billion, rising to £38 billion by 2023. I understand that there has not been an assessment of the uprating order, so I would be very grateful if the Minister committed to undertaking an assessment of the impact on poverty levels of disabled people in the work-related activity groups. Will he also conduct an assessment of the impact of this social security uprating on overall poverty levels? Does he think it is acceptable to make these cuts and to cause these levels of poverty at the same time as cutting higher rate tax levels? Last week, the Office for National Statistics published data revealing the increase in income inequalities across the UK. What is the Minister's assessment of how much further these inequalities will increase if the Government fail to change their regressive tax and social security policies?

In 2018, inflation stood at 2.48%, and although this has fallen since the beginning of the year, estimates for the rest of 2019 are not favourable, with Brexit-related uncertainty a key driver. Research by the Joseph Rowntree Foundation shows that the price of essentials has risen, with domestic fuel costs increasing by more than 40% over the past decade and the overall cost of food rising by a quarter in the same period. At the same time, the stagnation of wages and the rise in insecure work are putting immense strain on family budgets. Last year, working lone parents saw a decline in the adequacy of their income to meet minimum costs, whether they work full time or part time. Even those working full time on the national living wage typically fall £70 a week short of the minimum income standards budget advocated by the Joseph Rowntree Foundation.

In addition, what are the Minister's estimates of the impact of a no-deal Brexit on these levels of poverty? What are his contingency plans for this? Will he be transparent and publish these reports? By continuing the freeze on the social security payments not included in this order, the Government are subjecting 10.4 million households to an average cut of £150 this year. I would

be really grateful if the Minister would comment on the freeze, and on any opportunity there might be in the spring statement to bring it to an early end.

The dehumanising treatment of social security claimants is reflected not just in the poverty-level support they receive but in how they are treated. Many people have heard of claimants being sanctioned for months on end, but I have been contacted by some claimants who say that they were visited by DWP officials when they were ill in hospital. I would be grateful if the Minister could confirm whether this is Government policy or, as I hope, a mistake. Will he also tell us whether he intends it to be Government policy for the DWP to have unfettered access to claimants' medical records, as was reported today in the GPs' journal, *Pulse*?

I have already mentioned my concerns about the changes to pension credit and the lack of availability of this for a couple, when one of the couple is under retirement age. Age UK has described the change as a "substantial stealth cut" that could have a devastating effect on the health and wellbeing of some older people and increase the number of pensioners in poverty. Again, I would be grateful for the Minister's assessment of the increase in pensioner poverty as a result of this measure.

We have to welcome any small changes in the uprating order, and of course we do, but we cannot get over the fact that 10.4 million people will still be worse off. As my hon. Friend the Member for Wirral West (Margaret Greenwood) has mentioned, those people are in absolutely dire need, so I hope that the Minister will be able to respond positively to this.

9.38 pm

Heidi Allen (South Cambridgeshire) (Ind): Setting aside my concerns about the direction of the Conservative party, one of the motivations behind those of us determined to build a new centre ground party is the opportunity to develop policy based on evidence and to reflect on and amend our policy when that evidence changes. The motion in front of us today is one that this House debates annually. Its purpose is to increase welfare benefits in line with the economy—in other words, the consumer prices index. Those benefits include the state pension, disability living allowance, the personal independence payment, widows' and bereavement benefits, the employment and support allowance support group premium, and the maternity allowance. However, as we have heard across the Chamber tonight, there is one glaring omission. The order excludes working-age benefits. Within this exclusion also sit standard allowances in ESA and income support, child tax credit and the child element of universal credit—in other words, benefits paid to those struggling to make ends meet but who are doing the right thing and working, as well as those too ill to work and those families with children who are also struggling to make ends meet. Our fair-minded constituents would be right to think that there must be some mistake here, but there is not. Individuals are being subjected to the final year of the four-year benefit freeze.

In the 2016 Budget, the Treasury announced the four-year year freeze with the aspiration of saving £3.5 billion by 2019-20. Everyone understood the need to reduce spending right across Government, but policy cannot be static and must be regularly reviewed, particularly when the policy so directly affects the most vulnerable people in society. Estimates recently published by the

[Heidi Allen]

Resolution Foundation, which excels at statistical analysis in this space, indicate that the Government will have already exceeded their target by £900 million by the end of year three. Owing to inflation, the Resolution Foundation further estimates that while wages, the cost of living and pensioner incomes have risen over the period—everything has risen—these in-work benefits have seen a 6% real-terms decrease. The policy can no longer be right. The context within which the four-year benefit freeze policy was developed has changed. What kind of Government can think that it is morally acceptable to maintain this policy?

My recent visits with the right hon. Member for Birkenhead (Frank Field) to the parts of the UK struggling most with poverty have provided me with clear quantitative evidence, too. Society is responding with compassion and the strength of human kindness. Beneath the Government's welfare safety net, society is providing three further layers: the established and now almost "normalised" food bank network; third sector charities and faith groups who open their doors when food banks are closed; and, most movingly, individual families helping those around them. The motion before us today therefore brings into sharp focus the damaging impact of the benefit freeze on the most vulnerable in society. With the recent news that tax income in January outstripped public spending by £14.9 billion—the biggest January surplus since records began in 1993—there is simply no reason to persist with the final year of the benefit freeze. We can afford it.

Working-age benefits must be uprated in line with all benefits from April 2019. As we have heard, ending the freeze would lift 200,000 people out of poverty. It is now almost universally understood that working-age benefits are insufficient for claimants to even maintain subsistence living. Claimants at the lowest point in their lives cannot afford to live on the current welfare safety net. The Secretary of State for Work and Pensions herself has spoken out about the need for the freeze to end, and I can see the discomfort among those on the Front Bench, because I know that it is not within their gift to change things, but it is not too late for the Treasury to change course and end the four-year freeze. I have also been disappointed not to hear any suggestion from Ministers that the matter will be dealt with at the spring statement on 13 March. This Government must look again at the evidence: their benefit freeze is no longer morally nor economically viable and must end in April this year.

9.42 pm

Ruth George (High Peak) (Lab): The benefits freeze affects 10.7 million of the lowest-paid and most vulnerable people in our society. It comes on top of not just two years of a benefit cap, but a three-year freeze on tax credits from 2011 that saw them lose over £1,000 in value for ordinary, low-paid families. That came on top of VAT rising to 20%, the end of the education maintenance allowance and health in pregnancy grants, changes to the statutory maternity allowance and the £500 grant, and the bedroom tax. Families have lost a further £900 a year under the benefit freeze since 2016. It is therefore unsurprising that child poverty has risen since 2011-12, as the Joseph Rowntree Foundation set out. We have seen the number of children living in poverty

increase by half a million, almost all of them in working families supported by working-age benefits. Nearly half of children in lone parent families are in poverty. That number will sharply rise when maintenance is included in universal credit, and the up-front costs of childcare mean that lone parents struggle to escape poverty.

Work is no longer a route out of poverty. Four million working people, a record number, are still living in poverty—half a million higher than five years ago. This benefits freeze will cost families another £210 a year. When this Prime Minister took office, she promised to support people who are just about managing. What are these 10.7 million people on working-age benefits if not just about managing?

Instead, we see that six in 10—over half—of the poorest fifth of the population are now in problem debt, which is contributing to the huge rise in mental health difficulties and emotional anxiety. The biggest problem, as I said earlier, is housing costs. Since 2010, housing costs have fallen for the richest three fifths of the country, but they have risen for the poorest two fifths. Of those on full housing benefit, 43% of single parents and 37% of couples still have to top up their rent from already inadequate other benefits. It is no wonder that people are having to make a choice between heating and eating.

We are seeing the number of pensioners in poverty rising: 330,000 more pensioners are now in poverty than five years ago, and most of them are in rented property, according to the annual poverty report from the Joseph Rowntree Foundation, which is not disputed by any other organisation.

The costs for people on the lowest incomes rise even more than CPI inflation: food, heating, energy, public transport, council tax rises of 5% this year—4% in my area of Derbyshire—and rising care costs. Yes, charities can step in, and we are seeing some fantastic work by communities across the country, but this Government must not go back to a Victorian age in which struggling people are forced to rely on charity. With the best will in the world, charities cannot be expected to cover the whole country, especially in sparse rural areas like mine.

We also see people who are too proud to want to approach charities—people like Chris, whom I met on Saturday. Chris is living on the streets of my hometown of Buxton and unable to access support, and not wanting to because of the conditions placed upon it. It is not right that we have people living on our streets in this day and age, in the fifth richest country in the world.

This is a political choice that this Government have made at a time when corporation tax is due to fall again, the highest rate of income tax is also falling and the main rate of corporation tax for companies with profits of more than £1.5 million a year has almost halved, and will have halved over the next 10 years. That is where this Government's choices are being made: not for the people who are visiting food banks, not for the people who are living on our streets but for the people who have the most.

9.48 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): If it is true that, as we heard from the hon. Member for South Cambridgeshire (Heidi Allen), tax income outstripped public spending by £14.9 billion this January—giving the Government their biggest surplus since records

began—we have to ask ourselves why on earth we are doing this. There can be no persuasive economic case to support it. Why is there a need to persist with another year of benefits freeze? Why are we holding most working benefits and tax credits to their 2015-16 value?

Pensioners, as we have heard, can expect a 2.6% increase, which I welcome, but the Minister's persuasive argument for the triple lock to maintain income security for vulnerable pensioners could just as easily be made for all the other people who are about to lose out. Benefits aimed specifically at disabled people and carers are also set to rise, and I welcome that too, but how are those people fundamentally different from young children in their needs?

I will not go over all of this, but we have heard about the range of frozen benefits—in particular, child and working tax credits and child benefit. The attack on those benefits is about the meanest of all. If they were not frozen, those benefits would be rising by about 2.4% in today's announcement. That might make the difference in whether someone can buy their kid a pair of shoes or guarantee that they have their breakfast before they go to school in the morning. Over the past four years, the most exposed, the most vulnerable and those at the poorest end of our society have suffered the loss of about 6.1% of the value of their benefits. It looks as though this is a deliberate strategy to punish people for being poor and vulnerable. It is hard to equate that with the idea that austerity is over.

As we have heard, the ending of this benefits freeze would lift 200,000 people out of poverty, but as things stand this Government are on course to plunge a record number of children into poverty, and it sends the signal that they do not care. They could do something about it—there is no economic case here—but they do not care. If the Prime Minister had been sincere when she stood on those steps outside No. 10 Downing Street, we would not be listening to this uprating today. The social security uprating that has been announced tells us all we need to know about this Government. They are not only incompetent but mean-spirited and punitive towards the very people in society who should be most able to rely on our help.

9.51 pm

Justin Tomlinson: I thank all those from across the House who have taken the time to speak in this debate. As in last week's estimates day debate, there was a lot of passion about very important issues. Although we do not agree on everything, this is a helpful debate in focusing our minds as we share the proceeds of growth in the coming years to make sure that we are targeting support at those who most need it.

I wish to pick up on a few points raised in this debate. A number of speakers said that we were not supporting those too sick to work. Let me be absolutely clear that the employment and support allowance support group rate will be increased from £37.65 to £38.55, and the severe disability premium will increase from £77.65 to £79.50. The hon. Member for Wirral West (Margaret Greenwood) was spot on when she talked about the impact of unemployment; we could not agree more, which is why we are proud to have delivered record employment in every region. That is in stark contrast to every Labour Government, who have left office with higher unemployment. This was echoed in the speech

made by the hon. Member for High Peak (Ruth George), who continues to attack job creation policies, seeking to remove the opportunity for people to fulfil their potential.

Jim McMahon: The Minister must surely know that the reason there are more people in work is that there are more working-age people. In my constituency, unemployment is higher this year than it was last year, and there is still a struggle to get people on long-term unemployment back into the labour market. He must know that, surely.

Justin Tomlinson: What we know is that every region of the UK is seeing more people working. Youth unemployment increased by 45% under the last Labour Government, but it has almost halved under this Conservative Government, and that will continue.

Ruth George: I assume that in claiming that I am attacking policies aimed at job creation, the Minister is referring to the huge cuts in mainstream corporation tax, which I analysed at the Union of Shop, Distributive and Allied Workers when working on some of the major supermarkets. They actually took their corporation tax reduction and refused to even put that amount into wage growth, let alone into jobs. This is not a job creation scheme; it has made profits for shareholders, not for workers.

Justin Tomlinson: It is delivering record employment in every single region. Increased corporation tax receipts are the folly of the hard-left failed economic policies that deliver higher unemployment every single time, which is why voters repeatedly reject failing Labour Governments.

Brendan O'Hara *rose—*

Justin Tomlinson: I will just make some progress.

Many speakers talked about poverty. Income inequality has fallen—it increased under the previous Labour Government. Rates of low income and material deprivation for children and pensioners have never been lower. There are 300,000 fewer children in absolute poverty and 200,000 fewer pensioners in absolute poverty. In the past five years food affordability has almost halved and is well below the EU average.

Debbie Abrahams: According to the Child Poverty Action Group, 100,000 children are in severe poverty as a result of the benefits freeze. Would the Minister like to accept that fact?

Justin Tomlinson: The stats are very clear: there are now 300,000 fewer children in absolute poverty. Where we are in agreement in this debate is that all speakers rightly welcomed the additional £1.7 billion for the universal credit work allowances. We continue to support those who are seeking to enter work, increase their hours or increase their pay.

Overall, this order is about striking the balance between targeting support to those who most need it and what is fair for the taxpayer. Under the previous Labour Government, who increased welfare spending by £84 billion—the equivalent of £3,000 per working household—that was not a fair balance.

Jim McMahon: Can we just take away this artificial divide between taxpayers over here and claimants over there? People who claim benefits also pay tax. They contribute and work hard, and they deserve a better deal than this.

Justin Tomlinson: That is why we are delivering record employment and increasing support for those who most need it, and why we are today announcing the latest sharing of growth with those who most need it, with a £3.7 billion increase. We are maintaining the Government's commitment to the triple lock for both the basic and full rates of the new state pension; increasing the pension credit standard minimum guarantee by earnings to support the poorest pensioners; increasing the universal credit work allowances so that claimants can earn more before their payments are reduced; and increasing benefits to meet additional disability needs, and carer benefits, in line with prices. I commend this order to the House.

Question put and agreed to.

Resolved,

That the draft Social Security Benefits Up-rating Order 2019, which was laid before this House on 30 January, be approved.

Patrick Grady (Glasgow North) (SNP): On a point of order, Madam Deputy Speaker. I notice that we now move on to some 18 different remaining orders, some of which are very important and will affect the outcome of Brexit for this country on a whole range of issues, from road traffic to animals, gas, energy and arms and ammunition—all kinds of things. If each of these remaining orders were subject to an individual Division, by my calculations it would take up around four and a half hours of the House's time, which is quite incredible. I believe, though, that if we get past 10 o'clock, we can have the much more sensible opportunity of voting on these issues using the deferred Division procedure. Can you advise us on what steps we can take to make sure that Members are not unnecessarily detained this evening by multiple complex Divisions, until such a time as this House introduces a more sensible, modern electronic voting system?

Madam Deputy Speaker (Dame Eleanor Laing): I thank the hon. Gentleman for his point of order. I can give him no advice further than that of which he is already well aware as an experienced and erudite parliamentarian. The fact is that I am about to proceed to the motions, as on the Order Paper.

Jim McMahon: On a point of order, Madam Deputy Speaker. Earlier, there were exchanges relating to the Seaborne ferry contract, and I was staggered to see that the Secretary of State for Health and Social Care was at the Dispatch Box responding to questions. I would welcome your advice about whether that was standard practice or unusual. Was there a point in our recent past when that was the case? Apparently, the issue was—

Madam Deputy Speaker: Order. I can answer the hon. Gentleman's point of order. The reason why the Secretary of State for Health and Social Care was at the Dispatch Box is that the contract in question was made by the Department for Health and Social Care. It was therefore the responsibility of the Secretary of State for Health. Such matters are not for the Chair or the Chamber, but for the Government.

Steve McCabe: On a point of order, Madam Deputy Speaker. I know that this Government are tempted to play with rules as if they did not really exist, but is there any precedent for a set of orders of such importance to be placed on the Order Paper in the fashion that the Government have done this evening? I cannot recollect that ever happening in the 21 years that I have been in this place.

Madam Deputy Speaker: Again, I am happy to answer the hon. Gentleman's point. It is quite normal for there to be several such orders on the Order Paper, to come up after the end of the business. I agree with him in saying that it is unusual to have such a large number, but he will not need me to tell him that this Parliament is currently dealing with a great many matters of secondary legislation in pursuance of the leaving of the European Union. If he notices that there is something unusual, then my guess is as good as his that that is what is unusual—we have not dealt with something of that kind before, and it does require a lot of legislation. As we have now passed the point of interruption at 10 o'clock, the matters before us will not be put for immediate Divisions—I think hon. Members had worked that out.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Dame Eleanor Laing): With the leave of the House, we shall take motions 3 to 8 together.

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

EXITING THE EUROPEAN UNION (ROAD TRAFFIC)

That the draft Road Vehicle Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 18 December 2018, be approved.

That the draft Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 21 January, be approved.

ENVIRONMENTAL PROTECTION

That the draft Air Quality (Taxis and Private Hire Vehicles Database) (England and Wales) Regulations 2019, which were laid before this House on 31 January, be approved.

EXITING THE EUROPEAN UNION (ARMS AND AMMUNITION)

That the draft Law Enforcement and Security (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 15 January, be approved.

EXITING THE EUROPEAN UNION (ANIMALS)

That the draft Aquatic Animal Health and Plant Health (Legislative Functions) (EU Exit) Regulations 2019, which were laid before this House on 17 January, be approved.

That the draft Animals (Legislative Functions) (EU Exit) Regulations 2019, which were laid before this House on 21 January, be approved.—(*Amanda Milling*)

Question agreed to.

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

EXITING THE EUROPEAN UNION (FINANCIAL SERVICES AND MARKETS)

That the draft Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 28 January, be approved.—(*Amanda Milling*.)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 6 March (Standing Order No. 41A).

Madam Deputy Speaker: With the leave of the House, we shall take motions 10 to 12 together.

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

EXITING THE EUROPEAN UNION (FINANCIAL SERVICES)

That the draft Securitisation (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 23 January, be approved.

EXITING THE EUROPEAN UNION (ENERGY)

That the draft Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019, which were laid before this House on 30 January, be approved.

EXITING THE EUROPEAN UNION (ELECTRICITY)

That the draft Electricity Network Codes and Guidelines (System Operation and Connection) (Amendment etc.) (EU Exit) Regulations, which were laid before this House on 30 January, be approved.—(*Amanda Milling*.)

Question agreed to.

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

EXITING THE EUROPEAN UNION (ELECTRICITY)

That the draft Electricity and Gas (Market Integrity and Transparency) (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 30 January, be approved.—(*Amanda Milling*.)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 6 March (Standing Order No. 41A).

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

EXITING THE EUROPEAN UNION (GAS)

That the draft Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 30 January, be approved.—(*Amanda Milling*.)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 6 March (Standing Order No. 41A).

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

EXITING THE EUROPEAN UNION (ELECTRICITY)

That the draft Electricity Network Codes and Guidelines (Markets and Trading) (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 30 January, be approved.—(*Amanda Milling*.)

Question agreed to.

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

EXITING THE EUROPEAN UNION (FOOD)

That the draft Nutrition (Amendment etc.) (EU Exit) Regulations 2019, which were laid before this House on 30 January, be approved.—(*Amanda Milling*.)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 6 March (Standing Order No. 41A).

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

EXITING THE EUROPEAN UNION (ELECTRONIC COMMUNICATIONS)

That the draft Mobile Roaming (EU Exit) Regulations 2019, which were laid before this House on 4 February, be approved.—(*Amanda Milling*.)

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 6 March (Standing Order No. 41A).

Madam Deputy Speaker: With the leave of the House, we shall take motions 18 to 20 together.

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

EXITING THE EUROPEAN UNION (CIVIL AVIATION)

That the draft Aviation Security (Amendment etc.) (EU Exit) Regulations 2019, which were laid before this House on 31 January, be approved.

EXITING THE EUROPEAN UNION (ENVIRONMENTAL PROTECTION)

That the draft Ozone-depleting Substances and Fluorinated Greenhouse Gases (Amendment etc.) (EU Exit) Regulations 2019, which were laid before this House on 6 February, be approved.

EXITING THE EUROPEAN UNION (CUSTOMS)

That the draft International Waste Shipments (Amendment) (EU Exit) Regulations 2019, which were laid before this House on 11 February, be approved.—(*Amanda Milling*.)

Question agreed to.

PETITION

Demanding faster treatment for pancreatic cancer

10.5 pm

Nic Dakin (Scunthorpe) (Lab): I rise to present a petition on behalf of the people of the United Kingdom demanding faster treatment for pancreatic cancer. I pay tribute to all those who have signed the petition, and particularly those who presented it to Downing Street earlier today, including the family of Erika Vincent, who sadly passed away while building the petition to its current size.

