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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 5 March 2019

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—
Infrastructure Funding: Devon and Cornwall

1. **Kevin Foster** (Torbay) (Con): What plans he has to allocate additional funding for infrastructure in Devon and Cornwall. [909572]

The Exchequer Secretary to the Treasury (Robert Jenrick): The Government are increasing our national investment in infrastructure to the highest sustained level since the 1970s. In Devon, this will include £83 million towards the widening of part of the north Devon link road, and in Cornwall £78 million towards the St Austell link road.

Mr Speaker, may I wish Cornish Members gool Peran lowen—a very happy St Piran's day?

Kevin Foster: I thank my hon. Friend for his answer, although my Cornish is not quite up to his level, given that I am a Devon Member.

The recent announcement of £80 million of funding for major resilience work at Dawlish was very welcome. Can my hon. Friend confirm that this is the first part of the investment plan and that the Government will provide additional investment as further aspects of the plan to secure our key rail infrastructure come forward?

Robert Jenrick: We are fully committed to rail resilience in the south-west, and the Chancellor restated this as a national priority in the Budget Red Book. As my hon. Friend has said, we are investing up to £80 million in the new seawall to provide greater protection to the railway at Dawlish. Network Rail is providing the further options he mentions to protect the line from extreme weather and improve the rail network for passengers in the south-west, and of course we will consider those proposals when we receive them.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): Added rail resilience at Dawlish is really important for the far south-west to keep our train line open, but so is added road resilience. Can the Minister set out what additional funding he can put in place to make sure that the A38 is a safer road? At the moment, there are far too many delays and sadly far too many people die on it?

Robert Jenrick: The hon. Gentleman raises an important point. By our decision to hypothecate vehicle excise duty, we have created the largest ever investment in our

strategic road network, which could perhaps fund projects such as the one he raises. Additionally, our £2.7 billion transforming cities fund will support Plymouth and its surrounding areas in particular.

Scott Mann (North Cornwall) (Con): Meur ras, Mr Speaker. Gool Peran lowen—happy St Piran's day—and Kernow bys vyken!

The announcement yesterday on the stronger towns fund did not include any areas from Cornwall, yet Cornwall has always scored very highly on social deprivation and funding. I know that the coastal communities fund has been a help, but what assurance can I have from the Treasury that it will support towns in my area?

Robert Jenrick: The stronger towns fund announced this week will provide support for the south-west and all regions of the country, both in terms of direct funding to be paid to local enterprise partnerships and the competitive fund of £600 million that towns in the my hon. Friend's constituency and those of other right hon. and hon. Members across the country should bid into.

Dr Sarah Wollaston (Totnes) (Ind): The port of Brixham in my constituency lands the most valuable catch in England, but it has now reached capacity and needs urgent infrastructure investment to expand opportunities. Will the Minister assure me that our strategically important fishing industry and processing sectors will be fully considered in future infrastructure plans, and will he meet me to discuss Brixham port's exciting plans for development, which need only modest investment to help them get rapidly off the ground?

Robert Jenrick: I would be happy to meet the hon. Lady. We are investing in port infrastructure, as indeed in other infrastructure projects across the south-west. I believe it was she who asked the Chancellor in the lead-up to the Budget to make that national commitment to Dawlish, for example. We are keen to listen to her opinions in this respect, and I would be very happy to meet her.

Money Laundering

2. **Alison Thewliss** (Glasgow Central) (SNP): What recent steps he has taken to tackle money laundering. [909573]

The Economic Secretary to the Treasury (John Glen): The Government have made a very strong commitment to tackling money laundering. Recent initiatives include the creation of the economic crime strategic board and the National Economic Crime Centre. We have also strengthened anti-money laundering supervision through the creation of the Office for Professional Body Anti-Money Laundering Supervision, and we are reforming suspicious activity reports and tackling the abuse of Scottish limited partnerships.

Alison Thewliss: The Economic Secretary to the Treasury knows better than most of us about the nefarious impact of Russia, and I send my best wishes to his constituency, to the Skripals and, most of all, to the family and friends of Dawn Sturgess, one year after the Salisbury attack.

Yesterday, Prince Charles ended up being drawn into the troika laundromat scandal, with money linked via a maze of shell companies back to the Magnitsky case. Criminal and legitimate money is sloshing around together in our banking system. What are the Government doing to close the loopholes and stop legitimising the proceeds of kleptocracy?

John Glen: I thank the hon. Lady for her kind remarks about my constituency. I am familiar with the reports that appeared in *The Guardian* yesterday evening about the case to which she has referred. Following the response by the Financial Action Task Force to a two-year review of our standards in the United Kingdom, the Government recognise that we are world leaders in this regard, but there are some outstanding concerns about reports of suspicious activity in the banking sector. Work is ongoing, and I will take a close interest in it.

Mr Philip Hollobone (Kettering) (Con): Can the Minister quantify the amount of extra tax that the Government have collected since 2010 that would otherwise have been unpaid, as a result of the measures they have taken to tackle money laundering?