The petition states:

The petition of residents of the United Kingdom of Great Britain and Northern Ireland,

Declares that the Government's 62-day target for cancer treatment is not suitable for pancreatic cancer, where 1 in 4 pancreatic cancer patients will have passed away within one month of diagnosis and 3 in 4 within one year of diagnosis, making it the deadliest common cancer; further notes the efforts of Erika Vincent who championed a campaign for faster pancreatic cancer treatment, and who sadly passed away last month shortly before

[Nic Dakin]

her petition reached a milestone 100,000 signatories and further that like Erika, we demand faster treatment and know that this is readily possible.

The petitioners therefore request that the House of Commons urges the Government to set an ambition to treat people with pancreatic cancer within 20 days of diagnosis, by 2024.

And the petitioners remain, etc.

[P002431]

Bus Services: Greater Manchester

Motion made, and Question proposed, That this House do now adjourn.—(Amanda Milling.)

10.7 pm

Jim McMahon (Oldham West and Royton) (Lab/Co-op): I would first like to place on the record an interest, as a family member works for Transport for Greater Manchester, although not in the buses division. I bring to the House an important matter for debate and one that is as old as public transport itself: our bus services. I will speak about the impact of bus service reductions in Greater Manchester, the opportunities that arise through bus franchising and the need to bring about a new settlement for bus users in our city region.

For context, Greater Manchester's bus services go back nearly 200 years to the original horse-drawn buses, but SELNEC—South East Lancashire North East Cheshire—brought together council transport departments from Manchester and its surrounding districts. In 1974, it became the Greater Manchester Passenger Transport Executive. In 1986, the bus operation was transferred to GM Buses, with its iconic orange and brown livery, which serviced communities across the city region and beyond until its employee buy-out in 1993, when it split services between the north and south of Greater Manchester. That was an important moment for the routes, services, pricing and quality of services we see today.

As a child growing up off Queens Road in Cheetham Hill, in the shadow of the imposing Queens Road bus depot, I would look at it as I walked to school each day, or to the Irish centre across the road, and the orange and brown livery was as powerful to me as the Coca-Cola or Heinz brands are to the whole population. It is a little-known fact—I am not sure that I should be saying this—that as a child playing on my pedal bike, I was so preoccupied with the plastic bottle that I had positioned against a rear wheel of the bike to try to make a motor engine noise that, as I went out on to Queens Road, I did not notice the passing vehicle and was struck by a bus driver. I am forever grateful that he was driving his car to work, and not his bus, at the time. I broke my collarbone and learned an important lesson about road safety. The local museum of transport housed in the depot would provide a staple visit. I made sure that each of my sons made their mandatory visit, whether they liked it or not, to take a photograph in the seat of a bus and a tram.

But it is not the past that occupies my time or my postbag today, but the state of public transport in Greater Manchester. By 1996, GM Buses South had been sold to Stagecoach and GM Buses North had been sold to First Bus, both of which are still operating from the depots that they inherited, basically splitting Greater Manchester in half. Rather than creating active competition, that created two, in my view, private sector monopolies with differential pricing and ticketing, and entirely different approaches to routes. Today, 82% of bus mileage in Greater Manchester is commercially operated and accounts for 90% of passenger journeys. Stagecoach operates the majority of routes in the south and First Bus operates the vast majority in the north, with very little mutual competition.

This was explored by the Competition Commission in a two-year investigation that found that nationally there were high levels of market concentration and a number of barriers to entry for new competitors—not least, the cost of establishing a depot, buying buses and creating routes. Its report found that head-to-head competition was uncommon and that the costs to passengers through the lack of competition was between £115 million and £305 million a year nationally.

The experience of many bus users is that bus services are being run for the benefit of the operators rather than bus users. Let us remember that when we say bus users, we are talking about those who need accessible, affordable and reliable transport to get to work, school or college within a system that is, at the moment, complex, expensive and too often not fit for purpose.

Liz McInnes (Heywood and Middleton) (Lab): My hon. Friend is making an excellent speech. In my constituency, we are extremely reliant on the bus services. We have only two railway stations that serve only a part of the constituency. Complaints about bus services are a constant in my constituency emails. I am very grateful to him for raising these really important issues, which mean a lot to my constituents.

Jim McMahon: I thank my hon. Friend for her intervention. I congratulate her on the work that she does in supporting constituents for whom this is a real issue. Middleton and Heywood have First Bus as the main operator as we do in Oldham, with the main depot being based in Oldham for north-east Manchester. It runs the lion's share of the routes, so there is no competition that would mean that the standard was raised. I appreciate that point being made.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Is my hon. Friend and neighbour concerned, as I am, about the reliability of bus services? That is a constant cause of concern not just in casework but among my staff, one of whom had to wait over an hour for a bus tonight and was yet again late. Is my hon. Friend also concerned about the decrease in the use of bus services? There has been a decrease of 25 million journeys in the space of five years in Greater Manchester.

Jim McMahon: Over the past decade, we have seen 32 million fewer bus journeys a year as a result of poor services. I congratulate my hon. Friend and neighbour on the work that she does in fighting for access to rural services, where many people feel isolated. When the bus does not turn up on time when it is needed, particularly in the winter when it is dark, as at the moment, it can be very difficult for local people. She campaigns on that with real effect, and I congratulate her.

Liz McInnes: It is really important that we remember the role of bus services in addressing social isolation. A constituent came to see me about the cutting of a bus service, which meant she was unable to go out in the afternoons to shop and visit friends and family. She was an elderly lady. I wrote to the Minister for loneliness about it, who wrote back to me and said, "This is a matter for the Department for Transport." Does my hon. Friend agree that there needs to be more joined-up working between Departments?

Jim McMahon: That is a really important point. By and large, someone living within 5 miles of Manchester city centre on a main road will probably get a reasonable bus service, and there will be quite a lot of competition for it. But for someone who lives off a main road, on an estate, the chances are that their route has been cut or cancelled completely. For many people—particularly those who live on estates on steep gradients—that can mean that they are completely cut off from access to good bus services and do not leave the house. People have experienced that in Royton and parts of Chadderton where bus services have been taken away. I thank my hon. Friend for her intervention.

The current system unfortunately sees Greater Manchester in a clean air crisis, with pollution causing around 1,200 premature deaths a year. That is across all transport, not just buses, but it is important that we try to get people on to sustainable, environmentally-friendly transport, not just to get to work and college but to save lives.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for giving way. As I said to him before the debate, Translink has spent a substantial amount of money on new buses in my constituency. Those buses are environmentally friendly, but they are also disabled-friendly. It is so important that we give the opportunity of rural and urban bus travel to people who are not able to access normal buses. Does he see that as one of the things that the Government should pursue in his constituency?

Jim McMahon: Madam Deputy Speaker, I cannot tell you how reassuring it is in these crazy parliamentary times to have an intervention from the hon. Member for Strangford (Jim Shannon); it gives a lot of comfort. That is a really important point. Disabled people find it difficult to leave the house, and they have to contend with not only buses but, when they get off the bus, the shops, department stores and supermarkets that are not accessible. What we can do as a public service is ensure that public transport is accessible, to connect them as much as possible with our towns, city centres and villages. I appreciate that intervention.

As I have said before, we cannot address the clean air crisis if we do not address the bus crisis. Over the past 10 years, we have lost 32 million bus journeys every year in Greater Manchester. That is a staggering number of journeys being diverted. I should say, out of balance, that that is partly because there has been significant investment in our tram system, so some people will choose to use the tram rather than the bus network, but that still does not account for the 32 million. We have seen a significant shift, and too many people rely on their private cars to get to work because bus services just are not good enough.

As a result of commercial decisions or because bus subsidies have been cut due to local councils having their budgets cut—of course, subsidised routes are funded by council tax through the transport levy, so if the council budget is cut, transport naturally gets cut, too—many communities have seen routes reduced or cancelled completely, cutting off entire communities. Many older and vulnerable people are now isolated. At the same time, we have seen the cost of travel increase. Ticket fares have increased by over 55% above the rate of inflation in the same period. How can it be right that we

[Jim McMahon]

are losing 32 million bus journeys a year, but the cost has increased by 55% over the rate of inflation? People are paying from both sides—through increased subsidies to operators and through poor services, and they are then charged on top of that. I pay credit to the Better Buses for Greater Manchester campaign, which provided that data.

Given the north-south divide in Greater Manchester, it is more expensive generally to travel across the city. If someone needs to make a bus journey that requires more than one operator, they have to use what is called a system one ticket, which is a multi-operator bus ticket. That costs £5.80 a day or £19 for a weekly ticket, often for people who are on the minimum wage and struggling to get by. We should compare that to what we pay for bus travel in London. Someone who needs to use multi-modal transport—say, the bus and the tram—will pay £9 a day or £38 a week. If we compare that with the same ticket in London, where someone wants to use a bus and the tube, they will pay £21.20. It is £38 in Greater Manchester, but £21.20 in London, so weekly tickets are more expensive—179% more expensive—in Greater Manchester than in London. Quite literally, passengers in Greater Manchester are being taken for a ride.

Liz McInnes: Oh dear.

Jim McMahon: Well, I had to say it. Give me some credit, please.

In 2014, the devolution agreement was reached with Greater Manchester leaders. At the time, I was the leader of Oldham Council, and we agreed to bring forward plans to franchise bus services in Greater Manchester. This would allow greater power over routes, frequency, operating hours, fares and standards. There has been a great deal of concern that the big operators, such as Stagecoach and First Bus, would seek any legal challenge to prevent bus franchising from happening, and there is little doubt that that has in part accounted for some of the delay we have seen.

Funding has already been spent by the Greater Manchester combined authority and the Mayor: £6 million to date, with a further £3.5 million to come and followed by another £2.25 million for bus reform towards 2020, totalling £11.25 million. Incidentally, that is dwarfed by the profit Stagecoach made last year alone, when it had a £17.7 million profit margin for the year. That may account for some of the nervousness we have seen: when making that much in profit, it provides a decent fighting fund if it has to take legal action to protect that profit. However, it is a bad deal for taxpayers and bus users.

Greater Manchester must now recognise that with every week, month and year that passes, it is the millions of people in our city region who will be paying the price of delay. That brings me to explore the willingness to do it Greater Manchester's way. There is a reason why Greater Manchester secured the largest devolution settlement outside London and why Greater Manchester has attracted attention. It took things seriously; it made the evidence-based case; and it built partnerships and long-standing relationships to get things done. It is just not good enough that passengers and decision makers in Greater Manchester seem to be held to ransom by

bus operators, which have taken hundreds of millions of pounds from routes, while routes have been lost and, year on year, the taxpayer subsidy is passed on. Unless a more balanced settlement is reached, that just is not a good deal, but it requires energy and determination to form a different vision.

While we wait for franchising to seek powers, we must use this time to secure any possible passenger advantage. It will come as no surprise that First Manchester was heading for difficulties because, after it secured an operating margin of 17.3% or £18 million in 2010, it lost ground with losses in 2016 and 2017 amounting to £11 million. When it became common knowledge that First Manchester was seeking buyers for its four depots in Greater Manchester, including in Oldham, together with its fleet of 500 buses and 2,000 employees, it was a once-in-a-generation opportunity to bring some order and sustainability to bus services covering some of the poorest communities in Greater Manchester. I took the opportunity to raise this in my letter to the Mayor of Greater Manchester on 6 February, and I still urge that action be taken.

A difference seems to arise from the Bus Services Act 2017 in relation to whether the restriction in the Act on setting up a new company means there is also a restriction on buying an existing operation. I am conscious of the time, so I will jump ahead in my speech. I sought the advice of the Library, and I was referred to a companies law specialist. They said that

“it is clear that acquiring an existing company does not constitute the formation of a new company and so, as I would understand it sits outside the restriction in the Bus Services Act”.

They also said:

“It is my considered opinion that buying an existing company does not constitute forming a company.”

Even if conflicting legal advice was received focusing on the letter of the law as outlined in the Companies Act 2016, rather than the implied spirit of the Bus Services Act, there would be other options. We must make sure that we do not miss opportunities. For instance, there is the opportunity to have other municipal bus operators expand into Greater Manchester, such as those in Warrington, Reading, and Nottingham, which are performing well. If that is not considered to be an option, we could look at the formation of mutuals or co-operatives to make sure that passengers are part of the shareholding, or we could look at Manchester airport buying the service as a going concern and holding it ahead of bus franchising. There are plenty of options around. Fortune favours the brave, and it is important that we see determination.

Unfortunately, we have learned that the Queens Road depot, together with its 163 buses, has been sold to Go-Ahead for £11.2 million, separating it from the three remaining depots, including Oldham. While I accept that the new operator will work with other operators through the OneBus partnership it is my belief that carving up the north of Greater Manchester with a range of new operators buying the depots individually will make franchising harder, not easier. It is hugely disappointing, to put it mildly, that we have not capitalised on an opportunity that rarely presents itself.

Greater Manchester has done a great deal to ensure that there is investment in public transport. For instance, it has spent £90 million on bus priority measures and

£130 million on bus stations, with an additional £29 million to support clean buses. It is important that operators play the game. I had an unfortunate exchange with Stagecoach Manchester on Twitter, as it was criticising the Mayor and the Greater Manchester combined authority for introducing new powers to reduce air pollution, as though that was not a reasonable thing to do, and it was not taking into account the £29 million clean bus fund invested by Greater Manchester. There was more than just a stick—there was also a significant carrot.

Public transport is key to giving people across Greater Manchester access to jobs, including constituents such as mine in Chadderton, Oldham and Royton who seek employment at key employment sites such as Trafford Park and Manchester airport, but who are denied that option because buses simply do not run to meet shift patterns, or are unaffordable and complicated, which disadvantages people trying to hold down more than one job, or who have with caring responsibilities and for whom time is precious.

This matters—all public transport users across Greater Manchester care about it, as 76% of all journeys using public transport are by bus. We must grasp this opportunity. Two and a half million people in Greater Manchester deserve better, but it requires courage. Remember, faint heart never won fair maiden, and it certainly does not get the buses to run on time either.

10.27 pm

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): I thank the hon. Member for Oldham West and Royton (Jim McMahon) for bringing this important issue to the House, and I welcome the opportunity to debate it and to collaborate on how we can continue to support and promote buses. I was particularly touched by the throwback images and his first impression of a bus. We all had those back in the day.

Buses play a hugely important role in our transport system. As we heard, they connect our communities to the workplace and to vital public services. They support our economy, they help to tackle congestion and they have an important contribution to make in reducing emissions—I hope to come on to that. I share the hon. Gentleman's concerns about bus passenger numbers, which vary across the country, but we must not forget that there are over 4.4 billion bus journeys a year and buses remain the most popular form of public transport.

It is interesting to know—this is why we are all here and championing buses—that passenger satisfaction remains consistently high, with 88% of passengers satisfied overall with their bus journey. I cannot think of any other public service that rates so highly. We should take a moment to thank bus drivers, who are key to good journeys, and good bus companies that operate a good service. The benefits of a reliable and innovative bus service are clear: greater productivity and communities that are connected, rather than apart. That is why the Government remain committed to improving bus services and expenditure on buses.

Each year, my Department provides about £250 million in direct revenue support for bus services in England via the BSOG—the bus service operators grant—scheme. Of that, about £43 million is paid directly to councils outside London to support buses that are not commercially

viable but considered socially necessary. The rest goes to commercial bus operators. Without that support, fares would increase and marginal services would disappear. Government funding supports the approximately £1 billion spent by local authorities on concessionary bus passes every year. The Government have committed to protecting the national bus travel concession, so that about 10 million people get the support that they need to travel off-peak anywhere in England.

The hon. Gentleman raised the issue of younger travellers. The Government recognise that young people's travel and the level of fares is a complex area. There is no statutory obligation to provide a discounted travel price to young people, but many commercial and publicly funded reductions are available. I was particularly pleased to see Transport for Greater Manchester introduce its Opportunity Pass, giving all 16 to 18-year-olds free bus travel. Since 2010, the Government have invested over £450 million in bus-related local authority transport schemes, including £32.5 million in the Manchester Cross City bus scheme, to deliver a range of bus infrastructure and congestion management measures. That was no doubt welcome in the hon. Gentleman's constituency.

To support buses today and to help them into the future, the Government delivered the Bus Services Act 2017, which contains a range of options for how to improve local bus services in England. In addition to franchising, there are new and improved options to allow local transport authorities to enter into partnership with their local bus operators to improve services for passengers. Partnership working between local authorities and their bus operators achieves the best results. It is not always about funding. Bus passenger numbers are up 50% in Bristol, 36% in South Gloucestershire and 31% in Reading. In York, the city council and operators launched a customer charter setting out the standard of service passengers can expect, and have committed to a range of measures to encourage bus use. Those are just a few examples of how effective partnerships can work.

Partnerships may not be the best solution in all areas. The 2017 Act also gives local authorities the potential to use new powers to franchise bus services in their areas. Like the system in London, franchising will enable authorities to specify the services that passengers want and deliver an integrated network of services. Mayoral combined authorities such as Greater Manchester are provided with automatic access to franchising powers, reflecting the clear, centralised decision-making responsibility for transport they hold. All the powers needed for Greater Manchester to franchise its bus network are already in place. However, the Greater Manchester Mayor felt he needed additional powers to fully consider bus franchising for Greater Manchester. Buses fall under many Departments, so the order that will be debated in the House tomorrow to give the Mayor the additional powers he has requested is being managed by the Ministry of Housing, Communities and Local Government.

Jim McMahon: Just for the record, the additional powers the Mayor of Greater Manchester will receive through the statutory instrument tomorrow relate to precepting powers to pass the charge on. The Government have not provided the funding required to deliver bus franchising in Greater Manchester, so it now has to go on the council tax payers of Greater Manchester.

Ms Ghani: The hon. Gentleman makes a valid point about the statutory instrument tomorrow, but funding for buses, especially for Manchester, is particularly high compared with other parts of the country. It does very well for buses through different types of funding across the Government. For example, I sign off on budgets for low-emission buses. Manchester is always very good at putting together fantastic bids and securing funding, including, I believe, a section of the £2.5 billion transforming cities fund, which will again provide an opportunity to support buses and tackle congestion, thus bringing communities together.

The hon. Gentleman talked a lot about how services can improve, especially when more information is available on routes and ticketing, and accuracy and transparency on fares. That is why the open data part of the Bus Services Act is absolutely key. We know that passengers want to have good information and clarity not only about when they can get their bus but on how much their ticket is going to be. The bus open data powers in the 2017 Act will go further than the partnership provisions requiring all bus operators of local services in England to open up route and timetable, fares and tickets and real time information for passengers from 2020. Those improvements aim to remove uncertainty in bus journeys, improve journey planning and help passengers to secure best value tickets.

The hon. Gentleman touched on accessibility. We recently launched the inclusive transport strategy, which looked at how we can further reinforce the accessibility that buses have and remind drivers in particular which parts of the bus are available for wheelchair users. That work will continue.

I will touch on air quality because the hon. Gentleman raised that valid point. The environment is absolutely key for our constituents and buses across the UK are cleaner than ever, with 15% of the fleet now operating

using low-emission technology. The ultra-low-emission bus scheme was announced in March 2018, making £48 million available for local authorities and operators. He will be pleased to be reminded that bus operators operating in Manchester and the Greater Manchester Combined Authority received £14.76 million, which will fund 70 electric buses and support infrastructure.

Debbie Abrahams: The Minister said that 15% of buses are low-emission buses. What timescale are we looking for to get to 100% of buses being low emission?

Ms Ghani: The Department is doing what it can through the money that it is making available—for example, the £48 million that I mentioned—and the assumption is that that will help not only to retrofit buses but to encourage bus operating companies to invest in their infrastructure. We know that one reason why people will jump on a bus is that they realise that it is a cleaner way to manage the environment.

I fear that I may be running out of time. We have to accept that there is no single solution that will work everywhere. I am confident that our commitment to local transport and the powers in the Bus Services Act will help to drive up bus numbers, as we would like to see across the country, but we must remember that buses are managed by local politicians, local authorities and bus operators. Only they can deliver better services by working together. I look forward to working with the hon. Member for Oldham West and Royton and anybody else who is passionate about buses to do what we can to improve bus numbers up and down the country.

Question put and agreed to.

10.36 pm

House adjourned.

Westminster Hall

Monday 4 March 2019

[SIR DAVID CRAUSBY *in the Chair*]

School Funding

4.30 pm

Liz Twist (Blaydon) (Lab): I beg to move,

That this House has considered e-petition 232220 relating to school funding.

It is an honour to serve under your chairmanship, Sir David. I present the petition on behalf of Mr Andrew Ramanandi, the headteacher of St Joseph's Catholic Primary School, Blaydon, and more than 104,000 teachers, support staff, heads, parents and governors around the country who have signed it. I acknowledge the fair funding for schools campaign, which was started by Mr Ramanandi and joined by all headteachers across the borough of Gateshead. Their imaginative campaign has captured the attention of the public and many politicians, and they will be listening closely to the debate. Mr Ramanandi is in the Gallery.