John Glen: I cannot give my hon. Friend the exact figure, but we are anxious to crack down on suspicious activity when reports give us reason to believe that further measures are necessary. We have taken action in improving cross-governmental co-ordination, and we are working closely with the Home Office on the suspicious activity reports.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The Financial Secretary was unable to answer this question yesterday, so I shall ask it again. Can the Economic Secretary explain why, although the call for evidence on extending corporate liability for economic crime closed two years ago, we have yet to receive a response or see any action?

John Glen: The Ministry of Justice is looking at that, and will present its response to the call for evidence later this year.

Sir Desmond Swayne (New Forest West) (Con): May I suggest that the answer to the question from my hon. Friend the Member for Kettering (Mr Hollobone) is £185 billion?

John Glen: I always take my right hon. Friend's words very seriously, and I am sure that he must be right.

Sir Vince Cable (Twickenham) (LD): Britain is now a world leader in financial transparency and dealing with money laundering owing to the public register of beneficial ownership. What action do the Government propose to take to stop those standards being undermined by Crown dependencies, which rely on the British passport and British defence protection, but operate in a much more opaque manner?

John Glen: We are committed to introducing those registers by 2023. Since 2017, we have worked closely with law enforcement agencies through the mechanism of the exchange of notes with the overseas territories, and that has led us to unexplained wealth orders and the forfeiture of bank accounts.

New Technologies

3. **Trudy Harrison** (Copeland) (Con): What fiscal steps he is taking to establish the UK as a world leader in new technologies. [909574]

12. **Eddie Hughes** (Walsall North) (Con): What fiscal steps he is taking to establish the UK as a world leader in new technologies. [909583]

15. **Vicky Ford** (Chelmsford) (Con): What fiscal steps he is taking to establish the UK as a world leader in new technologies. [909586]

The Chancellor of the Exchequer (Mr Philip Hammond): The Government are determined to ensure that the UK is at the forefront of the development of new technologies. Since 2016, I have committed £7 billion more—a 20% uplift—for research and development, thus demonstrating clear progress towards the Government's ambition to raise investment in R&D to 2.4% of GDP by 2027. Among other things, those funds are supporting a £305 million national quantum technology programme and a £950 million artificial intelligence sector deal, and there is £250 million for connected and autonomous vehicles.

Trudy Harrison: Small modular reactors could bring a wealth of economic, environmental and social benefits. Will the Chancellor confirm that he supports their merits, and that there will be financial and policy support to ensure that they succeed?

Mr Hammond: The Government do indeed recognise the potential for the UK to become a leader in the development of the next generation of nuclear technologies, provided that there is demonstrable value for money for consumers and taxpayers. To that end, my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy is considering an industrial strategy challenge fund proposal for small modular reactors and whether it would provide value for money.

Eddie Hughes: I do not know whether you are aware, Mr Speaker, that up to 50 different metals may be used in a smartphone. What fiscal support could be given to the excellent work done by Birmingham University in addressing the rareness of those materials, as well as the recycling and reuse of batteries?

Mr Hammond: My hon. Friend is right. Rare earths and other critical elements are at the centre of the electronics industry, which now defines our modern life. Some of the materials are very scarce, and recycling the large amounts that are already in use in batteries is crucial. In the 2017 spring Budget I announced the £246 million Faraday battery challenge, to be funded from the national productivity investment fund. Supported by the fund, the University of Birmingham, together with industry partners, is leading the way in developing new methods of recycling lithium batteries, which power so many of the objects that we use in our everyday lives.

Vicky Ford: Quantum technology is one of the most mission-critical technologies being developed today, and so far much of the work has been done at research level. How do the Government intend to help leading British

companies such as Teledyne e2v in Chelmsford to commercialise this activity, to ensure that quantum technology remains based in the UK?

Mr Hammond: I knew Chelmsford was going to get in there somewhere.

The additional £7 billion I mentioned earlier is focused on applied research and industry innovation and the commercialisation of the UK's world-leading science base. Quantum technologies have the potential to be transformative, and the UK is a global leader, so last autumn I committed £315 million for a second phase of the UK's landmark national quantum technology programme. This investment includes a £70 million industrial strategy challenge fund, which will help leading UK firms such as Teledyne accelerate getting their products to the market.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Chancellor knows very well that Huddersfield in the Leeds city region is a hotspot for new technology and innovation and a tech centre, but many people in Huddersfield and Leeds are demoralised by the future and leaving the European Union. What can the Chancellor do to give them some hope that there is a future for their businesses and universities?

Mr Hammond: I am well aware that Huddersfield, like Chelmsford, is a leading centre of industry and technology development. Many of our towns and cities that have traditionally been centres of manufacturing are changing very fast in response to the changing nature of manufacturing industry. What I can say to the hon. Gentleman is that I will be making a spring statement to the House next week in the context of some very important decisions that the House will be making about our exit from the EU, and I will be setting out my vision for Britain's future.

Melanie Onn (Great Grimsby) (Lab): Renewables is a key future technology sector. Can the Chancellor assure the House that the growth of the offshore sector will not be limited by Government airspace protection rules, or, if it will, will the Government look to invest instead in onshore wind?

Mr Hammond: I think the hon. Lady is talking about radar interference problems with wind turbines, something I remember from my Ministry of Defence days. The Treasury and the Department for Business, Energy and Industrial Strategy will always argue robustly for protecting the economic potential of these technologies, but of course we have to look at our national security interests as well and get the balance right.

Mr Chris Leslie (Nottingham East) (Ind): How on earth do people think that we are going to be improving the UK's new technology position when we are on the brink in this House of committing to a disastrous Brexit that will undermine our research funding, stifle our skilled migration, hobble in some ways some of the developments in our pharmaceuticals and biotech sector, and wave goodbye to the European Medicines Agency? Is not the truth that actually our task is going to be to prevent a deterioration in our prospects as a country if we go down that route?

Mr Hammond: I understand the hon. Gentleman's point and I know he speaks sincerely and from the heart on these matters, but my view is that we have a huge amount of pent-up investment that has not gone ahead over the last two and a half years because of uncertainty. Once we can provide clarity to British business about our future, which we do by supporting the deal that my right hon. Friend the Prime Minister will be bringing forward next week, we will unleash that investment, allowing Britain to achieve its rightful potential as one of the world's leading technology powers.

18. [909589] **Paul Scully** (Sutton and Cheam) (Con): New technologies enabling us to work from anywhere and at any time are bringing an end to the traditional, rapidly declining nine-to-five. To make the most of this, we need to harness such advantages to work smarter rather than just harder. How is the Treasury investing in enabling people to become more productive and to work more flexibly?

Mr Hammond: I started work in 1977 and I am not sure I ever remember that traditional nine-to-five, but the Government are helping people to be more productive and work flexibly by committing over £1 billion of public money to next-generation digital infrastructure, including full fibre broadband and 5G. Obviously, the primary investment will come from the private sector, but the public investment ensures that those parts of the country that would not otherwise be served because they are not commercial can share in this important technology. We are also supporting workplace productivity in other ways, including by investing £56 million to help small businesses to develop leadership and management skills in partnership with "be the business" programme.

Clive Lewis (Norwich South) (Lab): I am sorry, but when it comes to funding the new technologies that really matter, this Government, and especially the Treasury, have been abysmal. The climate crisis is upon us now, but this Government's reaction has been to axe carbon capture and storage funding; to cancel the Swansea lagoon, despite the fact that we were poised to be a world leader in tidal technology; and to slap innovative emerging storage technologies with business rates. At the same time, they are throwing billions into new tax breaks for oil and gas. Does the Chancellor agree that this Government are not facing the climate emergency but creating it?

Mr Hammond: No, we are committing additional funding to innovation and to research and development—the Faraday battery challenge is a good example—and lots of that money is going into the technologies that will underpin the decarbonisation of our economy. However, we have to get the balance right. Consumers of energy in this country do not want to see their bills rising because we have made imprudent decisions. We have to do this in a way that takes public opinion with us as we decarbonise our energy sector, our homes and our industry in a sustainable way.

20. [909591] **Chris Green** (Bolton West) (Con): What is my right hon. Friend doing to ensure that small and medium-sized businesses in the north-west of England are at the forefront of our ongoing technological revolution?

Mr Hammond: I recently visited the north-west of England and saw at first hand the enterprising and enthusiastic spirit of SMEs in the region. I am happy to confirm that, in the 2018 Budget, I backed locally led innovation by doubling the strength in places fund to £235 million. I also committed an additional £5 million to encourage proposals for new university enterprise zones, following a successful pilot scheme that invested £15 million in Liverpool. The made smarter pilot in the north-west is helping manufacturers to adopt digital technologies, and together these measures will ensure that businesses in the north-west can take the lead in the fourth industrial revolution.

National Living Wage: Under-25s

4. David Linden (Glasgow East) (SNP): Whether his Department has undertaken an economic impact assessment of extending the national living wage to people under the age of 25. [909575]

The Chief Secretary to the Treasury (Elizabeth Truss): The Low Pay Commission recommends minimum wages for the under-25s, such that they are as high as possible while maintaining young people's employment prospects. We have seen a 45% reduction in youth unemployment since 2010 as a result.

David Linden: That is lovely, but it is not actually the answer to the question I asked, which was whether an economic impact assessment had been carried out. Clearly, the answer is no. The Government obviously have an ideological problem with a fair day's pay for a fair day's work. Given that this is national apprenticeship week, does the right hon. Lady really think that it is acceptable to pay apprentices just £3.70 an hour in this country under UK law? Will she use the spring statement to take action to introduce a fair day's pay for a fair day's work? If she will not, will she devolve this to Scotland so that we can do the job for her?

Elizabeth Truss: The reality is that we have been so successful in reducing youth unemployment—which in 2010 was almost double what it is now—because we have taken a reasonable strategy with minimum wages. We have also had a welfare to work programme and helped young people to get experience and skills. It would be completely wrong to raise wages to the extent that young people were unemployed and unable to get the experience and skills that they need to succeed in life.