Dedicated staff, who are by far the most important resource in our schools, face an uphill battle due to not only school funding, but curriculum reform, an increasing workload and the growing and often complex needs of many of our children. Time and again, we hear that morale and staff retention are low. Our educators are looking to us as politicians to help them to respond to that challenge.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I congratulate my hon. Friend and fellow Petitions Committee member on securing and introducing this important debate. In January, the Minister encouraged MPs to write to their local schools and congratulate them on their improvements in key stage 2. I did just that, but I heard back almost immediately from my local schools, which had improved their results significantly, that they were having to lose the key staff who had helped them to do that. Does she agree that that is completely counterproductive and hugely concerning for the future performance of those schools?

Liz Twist: I agree with my hon. Friend that it runs counter to what we might expect to congratulate schools and then find that they have huge financial problems.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Does the hon. Lady acknowledge, however, that there is still a huge difference between the funding for schools in rural shire countries such as mine and that of schools in metropolitan inner-city areas?

Liz Twist: The petitioners are keen to look at the overall situation with regards to school funding, rather than asking, "Is this one right? Is that one right?". The question is whether we have sufficient funding to provide a good education for our children.

John Redwood (Wokingham) (Con): Before the hon. Lady moves on, can she give us an idea of the percentage increase that she thinks would now be sufficient?

Liz Twist: I do not have a percentage figure, but it has been estimated that more than £2.8 billion would be needed to restore the situation to where it was in 2013.

Mr Jim Cunningham (Coventry South) (Lab): Will my hon. Friend give way?

Sir Hugo Swire (East Devon) (Con): Will the hon. Lady give way?

Liz Twist: I will make some progress, but I will take some interventions shortly.

The campaign started with a letter co-signed by headteachers of primary, secondary and special educational needs and disability schools in Gateshead, who became increasingly alarmed by the impact that a real-terms reduction in school funding was having on the children and young people in their care. The letter, which was sent to parents before Christmas, informed them that schools may no longer be able to provide the same level of service and asked them for their support in raising the schools' concerns with the Government.

This is a speech of two parts. The first part is about the facts and figures that we regularly bandy around the Chamber and in official papers. Eventually, they get down to the school heads and governors at the kind of scale where they can see the black holes in their budgets and try to work out how they can balance their books.

Mr Jim Cunningham: Coventry has experienced the same sort of difficulties as my hon. Friend's constituency. I did a survey and visited several schools last year, which showed that out of 103 schools, 102 were suffering from teacher shortages, demoralisation, rising class numbers or low pay. Does she agree that the Government have to do something about that?

Liz Twist: I certainly agree with my hon. Friend.

Steve Double (St Austell and Newquay) (Con): Will the hon. Lady give way?

Liz Twist: I will make some progress, so that the debate makes some sense.

As I said, this is a speech of two parts. The first part is about the facts and figures and the second part is about what they mean for our schools—the staff, the governors, the parents and, most of all, the pupils.

Sir Hugo Swire: The hon. Lady is absolutely right to raise those inequalities, but does she concede that this Government have tried to do something about fairer funding? In our part of the world, in Devon, there has been an increase, but we are still chronically underfunded. Every child in a Devon school gets £304 less than the national average, so we lose out on £27 million per year. Under a previous Labour Government, funding was skewed towards the inner cities and away from the shire counties.

Liz Twist: As I have said, the debate is about having enough funding for all schools to provide the education that children deserve.

[Liz Twist]

The second part of my speech is about what the figures mean for our schools. At the start of the debate, we should establish the facts about school funding. It is right that more money has been allocated to education, following pressure from hon. Members on both sides of the House who know the pressures that their local schools face. It is also right to acknowledge that the Government have offered additional funds to support increasing pension costs, which have hit schools badly.

The Minister must know, however, as I do, that those measures do not go anywhere near far enough to meet the real-terms cuts that schools face year on year. The statistics from the School Cuts campaign, which were verified by the chair of the UK Statistics Authority, Sir David Norgrove, show that 91% of schools across England have experienced real-terms cuts in per-pupil funding since 2015.

Maria Eagle (Garston and Halewood) (Lab): One of my primary school headteachers, who has been a teacher for 30 years and a headteacher for 15 years, tells me:

“I’ve never experienced a time when the range of needs has been so complex and the financial support so thin.”

She is the head of a school in one of the most deprived parts of my constituency and faces an overall deficit of £70,000 this year. Does my hon. Friend agree that that is not adequate to enable her to do the job that she has been doing for so long?

Liz Twist: I absolutely agree with my hon. Friend’s assessment of the situation. That is a real problem, as it is for Mr Ramanandi and schools in Gateshead.

As I was saying, the Minister must know that schools face real-terms cuts year on year. It is simply not right to say that funding per pupil, which is the measure that really matters, has gone up. The Government’s statistics show that England’s schools have 137,000 more pupils in the system. The respected Institute for Fiscal Studies acknowledges that schools have suffered an 8% real-terms reduction in spending per pupil, despite growing numbers of pupils coming through the door.

With increasing numbers of pupils, and decreasing funding in real terms, schools have had to make cuts that have resulted in 5,400 fewer teachers, 2,800 fewer teaching assistants, 1,400 fewer support staff and 1,200 fewer auxiliary staff. If funding per pupil had been maintained in value since 2015, school funding in England would be £5.1 billion higher than it is now.

Like the petitioners, school leaders across England are concerned that the Government have not kept their promise to increase school funding in cash terms this year. The Secretary of State for Education promised that

“all schools would see a modest rise in funding”.

However, 4,819 schools have not received the Education Secretary’s guaranteed cash increase, meaning that one in four primary schools and one in six secondary schools have had their funding cut in cash terms this year. Locally, 71 schools in Gateshead have suffered Government cuts to per-pupil funding since 2015, losing out on £14 million. In my constituency, the average cut is about £45,000 per primary school and £185,000 per secondary school.

Headteachers in my constituency tell me that, as funding has become tighter, schools have had to cut back on essential resources: teaching and non-teaching staff; support staff who work with vulnerable pupils; small group work; interventions with children who are not thriving; teaching resources; subject choices; classroom and extracurricular activities; repairs for buildings, including asbestos management; and renewal of equipment.

Unison, which represents support staff in many of our schools, forecast that over the next year one in four schools across Gateshead borough will see redundancies. We know that, on top of that, many schools are not replacing staff who leave, so the reality is much worse for them.

Support staff are disproportionately affected by the redundancies. These are mostly part-time or term-time-only jobs, low-paid and generally taken by women living close to the school. By 2021, all but three schools in Gateshead are expected to be in budget deficit, so it is likely that further redundancies are on the horizon. How do we expect our schools to plan for the future?

Steve Double: I am very grateful to the hon. Lady and fellow member of the Petitions Committee for giving way, and she is making an excellent start and making the case for more funding for schools. I am sure that there is no one in this Chamber today who does not want to see more funding for schools. However, schools in Cornwall have been making the sorts of rationalisations and working efficiently in the way that she is describing for many years. So while we make the case for more funding for our schools, does she agree that the allocation of that funding must be fairly distributed across the country, because metropolitan schools have had too big a share of the cake for far too long?

Liz Twist: I will repeat the point a third time that the petitioners have been clear with me that their concern is that all schools are properly funded, wherever they are, so I will not enter into those discussions.

Alex Cunningham (Stockton North) (Lab): My hon. Friend will share my concern about children in areas of high deprivation. They are already well behind the curve in terms of development; they were disadvantaged the day they were born. The education system can actually drag them out of poverty, but does she agree that this Government policy ensures that they are left in poverty?

Liz Twist: Yes, clearly the lack of resources in schools and the loss of jobs mean that attention cannot be given to important issues, which is a real detriment to the people affected.

The second part of my speech is about what these figures mean for our schools: for the staff, the governors, the parents, but most of all, for the pupils in each and every school. I am sure that other Members will indulge me if I talk about the schools in my constituency; I have no doubt that many of them will wish to share experiences from their own schools.

Last Friday, I visited Portobello Primary School in Birtley. During my visit, the headteacher and governors of this great community school told me about their concerns about funding pressures. In the last year, they have lost four valuable members of staff to redundancy:

a higher level teaching assistant with 20 years' experience in early years education; an experienced teacher who led on the arts curriculum; a highly skilled teaching assistant who was trained in supporting children with medical and educational needs; and a dedicated school counsellor, who supported young children with their mental health.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that for children with special needs, such as those in Coleridge Primary School in my constituency, this situation is a double whammy?

Liz Twist: Yes, I most certainly agree with my hon. Friend on that point.

Dr Sarah Wollaston (Totnes) (Ind): We all recognise that supporting the higher needs budget is extraordinarily important because of the vulnerable children that it supports. However, does the hon. Lady agree that when there is just a compulsory virement away from other budgets, that exacerbates the problem and that what we need is higher needs properly funded as a bloc?

Liz Twist: Yes, I most certainly agree with the hon. Lady.

The headteacher and governors at Portobello Primary School also said that the impact of real-terms budget reductions has made it harder to deliver specific interventions with pupils; that it is increasingly difficult to provide personal and emotional support for vulnerable pupils; that they have lost decades' worth of experience and curriculum knowledge; and that they are finding it harder and harder to take children on educational visits and purchase up-to-date teaching resources and equipment.

Due to these redundancies, staff are taking on extra duties and the local community are supporting the school by fundraising. I applaud the commitment of the staff of Portobello, who are doing everything they can for the children in their care. Most headteachers in my constituency could tell a similar story; it simply is not good enough that schools are not adequately funded to provide an outstanding education.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): I thank my hon. Friend for giving way.

Sir David Crausby (in the Chair): Order. May I ask Members on the Benches at the sides to come forward to speak, so that the microphones can pick them up?

Seema Malhotra: Thank you, Sir David. My hon. Friend is making a very powerful speech. Given the feedback that I have received from schools in Hounslow, in my own constituency and in that of my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury), I know that the pressures and demands, particularly regarding the special educational needs of the most vulnerable, could now become the next national issue, just as adult social care has been in crisis because of the lack of places. In my constituency and the rest of Hounslow, although we could provide over 1,200 places with the extra investment and funding that has come, there are more than 2,000 children with educational and healthcare plans. Does she agree that is a concern?

Liz Twist: I thank my hon. Friend for that intervention and I most certainly agree that there is a need to put additional resources into special educational needs as well.

Mrs Anne Main (St Albans) (Con): I want to put it on the record that the Backbench Business Committee asked on 5 February for a six-hour debate on this issue, and that request has been granted. That request was supported by 43 Members, many of whom are here today. It is about time that the Government found time for this very valuable debate, because it is roundly supported.

Liz Twist: I thank the hon. Lady very much for that intervention. What is clear from all Members here today is that we need a long debate on this issue, and I hope that we will have one soon.

Last November, I visited St Joseph's Catholic Primary School in Blaydon, along with our local parliamentary outreach worker, Gillian. It is the school of Mr Ramanandi, the lead petitioner—and a fine school it is, too. I met some of the younger pupils there: they were polite and well-behaved, but also fizzing to make inquiries and ask questions. They were not afraid to ask some of the questions that many adult constituents would be too polite to ask.

Our discussions ranged far and wide, really covering some important local, national and environmental issues. These children had clearly been taught to have inquiring minds and to express themselves—in fact, I had to leave the school without answering all of their questions as I was late for my next meeting. In December, I had the chance to see the school Christmas play in a church just down the road from my office, and what talented and well-behaved ambassadors for their school the children were! I congratulate Mr Ramanandi and the staff on that.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My hon. Friend speaks with great experience on these matters. She reminds me of my own experience at East Acton Primary School, which I visited on Friday. In London, there are not just redundancies; there are also retention issues, because of the prohibitive cost of housing in London. As a result, there is a very imbalanced age structure of the teaching staff. They can get newly qualified teachers up to the age of 30, but then they are off somewhere else, because they want to put down roots. Does she agree that that is a tragic state of affairs?

Also, I spoke to one teacher who qualified in 1998. Our taxpayers have funded her training, but such older professionals are now brain-draining away. The teacher I met is moving to Beijing, because she cannot live on the wages here. Is that not a tragedy, too?

Liz Twist: It is indeed a tragedy to see such a waste of the skilled people who are teaching in schools. It is a loss to our schools.

The point of my telling Members about St Joseph's is to impress on them that the school, like Portobello and many other primary schools in my constituency, has great, dedicated staff who put all their effort into giving the children the best education they can have. When Mr Ramanandi and other heads tell me that their funding is not enough to maintain the high, rounded

[Liz Twist]

standards of teaching, learning and support their pupils need, I ask questions of them, but I believe and support them.

Janet Daby (Lewisham East) (Lab): Will my hon. Friend give way?

Liz Twist: I will carry on a little.

Of course, it is not just primary schools that are feeling the strain; our secondary schools face real funding problems. Steve Haigh, head of Whickham School, says:

"The more pressure on my budget, the more class sizes have had to increase. We started a national petition to tell the Government that these cuts can't go on, because children in Gateshead and across England deserve better. Headteachers are facing impossible choices. They care deeply about the whole of their communities—children, parents and staff. When choices are made to cut deeply in areas of need, making staff redundant and cutting the support for vulnerable young people, hard won gains are at risk, and effort and sacrifices made over the last decade may be thrown away if schools are not adequately funded. I stand proud with my community for our successes and I feel every cut I have to make—well concealed, painfully made, shamefully felt."

I agree with Mr Haigh, who does excellent work in our local secondary school, especially in supporting pupils' mental health.

Let us not forget the impact on children with special educational needs, who are also losing out because of the pressure on school budgets. Joanne, a parent, wrote to me:

"I am writing to express my serious concerns about school funding. I have an 11-year-old son and a 9-year-old girl in primary school. A regular topic of conversation in our house is how disgusting the school toilets are. It's not that they are not cleaned; they are so old and dilapidated they are beyond looking nice. There is no spare money to replace them, nor has there been for many years. My son has autism, and during his whole school life he has never received the one-to-one support to which he has always been entitled, due to funding. My daughter regularly runs straight to the loo after school, after holding it in all day rather than use the toilets. I cannot fault the school, they try their very best at all times. Isn't it the job of Parliament to do better for our children, our next generation?"

Bambos Charalambous (Enfield, Southgate) (Lab): One school in my constituency is looking at more than £1 million of cuts by 2020-21. That will mean that it will not be able to afford any learning support assistants, teaching assistants, office staff or site staff. As children with special needs need one-to-one support from learning assistants, does my hon. Friend agree that school cuts will disproportionately affect them?

Liz Twist: Yes, I most certainly agree with my hon. Friend.

Janet Daby: I thank my hon. Friend for making such a powerful speech. Does she agree that the education system is on the brink of insolvency, and that it is unacceptable for parents to be asked for money, for professional fundraisers to be employed and for charges to be introduced for parents, to provide basic provisions in schools?

Liz Twist: Yes, I believe very strongly, as do the petitioners, that our schools should be properly funded to provide the education their pupils need. Where fundraising is concerned, it is people in areas of deprivation who may well lose out, because there is no spare cash.

Mike Hill (Hartlepool) (Lab): Bringing food into schools to feed the kids in the morning, hand-me-down school uniforms, staff putting their own cash into raising funds, and headteachers paying for cleaners out of their own pocket is the reality in Hartlepool. Does my hon. Friend agree that that is a sad indictment of the national funding formula's effects?

Liz Twist: That is a very distressing tale to hear. There is certainly a huge impact on schools and pupils locally.

Several hon. Members *rose*—

Liz Twist: I will press on.

Because of the petition, in recent weeks my mailbox has been packed full of stories from school staff and parents across the Blaydon constituency. Sheena, a teaching assistant—a TA—wrote:

"I love my job! I have worked in a local infant school for 30 years as a teaching assistant. But over the last 3 years we have lost 8 members of staff due to redundancies due to lack of funding. We run our school on a skeleton staff. We are unable to buy resources for the children due to lack of funding (staff sometimes use their own money!). We have just gone through the redundancy process again, losing another TA, which leaves us with 2 TAs in a school with 6 classes (3 classes are Early Years Foundation Stage, which require...a TA...). Does this mean we have to turn children away because of lack of staff? In turn, this means less funding! Teachers without a TA have to leave their 'teaching' to see to poorly children, first aid and collecting resources, all because of reduced funding to schools. Not having a TA in every classroom...does have a detrimental effect on our children, especially the slower learners and SEN children."

Heidi Allen (South Cambridgeshire) (Ind): The hon. Lady comes on to talk about teachers, and it seems to me that the impact is not only on the children. We risk those in this much-needed profession being too exhausted and stressed to cope with the additional pressures and workload. We risk alienating them from the profession altogether.

Liz Twist: Yes, I most certainly agree. When visiting schools, I see the enthusiasm that teachers have, but also the strain they are under because of the lack of support and resources.

Susan, another teaching assistant, said:

"As staff, our main concern is the welfare of the children in our care. We are making as many adjustments as we can to try to absorb these cuts with minimum disruption to the education we provide for the children. But there is only so much we can do!"

And Dominic, a secondary schoolteacher, wrote:

"This is at a time when students in general appear to have greater needs. The rates of mental illness are on the increase. We have a talented team of pastoral and welfare teachers who would willingly spend more time one-to-one with students, but who have no time because they are dealing with endless cases of misbehaviour. There are increasing incidents of self-harm, internal truanting and bullying, which could be addressed with more money for more staff."

I have received dozens more stories from parents and governors as well as from staff, and I am sure colleagues will share their own experiences.

For headteachers, parents, teaching and non-teaching staff, governors, and—most of all—children, this should not be about politics, and the petitioners have made that clear in speaking to me. Our schools simply want to

go about their jobs, delivering high standards of education, and preparing our children and young people for life, ensuring that they have the best possible start. We cannot afford not to fund our schools properly.

Sir David, the petitioners do not just want me to tell you how hard things are because of the funding problems they face; they want to ask the Minister for some action, to provide adequate funding—fair funding—for our children and young people. They call on the Government to increase funding for schools, so that they can provide the education their pupils need.

Mr Ramanandi was talking to me earlier about how tomorrow he will be telling his staff at St Joseph's the outcome of his funding and redundancy consultation—not something he is looking forward to. He would like to tell them that in the future his school will be able to offer the broad, rounded curriculum and supportive environment that makes our children healthy, rounded people who have had the best start in life. I hope that the Minister is able to tell Mr Ramanandi that he can do that, because of the actions the Government have taken. I also invite the Minister to join me in visiting the schools in Gateshead, to see the great work they are doing.

Several hon. Members *rose—*

Sir David Crausby (in the Chair): Order. I am going to need to call the Front Benchers at 7 pm, so that leaves about two hours for Back Benchers. Given the numbers of Back Benchers standing, I am going to limit speeches to four minutes, but that may well have to be reduced later.

5 pm

Tim Loughton (East Worthing and Shoreham) (Con): Much like Elizabeth Taylor's latest husband said, it is difficult to bring something new to a debate that we have had so many times. There is a real sense of déjà vu, and the number of Members present shows the extent of the problem up and down the country.

Having spoken in just about every other debate on this subject for some time, I want to bring one new thing to the debate today, which is that the forthcoming recommended 2% pay increase for teachers is going to have a serious effect on the already fragile budgets of many of our schools. Last year, 1% was to be funded by schools, with the rest largely funded by central Government; this year, responsibility for funding the full 2% will fall on schools, whose budgets are already highly stretched. When I tabled a question to the Minister, asking what sustainability criteria had been taken into account, I was sent a circular that said:

"we know there is considerable scope for schools to improve their efficiency and use of resources...our"—

the Department for Education's—

"high-level analysis indicates that if the 25% of schools spending the highest amounts on each category of non-staff expenditure were instead spending at the level of the rest, this could save over £1 billion that could be spent on improving teaching."

The problem is that over many years, certainly in West Sussex and in my constituency, schools have taken all their surplus expenditure out of the system. In some cases, they are now spending over 90% of their budget on staffing, which leaves a tiny pot from which those schools can supposedly take further savings to pay for that increase. That is going to be a problem. Running schools, or paying for pupils in our schools, has not got any cheaper since last year.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Will the hon. Gentleman give way?

Tim Loughton: I will give way very quickly, if I get an extra minute.

Mr Bailey: On the issue of pressure on teacher's pay, I have had a communication from a headteacher in my constituency about the upcoming 40% increase in teachers' pension contributions. Teachers in my constituency are absolutely desperate, because they do not know how they are going to fund those contributions within the existing levels of teaching grant and budget support.

Tim Loughton: Indeed; I mentioned just one aspect of the further upcoming expenditure and pressure. I will not take any more interventions, because I do not seem to have got an extra minute for that one, so that was probably a mistake.

Last year, I got together all the chairs of governors from all the schools in my constituency to tell me, in real-life terms, what impact the funding pressures were having on their schools. I did a similar exercise with all the headteachers. A lot of national figures and a lot of misinformation have been thrown at us from all sides, and some of the campaigns in our constituencies have been highly politicised. Simply because I put a DFE press release on my website, one head of a secondary school in my constituency wrote to all the parents of the children in his school castigating me, despite my having been in every single debate on this subject and having stood side by side with parents, teachers and others to get fairer funding. Politicising those campaigns does not help. If we are going to get a better deal, we need to work together with heads, parents and governors, as I have been trying to do.