No Deal EU Exit: Job Losses

5. Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): What discussions he has had with the Secretary of State for Business, Energy and Industrial Strategy on potential job losses as a result of the UK leaving the EU without a deal. [909576]

The Financial Secretary to the Treasury (Mel Stride): The Government's analysis indicates that leaving the EU without a deal would not be good for the UK economy, which is why we are so determined as a Government to secure an appropriate deal with the European Union that can pass through this House.

Gerald Jones: There are 4,000 jobs in the manufacturing sector in Merthyr Tydfil and Rhymney. This Government have had two years to negotiate a good deal for that sector, but they have so far failed to do so. Does the Minister share my concern that Nissan's decision to build its X-Trail in Japan, and similar decisions by Honda, are a sign of things to come as a result of this Government's chaotic negotiations?

Mel Stride: The chief executive of Honda has made it perfectly clear that the company's recent decisions were not a consequence of Brexit. Other factors across the world are affecting car sales, including the switch away from diesel and, in the case of Honda, the agreement on tariffs that has been entered into between the European Union and Japan, which will mean that, after the move to Japan, exports into Japan will attract no tariffs.

Charlie Elphicke (Dover) (Con): Does not this underline the importance of fine-tuning the deal so that we can jettison the backstop and use existing technology and EU law to take forward the innovative Malthouse proposals, which will ensure that we can move forward and build the new Britain?

Mel Stride: The House has made clear the basis on which it would be prepared to accept the deal negotiated with the European Union, and that will necessitate some changes to the backstop arrangements. That is what is being negotiated at the moment and it will come back to the House in due course.

17. [909588] Kerry McCarthy (Bristol East) (Lab): This country's public sector institutions spend £1 billion a year on food, and there have been many warnings that food price inflation in the event of a no-deal Brexit will make that unaffordable. What is the Minister doing to protect not just jobs in the food sector, but the people who depend on those meals?

Mel Stride: The hon. Lady is right to raise an issue that relates to our tariff policy in the event of a no-deal Brexit. We have made it clear that we will carefully balance this, protecting consumers from unwanted price rises at the same time as using our tariff policy to provide appropriate protection to vital elements of the economy.

Antoinette Sandbach (Eddisbury) (Con): Cheshire-based company ABB has stated that investment in automation could result in radical improvements in cost efficiency, allowing work to move back to the UK. Will my right hon. Friend consider incentivising investment in automation through the tax system?

Mel Stride: We have already brought in some important measures to do just that, not least by increasing the annual investment allowance from £200,000 to £1 million, as announced at the previous Budget. We keep all taxes under review and I will certainly bear my hon. Friend's important point in mind.

Kirsty Blackman (Aberdeen North) (SNP): In a recent survey by the Fraser of Allander Institute, 62% of Scottish businesses said that they did not feel ready for Brexit. Will the Chancellor bring forward an emergency

Budget to provide support for small and medium-sized enterprises so that they can cope with the Brexit that he proposes?

Mel Stride: My right hon. Friend the Chancellor has made it clear that, in the event of a no-deal Brexit, we will take stock of the situation and take whatever measures are necessary to ensure that we protect and support businesses throughout the United Kingdom.

Kirsty Blackman: I was specifically talking about the Brexit that the Chancellor is proposing, which is presumably not a no-deal Brexit, although it looks like 100,000 jobs could be lost in Scotland as a direct result of no deal. However, in relation to the deal Brexit, the Bank of England has said that unemployment could be up to 4% higher by 2023 if the Prime Minister's deal is approved. Does the Chancellor believe that keeping his job is worth costing thousands of others?

Mel Stride: I do not believe that the figure to which the hon. Lady refers is accurate. This Government have seen employment at a record high and unemployment at the lowest level since 1975, and youth employment is half what it was in 2010—unlike the Labour Government, who saw youth unemployment increase by almost 50%.

Road Infrastructure Funding

6. Gordon Henderson (Sittingbourne and Sheppey) (Con): What steps he is taking to increase the level of funding for road infrastructure. [909577]

The Chancellor of the Exchequer (Mr Philip Hammond): At the Budget, I announced an extra £420 million for road maintenance, including potholes, and £150 million to ease congestion on local roads. I also announced that, from 2020, all road tax will be invested back into our road network via a national roads fund, which will involve £28.8 billion between 2020 and 2025, including a record £25.3 billion for our strategic roads. That is part of our plan to upgrade our infrastructure so that it is fit for the future and another element of our overall public investment, which is set to reach the highest sustained level for 40 years.

Gordon Henderson: I am grateful for that answer and for the continued investment in our roads, but does my right hon. Friend understand the frustration felt by my constituents, who have seen their area transformed by massive housing developments, but have not seen improvements to the local road infrastructure, particularly the A249 and the M2, to serve the new homes?

Mr Hammond: We are making good progress on improving junction 5 of the M2 and the A249 Stockbury roundabout, reducing journey times, making journeys safer and supporting future housing and employment growth. All that is in addition to recent investments from the local growth fund in Sittingbourne and Sheppey, including the opening of a new roundabout on the A2500 in December 2018, following a £1.26 million investment, and £2.5 million for the regeneration of Sittingbourne town centre.