Rather than all sorts of misinformation, I got hard information and I wrote an eight-page letter, which I am happy to give to all hon. Members, about the impacts that funding pressures are having on our schools. Shortfalls are being clawed back by reducing staffing costs, which in some cases account for 90% of a school's budget. Senior leadership teams are covering classes. Extracurricular activities and trips are being culled, and certain subjects are being taken off the curriculum altogether. In one school, teaching assistant support has been reduced by over 200 hours. Higher level teaching assistants are being used to cover classes so that school cuts' effects on supply staff are lessened, and I am afraid that in some cases, quality is being compromised. Just today, I got an email from the head of a primary school in my constituency, which said:

"We have a long waiting list of children who benefit from work with a therapist (who works here two days a week), she has had a great deal of success with children with social and emotional needs; we are not sure if we can maintain her hours. The danger is that some of these children who could and would have been able to engage and flourish in education and society will end up costing society a great deal more than the adequate funding of their needs in school"

because they are missing out.

This is a national emergency. In West Sussex, it has been an emergency for some years. We need to have fair funding now; it is a false economy for our children if we do not.

5.4 pm

Ian Mearns (Gateshead) (Lab): The school in my constituency that seems to have the biggest problem with budget reductions is Cardinal Hume Catholic School. That name should be familiar to the Minister and the Secretary of State, because they came to that secondary school to launch the opportunity fund for the north-east. It should be remembered that the opportunity fund for the north-east will not actually benefit Gateshead, but they came to my constituency to launch it anyway.

Cardinal Hume Catholic School is one of many schools in my constituency—too many to mention—that are due to lose significant amounts, having lost significant amounts already. Some 26 schools are due to have a negative budget by the end of the 2019-20 budget round, in a context where headteachers across the borough and the region are struggling to provide for the children in their schools, many of them in very deprived communities. We should bear in mind that Gateshead has an unemployment problem that has been on the increase, year on year since last year, and month by month in that same period. Some 7% of the working population are now unemployed, and many others are underemployed. There is significant deprivation in that patch.

What headteachers wanted to impress on me, and asked me to impress on the House as well, was that because of significant cuts to a range of other services, there is pressure on them to try to backfill for those cuts: for the welfare reform, for the cuts in local authority services and children's services—for all of the cuts that have taken place since 2018. I know that Government Members sometimes struggle to get their heads around this issue, but the simple fact is that when I resigned, or had to retire, as the deputy leader of Gateshead Council in 2010, we had an annual revenue budget of £310 million. The commensurate figure this year is £200 million. Some £110 million has gone out of the annual revenue account of that local authority, while at the same time demand, particularly for children's services and adult social care, has grown like Topsy.

Because of the concerns, particularly welfare concerns, that headteachers in our schools have about the children in their care, they are trying to provide services that used to be provided but sadly no longer exist. By the way, it is not just the DFE that was involved: the DFE was part of that process, but the Ministry of Housing, Communities and Local Government, the Department for Work and Pensions and other Government Departments were also involved. A range of important services for the welfare of children have gone by the board, and funding needs to be restored.

Representatives of the teaching profession tell us that a minimum of £2 billion needs to be restored to the system; possibly £2.7 or £2.8 billion, and perhaps as much as £5 billion if we are to keep all services' funding in line with inflation. That might be pie in the sky, but we should not expect great benefits for children, particularly those in deprived areas, when services have been cut and headteachers are being expected to pick up the slack. Those benefits are not going to happen without significant investment. Invest in our children and our schools.

5.8 pm

Royston Smith (Southampton, Itchen) (Con): It is a pleasure to serve under your chairmanship, Sir David. At the start, I pay tribute to the many teachers and

teaching assistants in my constituency; I do not often get to publicly pay tribute to them, and this is a timely moment to do so. They are some of the best public servants that we have, along with all of the others who we routinely talk about. However, in the context of what has become such a toxic debate, it has to be remembered that MPs are public servants too, and that MPs on all sides of the House are trying to do the best that they can. Some of these debates have become so unpleasant that we are slowing down progress that might put some of these things right for our constituents, our schools, and our teachers and teaching assistants.

During debates on this subject, we routinely hear two sides of the story: the Opposition side and the Government side. The Government have a good tale to tell on schools. I know as I say that that some people will laugh and make comments, but it is not right to say that there is only one side of the story.

Mike Amesbury (Weaver Vale) (Lab): The Institute for Fiscal Studies talks about real-terms cuts of 8%. When Members go through the Division Lobby and vote for such policies, people—teachers, parents and the community—will remember.

Royston Smith: This is the very point I am trying to make. If we are to make progress, we need to listen to Members such as my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), who are talking about how politicised the debate has become. We know that more needs to be done. We know that schools need more money. I know that schools in my constituency are struggling with their budgets, but it does not do to constantly—[*Interruption.*] That is the point I am trying to make. Every time someone tries to make a point, it becomes a political argument. We do not make progress by saying one side is right and the other side is wrong. Many of the increases to school budgets we have seen in recent years have been in no small part due to the lobbying skills of people like my hon. Friend. Those increases have come about because of such people, not because they have always been playing the political game.

James Cartlidge (South Suffolk) (Con): My hon. Friend is making an excellent speech. He says there are two sides; surely one is funding and the other is outcomes and standards, which are ultimately what matters. Does he agree that we are seeing real and significant improvements, particularly in phonics and GCSE results, that mean our children will do better in life? That is what matters, surely.

Royston Smith: That is exactly the point, and it should be what we talk about. We should be talking about our children, their outcomes and their future and not constantly make it a political battle.

School budgets have increased, but I concede they have not increased enough. [*Interruption.*] If Members could just allow me to get on to the points they might agree with, we might make some progress. The teacher and teaching assistant to pupil ratio in my Southampton constituency is around 10 children to one adult. When I went to school—I concede it was a long time ago—it was 30 kids in a class, sat in rows with one teacher and a blackboard. I know we do not want to go back to

those days, but things have changed beyond all recognition even from, when my daughter went to school about 10 years ago. We never seem to do anything to acknowledge that, and we should, because otherwise we sound like we are moaning and whining and nothing is ever good enough.

I concede—this is important, because this is what people say, and they are right to say it—that pension contributions and national insurance are increasing. The national living wage has increased. Pupil numbers are rising. Inflation has not stood still. Pay has been held down and is quite rightly starting to rise. They are additional pressures, and they need to be funded.

Alex Chalk (Cheltenham) (Con): Does my hon. Friend agree that a huge additional pressure is the complexity that some pupils are presenting at school with? Whether that is behavioural problems or emotional problems, those are significant additional pressures that schools are being required to address.

Royston Smith: I absolutely agree. How schools deal with children who have significant and complex special educational needs or disabilities has changed beyond all recognition from how things used to be. We are doing so much better. *[Interruption.]* Members shake their heads, but things are so much better than when I went to school and when my daughter went to school. The reality is that it could be better still. If all we ever do is refuse to acknowledge what is happening, we will never make the progress we all want.

Ruth Cadbury (Brentford and Isleworth) (Lab): The hon. Gentleman talks about the needs of children with special needs in school, but when he was at school, many of those children would have been in special schools—separated and with a different level of provision. We support the integration of children with special needs in our schools wherever possible, and that needs resourcing.

Royston Smith: That is exactly what I just said, but the hon. Lady decided to interpret what I said as not thinking that children with special educational needs and complex educational needs were being looked after in schools far better than they used to be. There is nothing wrong with putting the case for extra funding from Government, and I expect everyone to do that, but it has to be done within the envelope of public spending. Everyone is asking for money for everything.

Karen Lee (Lincoln) (Lab): In the last Budget, the Chancellor talked about giving “little extras”. Does the hon. Gentleman agree that what we need is proper funding, not “little extras”?

Royston Smith: I absolutely agree with the hon. Lady, but what we are getting is far more than we did. What we need is even more than we have got.

5.15 pm

Wera Hobhouse (Bath) (LD): I am grateful to have been called early in the debate, and I will try to be brief. In the very short time I have, I would like to focus on the overall school system and the malaise that can be taken right back to academisation and this Government's ideological approach to academies.

Academies, which were originally designed to introduce a degree of competition and choice for parents, have become a system in which there is no more local oversight and scrutiny. It has therefore become incredibly difficult to get to the bottom of the funding problem. Eight years ago, school oversight was done by the local authority. In my authority of Bath and North East Somerset, the council's schools management budget was just under £1.8 million. That paid for the director of schools and the school support officers for all 78 schools in the borough.

Tom Tugendhat (Tonbridge and Malling) (Con): I sit on the board of a multi-academy trust in the constituency I am privileged to represent. Many of the other governors who sit on various different academy boards are also locally resident. They provide rather better oversight than many local authorities.

Wera Hobhouse: I too am a board member of one of my local academy trusts. The oversight provided through the local education authority, the overview and scrutiny committee in the council and the direct accountability of local councillors, was better than what the boards can do.

Bath now has 10 multi-academy trusts. That is 10 management structures, 10 chief executives on similar pay to the LEA director of education and 10 lots of support staff. Additionally, we have the new regional schools commissioner and their staff, which is another chunk of overheads.

Education funding in Bath has dropped by 8.8%, or £414 a pupil, over the past seven years. The Education Secretary said that good teachers, not management structures, create good teaching, but in our 2019 education system, where national trusts and commissioners support regional trusts and commissioners, far too little funding reaches individual schools, let alone individual teachers and students. Here in Parliament we must ask how such management structures enrich and add value to our children's education. If money is paying for management at the expense of teachers, we should know about it.

We should have transparency about where education money goes in Bath and elsewhere. Ten years ago there was, with schools under the oversight of the local authority and councillors on the governing bodies; there were local overview and scrutiny committees and councillors were answerable to the community and parents. That is no longer the case. Local accountability has been replaced by multi-academy trusts accountable to Whitehall. Often they operate over several local authority areas, and that is a problem.

Multi-academy trusts provide excellent education, but so do local authority schools. If academies cost more to provide the same education, we should know about it. Where are the comparative figures? I have tried to find out how we can compare what happened in 2010 with what happens now, but that is difficult because we do not have local figures anymore and multi-academy trusts can keep the figures to themselves. If they cost more, we should know about it. Our children's education matters. If the changes introduced over the past 10 years cost extra in management and overheads at the same time as per pupil funding has fallen by 8.8% in Bath, let us be open and talk about it. Let us have fair comparisons

[Wera Hobhouse]

and find solutions to ensure that funding goes to the frontline and to our young people, not to the management of a fragmented system.

5.19 pm

James Cartlidge (South Suffolk) (Con): It is a pleasure to serve under your chairmanship for the first time, Sir David. I congratulate the hon. Member for Blaydon (Liz Twist) on a fine speech. Obviously, we all sympathise with the points she made because there are concerns in our schools. I have just had a letter from the Stour Valley Trust in my constituency, and I have forwarded it to the Minister. There are significant concerns: capital is the one that schools in Suffolk mention the most. However, there is a positive picture to paint, particularly in relation to standards.

On Friday, I had an inspirational visit to a primary school in my constituency. I have 42 primaries, most of which are tiny and in very small rural areas. Hadleigh Community Primary School, which I went to on Friday, is exceptional because it has 500 pupils. I went to Edgware Primary School in north London, which has 680 pupils, but in South Suffolk Hadleigh primary is very large. It has just gone from “requires improvement” to “good”. Its excellent headteacher, Gary Pilkington, asked me to give the Minister a message: that the funding situation is improving significantly because of the change in the formula.

It is all well and good people denying the point about how the cake is divided, but on the Government side of the House, where many of us represent rural constituencies, we have disadvantage, too. We have poverty in rural areas. When a child has special needs there should be no difference in the amount they receive, wherever they are in the country, and we have campaigned for such principles. From the evidence that I am getting, that is now leading to more funding getting through.

Sandy Martin (Ipswich) (Lab): Will the hon. Gentleman give way?

James Cartlidge: I am delighted to give way to my neighbour.

Sandy Martin: Does the hon. Gentleman not accept that the so-called fair funding formula has disadvantaged Ipswich and Lowestoft far more than the rest of Suffolk? Those are the places where there are the largest problems with SEN provision and the lowest levels of attainment. Does he not accept that it does not necessarily make sense to provide exactly the same resources for every child?

James Cartlidge: I thank the hon. Gentleman for his intervention, but, if we were disadvantaging the other schools in Suffolk, standards in Suffolk would not be improving. The statistics show very strong improvement in Suffolk. In March this year, just under 90% of Suffolk schools held Ofsted ratings of “good” or “outstanding” compared with 72% in December 2013. We have seen significant improvements in GCSEs: 64% of students in Suffolk now achieve the expected standard in English and maths, putting Suffolk in the top third of local authorities. The county has risen from 67th to 42nd out

of 151 local authorities ranked on Progress 8 schools, which is a significant improvement. If Lowestoft and Ipswich, our biggest towns, were struggling to badly, we would not be attaining such improvements.

I have only one minute left, so I will make my key point. Yes, spending is important, but, with respect, Opposition Members focus relentlessly on that when standards and outcomes are what ultimately matter. What matters is the education our children achieve, the grades they get, how our country performs, and how they will be able to compete in a global marketplace.

Dr Wollaston: Does the hon. Gentleman agree that wellbeing and mental health are also important? Would he support the campaign being run by YoungMinds, who are in Parliament today to tell Ofsted to count in mental health and wellbeing in our schools?

James Cartlidge: With the extra time belatedly allocated, I can say that I see a role for that. It is timely because a report on SEND in Suffolk was published today, and I am afraid Suffolk is still struggling. As my hon. Friend the Member for Cheltenham (Alex Chalk) said earlier in his intervention, there is a growing awareness of the problems that we see in special needs children who are on the spectrum, and of the extra funding that that requires, so I agree that mental health and so on should be included.

On the point about standards, in the modern labour market our children might go out to compete globally, working abroad or competing with people coming here from other countries that have rigorous and high-quality education systems. Our children have to be able to compete. If we look at international comparisons, not only do we have the highest funding in the G7 on state primary and secondary—something to be proud of—but our international progress on all the key markers is also improving. We must be doing something right. We are now in joint 8th place internationally on phonics: the best position we have had since the test started in 2001. That is in large part down to my right hon. Friend the Minister.

For me, this is the most important statistic: compared with 2009, the last year when the Opposition were in power, 18-year-olds from disadvantaged backgrounds are now 50% more likely to go to university. That is social mobility. We have to pay for it and find the money, but we have to see the positives. Significant improvements are being made, but we need to continue to find a fairer formula that benefits constituencies such as South Suffolk.

5.24 pm

Kate Osamor (Edmonton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir David. I congratulate Andrew Ramanandi, the headteacher of St Joseph's Primary School in Blaydon, for starting the e-petition. Without his hard work on the petition, we would not be here today discussing this very important issue. I also congratulate my hon. Friend the Member for Blaydon (Liz Twist) on speaking so eloquently and on taking so many interventions in opening this fantastic debate.

I want to focus on how the Government's policy of austerity in education is harming the wellbeing and life chances of my constituents in Edmonton, especially children with special educational needs. Austerity has

created an £8.5 million annual funding shortfall in Edmonton. Every single school in my constituency has had its funding cut since 2015. Furthermore, Edmonton, ranked the 50th most deprived constituency in England in 2015, has suffered some of the worst cuts in funding per pupil in the country.

Since 2010, owing to pernicious funding cuts from central Government, Enfield Council has been forced to find £178 million of savings, but further cuts mean that the council has to find £18 million to draw out of essential services by 2020. That £18 million is more than Enfield's current net spending on housing services, leisure, culture, libraries, parks and open spaces combined. In an already struggling community, the education and overall life chances of every single pupil in Edmonton are being systematically undermined by the Government.

Rushanara Ali (Bethnal Green and Bow) (Lab): Does my hon. Friend agree with me that London's education has been transformed thanks to investment by the previous Labour Government, but the cuts of £16 million in five years under the Conservative Government—including in constituencies such as mine, which has the highest child poverty rate in the country—make a mockery of the so-called fair funding formula as it does not take into account the deprivation indices facing our constituents? If the Government are serious about maintaining and improving education standards and making our education world class, they should continue to invest in all areas.

Kate Osamor: My hon. Friend makes a valuable point. I will share the story of a parent whom I saw in one of my surgeries. The parent has a child with a developmental disability. He spends around £800 per month on one-to-one sessions for his child's needs, which the family cannot get the council to pay for. Without the sessions, the family believe their child will have no hope of an independent life in future, but paying for the sessions is financially ruining the whole family.

I have also heard reports of children in Edmonton with statements, or education, health and care plans, who receive no special provision at all, or who receive a fraction of the legally required support, because schools and the local authority simply cannot afford it. Worryingly, some councils are pushing back against parents seeking legitimate support for their children, which has led to almost nine in 10 cases taken to tribunals across the UK finding in favour of parents. Every tribunal case is a family struggling and a young person failed by the system.

Time is against me, so I will end by saying that I want the Minister to please listen to the cries from all of us here today. All our children need fairer funding—some children even more than others.

5.29 pm

Mr William Wragg (Hazel Grove) (Con): I am pleased to be able to speak today in support of the petition. I congratulate the hon. Member for Blaydon (Liz Twist) on putting this important debate before the House, and of course it is a pleasure to serve under your chairmanship, Sir David.

I believe in investing money wisely in things with a proven record of return, and there can be no greater stock worth investing in than our children's education. It is true: never has more public money been spent on education, and the Government should be commended

for that. The diversion of an extra £1.2 billion is a good start, but, bluntly, I want more cash for schools in my constituency.

I was pleased that more than 1,000 residents from Hazel Grove signed the petition, placing us 14th in the ranking. That reflects not only how strongly local residents feel about the proper funding of their children's schools, but the fact that they are becoming ever more aware of the unfair imbalances in funding that have left local authorities such as Stockport underfunded for decades.

Theresa Villiers (Chipping Barnet) (Con): Does my hon. Friend agree that one issue facing schools is that they are being asked to do more to support children with special educational needs and disabilities? We understand those conditions better and we have legislated in this House to raise standards and entitlements for those children. We need to ensure that schools and councils have the resources to provide what we have asked them to.

Mr Wragg: Yes—it is high time that the resources caught up with that justifiable expectation.

Since being elected as the MP for Hazel Grove, I have sought to build strong professional relationships with the schools and headteachers in my constituency, and I am grateful for their insights on school funding. I am particularly grateful to those who have met me. I will rattle through the schools quickly, because they all deserve a name check. They include: Romiley Primary School, Norbury Hall Primary School, Brookside Primary School, Torkington Primary School, St Stephen's RC Primary School, Fairway Primary School, Ludworth Primary School, Mellor Primary School, Werneth School, Harrytown Catholic High School and Marple Hall School. I defy other Members to mention as many schools as that. They have all provided me with important facts and financial analyses of what my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) has said is the real impact of the lack of funding.

I, of course, supported the national funding formula, and I and many other colleagues are in the f40 group, which represents the lowest funded local education authorities in the country. We have had many positive meetings with Ministers. However, as time has gone on, and with the implementation of the national funding formula, it has become increasingly clear that, although the Government are still technically honouring their commitment, some schools are set for an increase so slight that it is essentially negligible.

Of the 25 schools in my constituency, four will receive an increase of under 1%, and 10 will receive an increase of under 3%—only four will receive a sizeable increase of 5% under the new formula. We are asking not for the world: merely resources comparable to those of similar schools in different parts of the country. It is inherently unfair to expect schools with similar characteristics to achieve the same results on wildly differing budgets.

It is a timely coincidence that the Education Committee, of which I am a member—I am pleased to see many august members of the Committee present this afternoon—is conducting an inquiry into both school and college funding. The evidence that we have received from across the sector points towards the true figure needed to address the historical imbalances, as the hon. Member for Gateshead (Ian Mearns) indicated earlier. It is not the DFE's current £1.2 billion, but at least £2.1 billion.

[Mr Wragg]

I know that Education Ministers will argue strongly for their budget in the forthcoming spending review, but can the Minister indicate whether that figure is on the cards? The evidence suggests that that is what is really needed to get school funding to where it needs to be, so that schools can stop endlessly worrying about making ends meet and focus on the business of providing great education.

I have a specific question for the Minister. Writing to us in September on pension contributions, the Education Secretary said:

“There will be a consultation and it is the Government’s firm intention to fully fund schools for the additional pressure that the pension contributions place on their budget, ensuring that the core schools budget continues to be protected.”

Can the Minister confirm that this afternoon?

I congratulate all Members on taking part in the debate. I thank the 1,000 of my constituents who signed the petition. I hope that in the spending review we can give good news to our local schools, and give them the cash that they need.

5.34 pm

Thelma Walker (Colne Valley) (Lab): It is a pleasure to serve under your chairmanship, Sir David. I thank my hon. Friend the Member for Blaydon (Liz Twist) for leading the debate.

Last week, I spoke in the estimates debate on education funding, appealing for increased funding for our schools and colleges. Seemingly, every Education Committee inquiry references the lack of appropriate funding, or misdirected funding, as a cause of many of the problems. As a teacher and headteacher of 34 years—I am not speaking politically now, but personally, as a professional—I get so frustrated by the fact that we, and teachers, have to come cap in hand to such debates to appeal for funding so often, when it is every child’s right to have a quality education. However, I thank the teachers, headteachers and parents who signed the petition and brought it to Parliament for the debate.

My colleagues, both in education and in politics, will no doubt agree that the passion and determination of those in the education sector should never be underestimated. That passion drives teachers, teaching assistants and others, who want children to get the best education possible, to take on extra work and responsibilities, or to use their own money to buy learning resources that schools cannot afford. However, it should not be like that. It should not be the case that 95% of schools in my constituency are facing real-terms cuts in per-pupil funding.

Mohammad Yasin (Bedford) (Lab): Schools in my constituency in Bedford and Kempston will lose £1,000 per primary school class, and £1,600 per secondary school class, despite the Government’s promises that the national funding formula would fix everything. The reality is that class sizes are going up, and school funding is going down. Does my hon. Friend agree that the Government are hopelessly out of touch regarding the crisis in our schools, and parents, teachers and pupils know better than to be fooled by paltry funding for “little extras”?

Thelma Walker: I completely agree. From having spoken to many headteachers in my constituency, and around the country, I know that they now say that they have made it work, and made it work. They are now crossing red lines, and can no longer deliver proper provision for the children in their schools.

Colne Valley secondary schools should not have a total annual shortfall of more than £1,360,000, and primary schools a total of more than £1,720,000. It is not difficult to see how rising pupil numbers and reductions in funding are putting schools in a terrible position.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I reinforce my hon. Friend’s point about headteachers being at the end of their tether. One of my constituents, who is an officer for the National Association of Headteachers, and who happens to be in the Gallery, organised a very useful meeting for me with headteachers from across my constituency. Like my hon. Friend, a number of them have been in the teaching profession for decades. Several of them also said that under no previous Government had they seen anything like such large cuts. Does she agree, and has she heard the same from her headteachers?

Thelma Walker: I absolutely concur. I can speak personally about that. Under the last Labour Government, I had a headship for two schools and had a school with a Sure Start centre, which was funded adequately and making a real difference to the quality of children’s and families’ lives. I can speak personally about the investment from the previous Labour Government.

At my latest meeting with Colne Valley headteachers, I was told that funding issues have led to cuts in staffing and resources, and difficulties in SEND provision. I know that that is the case for headteachers up and down the country. The cuts have also limited opportunities for learning in schools. A recent report by the Fabian Society found that there has been a dramatic decline in arts provision in primary schools, and that it is of a poorer quality than in 2010.

It is the same for modern foreign languages. Analysis from the BBC shows a drop in the number of pupils taking a GCSE language course of between 30% and 50%. The Sixth Form Colleges Association revealed that 50% of schools and colleges have dropped courses in modern foreign languages because of funding pressures, with A-levels in German, French and Spanish the main casualties. The hon. Member for South Suffolk (James Cartlidge) spoke about equipping schoolchildren for being the future workforce. A decline in the number of young people taking modern foreign languages will have a negative impact on that.

The funding cuts not only put an unnecessary and unwelcome amount of pressure on professionals; they take away from what should be a broad and balanced curriculum. The Government need to listen to professionals—on issues in the system, and on the types of learning and environment that benefit children and the level of resources that it will take to deliver them. Decisions should be responsive to what is happening, and should not trivialise concerns, offering only “little extras” here and there. I know that the people supporting the campaign better to fund our schools, colleges and sixth forms will keep going. I hope that today’s debate reassures them that they have allies in this place who are listening and who will stand with them.

5.39 pm

Henry Smith (Crawley) (Con): It is a pleasure to serve under your chairmanship, Sir David. I congratulate the hon. Member for Blaydon (Liz Twist) on opening the debate. I also thank my fellow West Sussex MP, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), for his speech; I endorse his comments about the pressure on school budgets in our county.

Last week, I was privileged to take part in a Westminster Hall debate on global education. It is absolutely right that this country does all it can to ensure that education is improved in developing countries, because that is important for the future prosperity and security of us all. We should never forget that children and young people in this country have a very privileged education in comparison, but there have been extraordinary pressures on our school system.

Historically, West Sussex has been very underfunded. I see many Labour Members present; I am pleased that the debate is well subscribed, but when I was leader of West Sussex County Council—a local education authority—between 2003 and 2010, I saw schools in my county being significantly underfunded. During the Administrations of Tony Blair and Gordon Brown, per-pupil funding in metropolitan areas such as London was almost double what it was for my local schools, and I certainly did not hear complaints from Labour Members.

I welcome the important £28 million funding increase for West Sussex schools under the new national funding formula. I also welcome the increase to 200 places at Manor Green School, a special school in my constituency, but we need to go further still. The historical underfunding of West Sussex schools under the Blair and Brown years has left a lot to make up for. The additional funding under the national funding formula is very welcome, but the pressures that have been described today need to be better addressed by the Department for Education.

Mary Glindon (North Tyneside) (Lab): I am glad to hear that the hon. Gentleman's constituency's schools are getting more funding. If more money is being spent in some schools, that is great, but how does he justify the fact that schools in areas such as North Tyneside are losing 3% funding per pupil? It does not make the balance any better. Surely he cannot rejoice that his schools are doing better when other schools are losing funding.

Henry Smith: I certainly would not advocate that schools in one part of the country should lose to benefit schools in other parts, which is what happened under the last Labour Government: schools in my constituency of Crawley were given about half the funding of their equivalents in metropolitan areas, particularly here in the capital. I believe that funding for pupils should be made available across the whole country. The historical underfunding needs to be addressed; it is beginning to be addressed, but if we are to properly equip our young people and support teachers to ensure that our young people have the best education, we will need more still.

I should have declared an interest at the beginning of my speech: when I was leader of West Sussex County Council, I was chair of the West Sussex learning disability partnership; I am also currently a vice-president of the British Dyslexia Association. I will end with a plea to the Department for special needs to receive extra attention.

Those children and young people deserve our support so that they can have a start in life equal to that of all other pupils up and down the country.

5.44 pm

James Frith (Bury North) (Lab): It is a pleasure to serve under your chairmanship, Sir David. I congratulate my hon. Friend the Member for Blaydon (Liz Twist) on introducing this important debate.

I would like to focus in detail on one consequence of school underfunding for an inclusive education system. Rising demand for specialist provision in mainstream schooling, which is already facing an undue burden from cuts, is resulting in a two-tier education system and in the disappearance of the different and the disabled from our mainstream schools. Parents across Bury all too frequently share heart-wrenching stories of their struggles—often years long—to get the support that is needed for their children with special educational needs and disabilities in the mainstream school system. That failure is sponsored by Government direction, budget cuts and the narrowing field in which we judge our children to have succeeded.

In our inquiry into SEND, the Education Committee has uncovered a crisis. Parents are forced to fight with schools and local authorities through tribunals, often at great emotional and financial cost to their families, to secure the specialist provision needed to ensure that their daughter or son fulfils their potential.

Marsha De Cordova (Battersea) (Lab): My hon. Friend mentions children who have special educational needs or are disabled. In many instances, children with higher needs have actually been removed from mainstream schools and moved into a separate education system in which they are not getting the support that they require.

James Frith: I absolutely agree. It seems to me that in the education system, we ignore everything that we would deem important when using the word “special” in any other context. Enhanced provision, accurate service, more rather than less attention—in education, those things are just not happening for those with special educational needs.

The Institute for Fiscal Studies has concluded that between 2010 and 2018, total school spending per pupil fell by 8% in real terms. The National Audit Office says that schools will need to make efficiency savings of £3 billion by 2020—8% of the total schools budget. Ever-tightening school budgets are forcing schools to make difficult and often short-term decisions about lower-level preventive SEND support that would meet the needs of many children without the need for statutory plans and interventions. The failure in mainstream specialist provision creates a perverse incentive to push for education, health and care plans: 320,000 children and young people had EHC plans last year, which represents an increase of 35% since 2014. Schools have to find the first £6,000 for the additional support needed—yet another burden on their budgets.

The Local Government Association has warned of a £500 million SEND funding gap for 2018-19, which is set to increase to £1.6 billion by 2021. Local authorities have stated in evidence to the Education Committee that spending their already limited budget on facing

[James Frith]

down the legal challenges at increasing numbers of education tribunals is politically and practically more palatable than funding mainstream schooling better in the first place, even though that would be a preventive measure. When appeals go to tribunal, 90% of decisions are found in favour of parents. The number of cases going to tribunal has increased year on year since 2014, at an average cost of £6,000—70 million quid overall. That money would be better spent on improving SEND provision, instead of on the “crisis first, crisis only” provision that there is under this Government.

At every stage of the Government’s education system, we can see the Tory-touted promise of opportunity becoming wasted opportunity. Nursery providers are being forced to ask parents for money. Schools are riddled with asbestos and face a £100 million shortfall. Capital funding has disappeared. Teacher recruitment and retention are at crisis point. College funding is stagnating. Lifelong learning budgets have been gutted by 32% this decade.

I say to the Government: spend more upstream in mainstream. Instead of just increasing the budget, move the money upstream, reach into the system and enable the simple change of frame that is required. Our country deserves a world-class education service for all, from nursery to university and lifelong learning—one where every child matters, can fulfil their potential and take advantage of a lifelong education system that is based on inclusivity and difference, and repeated opportunities.

5.50 pm

Mr Laurence Robertson (Tewkesbury) (Con): It is a pleasure to serve under your chairmanship, Sir David. When I was first elected to the House almost 22 years ago, the problem in Gloucestershire was that we were underfunded due to something called the area cost adjustment. It has taken a long time to start to correct that, as this Government have done. We lost out not just to inner-city areas, which received a lot more money per pupil, but to other rural areas that got much more than Gloucestershire did.

I was very pleased that this Government agreed to set up the national funding formula. That was good news, but we need to start to see the fairness of the formula coming through a bit more quickly. If we continue at a very slow pace—let us say that it takes 20 years for there to be an equalisation of funding per pupil—three or four generations of pupils will lose out. I say to the Minister, “Well done so far, but perhaps we need it to happen a little bit quicker than it is happening at the moment.”

Fiona Bruce (Congleton) (Con): Does my hon. Friend agree that we have the wrong Minister responding to this debate? That is in no way a personal criticism of him—quite the opposite. I believe that he and his colleagues in the Department for Education are listening, but they can allocate only the funding they are provided by the Treasury. Is it not the Chancellor who should be answering our requests for more funding for our constituencies? Should not our key request to the Minister be to ask him to take back to the Chancellor our calls for more funding for our constituencies?

Mr Robertson: I am grateful to my hon. Friend and am absolutely delighted that the schools Minister is here to listen. He and his colleagues have an open-door policy: they are always prepared to meet hon. Members and listen to their concerns. I take the point that the Education Secretary and his Ministers can divide the cake only in certain ways, and it is their decision. Perhaps we need to grow the cake, which is the point my hon. Friend correctly makes.

I want to turn to higher needs funding. I welcome the fact that, again, the Department listened to many of us who said that higher needs requires more spending. Several colleagues did that, and more money was forthcoming, which is very welcome. Although I welcome recognition of the problem, even after receiving more money, Conservative-controlled Gloucestershire will have a shortfall in higher needs funding this year, and it will increase next year. We need to see more money going into that.

I have two absolutely excellent special schools in my constituency—Alderman Knight and Milestones—and I recognise that mainstream schools are also struggling with this particular issue. My hon. Friend the Member for Southampton, Itchen (Royston Smith) made the point that when we were at school many years ago, class sizes were bigger and there was no such thing as a teaching assistant—that was also the case when I was the chairman of governors at a primary school. However, I accept and recognise that there are now greater and more complex higher needs, and more pupils with them, than there were in those days. I fully accept that we need to do more in that respect.

I met about 40 or 50 school governors on Saturday morning, along with my hon. Friends the Members for Cheltenham (Alex Chalk) and for Gloucester (Richard Graham) and the hon. Member for Stroud (Dr Drew). It was a very good debate, but one teacher said that a teacher at her school had been assaulted by a pupil. I have seen that happen in other schools, and one of the problems is that there are not enough staff in schools. I asked them, “If you had a load more money, what would you spend it on?” The answer was more staff and perhaps better facilities in schools.

I recognise that the Government have given more money for capital spending, but also that there are problems in schools. Fairly recently, I had a school that was actually dangerous—there was asbestos in it and the windows were very dangerous and almost literally falling out. The Government came forward with emergency money for that. It is an issue that we have to recognise.

I started by saying that when I came to this place, there were different reasons for concerns about school funding. Although we are getting absolutely excellent education in our schools—the ones I visit are amazing in the work they are doing, and my hon. Friend the Member for South Suffolk (James Cartlidge) is right to point out that outcomes matter at the end of the day—I have never known the concern about school funding to be as strong as it is now. That is not in any way to deny what the Government have done, or to deny the progress that has been made; it is recognising that there is a real problem.

5.55 pm

Laura Smith (Crewe and Nantwich) (Lab): It is an honour to serve under your chairmanship in this incredibly important debate, Sir David. I am proud that nearly

two years on since local parents, children, support staff, teachers, headteachers, Fair Funding For All Schools, the Labour party and I protested in Nantwich town centre and marched in our thousands on the streets of Sandbach, my constituency is still demanding answers to the crisis the Government and 10 years of austerity have inflicted on our education system. We still come in the top 10 constituencies in the country for responding to this petition, and I thank every single person who took the time to do so.

Since being elected, I have spoken many times about the funding crisis that has gripped our schools. I speak as an ex-teacher, an educational campaigner, a parent and now as a Member of Parliament and as vice-chair of the f40 group, which represents the worst-funded authorities in the country. Today I speak on behalf of all of those brave professionals who continue to stick their head above the parapet and speak honestly about life in schools. In Crewe and Nantwich, they constantly hear the misleading claim that this Government are providing more money for schools than ever before, but they know full well that they have faced real-terms cuts on a massive scale. After all, 100% of schools in my constituency have experienced such cuts. They do an amazing job at trying to deliver the best experience they can for the children and families that attend, but it is becoming an impossible task.

I regularly meet head teachers in my area, both as a collective and as individuals. Without exception, they relay the same message: they cannot shave any more meat off the bones of their budgets. They are demoralised and devastated, and they feel let down, because teachers believe that every child matters—that is a fundamental idea that should unite everybody in this place whenever we discuss education. It is the belief that every child matters that inspired me to go into teaching.

I want to focus specifically on the issue of SEND provision. It is not only the first topic mentioned by the majority of headteachers, but shows that somewhere along the line this Government lost the belief that every child matters. The f40 campaign states that the funding currently available is not enough to deliver education for the modern world. All SEND in schools has increased dramatically in recent years, including the low levels of SEN. Schools are dealing with those higher levels, an increase in pupil numbers and the increase in the cost of running a school, while their budgets have been slashed in real terms.

Mrs Hodgson: On the issue of SEND, I want to mention the importance of teaching assistants. UNISON, which is represented in the Gallery by its regional director in the north-east, recognises their importance. My daughter is a newly qualified teacher in her first year of teaching and has said that she has a number of children in her class with special educational needs, yet she has only one teaching assistant for a few hours. Does my hon. Friend recognise how detrimental this is to those children?

Laura Smith: I am very pleased to hear that my hon. Friend's daughter is going into the profession. I cannot speak highly enough of the talents of the teaching assistants and support staff who work in schools. They are desperately needed, and we do not want to see anybody losing teaching assistants.

Just this morning, a headteacher who knew that we were having this debate got in touch with me, saying:

"At my school, budget cuts along with having to fund the first £6k for SEN pupils has forced us into a deficit budget (the first ever) and consequently into a whole school restructure situation which has left us unable to fund any general classroom support. I have had to make redundancies which has curtailed our ability to provide the broad and varied curriculum that OFSTED are now demanding. We are only able to offer teaching assistant support to pupils with EHCP's. I have also had to cut allowances to dedicated and hardworking teachers (who have always gone the extra mile for pupils at my school) leaving them undervalued and demotivated after years of exemplary service which has kept our school one of the most consistent and respected schools in our town."

The head continued:

"I am only asking for enough money to effectively run a school in the 21st century that supports the needs of ALL pupils not just SEN and deprived children. After all shouldn't education offer fairness of opportunity to all?"

Minister, I am sick of empty words. I am sick of the fact that so many of my friends in the profession feel crushed. I am sick of those dedicated professionals reporting to me that their mental health is suffering and that they may leave the profession they love. I am sick of the lousy pay that they are expected to work for, while the work piles on. Most of all, I am sick of the Government's abject disregard for the education of the many children in this country who do not attend a fee-paying school. As a parent, I am sick of the fact that those who care for and nurture my children are so demoralised. I am furious that future generations are being let down so catastrophically. Test results and attainment are a small part of what makes a successful school.

Sir David Crausby (in the Chair): Order.

[SIR CHRISTOPHER CHOPE *in the Chair*]

6.1 pm

Nick Herbert (Arundel and South Downs) (Con): I have been a Member of this House for 14 years. Interestingly, for the first decade school funding was not especially an issue in my constituency. The debates that we had with the local education authority and West Sussex County Council were more about standards. That is perhaps not surprising, because overall funding per pupil in this country rose considerably over that period, reaching a peak in 2015, when it was 60% higher than in 2000. Overall, until 2015, there was a very big increase in spending per pupil, but from then on, although overall funding for schools was increased, costs—some of which have been alluded to—rose faster. That drew the attention of schools in my constituency to the fact that our county is the worst-funded county education authority and the third-worst funded education authority in the whole country. It is therefore no surprise that three Members from West Sussex have contributed to this debate.

We all accept that needs are considerably higher in other areas of the country. I represent an affluent rural constituency and I have hon. Friends in West Sussex who have urban areas in their constituencies whose needs are much higher than mine. Nevertheless, the inequity—the gap—is very large. Spending per pupil in some other areas of the country is between 50% and 70% higher than it is in West Sussex. We were therefore strong supporters of a national fair funding formula,

[Nick Herbert]

and we benefited from the change. In 2017, West Sussex received an extra £28 million through the national funding formula—an increase of 6.5% in its provision—which went more than halfway towards what the f40 campaign estimated we needed to redress the funding gap.

Nevertheless, the rising costs continued to outstrip the income that was provided. The county council adjusted the formula to give more help to primary schools, some of which actually lost under it, and less help to secondaries. Some of the secondary schools in my constituency face deficit budgets and are very concerned. There is a question about whether the formula recognises the basic costs that every school must meet to run.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I thank the hon. Gentleman for emphasising the importance of per-pupil funding. In Newcastle, per-pupil funding has gone down by £240 since 2010. I grew up getting free school meals at a state school. Does he recognise that people on lower incomes have less capacity to do well when funding cuts are made? The pressure put on parents to make up for the funding cuts is higher and cannot be met.

Nick Herbert: Yes, I have already said so. We all recognise that there are areas of the country where needs, and therefore spending needs, are much greater. My point is that all schools need a basic minimum. In the last couple of years, West Sussex schools and some in my constituency have struggled to make ends meet because that minimum has not been reached. Given that their funding was at the lowest level per pupil anyway across the whole country, it is much harder for them to make savings.

When we argued for the national funding formula, we never sought to take money away from other schools; we wanted fair funding for our area. It is much harder to introduce a national funding formula in an environment in which spending is not rising sharply. In the last Budget, a number of public service areas benefited considerably from big increases in spending—notably the national health service, defence and social care. Resources are finite, and every Government must choose how to allocate them. That is exactly what the spending review will be about. There is a case to be made for ensuring that the education budget does not fall in real terms, even if the falls are not quite as catastrophic as has been made out. Spending per pupil in the UK is the highest of any G7 country for primary and secondary schools. If adjustments are allowed to happen and budgets that are already tight receive less money, the only way a lot of schools will make savings is by losing people, and that is not something we want.

6.7 pm

Alex Sobel (Leeds North West) (Lab/Co-op): It is a pleasure to serve under your chairship, Sir Christopher.

Over the past few months, I have conducted two surveys in my constituency about the adequacy of school funding and the impact of funding cuts to schools. The first was of the schools concerned, which described the impact of funding cuts on their ability to deliver the educational outcomes that their pupils deserve. The second was of parents, who are all too aware of the

impact of the school cuts on their children's education. I want to channel their voices and tell hon. Members more about schools and parents in Leeds North West, and by extension the whole country.

For schools the problem is clear: every school surveyed had experienced the need to make some form of cut since 2015. More than 57% have been forced to make staffing cuts due to funding pressures, and 86% have had to reduce the number of books and the educational equipment available to students. More than half the schools surveyed had to let teaching assistants go, and the same number had to make cuts to cleaning and maintenance services, potentially putting our children at risk.