Dan Jarvis (Barnsley Central) (Lab): Funding for road infrastructure is very important, but I wonder whether the Chancellor thinks it should sit alongside investment in more active travel—walking and cycling.

Mr Hammond: Both. Of course we want to encourage active travel—cycling and walking—particularly in cities where that is the most appropriate response to dealing with the twin challenges of congestion and air quality. Sheffield has benefited from funding that will allow it to enhance the offer to walkers and cyclists.

Priti Patel (Witham) (Con): Over the last decade, we have seen a 25% increase in the number of enterprises in the fantastic county of Essex. That is despite our crumbling infrastructure and our roads. May I make an urgent plea to the Chancellor to support and invest in the two economic arteries that go through the heart of Essex and the Witham constituency—the A12 and the A120?

Mr Hammond: This is probably not the first time that my right hon. Friend has asked me about those two roads. She is a formidable champion of the transport infrastructure that runs through her constituency; I congratulate her on that. As I have just announced, we have made a commitment to hypothecate all road tax to the national roads fund. That will make a record amount of funding available for road projects in the next period.

Chris Bryant (Rhondda) (Lab): Road traffic accidents are a major cause of acquired brain injury, so I urge the Chancellor of the Exchequer to consider setting up a special fund, in proportion to the amount that he is talking about for road infrastructure—and announce it next week, if he is still going to do his statement next Wednesday—to make sure that there is a fund available to people in the national health service who are developing very innovative ways of rehabilitating people who have had road traffic accidents. If he does not understand, he can ask his hon. Friend the Economic Secretary to the Treasury, who is very good on that.

Mr Hammond: I reassure the hon. Gentleman that I will be making a spring statement next week and remind him and the House that it is not a fiscal event under the new Budget architecture. We have put very significant additional funding into the national health service. I note the point he makes about acquired brain injury and the research that is happening on that. I will draw the Health Secretary's attention to his comments.

Philip Davies (Shipley) (Con): The Chancellor has rightly made great play of the fact that we need to improve our productivity in this country. One of the biggest drags on productivity in my part of the world is clogged-up roads, and my part of West Yorkshire is one of the most congested parts of the UK. So will the Chancellor use money from either his productivity fund or his road-building fund to ensure that there is enough money in the kitty to progress the long-awaited, much-needed Shipley eastern bypass?

Mr Hammond: As my hon. Friend will know, we have funded a study into the Shipley bypass. It is absolutely right that, often, the highest-value road investments can be relatively modest local schemes that relieve pressure and allow town regeneration, the release of housing land and the more efficient operation of local industry. We will have a record-sized fund available through the hypothecation of vehicle excise duty.

Mr Speaker: The Member for Shipley will not stop going on about it until he gets it; I think of that we can be absolutely certain.

No Deal EU Exit: Manufacturing Sector

7. **Mr Virendra Sharma** (Ealing, Southall) (Lab): What steps his Department has taken to mitigate the potential effect on the economic sustainability of the manufacturing sector of the UK leaving the EU without a deal. [909578]

The Financial Secretary to the Treasury (Mel Stride): The steps we are taking to protect our manufacturing in the event of no deal include supporting the Prime Minister's deal and the negotiations to make sure that we have a smooth exit from the European Union, and the Treasury itself has made available in excess of £4 billion by way of contingency funding for Departments right across Whitehall.

Mr Sharma: I thank the Minister for that response. Last month, I surveyed businesses in my constituency and they overwhelmingly said that they wanted Brexit cancelled. Will the Chancellor stand up for British businesses, end the uncertainty and use his immense personal prestige in the Cabinet and with the Prime Minister to stop Brexit once and for all?

Mr Speaker: I hope the Chancellor heard the bit about his prestige.

Mel Stride: It is just little old me, I am afraid, but I have to say that I believe we should respect the result of the June 2016 referendum, a democratic exercise that saw a higher turnout than for any other democratic event in the history of our country. The important thing now is that we get the right deal for us to leave, which we are working on. When it comes back to Parliament, I hope that the hon. Gentleman will support it.

21. [909592] **Christian Matheson** (City of Chester) (Lab): The Chancellor has recently attended two events that I was also present at, which were organised by major aerospace companies, so he knows how they feel about the terrifying prospects of no deal. As these are the companies that pay this country's bills, why is he ignoring them?

Mel Stride: We are most certainly not ignoring those businesses—or indeed businesses from a variety of different sectors up and down the economy. We have been deeply engaged with business, through the Treasury, the Department for Business, Energy and Industrial Strategy and other Departments. I can assure the hon. Gentleman that, for example, on the issue of just-in-time deliveries and the flow of trade across our borders, we have done an immense amount of work to prepare for the possibility of a no-deal exit to make sure that we protect the very companies to which he refers.

Single-use Plastic Waste

8. **Mark Pawsey** (Rugby) (Con): What fiscal steps he is taking to help reduce the amount of single-use plastic waste in the environment. [909579]

The Chancellor of the Exchequer (Mr Philip Hammond):

We are acting to tackle single-use plastic waste at source by introducing a world-leading tax on plastic packaging. The tax, which I announced at the Budget, will provide a clear economic incentive to business to use recycled plastic and, alongside the reform of the plastic producer responsibility system by the Department for Environment, Food and Rural Affairs, it will transform the economics of sustainable packaging. The Government recently published consultations on the detail of both measures, alongside consultations on consistent waste collection and a potential deposit return scheme for beverage containers. We are determined to be the first Government who leave the environment in a better state than they found it in.

Mark Pawsey: I hear what the Chancellor is saying, but in setting policy will he recognise the positive role that plastic packaging plays in reducing cost to consumers by protecting goods in transit and in reducing the environmental burden of food waste by keeping food fresher for longer?

Mr Hammond: The points my hon. Friend makes are well made, and of course this is about getting the balance right. The Government recognise that plastic packaging can play an important role, but we want to reduce the environmental impact of single-use plastic waste and encourage more sustainable forms of plastic packaging that can be recycled. The packaging tax will encourage businesses to use more recycled plastic in the production of packaging and will therefore drive a more sustainable packaging industry.

Kevin Brennan (Cardiff West) (Lab): My 10-year-old constituent Emily Haines wrote to me about this issue, and she assured me she had not just copied and pasted. Indeed, when I wrote back to her by hand, her father emailed me to say that he had no idea that his daughter had written to me on this subject. So may I ask the Chancellor not to listen to those who say that he should in any way dilute what he is doing on single-use plastics? Indeed, he should do more and do as Emily says: introduce "tough new taxes" to make sure that we deal with this environmental scourge.

Mr Hammond: That is what we are doing. This will be the world's first plastic tax and it is carefully designed to go with the grain of the market: to incentivise manufacturers to use more recycled plastic in their packaging. Because of that, it creates an effective market for packaging and, together with the producer responsibility note system, will transform the way in which plastic packaging enters the circular economy in this country.

Peter Dowd (Bootle) (Lab): I am pleased that the Chancellor is, apparently, taking the issue of plastic waste seriously. The Government have committed £61.4 million to global research to help to prevent plastic waste from entering the oceans. Given the challenge, is that sufficient?

Mr Hammond: It is a good start. The idea is to identify ways in which we can work with countries around the world, including many of our overseas territories, which are particularly vulnerable to this issue, to ensure that we develop effective methods of avoiding plastic waste entering the ocean. Of course the

best way to do that is by ensuring that plastics are not created in the first place, or that they are effectively recycled, but avoiding dumping at sea is our No. 1 priority.

Peter Dowd: Talking of preventing waste, what with the millions wasted on the ferries fiasco, the drone debacle, the Northern rail mess, the Carillion collapse, the electronic tagging turmoil, the £2 billion East Coast chaos and, finally, £72,000 spent on defending an illegal prisoner book ban, is it not time for the Chancellor, as the custodian of the public finances, to impose a ban on the failing Secretary of State for Transport wasting any more public dosh?

Mr Hammond: I am not going to take any lectures about waste from anybody on the Opposition Front Bench. This lot are world-champion wasters of public money. They have done it before and given half a chance they will do it again.

Infrastructure Funding: Medway and Kent

9. **Rehman Chishti** (Gillingham and Rainham) (Con): What steps he is taking to allocate funding for infrastructure in (a) Medway and (b) Kent. [909580]

The Exchequer Secretary to the Treasury (Robert Jenrick): The Government are committed to ensuring that Medway and, indeed, the whole of Kent have the infrastructure that they need. The South East local enterprise partnership has secured £590 million from three local growth fund rounds, to support around 30 important transport schemes in Kent and Medway.

Rehman Chishti: Medway Council's £170 million housing infrastructure bid will have a significant impact on the unlocking of regeneration in the Thames estuary, providing the extra much-needed homes, jobs and transport connectivity. Will the Minister clarify when such excellent bids will be considered and announced? By way of declaration, I am a member of Medway Council.

Robert Jenrick: My hon. Friend has been raising this matter assiduously. At the spring statement in 2018, the Government announced that Medway's housing infrastructure fund bid was shortlisted for the next stage of assessment, and we look forward to receiving the final proposal later this month. It will be considered alongside other HIF bids.

Social Care Funding

10. **Mike Amesbury** (Weaver Vale) (Lab): Whether he plans to change the level of funding allocated to social care. [909581]

The Chief Secretary to the Treasury (Elizabeth Truss): At the autumn Budget 2018, we gave councils an additional £650 million, which could be spent on adult and children's social care. Since 2017, we have given access to up to £10 billion of dedicated adult social care funding, which has meant above-inflation rises.

Mike Amesbury: Eighty-seven people in this country die each day before receiving the care that they need. Does the Minister agree that that figure is shameful and that the Chancellor should use the spring statement to tackle the funding crisis in social care?

Elizabeth Truss: As I pointed out, social care funding and access to it is increasing beyond inflation. In fact, we have seen improvements in many figures. For example, since March 2017, the number of patients who have been delayed leaving hospital due to social care has halved.