Kate Green (Stretford and Urmston) (Lab): Teachers and students in my constituency told me just the other day that A-level students have only just been able to get textbooks at this point in their second year of their studies, when they are taking their A-levels in the summer.

Alex Sobel: I thank my hon. Friend for that point, which I will reinforce later in my speech.

All the respondents expected further cuts to be made in the future. Some 43% of schools had experienced a rise in pupil numbers, and 100% of respondents were either dissatisfied or very dissatisfied. It is uncertain how schools will take on the extra family support obligations created by the cuts to council services elsewhere. One school said:

“We cannot continue to hit the DfE's expectations for pupil achievement and take more pupils, with less staff and resources. We are at breaking point in this profession. As the council continues to make cuts in other areas, more is put onto schools. We cannot provide the support that is needed for families without the funding to do so.”

The fact that schools are willing to use the term “breaking point” is shocking to me, and should be shocking to the Government.

We heard the same refrain in the parents' survey. One parent said:

“schools are doing an amazing job and are often the only source of support for children in crisis. Schools should not be trying to provide mental health support and there is no alternative provision for kids with heart-breaking mental health and behavioural issues.”

Another said that

“there is a complete lack of adequate mental health provision for children in primary schools due to funding cuts elsewhere in the system. This is very marked, and I have spoken to a number of parents who are at their wits' end about where and how to get the right support for their children.”

I had a huge response to my survey. More than 90% of respondents felt that schools had been negatively affected by cuts, and that the cuts were making their children's education worse.

With those cuts being layered on top of cuts to council services, schools are now clearly at breaking point. That has an effect right across school activities. School trips, for example, are the canary in the coalmine—the first sign that is something going wrong with the school budget. One parent of a year 6 pupil said:

“The head sent out a letter last week explaining that they can no longer subsidise school trips and events in school due to cuts in the school budget. This is very concerning to me ... as I know this will prevent a number of children from attending trips ... and missing out on the important experiences these trips bring. Also, a lot of class work is focused on the trips children go on”—

so some children cannot go on trips, and that means they are behind on school work. It is not an optional extra, but part of the curriculum of that school.

Children are being left not with the bare minimum of an education, but with an inadequate one, which promises to have knock-on effects for their future and for wider society. Even the most ardent Conservative must be aware that the cost to the public purse of the loss of revenue generated by reduced educational attainment in this country will be far from inconsequential, as will be the social cost of failing in the historical promise that has long linked the old to the young—that things will continue to get better, that the future will be brighter and that we pass on the promise of more than we had ourselves. One constituent put it this way:

“As parent and teacher, I firmly believe the quality of education we are providing this generation is dire. Between funding cuts, inaccessible exams, no support for SEN or EAL, no trips and extracurricular activities being squeezed, I see a generation being told they are failures because we are not providing the funding or resources to help anyone except the most well adapted and able pupils to achieve. We are a laughing stock at best. Shame on this Government for letting it get to this.”

Those are not my words, but those of a parent and teacher in my constituency.

6.11 pm

Will Quince (Colchester) (Con): Having spoken in the estimates day education debate last week, I do not intend to keep the House long now. However, I thank the 214 people from Colchester who signed the petition, and I declare a small interest in that my wife is a teacher.

I am passionate about education for a number of reasons, but primarily because it is an enabler of social mobility. At the heart of equality is equality of opportunity, and education is very much at the heart of that. Like my hon. Friend the Member for Southampton, Itchen (Royston Smith), I thank teachers in my constituency, who do an amazing job. Pressure on teachers is immense, and they are asked to do more and more every single year.

Only last week, I met a number of teachers and school governors at North Primary School; some of them came from other schools. We discussed the disconnect between the messaging from the Government and the messaging from schools, and how that confuses parents and the wider public. The Government rightly say that more money is going to schools than ever before, but schools say that they face incredible cost pressures and have to not replace or to lay off support staff.

In effect, both are correct. I praise the Government because between 2010 and 2015—before I entered Parliament—there were no cuts to education per se, to age 16. Inevitably, however, cost pressures have risen considerably over that time. I went into the different cost pressures on schools last week, so there is little point in going over them again, but the amount of increased funding has not kept up with those considerable cost pressures on our schools. That is the reality, so I strongly support calls for an increase in both revenue and capital funding for our schools.

In particular, we need to look at further education. The 16-to-19 budget has been frozen since 2013-14, and all those cost pressures that I mentioned in the debate last week have equally affected sixth forms and colleges. As a result, educational standards are suffering.

One point that has not been made in the debate so far—if an hon. Member has done so, I apologise—is about certainty of funding. We have talked about increased funding, and that is important, but certainty of funding is too. We ask schools, rightly, to set a three-year budget, but we do not tell them what funding they will get next year or the year after. That presents a problem. We have just created a 10-year long-term plan for our NHS to give certainty of funding. We need to do something similar for our schools. I am not suggesting that that has to be for 10 years, but it needs to be at least three years, so that headteachers and school business managers have the certainty of knowing what funding they will have.

Why have this debate now? We know that more money is going into education but that the cost pressures are rising. I genuinely feel that we are at the precipice. Two, three or four years ago, governors and headteachers were not raising such issues with me. Yes, there were efficiencies to be made in our schools—the Government sent out a helpful toolkit on saving money—but there is now no fat left to trim. Schools have maximised efficiencies, so there is only one place left to go. In a school whose budget is 80% or 90% spent on staff, what else is there to trim apart from staff? When we start to take away staff, we hit educational attainment. We are at the precipice. I fear that we will start to see results decline. I urge the Minister to increase funding for schools.

6.15 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairmanship, Sir Christopher. I congratulate my hon. Friend the Member for Blaydon (Liz Twist) on leading this debate and Mr Ramanandi, who led the creation of the petition, as well as those who organised and signed it throughout the country.

This is the second debate on education this year that I have attended in this Chamber—the first was on college funding—and the pattern is the same: Government party Members wring their hands about the impact of financial cuts in their constituencies. When will they realise that what they are describing is a direct impact of their failed austerity project? We cannot do more with less.

I concur with many points made already by Members in this debate, so I will focus on how the cuts in school funding have impacted in my borough, Hounslow. I have seen at first hand the great work that our schools are doing—23 of our schools are rated outstanding by Ofsted; our secondary schools perform above the UK average in Progress 8 scores; and our primary schools exceed the national average in reading, writing and maths—and that is in a community where the majority of children do not speak English as a first language at home and with high levels of churn in its schools. Hounslow Council has also invested £177 million in capital funding for the expansion of primary, secondary and SEN schooling, but that is all happening despite the steeply rising and unjust cuts being imposed on our schools by the Government.

Other Members have talked about the experience of their constituencies. In Hounslow we have seen cuts in total spending per pupil since 2010, and real-terms cuts in per-pupil funding between 2015 and 2019. Local authority spending on school services has been cut, so

[*Ruth Cadbury*]

that—if they still exist—they now have to be bought back by schools. Before, schools had them for free and yet now school budgets have been cut, as we have heard so many times. The range of extracurricular and curricular activities supported by councils has gone down and down. This year, schools in Hounslow have lost teachers, teaching assistants, support staff, auxiliary staff and the essential additional support that children in crisis or trouble need in particular.

To give some numbers, we have had an additional 5,640 primary and secondary places in the borough, and a 51% increase in children with special needs or an education, health and care plan since 2012—that is the third highest increase in London—and we face £27 million in funding cuts in 2018-19, with £4.5 million savings in education and early-years provision. Added up, that has a massive impact on the ability of our children to learn with good quality. As others have said, many schools, teachers and parents have expressed concerns about children with special needs in particular.

Gareth Thomas (Harrow West) (Lab/Co-op): My hon. Friend's experience in Hounslow is mirrored in other parts of London, including in my constituency. The headteacher of an outstanding special needs school in my constituency wrote to me, knowing this debate was to take place, to flag that in order to balance her budget she faces having to drastically reduce staffing ratios in her school.

Ruth Cadbury: My hon. Friend is absolutely right that it is both the numbers and the quality of staff at special needs schools that make such a difference to children's outcomes. But that is for the children who get into the special schools: I hear again and again from parents, teachers and governors about children who desperately need to be assessed. Even once assessed, they desperately need the right support either in their mainstream school or in a special school, but they are not getting it. They have to wait—not because of a lack of will, but because of a lack of professional support and places. In London, we have the additional problem of a massive shortage of professional psychological and psychiatric support in child and adolescent mental health services. Children with special needs who are not supported not only are suffering, with an impact on their future; their troubles have an impact on the other children in the class, affecting their learning. That is unacceptable.

Teachers and governors have written to tell me about a number of things, including the inability to provide maintenance to replace air conditioning—in Hounslow under the flight path, the windows cannot be opened in summer. Another cannot replace an inclusion mentor and children are not getting the high-quality art and technology support because the technician has had to be cut.

6.21 pm

Mrs Anne Main (St Albans) (Con): As I said in an intervention on the hon. Member for Blaydon (Liz Twist), it is about time we had the six-hour debate that this House has been promised. Indeed, 43 Members supported that and I know a lot more who could not sign but wanted that debate, as can be seen in the number of people wanting to speak today. We have only a few minutes, which is nowhere near enough.

We accept that more money has gone in, but if more people are invited to the party, rations have to be spread ever thinner. Many schools are spreading those rations beyond belief. I particularly want to raise a concern that a headteacher told me, which has not been raised yet. She felt guilty about almost heaving a sigh of relief when a very senior member of staff left, because that meant she could take on a more inexperienced junior member of staff and therefore have a bit more give in her budget. I was teacher a long time ago, but I can remember being a probationary teacher, as they were called in those days. We need experienced teachers to lead from the front, to drive schools forward. We cannot expect our schools to constantly rely on a churn of young inexperienced teachers who need to learn on the job, but also make sure they have plenty of time for lesson preparation.

Teachers cannot pay their bills with long holidays, as I used to say to people.

Laura Smith: I find myself agreeing with the hon. Lady, probably because we have both been teachers. She is exactly right with regard to—the point has gone from my brain. Sorry!

Mrs Main: I was right, and that is all that matters. Every Member will be told the same by other schools. In high-value areas such as mine, we cannot pay bills with holidays. Teachers have to pay bills with their salaries. They are struggling to get on the housing ladder in areas as expensive as St Albans, where the average house price is £600,000. Recruiting members of staff is difficult; retaining members of staff is very difficult, as they find their pounds go a lot further elsewhere.

Thelma Walker: On recruitment and retention, for the first time in history, as far as I know, more people are leaving the profession than entering it. One of the issues that headteachers bring to my attention is that many young people who do not have those years of experience are promoted too swiftly when they enter the profession. They are given responsibility, but there is burnout just a few years later.

Mrs Main: The hon. Lady is absolutely right; there is nothing more demoralising. Teaching is a tough job; anyone who has never tried it should go in front of a classroom and try. I taught in Feltham at an inner London school.

Laura Smith: Will the hon. Lady give way?

Mrs Main: No, if she does not mind, because Members on the hon. Lady's side are waiting to speak. We need those experienced teachers and we must ensure that teachers are not overwhelmed so quickly that they fancy quitting the profession.

I am also worried that we will end up cutting the curriculum to the bone. Gone are the times when there would be the luxury of a peripatetic music teacher coming to schools. There simply is no latitude in schools to pay for anything other than the bare necessities. The statutory obligations on a school have to be paid for first. It also worries me that sometimes there is a reluctance to statement pupils; if a pupil is statemented, that pupil

is rightly required to have additional assistance. However, a school might drag its feet in that scenario because it does not wish to be obliged to provide the extra funding.

I went to a public meeting in my constituency. It is not easy to have rocks thrown at us, but sometimes we need a rock to wake us up. It is hard to admit that schools are struggling. Schools have always been struggling; anyone who has worked in a school will say that the roof has always leaked and the windows are always awful. But there comes a point when things have to be tackled—they cannot be put off any longer. As many Members have said, robbing Peter to pay Paul is not the answer. Taking away from one set of schools to give to another set of schools that are very deserving is not the answer.

An hon. Member earlier talked earlier about the results meaning that we must be doing something right. My schools have excellent results, but that does not mean they do not need the resources. At some point, those results will start to crumble. The curriculum has shrunk down to the core topics, so perhaps those results are already sliding. When I was at school, I was passionate about art. Many young people are not academic but value those topics as much as anything; they inspire young people to go into school, and those teachers may inspire them and know how to deal with the complex needs of some youngsters who have been turned off by education.

We cannot just look at results. Value adding to a pupil means that pupil may have benefited far more from being taught in a good school than another pupil who is academically high achieving. I simply cannot accept that by looking at a set of results we can judge how well our schools are doing. We must ensure that every pupil is making the best of whatever they have to offer.

I accept that more money has gone into the system. We can all talk about how much extra there is, but Sian Kilpatrick of Bernards Heath Primary School told me that she had to write to parents to explain why she had to ask them for money: because a lot of things that used to be paid for are no longer paid for. This is the banquet I am referring to: outdoor visit risk assessments, legal and human resources advice, general maintenance costs and staff insurance. When parents send their children to school to get educated they do not expect that a teacher will have to divert money from teaching their pupils to pruning back overgrown trees in the playground that a risk assessment has identified as a problem to the pupils.

It is high time we had the six-hour debate. I do not think that views in here will change, but looking at what has been expected to be done with the money that schools have had is the only way to see whether there is enough money. If there is not, we may have to find some more.

6.28 pm

Kerry McCarthy (Bristol East) (Lab): The hon. Member for St Albans (Mrs Main) was spot on about so many things in her speech. She spoke from her experience as a teacher and no doubt someone who keeps in close contact with her schools.

In east Bristol, school funding has reduced by 7%, which is about £359 per pupil. Some people have spoken in headline terms about overall spending rising, but that is meaningless. It is the per-pupil spending that matters, and it has gone down by 7%. When the increase in

school expenditure—which I am told is around 8%—is factored in, that is a real-time cut of 15% in per-pupil funding. It is pointless to have the debate unless we accept that situation.

Colleagues have spoken about schools having to reduce staff numbers to accommodate that. At one point, teaching assistants were in most classes. They provide such a valuable addition to the classroom, giving extra attention to the pupils who need it. Those might be pupils with SEND, but they might also be pupils who are just shy or for some reason lag behind and need that extra attention, perhaps even just on one particular day. Funding cuts have also meant that things such as reading recovery classes and forest schools have had to be cut. My sister was a TA and a forest school leader; the budget for that school was axed and it could no longer afford her. Kids absolutely thrive on such outdoor experiences.

On what was said about senior teachers, I had a meeting with governors from a number of infant and primary schools in my constituency on Friday, and they made the point that good schools manage to keep their teachers—teachers want to stay there because they love being there—but that means there is a higher wage bill. That puts the school in an invidious situation.

Laura Smith: My hon. Friend raises the point I forgot when I intervened on the hon. Member for St Albans (Mrs Main). I remember how much respect I had for the teachers who mentored me when I first entered the profession, and how I was able to develop my teaching practice as a result. I agree with both my hon. Friend and the hon. Lady that that is now going, which is a tragedy.

Kerry McCarthy: We absolutely want a balance of newer and more experienced teachers in schools. However, it has been raised with me that schools have to pay the apprenticeship levy, which is about £10,000 per school, but they do not want to take on apprentices. That money could be spent on a teaching assistant. Schools do not need apprentices. That is a very quick way in which the Minister could help schools.

In the limited time I have left, I want to focus on SEND. Since 2010, Bristol City Council has lost more than 40% of the funding it gets from the Government, and funds for early intervention have stopped being ring-fenced. That means the council's high-needs budget has been in deficit for some time, and it has had to raid the mainstream education budget to compensate. Over the past few years, the number of SEND pupils in Bristol has risen three times faster than SEND funding. Obviously, that has an impact. It means children with SEND are often diagnosed later, and that they miss out on early intervention during their first years at school. Early intervention is crucial for ensuring that a child thrives and often prevents problems from developing into something more serious. Services such as CAMHS and speech and language therapy, which have supported schools, have also been cut. That is leading to a crisis. If we do not have early intervention and cannot support children at an early stage, they will develop far more serious problems as they become older.

I am involved in a project called Feeding Bristol, which aims to eradicate food poverty in the city. There is also a very good school food project, which looks

[Kerry McCarthy]

particularly at holiday hunger, breakfast clubs and so on. It is not just a case of getting food to children. We can get donated food for breakfast clubs and holiday hunger schemes from excellent projects such as FareShare, but schools need to be able to afford the staff. That little bit of extra money that schools cannot come up with makes the difference—it means children do not have to start the school day hungry or go through the long school holidays hungry. This is about so much more than just providing education. We need to look at the whole picture. If we are to produce well-rounded, physically and mentally healthy children, which is what we should be doing, we need to be able to support them outside school as well as in school.

6.33 pm

Tim Farron (Westmorland and Lonsdale) (LD): The word “crisis” is overused in this place, for certain, but it feels very much as though the situation with school resources is a crisis. However, it is a crisis largely in disguise, for two reasons. First, headteachers and the profession as a whole are loth to get involved in what they consider to be politics, or in any way to use the children they serve and teach as pawns in a political debate. Secondly, headteachers do not want to speak about the situation quite so much, simply because, understandably, they fear competitive disadvantage.

Thelma Walker: I am sorry, but the fact that 1,000 headteachers marched on Downing Street last year is symbolic of their frustration at the point we have reached.

Tim Farron: And it really takes that. I am grateful to the hon. Lady for her remark, which of course comes from her experience. As I said, the other reason this issue has not been spoken about as much as it might have been in another part of the public sphere is simply fear of competitive disadvantage. If a headteacher talks about having to lose teaching assistants, the children who would have come to their school might go to another school instead. People therefore keep quiet and suffer in silence.

However, as the hon. Lady rightly says, we have got to a breaking point—a point of immense frustration, which has led headteachers, who would normally dutifully have got on with the job, to speak out very clearly. Just this week, 16 headteachers in my constituency, representing primary schools, special educational needs schools and secondary schools, clubbed together to write to parents and others in our community to be explicit about what the cuts mean for them. That is a brave and unprecedented thing to do. They deserve our taking notice, and they deserve the Government’s taking notice. We must listen.

Those headteachers note that in my constituency alone, there has been a £2.4 million real-terms cut in schools funding, even allowing for the fact that, as a rural area, we are a net beneficiary of the fairer funding formula. The net impact on us has been £2.4 million of cuts—£190 per child has been lost from schools funding in Westmorland and Lonsdale. Headteachers in my community talk explicitly about losing teaching posts—indeed, about making some teachers redundant—and getting rid of teaching assistants. They talk about having smaller establishments, meaning the merging of classes and reductions in the options available, particularly at

secondary school. Any country’s greatest asset is its people, especially its young people, so to underfund our schools in this way—to undervalue our greatest asset—is not just cruel but incredibly stupid. Investment in our education is an investment in our country’s future.

Teachers are committed professionals. They do what they do not for the money—there isn’t a right lot of it in the profession—but because they are passionate about making a difference in our young people’s lives, so it breaks their heart to see the impact of these cuts on the quality of education. They also see cuts that affect children in other parts of the public sphere. In Cumbria, because of a cut in public health funding, all school nurses have been abolished. Only 75p per child is spent on preventive mental healthcare across our area. Three years after it was promised, there is still no specialist one-to-one eating disorder service for young people in our community. Just before Christmas, £500,000 was sneaked out of public health spending. That affects the community as a whole, but particularly our young people.

Nowhere are cuts in schools funding more noticeable, though, than in special educational needs. Of course, the first 11 hours of special educational needs provision are paid for by the school. One small high school in my constituency with fewer than 500 pupils spends £105,000 a year on supporting those children. That comes from its main school budget. We penalise schools that do the right thing and advantage those that do not. Will the Minister fund special educational needs directly, rather than damaging schools?

I will give the last word to a highly respected headteacher in my constituency, who wrote to me just yesterday:

“In the last two years we have made reductions to teaching and support staffing, with no reduction in the overall workload. All we get is hackneyed and frankly quite pathetic suggestions from the DFE on how to economise...I love my job, but...I do not wish to be head of a school in a state system that is en route to economic meltdown.”

This Government are demoralising our teachers and letting down our children. That must change.

6.38 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to serve under your chairmanship, Sir Christopher. I thank everyone for their contributions, which I found incredibly powerful. We hear so much about the cuts as numbers; it makes such a difference when we hear what they actually mean, so I am going to take the advice of the hon. Member for South Suffolk (James Cartlidge) and talk a little about outcomes.

Here are a few outcomes for the Government to ponder. First, 15.93% of children with special educational needs are excluded, compared with 3% of those without such needs. Pupils identified with special educational needs accounted for around half—46%—of all permanent exclusions and 44% of fixed-period exclusions. Pupils who have an EHCP statement are five times more likely to be permanently excluded than those without SEN. Pupils on SEN support are six times more likely to be excluded than those without SEN.

I have a few more outcomes for the Government to hear about. The latest school workforce statistics show that in England schools have 137,000 more pupils, but 5,400 fewer teachers, 2,800 fewer teaching assistants, 1,400 fewer support staff and 1,200 fewer auxiliary staff. Students are also being taught by less experienced staff.

According to Unison, 70% of teaching staff were doing work previously done by higher-grade staff and half of those doing the extra work were not trained to do it.

Another outcome is that fewer support staff mean that support staff make up half the school workforce and are the lowest paid in the public sector. Since 2013, despite the increase in pupil numbers, there has been a 12% reduction in the number of science technicians and a 10% cut in the number of teaching assistants in secondary schools. What does that mean? It means there is less support for our children with special educational needs, who desperately need it.

I am not suggesting for one moment that schools or teachers have suddenly become cruel and that that is why exclusions for children with special needs are rocketing, although I have mentioned to the Minister on numerous occasions that he needs to look again at his school accountability measures. However, the simple fact is that children with special educational needs and disabilities are expensive to teach. It has already been mentioned that schools are welcoming it when older, more experienced teachers leave, because that can save money; it is not difficult to conclude that some schools may also welcome it when an expensive child with special educational needs is leaving—or the school may choose to develop ways to encourage the parents to send that child to the school down the road, rather than to their school. They know that they simply do not have the money needed to give that child the education they need.

The Minister will be pleased that, as a good Methodist, I will not for one moment suggest gambling or placing a bet with him, but the comment made by the Minister for Academies—that he would bet schools “a bottle of champagne” that he could find them savings—was a real slap in the face for many headteachers. In my quest to be helpful, I have a few suggestions for the Minister about how he could save money.

First, £4.3 million has been spent on the troops to teachers programme, which so far has resulted in 69 teachers and apparently has £10 million waiting to be spent. LocatED has been set up to acquire land and buildings across England, as part of plans set out in the spring Budget to build 500 new free schools by 2020, and it has a budget of £2 billion. The regional schools commissioners programme originally had £4 million spent on it in 2014, but that has now risen to £31 million. The Department for Education spent £833 million on 175 sites for free schools. Twenty-four of those sites cost £10 million, and four of them cost £30 million.

6.42 pm

Dr David Drew (Stroud) (Lab/Co-op): I shall keep my remarks brief because there are Members who still want to speak.

As the hon. Member for Tewkesbury (Mr Robertson)—a friend in this respect—said, we spent Saturday morning being assailed by governors and headteachers in Gloucestershire. It was a salutary experience, if not a harrowing one, because the message, which we have heard loud and clear from everyone here, is that it is very difficult out there at the moment. Most Members, if not all, would agree that it is more difficult than it was previously.

We had our own debate about Gloucestershire on 30 January, which the Minister responded to. I will not rehearse the same arguments now, but I will give him

some specific ideas that came from Saturday’s meeting, which the Government could do fairly quickly. It was unanimously agreed that two things would help special needs across the board, at both mainstream and special schools. First, the additional needs budget should be ring-fenced, because schools feel that too often it does not reach the areas that it should. It is important that it reaches the schools that need it.

Secondly, there is the issue with the £6,000 for the education, health and care plan. That is a perverse incentive. As is happening in Gloucestershire, it means that there is a huge rise in the number of children being taken out of school to be home educated, as well as in the number of exclusions. Sadly, in the south-west we are now top of the tree, which is unusual as we have usually been in the average range.

I contend that those two issues have arisen because we are not getting quick enough diagnoses, which would make parents confident that their children were getting the support that they needed. Can the Minister make some noises? Clearly, this is about talking to the Treasury, but it is a specific funding request—not just about more money in education. It could be targeted in the way that we were led to believe would make a dramatic overnight difference to schools in Gloucestershire. A lot of their deficits have begun to arise from that.

I hope the Minister will respond to that, think about it, and go out and try to allay some of the fears of those schools. Schools do not believe that there is an understanding of how bad things have become. All schools—even grammar schools, dare I say it—stand to gain if there is clarity over how the SEN funding mechanism could be targeted at children who need it, and quickly. Then we could deal with some of the other, wider problems.

6.45 pm

Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Christopher. I thank my hon. Friend the Member for Blaydon (Liz Twist), who made some excellent points, and I congratulate her on this debate. I declare an interest as vice-president of the Local Government Association.

Prior to this debate, I received messages from parents, teachers and staff at schools in my constituency, who are rightly concerned. We know the statistics, even if the Government often seem unwilling to accept them. The Institute for Fiscal Studies showed that school funding is down by £1.7 billion in real terms since 2014-15, while one in four primaries and one in six secondary schools have had their funding cut in cash terms this year.

According to the National Education Union, in my constituency the per-pupil funding between 2015 and 2018 dropped by £347. When we discuss the numbers and the scale of cuts, we must remember the impact on staffing and resources and what that means in practice for our schools and our children. Last week, I met the headteacher of a school in my constituency who was worried about the cuts she was being forced to make, and the impact it would have on the children she and other staff members were trying to support, especially those with additional needs who were awaiting assessments or specialist provision.

A headteacher of another local primary school contacted me about the £1 million deficit the school is facing as a result of increased costs to schools, uplifts in pension

[Preet Kaur Gill]

contributions and the planned fair funding formula. The school is about to cut six teaching assistants who currently support SEN children and it will need to make further reductions to try and prepare for a 9.3% cut in overall funding.

Meanwhile, a year 5 teacher wrote to me following an hour-and-a-half stock audit at his school, which was done to limit the stock they use. For example, six glue sticks were to be used per half term. The teacher is worried about what happens next and the headteachers told me they were unsure how they will manage to maintain their currently good provision. Does the Minister have any answers? What does he say to the children and their parents at the 10 schools in Birmingham that now close at lunchtime on Fridays because they cannot afford to stay open for longer?

Constituents and school staff have contacted me about this debate. They are not asking for more money to support children, but they are increasingly asking for the savage cuts to be less vicious, and asking whether the cuts can be graduated to try and minimise the negative impact they are having—and will have—on children and young people. Let me be clear: I am asking for more money.

As a mother with two children at school, I think this is a shocking state of affairs and a situation of which the Government should be thoroughly ashamed. The Government have cut funding while expecting schools to do more. Schools are meant to manage the increasingly complex needs of children with mental health problems, special educational needs and disabilities. The LGA estimates that councils are facing a high-needs funding shortfall of £472 million in the 2018-19 financial year and that the funding gap could rise to £1.6 billion by 2021.

With schools close to breaking point, having already cut resources, staff and opening hours, how are they meant to support children and young people with complex needs? The Children's Commissioner said that the Government's plans required quadrupling funding to ensure there are no gaps and black holes for children who need support with their mental health. Does the Minister agree that in order to invest in prevention as well as treatment of symptoms, schools must be sufficiently resourced? Can he tell us what steps are being taken to achieve that?

6.49 pm

Faisal Rashid (Warrington South) (Lab): I thank all the Members who have taken part in the debate and the more than 100,000 people who signed the petition. Last year, I surveyed more than 30 schools from across my constituency to try to understand the scale and impact of Government cuts to our children's education. I was shocked to learn that since 2015 more than 80% of schools in my constituency have been forced to cut basic educational provision such as books, equipment and teacher training. The same number reported that they have had to make staffing cuts owing to funding pressures. Most damningly, every one of the schools surveyed in my constituency reported that they were either dissatisfied or very dissatisfied with their current levels of funding.

Despite the best efforts of our hard-working school leaders to protect pupils from cuts, it is becoming more and more difficult. We know all too well by now that

cuts to schools hit the poorest children the hardest. Current levels of funding risk robbing a generation of working-class children of their future. A primary school headteacher in my constituency recently got in touch to raise a number of concerns that illustrate the crisis in schools well. That headteacher represents a school in one of the most deprived parts of my constituency. Despite that, the school achieves excellent results, coming in the top 2% of schools for progress in maths and the top 5% for English.

The headteacher told me that the school achieved those results by working closely with families to support their needs, and by trying to ensure that the children have the resources they need to thrive and achieve. They believe that through support to the whole family children are given the best possible life chances, but she told me:

"I have built a strong, highly skilled and highly effective team to do this—families tell us how much they value the work we do. However, under the current climate of worsening school budgets this service is threatened. I am facing over the next few years a deficit budget. What do I cut? I know that the services we offer make a real difference to our children, but within a couple of years I will struggle to fund the very basics required to educate our children".

How can the Minister justify putting hard-working educators in such a position?

As that example makes clear, schools with the potential to achieve the very best results are being held back by insufficient budgets. It is a scandal, actively undermining the hard work and progress made by schools in my constituency. Many other local primary schools recently wrote to me expressing similar concerns.

Next week, the Chancellor will issue his spring statement. That is an opportunity for the Government to listen to the concerns of teachers and parents across the country and substantially increase funding for schools. I call on the Government to put an end to their unsustainable programme of education cuts—a programme that is placing an intolerable burden on the future of the country. If the Government are serious about the future direction of our country post Brexit, they must start seriously investing in those who stand to inherit it.

6.53 pm

Jenny Chapman (Darlington) (Lab): It is a privilege to take part in this debate and to listen to my colleagues' fantastic contributions. I thank my hon. Friend the Member for Blaydon (Liz Twist) for introducing the debate, but I particularly thank the petitioners, without whom we would not be able to have it. It is a matter of regret that the Government have not seen fit to allow us time to debate the issue in the Chamber. Were it not for the fact that the petition was signed by so many people, we would not even be here today to discuss it now.

The message is crystal clear. I met chairs of governors in my constituency on Friday and I visit schools all the time. I have been a governor at several schools in my constituency. I went to school there and my children go to the same comprehensive school that I went to. I feel I have got to know many of the people who work in schools in Darlington well over the years. I went to school with someone who is now one of the headteachers, which makes me feel a bit old, I must say. I have never known the unhappiness among leaders in schools to be so great. I remember being a governor between 2002 and 2008, and there was sense of shared mission in the

schools—that we could achieve something, narrow the gap, make sure that every child mattered and got what they needed, invest in buildings and the curriculum, and enrich the experience of school life for every child. There was a sense that we shared that common aim between us and were making progress. I am afraid that the shared mission now has become “How on earth do we make this budget balance?” That is not the mission that I want in schools in my constituency.

We have been talking about outcomes, and in the north-east we have the lowest achievement of English baccalaureate and the lowest number of young people gaining two A-levels. We have the highest number of young people with no job and not entering a college course at 16. Social mobility has stalled. My schools are not thriving, but struggling. Schools in Darlington are falling down the league tables. I should like to avail myself of the offer made on the Minister’s behalf by one of his party’s Back Benchers, who said he has an open-door policy. Perhaps he could indicate whether he would be happy to meet me to discuss school performance in Darlington. The regional schools commissioner is invisible. The levers to effect change that were once available to the local authority and to me as the Member of Parliament no longer exist in the same way. Who will decide what is going wrong and intervene to put it right for schools in Darlington? It is not working. Whatever is going wrong needs to be identified and put right.

My headteachers are not a belligerent, ideological bunch. I am going to end with a quotation from one of them, Pete King at Mowden School:

“School leaders have previously tried to shield parents from the difficulty but because the situation is not sustainable, we now need parents to know. There simply are not the savings to be made that can make up for the huge shortfall in our funding, and it feels very unfair to our children and our staff.”

That is the message that is coming from everybody. Government Members may have been very polite about it, but it is the same message. Something is going badly wrong. The results that are wanted may be possible today, but, as the hon. Member for St Albans (Mrs Main) said, I seriously doubt that they will be achieved in five, six or 10 years’ time unless we put things right.

6.57 pm

Grahame Morris (Easington) (Lab): Thank you for calling me in this important debate, Sir Christopher. I thank my hon. Friend the Member for Darlington (Jenny Chapman) for delivering such a powerful and cogent speech, which I completely agree with. I also thank my hon. Friend the Member for Blaydon (Liz Twist) and indeed the petitioners for initiating this debate.

Like many Members, I have been contacted by a lot of constituents—headteachers, teachers, support staff and parents—who have encouraged me to speak in the debate. I do not want to repeat arguments that other hon. Members have made this afternoon. The last time I was in this Chamber and it was so busy, it was during the debate on state pension inequality. Members were sitting on the window ledges. I hope that the Government will take note of this terrible injustice, which is one of a number that need to be addressed. Although I am straying from my script, I must say that when Government Members suggest that somehow we have arrived at the current funding crisis by chance or happenstance, we must be absolutely clear: it is deliberate policy. Conservative

Members have gone through the Lobby to vote for austerity and cuts in school budgets—effectively, in real terms—and this is the consequence. It is not an accident but deliberate policy, and it is in our gift to do something about it.

I am really disappointed that the promises made that all schools would have a modest increase in funding have not been delivered. When the truth is stretched thin enough, people start to see through it. Other Members have quoted lots of data about the number of schools that have not had a real-terms cash increase. Out of 243 schools in County Durham, 194 will face cuts and some will have very modest increases. Easington is not classed as an urban area, but it is a very deprived area, with large numbers of people facing all sorts of problems; I was at the opening of an extension to our food bank on Saturday. There is an argument that areas facing such challenges should be better resourced. I am not suggesting we should take money away from the affluent south, but I am suggesting that we should recognise that there is a cost, that needs should be met and that we must provide the necessary resources.

Class sizes in County Durham have gone up, as they have elsewhere. The local education authority has lost an astonishing £8.2 million between 2015 and 2020, which equates to a loss of £133 per pupil. In Durham, as elsewhere, budgets have been cut. Education is an investment in the future prosperity of our nation, and I urge Ministers to consider very carefully the points that have been put.

Sir Christopher Chope (in the Chair): The hon. Member for Wythenshawe and Sale East (Mike Kane) has kindly agreed to forgo some of the time for his winding-up speech to allow time for the next speaker.

7 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Christopher.

When I came into this House, schools in York were the seventh worst funded in the country. However, we then proceeded to fall to the very worst-funded schools, and there have been serious consequences. My fear is that the lack of investment now will run through this generation of children as they prepare for later life. We know how much stress and strain children and schools are under at the moment. We have a broken system and we are breaking our children with the stress and strain we are putting not only on them, but on teachers. Colleagues of the Minister are piling more and more responsibilities on to teachers, such as dealing with mental health issues, because our child and adolescent mental health services are seriously broken too.

While we are talking about the amount of money that the schools are being allocated, we must remember the additional costs of pensions and national insurance, and the increasing amount of funding that they have to find for other things. In York, we have had the fourth biggest fall in staff numbers in our primary schools and the largest rise in class sizes in our secondary schools—significantly more than any other area. When I look at where the cuts have fallen in our city—the worst-funded in the country—they have fallen on the schools in the most deprived areas; Tang Hall Primary School will lose £559 per pupil.

[*Rachael Maskell*]

There is a correlation with the consequences that that will create, but I also draw attention to the impact it is already having in terms of the attainment gap. As well as being worst funded, York also has the largest attainment gap in the country, at 31%. Three out of five children from disadvantaged backgrounds are not school-ready by the age of five, and that follows through in their schooling: 26% have an attainment gap at the age of 11. Only 40% of disadvantaged children reach expected standards in reading, writing and maths, and that figure has been static. As that moves through to secondary school, we see high absenteeism for children on free school meals, at 44%, so we know there is a correlation between attainment, funding, class sizes and attendance.

I ask the Minister to look at this issue and to see the consequences that are being built as a result of the cuts placed on our schools. Perhaps he could look again at the Joseph Rowntree Foundation's report on the postcode lottery in schools, and its suggestion of an early excellence fund. We know the difference it makes when we fund early years, whether through Sure Start or through putting a right strategy in place for early years. It will set up a child for life and we need to see funding there.

I will touch on capital funding, because we have some serious issues in our school buildings. Tang Hall Primary School was 90 years old last November; it is so cold in the winter that the children have to wear hoodies just to keep warm, and their hands are so cold as they sit in those classrooms, yet they are boiling in summer. They need a new school. Tang Hall was top of the Building Schools for the Future list in 2010 and there is still no sign of a new school. Carr Junior School has water ingress and needs repairs, and St Wilfrid's RC Primary School needs green space for its children. We have too many children trying to squeeze into schools. The spring statement is coming up; we need the funding now.

Wera Hobhouse: On a point of order, Chair, I failed to declare when I spoke earlier that I am a trustee of a local academy trust, the Palladian Academy Trust. I apologise for the omission.

Sir Christopher Chope (in the Chair): I am grateful to the hon. Lady for putting that on the record.

7.5 pm

Mike Kane (Wythenshawe and Sale East) (Lab): I thank my hon. Friend the Member for Blaydon (Liz Twist). I always want to sing "Blaydon Races" every time I think of her constituency. I thought she did her duty diligently as a member of the Petitions Committee, and despite a barrage of interventions, she was very composed when she made her speech.

I thank Mr Andy Ramanandi, the headteacher of St Joseph's Roman Catholic Primary School, and the group of headteachers, staff and parents who launched the petition we are debating. Over the last few weeks, hundreds of thousands of people have watched their Facebook video, explaining the scale of the impact of the cuts on their school. Headteachers such as Mr Ramanandi, Mr Malik and others who have been involved in the campaign are here today. Their efforts have ensured that cuts to school funding are being debated in this place again, and I commend them for

their work. Is it not ironic that the headteacher of a school named for St Joseph, the patron saint of workers, will have to go back to Gateshead tomorrow to start consulting on redundancies to make people unemployed?

This has been a fascinating debate. Normal practice as shadow spokesman is to thank all the hon. Members on my side for the excellent speeches they gave today—"You did really well, well done everybody,"—but that is not what I am going to do. I want to highlight a few hon. Members on the Government side who spoke today. It seems that nearly every MP from West Sussex is in the room: the hon. Members for East Worthing and Shoreham (Tim Loughton) and for Crawley (Henry Smith), the right hon. Member for Arundel and South Downs (Nick Herbert), and the Minister himself—

The Minister for School Standards (Nick Gibb): And Worthing West.

Mike Kane: Forgive me; the hon. Member for Worthing West (Sir Peter Bottomley), too. We know that that authority is having to cut—let me get my figures accurate—£8.9 million from the schools in their patches between 2015 and 2020. The hon. Member for Southampton, Itchen (Royston Smith) spoke well about Southampton losing £4.9 million over the same period. The hon. Member for South Suffolk (James Cartledge), my footballing partner, spoke of Suffolk losing £7.8 million over that period.

The hon. Member for Hazel Grove (Mr Wragg) spoke passionately about his schools in Stockport. Stockport, my neighbouring authority, is losing £6.4 million and a special school in Stockport has said just this week that it will have to cut Friday afternoons from its curriculum. The hon. Member for Tewkesbury (Mr Robertson), who like my hon. Friend the Member for Stroud (Dr Drew) represents Gloucestershire, spoke of cuts of £11.1 million. The hon. Member for Colchester (Will Quince) spoke about Essex—I was at St Dominic's just the other week, and what a fantastic school it is—and the £29.8 million cuts faced there. Finally, there was a really powerful speech from the hon. Member for St Albans (Mrs Main), speaking about Hertfordshire having to cut £33.2 million from the budget. I will end my speech with what she said about the cake.

We can be in no doubt after what we have heard today about the impact of continued Government austerity on education. In fact, it is not austerity anymore; the Secretary of State has already said he wants to reduce spending on education and that he thinks it is too high. The policy is ideologically motivated. Education urgently needs investment across the board, and the Government must finally begin reversing the devastating cuts. Just look at how many right hon. and hon. Members have turned out today.

The Chancellor of the Exchequer and the Education Secretary have both stated in the House of Commons that every school in England would see a cash-terms increase in its funding, but that flies in the face of the reality we have heard about today, what parents and teachers are telling us and what is happening on the ground. The Institute of Fiscal Studies has stated that it is simply not accurate, and the UK Statistics Authority has even rebuked the Education Secretary for his statistical inaccuracy. There has been a concerted effort by the Secretary of State and the Minister to fudge the figures and to deflect attention away from the school funding

cuts that they have presided over. To add insult to injury, we have had a one-off £400 million for “little extras”, when schools cannot even afford glue sticks at the moment, as we have heard. The fact is that, across the country, schools are having to write to parents to ask for money.

If funding per pupil had been maintained in value since 2015, there would be £1.7 billion more in the system now. That means that 91% of schools still face real-terms budget cuts per pupil. Those in this Chamber know all too well the impact on the ground already. The average shortfall in primary school budgets is more than £67,000, and more than £273,000 in secondary school budgets. Our schools have 137,000 more pupils but 5,400 fewer teachers, 2,800 fewer teaching assistants, 1,400 fewer support staff and 1,200 fewer auxiliary staff.

I have spent far too many hours in this Chamber and the main Chamber, trying with my shadow Front-Bench colleagues and Members from across the House to get the Government to face facts and act. It beggars belief that the Government have ignored the School Teachers Review Body's pay recommendations—the first time that has happened in 28 years. To make matters worse, the Government expect schools to meet the cost of the first 1% of the pay award from existing budgets.