Economic Growth and Employment

11. **Chris Philp** (Croydon South) (Con): What fiscal steps he is taking to increase (a) the number of jobs and (b) economic growth. [909582]

The Economic Secretary to the Treasury (John Glen): The Government have worked hard to build a stronger, fairer economy. The economy has grown continuously for the past nine years, employment is currently at a record high, unemployment is currently at its lowest rate since 1975 and real wages are rising.

Chris Philp: It is welcome that 75% of those new jobs are full-time and only 3% are zero-hours contracts. It is also welcome that the minimum wage has gone up by 38% since 2010, but what assurance can the Minister give that the policy of dramatically increasing the minimum wage to help the poorest in our society will continue?

John Glen: I can confirm that the national living wage will rise again this year, to £8.21. I can also tell my hon. Friend that later this year the Low Pay Commission will be set a new remit for beyond 2020. We want to be ambitious, with the ultimate objective of ending low pay in the UK while protecting employment for lower-paid workers.

Gareth Thomas (Harrow West) (Lab/Co-op): I suspect the Minister knows that it will be more difficult to increase jobs in services businesses if we replace single market membership with a free trade agreement. Will he set out for the House what estimate he has made of the scale of the difficulty, particularly that facing financial services businesses that want to increase jobs in the current Brexit situation?

John Glen: Financial services are well protected and ready to engage on arrangements for beyond the implementation period, but the Government are not complacent in respect of the whole economy. We have made a series of interventions through our productivity fund to meet the challenges of the next generation.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Whenever the Government table self-congratulatory questions like that one, there is a need to put on record what is really happening out there. Six million jobs in the UK pay less than the real living wage, 3.8 million people are in insecure employment and 2.5 million people work less than 15 hours a week. Economic growth, where it exists, is so geographically unequal that it does not reflect the reality of what people see around them. Let me ask, on behalf of those people: what is this Government's strategy for in-work poverty and insecure employment?

John Glen: I thank the hon. Gentleman for his question. This Government's strategy is to relentlessly pursue growth in the economy and opportunities for all. We

have seen 18.3% growth since 2010, and a record 32.6 million people in work. We will continue to prioritise interventions around technical education, cuts in business taxes and support for new technologies to recognise the new jobs that need to be provided for.

Mr Speaker: Well done.

Benefits Freeze

13. **Neil Coyle** (Bermondsey and Old Southwark) (Lab): What assessment he has made of the effect of the freeze on benefits on the level of personal debt of benefit recipients. [909584]

The Economic Secretary to the Treasury (John Glen): The decision to freeze most working-age benefits for four years from 2016-17 was one of a number of difficult financial decisions that were taken, but to assist claimants who are affected by debt, the Government announced, as part of the 2018 Budget package, a reduction from 40% to 30% in the maximum rate at which deductions can be made from universal credit awards. That change will help 290,000 claimants.

Neil Coyle: I thank the Minister for his reply. This morning, the Select Committee on Work and Pensions visited Charles Dickens Primary School in my constituency to talk to parents, children and teachers about the impact that the benefits freeze and other welfare cuts have had on local families, many of whom have been pushed into debt, poverty and destitution as a direct result of Government policy. Will the Government listen to the Select Committee and lift the benefits freeze one year early?

John Glen: The Government have been very responsive to representations over the last two Budgets. There are 637,000 fewer children in workless households than in 2010. We made a number of interventions in the last Budget to increase the availability of interest-free advance loans to those who need them. We are listening, and continue to listen, to the concerns of the sector.

Economic Productivity

14. **Julian Sturdy** (York Outer) (Con): What fiscal steps he is taking to increase economic productivity. [909585]

The Exchequer Secretary to the Treasury (Robert Jenrick): The best way to sustainably drive economic growth is to raise productivity, and that is a priority for this Government. We are increasing public investment in economic infrastructure to its highest sustained level in my lifetime. In the autumn Budget, we set out further investments to support business, technical skills and new technologies.

Julian Sturdy: Last month, the Chief Secretary to the Treasury saw for herself the investment that York-based Pavers Shoes is making to change its productivity, yet local businesses are concerned about the effect of traffic congestion on local productivity. With that in mind, will my hon. Friend the Exchequer Secretary assure me that

the Treasury is fully behind the Department for Transport's proposals to fund the dualling of the York northern ring road?

Robert Jenrick: My right hon. Friend the Chief Secretary says that she saw some very good leopard-print shoes at Pavers Shoes—and she knows a potential customer for them. Pavers is a highly successful business; I have seen for myself in India the success that it is having in selling shoes. We are committed to increasing transport investment in the north of England; the Secretary of State for Transport recently announced the dualling of the A1237 York outer ring road as a scheme in development for the major road network funding.

Mr Jim Cunningham (Coventry South) (Lab): Does the Minister agree that one of the ways to increase productivity is by maintaining grants at European levels of investment in research and development? We have a lot of good universities in this country.

Robert Jenrick: This Government are absolutely committed to maintaining research and development; that is why we will be investing in it at record levels. We are also supporting the private sector, for example by making research and development tax credits more generous so that businesses across the country can collaborate with universities to drive the economy forward.