As a former primary school teacher, I know the difference that a good teacher can make, with the right support and resources, to a child's attainment and aspiration. We go into teaching because we believe in the value of education, we believe in its power to create social mobility and we believe in its ability to create ambition for all. This is about our children's future and that of our country.

I will close with the words of teachers and teaching assistants from across the country:

“Last year the school I work at had to lose many of its teaching assistants due to lack of money.”

“I have to buy equipment and supplies for my job.”

“We do not have budget for staff training, resources or opportunities for children.”

“I am a qualified teacher now working and being paid as a teaching assistant, but I am being used to cover classes as the school cannot afford to employ supply teachers.”

“The Minister's claim that more money is going into schools than ever before is pure sophistry.”

James Frith: On a point of order, Sir Christopher. It was remiss of me not to mention that I am the founding director of a careers education company. In the interests of transparency, I share that with you now.

Sir Christopher Chope (in the Chair): I am grateful to the hon. Gentleman for putting that on the record.

7.12 pm

The Minister for School Standards (Nick Gibb): It is a pleasure to serve under your chairmanship, Sir Christopher. I congratulate the hon. Member for Blaydon (Liz Twist) on her opening speech, which was very good indeed.

There have been several very good speakers, including my hon. Friend the Member for South Suffolk (James Cartlidge), who pointed to rising standards in our schools. He is of course absolutely right: thanks in part to our reforms, the proportion of pupils in good or outstanding schools has increased from 66% in 2010 to 84% today.

Our more rigorous primary school curriculum—on a par with the highest performing in the world—has been taught since September 2014. Since it was first tested in 2016, the proportion of primary school pupils reaching the expected standard in maths has risen from 70% to 76% in 2018, and in reading from 66% to 75%.

Our primary school children have achieved their highest ever scores on international reading tests. When we introduced a phonic check in 2012, just 58% of six-year-olds taking it reached the expected standard. That figure is now 82%. More children are now on track to read more effectively than when we came into office in 2010. The attainment gap in the primary phase between the most disadvantaged pupils and their peers, as measured by the attainment gap index, has narrowed by 13.2% since 2011. In secondary schools, our more rigorous academic curriculum and qualifications support social mobility by giving disadvantaged children the knowledge they need to have the same career and life opportunities as their peers. I thank the 452,000 teachers—10,000 more than in 2010—who have delivered these higher standards in our schools. I also thank the 263,000 teaching assistants, of which there are 49,000 more than in 2011, and the 263,000 support staff, of which there are 129,000 more than in 2011.

To support these improvements, the Government have prioritised school spending while having to take difficult decisions in other areas of public spending. We have been enabled to do that by our balanced approach to the public finances and to our stewardship of the economy, reducing the unsustainable annual deficit of £150 billion, which was 10% of GDP in 2010, but 2% in 2018. The economic stability that that provided has resulted in employment rising to a record 32.6 million and unemployment being at its lowest level since the 1970s, giving young people leaving school more opportunities to have jobs and start their careers.¹

That balanced approach allows us to invest in public services across Government. Core funding for schools and high needs will rise from almost £41 billion in 2017-18 to £43.5 billion in 2019-20. That includes an extra £1.3 billion for schools and high needs, announced in 2017, that we invested across 2018-19 and 2019-20, over and above plans set out in the spending review.

Since 2010, 825,000 new school places have been created in our schools. One of the first decisions we took on coming to office in 2010 was to double basic-need capital spending, reversing the cuts of 100,000 school places that we saw under the last Labour Government.

Mrs Main: Will the Minister give way?

Nick Gibb: Not right now, if my hon. Friend will forgive me. I want to make sure that I respond to the points from as many hon. Members as I can.

Figures from the Institute for Fiscal Studies show that real-terms per-pupil funding for five to 16-year-olds in 2020 will be more than 50% higher than in 2000. We compare favourably with other countries. The UK spends as much per pupil on primary and secondary state education as any country in the G7 apart from America—a point made by my right hon. Friend the Member for Arundel and South Downs (Nick Herbert).

While more money is going into our schools than ever before, we recognise the budgeting challenges that schools face as we ask them to achieve more for children

1.[Official Report, 21 March 2019, Vol. 656, c. 10MC.]

[Nick Gibb]

and to absorb cost increases, such as employer's national insurance and higher pension contributions to teachers' pension funds, that have arisen as a result of our determination to bear down on the unsustainable deficit. That means that it is essential to do all we can to help schools make the most of every pound.

In addition to providing additional funding for schools, we changed the way funding is distributed, to make the system fairer. Last April, we started to distribute funding through the national funding formula, with each area's allocation taking into account the individual needs and characteristics of its schools. That replaced the unfair and outdated previous system, under which schools with similar characteristics received very different levels of funding, with little or no justification. These disparities existed for far too long, as my right hon. and hon. Friends from West Sussex pointed out, leaving some schools trying to achieve with fewer resources the same as other, better-funded schools in similar situations. That is why we committed to reform the system, and I am proud to say that our introduction of the national funding formula delivers that commitment.

Schools are already benefiting from the gains delivered by the national funding formula. Since 2017, we have given every local authority more money for every pupil in every school, while allocating the biggest increases to the schools that have been most underfunded. By 2019-20, all schools will attract an increase of at least 1% per pupil, compared with their 2017-18 baselines. The most underfunded schools will attract up to 6% more per pupil by 2019-20, compared with 2017-18.

The hon. Member for Blaydon will be aware that funding for schools in her constituency has risen from £52.6 million in 2017-18 to £54.9 million in 2019-20—a 4.5% increase in cash terms. In Blaydon, per-pupil funding has risen from £4,468 per pupil in 2017-18 to £4,635 in 2019-20, which is a 3.7% increase over that period.

The hon. Lady cited a figure from the School Cuts website, which incidentally has been criticised by the UK Statistics Authority. It said:

"We believe the headline statement", which the hon. Lady cited in this debate, "that '91% of schools face funding cuts' risks giving a misleading impression of future changes in school budgets. The method of calculation may also give a misleading impression of the scale of change for some particular schools."

My hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) made important points about the over-politicisation of this issue. I understand the points that he made about the historical inequities in school funding in West Sussex.

Alex Sobel: Will the Minister give way?

Nick Gibb: I will not give way for the moment. The inequities are precisely why we introduced the national funding formula. A similar point was made by my hon. Friend the Member for Crawley (Henry Smith). My hon. Friends will be aware that funding in West Sussex will increase from £425.8 million in 2017-18 to £459.3 million by 2019-20. That is an increase of £33.5 million or 7.9%. It is an increase of 4.9% per pupil. The argument is made that there are more pupils, but we are also increasing funding on a per-pupil basis.

Laura Smith: Will the Minister give way?

Nick Gibb: I will not give way just now.

The hon. Member for Bristol East (Kerry McCarthy) should be aware that, in her constituency, funding has risen from £45.9 million in 2017-18 to £50.6 million in 2019-20. That is an increase of 10.3% overall and of 9.5% on a per-pupil basis. The hon. Member for Edmonton (Kate Osamor)—

Mr Wragg: Will my right hon. Friend give way?

Nick Gibb: I will not for the moment, if my hon. Friend will forgive me. I want to respond to the very serious points made by hon. Members during the debate. If there is time at the end of that, I will of course give way to my hon. Friend the Member for Hazel Grove (Mr Wragg), who always has important issues to raise. I am always very cognisant of his expertise as a former teacher and as a member of the Select Committee on Education.

The hon. Member for Edmonton should be aware that funding for schools in her constituency has risen from £89.2 million in 2017-18 to £91.3 million. That is an increase of £2.2 million. It is an increase of 2.5% overall and of 3% on a per-pupil basis.

My hon. Friend the Member for Hazel Grove asked about funding for the increase in the employer contribution to teachers' pensions. That will rise to 23.6%, so 23.6% of the salary will be paid by the employer into the teacher pension scheme.¹ We propose to provide funding to meet the additional teachers' pension scheme pressures in 2019-20 for maintained schools, academies and FE colleges whose staff are part of the teachers' pension scheme. That proposal includes centrally employed teachers and teachers at music education hubs. We have recently closed a public consultation on the proposal. We will now assess the replies and publish a formal response alongside announcing funding in due course.

My hon. Friend the Member for Southampton, Itchen (Royston Smith) made similar points about taking a serious approach to the debate. He would acknowledge that in Southampton, Itchen funding has increased from £60 million in 2017-18 to £62 million in 2019-20. That is an increase of 3.3%, and 2.3% on a per-pupil basis.

The hon. Member for Bath (Wera Hobhouse) should be aware that funding in her constituency has risen from £44.2 million in 2017-18 to £47.68 million in 2019-20. That is an increase of 7.6% and of 6.3% on a per-pupil basis. The hon. Member for Bury North (James Frith) should be aware that funding in his constituency has risen from £61 million in 2017-18 to £64.8 million in 2019-20. That is an increase of £3.8 million or 6.2%, and of 4.7% on a per-pupil basis.

My hon. Friend the Member for Colchester (Will Quince) will be aware of course—he always is on these issues—that, in his constituency, schools are being funded to the tune of £72.7 million in 2017-18 and that that is rising to £76.4 million. That is an increase of 5.1% and of 3.1% on a per-pupil basis. He raised the issue of FE —[*Interruption.*]

Sir Christopher Chope (in the Chair): Order. It is disgraceful that there are Members sitting in this Chamber who are not listening to the Minister. They have taken advantage of participating in a debate and they are

1.[*Official Report*, 21 March 2019, Vol. 656, c. 10MC.]

setting a very bad example to people up and down the country who believe that this should be a democracy in which people are able to listen to the arguments. The Minister is on his feet, and I order people not to interrupt any more.

Nick Gibb: Thank you very much, Sir Christopher.

My hon. Friend the Member for Colchester raised the issue of FE funding. We have protected the base rate of funding for 16 to 19-year-olds until 2020 at £4,000 per pupil and we continue to provide extra funding to add to that base rate; an example is the £500 million of funding for T-levels.¹ We plan to invest nearly £7 billion during the current academic year. However, we are aware of the financial pressures on school sixth forms and other providers of education for 16 to 19-year-olds and will continue to look carefully at funding for that age group in preparation for the spending review.

I point out to the hon. Member for Brentford and Isleworth (Ruth Cadbury) that in her constituency we are spending £82.3 million in 2017-18 and that is rising to £85.4 million in 2019-20. That is an increase of 3.8% and of 2.5% on a per-pupil basis. I could not miss out the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) of course. Funding in her constituency is rising from £42.9 million in 2017-18 to £46.2 million in 2019-20. That is an increase of 7.9% and of 4% on a per-pupil basis.

My hon. Friend the Member for Crawley raised the important issue of special needs education. When we state our commitment to supporting every child to succeed, it is important to be clear that that applies, without reservation, to children with special educational needs and disabilities. That is why we have reformed the funding system to take particular account of children and young people with additional needs, and introduced a new formula. We recognise the concerns that have been raised about the costs of making provision for children and young people with complex special educational needs. We have increased overall funding allocations to local authorities for high needs year on year. We have also recently announced that we will provide £250 million of additional funding for high needs across England over this financial year and the next. High-needs funding is now over £6 billion, having risen by £1 billion since 2013.

We have also announced other measures to do with capital: a £100 million top-up to the special provision capital fund for local authorities in 2019-20 for new places and improved facilities.

Of course, we recognise that schools have faced cost pressures in recent years. That is why we have announced a strategy setting out the support, current and planned,

that we will provide to help schools to make savings on the £10 billion of non-staffing spend across England. It provides schools with practical advice about identifying potential savings that they can put back into teaching. That includes deals to help schools to save money on the products and services that they buy. Schools spend £75 million on advertising their vacancies, so we are also launching a free teacher vacancy listing website to help schools to recruit excellent teachers and drive down recruitment costs. We have created a benchmarking website for schools that allows them to compare their own spending with that of similar schools elsewhere in the country. That will help them to identify whether and where changes can be made to direct more resources into high-quality teaching.

To give the hon. Member for Blaydon time to wind up the debate, I will finally just thank hon. Members for their contributions to this important debate. We are determined to have a world-class education system that allows every child to achieve their potential, regardless of who they are or where they live.

7.28 pm

Liz Twist: I am not entirely sure what to say in the two minutes that remain. I am really disappointed with the Minister's response, because he is saying to headteachers such as Mr Ramanandi and others that their experience is not valid. That is not what we are all finding. It is not just the headteachers; all of us in the Chamber, from every party, have made the point that we know that schools in our area need additional funding. The whole point of this debate was to ensure that that issue was raised, so I am sorry that the Minister appears not to have addressed it. I hope very much that he will think again, and I hope that he will have a day in the north-east, as I invited him to do, and visit Mr Ramanandi's school and others in Gateshead, and perhaps visit Darlington at the same time, to see what is going on. Headteachers are telling us that they have real difficulty in making their budgets balance, and I for one understand where they are coming from. I hope that the Minister will think very hard and push for additional resources in the comprehensive spending review.

Question put and agreed to.

Resolved,

That this House has considered e-petition 232220 relating to school funding.

7.29 pm

Sitting adjourned.

1. [Official Report, 21 March 2019, Vol. 656, c. 10MC.]

Written Statements

Monday 4 March 2019

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Workplace Harassment or Discrimination: Confidentiality Clauses

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): The Government have today published a consultation on measures to tackle misuse of confidentiality clauses in situations of workplace harassment or discrimination. These proposals will boost understanding among workers and employers of their rights and legal responsibilities and is part of our modern industrial strategy to create a fairer workplace.

There is increasing evidence that confidentiality clauses are being abused by a minority of employers to intimidate victims and conceal harassment and discrimination in the workplace—including sexual assault, physical threats and racism. This is unacceptable. Today's proposed reforms will help put an end to the unethical use of these agreements and encourage good practice from employers and lawyers. This includes:

- Legislating that confidentiality clauses cannot prevent any disclosure to the police.

- Requiring a clear description of the limits of confidentiality provisions within a written statement of employment particulars (in the case of confidentiality clauses in employment contracts) or within settlement agreements.

- Extending the law that means a worker agreeing to a settlement agreement receives independent advice, by specifying that the advice must cover the limits of any confidentiality clauses in the settlement agreement.

Most businesses legitimately use non-disclosure agreement and confidentiality clauses in agreements to prevent the disclosure of confidential information. In addition, settlement agreements are often utilised to help resolve workplace disputes without the need to escalate matters further.

However, a minority abuse their power in the workplace to conceal victims of harassment or discrimination through NDAs or confidentiality clauses. For example, by suggesting that a worker cannot "blow the whistle", despite the fact that no provision can remove a worker's whistleblowing protections.

In addition, through an NDA or settlement agreement, employers could insist that a worker is unable to discuss an issue with other people or organisations, such as the police, a doctor or a therapist. This can leave victims afraid to report an incident or speak out about their experiences, leaving others exposed to similar situations, and putting customers and other businesses at risk. The proposals set out today will help end this unethical practice, through extending the requirement to receive independent advice to cover limits on confidentiality clauses, and by requiring that signatories must be provided with a clear overview of their rights.

Our modern industrial strategy is creating a fairer and more equal workplace, to boost productivity and earning power for all. Our proposals support this by helping to create a more level playing field between workers and employers, providing more understanding over rights and legal responsibilities.

The consultation period will run for eight weeks until 29 April 2019. The consultation can be found at: www.gov.uk/government/consultations/confidentiality-clauses-measures-to-prevent-misuse-in-situations-of-workplace-harassment-or-discrimination.

I am placing copies of the consultation in the Libraries of both Houses.

[HCWS1373]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Homelessness and Rehousing

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): I have announced over £19.5 million in direct funding to 66 local authorities to provide support to those who are homeless, or at risk of homelessness, to secure accommodation in the private rented sector.

Everybody deserves a stable, safe and secure place to call home. It is vital we give people facing homelessness a route out of it and a chance to rebuild their lives. The private rented sector has an important role to play in this. This announcement adds another powerful tool for local authorities to use to help prevent and relieve homelessness for thousands of households.

Through this funding local authorities will be able to provide financial support to help people access the private rental market and maintain their tenancies, through the payment of deposits or rent payments. It will enable authorities to provide support to tenants to help them overcome difficulties that might otherwise threaten their tenancies. It will also enable 35 authorities to purchase an insurance policy to cover the costs of landlords if tenants default on their rent or damage their rented property, enabling individuals to access parts of the private sector they could not previously access.

This funding complements existing Government action to tackle homelessness and rough sleeping. It sits alongside our £1.2 billion funding programme to tackle homelessness, and the Homelessness Reduction Act, the most ambitious legislative reform in decades, to ensure more people receive the help they need, at an earlier stage. It also forms part of our wide-ranging reforms to rebalance the relationship between landlords and tenants, and deliver a fairer, more affordable, higher quality and more secure private rented sector, and ensures that vulnerable people receive the support they need to navigate housing options at a local level.

The full list of successful areas and allocations of funding can be found here:

<https://www.gov.uk/government/news/housing-minister-unlocks-private-rented-sector-for-most-vulnerable>.

As part of this work to protect vulnerable people, I would like to stress the Government's commitment to ensuring those who receive housing support are able to access the properties they need. Our latest figures show that around half of landlords said they would not be willing to let to tenants on Housing Benefit—ruling out thousands of vulnerable people and families. As the Prime Minister recently stated, we have already started working with Shelter following their campaign raising awareness of so-called 'No DSS' adverts. Over the coming months, Ministers will meet with industry representatives including mortgage providers, landlord associations, tenant groups and property websites to develop ways to stop the unfair exclusion of tenants in receipt of housing support. This will help us take steps to eradicate this practice and ensure people in receipt of housing support can access the homes they need.

Rapid rehousing pathway 2019-20 funding round

Separately, I have also announced that we are inviting local authorities to apply for the Rapid Rehousing Pathway 2019-20 funding round. This second round of funding invites local authorities to bid for all or any elements of the Rapid Rehousing Pathway which includes Somewhere Safe to Stay hubs, specialist Navigators, Local Lettings Agencies and Supported Lettings. This follows the announcement of a combined 53 'early adopter' areas in December 2018 and February 2019. The link to the applications page can be found here:

<http://www.gov.uk/government/publications/rapid-rehousing-pathway-2019-to-2020-funding>.

Applications for the new funding round will be accepted up to 23:59 on 29 March 2019, and we intend to announce successful bids in the spring.

[HCWS1374]

INTERNATIONAL TRADE

Informal Trade Foreign Affairs Council

The Minister for Trade Policy (George Hollingbery):

The informal EU Foreign Affairs Council (Trade) took place in Bucharest on 21 and 22 February 2019. The formal agenda covered the World Trade Organization (WTO) and EU-US trade. I represented the UK at the meeting. A summary of the discussions follows:

WTO modernisation

Commissioner Malmström highlighted that the risk to the multilateral system was real, but was not sufficiently appreciated by much of the WTO membership.

Discussion focused on the need to keep the US engaged and anchored within the multilateral system while addressing US concerns about the appellate body. I stressed the seriousness of the current situation. Commissioner Malmström mentioned the recent launch of e-commerce negotiations as a positive development.

US trade

Commissioner Malmström said the Commission was focused on delivering the outcomes of the July 2018 Juncker-Trump meeting. She did not know the contents of the US 232 report into cars and reiterated that €20 billion (£17.2 billion) of EU "rebalancing measures" had been prepared. She called on member states to endorse the mandates.

In discussion, the mandates were endorsed by an overwhelming majority of member states. I urged the importance of moving forward at pace, emphasising the significant UK interests. Discussion revolved around timing. The Commission highlighted their commitment to moving forward as quickly as possible. The presidency offered an extraordinary Council meeting if needed to facilitate this.

[HCWS1375]

Petition

Monday 4 March 2019

OBSERVATION

TRANSPORT

Roadside littering from vehicles

The petition of the residents of Falkirk constituencies

Declares that roadside litter discarded from moving vehicles in an unacceptable blight in our communities and increases risk to other motorists and costs to local authorities and private business; further that it causes flooding in drainage infrastructure, causes disruption to normal traffic flow and is a national embarrassment, specifically to the tourist industry; and further that it contradicts the sustainable, renewable and green ambitions the communities of Falkirk desire.

The petitioners therefore request that the House of Commons urges the Department for Transport to instruct the Driver and Vehicle Licensing Agency(DVLA) to issue penalty points on the driving licences of individuals who allow litter to be thrown from their vehicle.

And the petitioners remain, etc.—[*Presented by John Mc Nally , Official Report*, 12 February 2019; Vol. 654, c. 854 .]

[P002310]

Observations from The Minister of State, Department for Transport (Jesse Norman):

I thank the residents of Falkirk and their MP. The role of the Driver Vehicle and Licensing Agency (DVLA) is to ensure that complete and accurate registers of drivers and vehicles are held. The DVLA's registers are maintained to assist road safety, law enforcement and the collection of vehicle excise duty.

The DVLA has no powers to impose penalty points on a driver's record for any offence. Only the courts can impose penalty points, upon conviction for a relevant offence. The DVLA's job in this regard is to record penalty points on a driver's record when notified as such by the courts.

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PETITION

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