24. [909596] **Bill Grant** (Ayr, Carrick and Cumnock) (Con): Does my hon. Friend the Minister agree that the Ayrshire growth deal and other growth deals nationally can act as a catalyst for jobs and productivity? Will he do all he can to support that growth deal?

Robert Jenrick: Absolutely. We are very excited about the £100 million Ayrshire growth deal and will continue to support that part of Scotland.

Tax Avoidance Enablers: HMRC Resources

16. **Alex Norris** (Nottingham North) (Lab/Co-op): What steps he has taken to ensure that HMRC has adequate (a) powers and (b) resources to investigate tax avoidance enablers. [909587]

The Financial Secretary to the Treasury (Mel Stride): The Government take a very serious view of those who enable or promote tax avoidance. We have taken a number of measures to clamp down on them, including penalties of up to £1 million.

Alex Norris: In 2017, the Government introduced the Criminal Finances Act to great fanfare, claiming that they were clamping down on the facilitators of tax-dodging. Will the Minister please confirm how many prosecutions have been brought for the new offence of failing to prevent tax evasion?

Mel Stride: We have taken action against enablers and promoters, and the cumulative amount of time in prison that has resulted from those particular actions is in excess of 100 years.

Mr Speaker: Well done.

22. [909593] **Stephen Morgan** (Portsmouth South) (Lab): HMRC has 2,000 fewer staff today than it did on the day of the referendum. Will the Minister explain the impact of HMRC cuts on the delayed timetable for the implementation of the UK's future customs regime?

Mel Stride: I am confident that HMRC will be ready for the outcome of the EU negotiations, whatever that outcome is. We have taken on over 4,000 additional staff to ensure that we are ready, and we have of course invested £2 billion in additional funding since 2010 to ensure that HMRC can operate effectively.

Job Creation

19. **Mrs Sheryll Murray** (South East Cornwall) (Con): What recent progress he has made on creating jobs and reducing unemployment. [909590]

The Chief Secretary to the Treasury (Elizabeth Truss): The economy has grown every year since 2010, and there are now 3.5 million more people in work.

Mrs Murray: Can my hon. Friend confirm that under the Conservatives, in addition to a record number of jobs, wages are growing at their fastest rate in over a decade, meaning that more people have the security of a regular wage to provide for their families?

Elizabeth Truss: My hon. Friend is right, and this has not happened by accident; it is because of the decisions that this Government have made to cut taxes and to reform employment and welfare, unlike the Opposition's approach, which is to say that business is the enemy and damage our economy.

Several hon. Members *rose*—

Mr Speaker: Order. We are running late, so if the hon. Member for Strangford (Jim Shannon) can manage to ask a one-sentence question with a question mark at the end of it, I will call him; if he cannot, I will not. It is a deal. [*Interruption.*] No, not one and a half sentence—one sentence. Mr Shannon, get in there.

Jim Shannon (Strangford) (DUP): Can the Minister further outline whether there will be tax benefits available for small businesses that may not be able to sustain this level of wage increase? That was one sentence.

Elizabeth Truss: We need to ensure that all businesses succeed. In the spending review, we will be ensuring that business support is just as supportive of new entrants and start-ups.

Mr Speaker: This one-sentence model could catch on; that would be splendid. I call Stephen Kinnock.

Wes Streeting (Ilford North) (Lab): No chance.

Stephen Kinnock (Aberavon) (Lab): No pressure there at all. Question 23, Mr Speaker.

Mr Speaker: Don't look quite so surprised, man—it's your question.

Stephen Kinnock: But may I blend it with topical question 1?

Mr Speaker: No, but you can blurt it out on the question with which we were dealing, if you want. Unburden yourself, man.

23. [909594] **Stephen Kinnock** (Aberavon) (Lab): Thank you for setting the stage for me so well, Mr Speaker.

I am proud to chair the all-party parliamentary group for post-Brexit funding for nations, regions and local areas. It is vital that we have a fair settlement for the regions that need it most as we transition from EU funding to post-Brexit funding. Will the Chancellor of the Exchequer or the Minister responsible meet the APPG to discuss this vital issue?

Elizabeth Truss: I would be delighted to meet the hon. Gentleman and colleagues to discuss this important issue.

Mr Speaker: Oh, I see what the hon. Gentleman was driving at in relation to topical questions. Jolly well done; what a prescient fellow. We now come to topical questions. I call Stephen Kinnock.

Topical Questions

Stephen Kinnock (Aberavon) (Lab): I cannot think of another question to ask, as my question has been responded to.

Mr Speaker: I know that the hon. Gentleman does not believe in the hereditary principle, but I do not think that those words would ever have come out of the mouth of his dad. I think he should have a go. Just say "Topical 1", young man.

T1. [909597] **Stephen Kinnock** (Aberavon) (Lab): Topical 1.

The Chancellor of the Exchequer (Mr Philip Hammond): I have a sense that by the time I have responded, inspiration will have struck the hon. Gentleman.

My principal responsibility is to ensure economic stability and the continued prosperity of this country. At this juncture, the best way to achieve that objective is to support a negotiated Brexit ensuring a smooth and orderly departure from the EU through a transition period to a new relationship that allows our mutual trade to continue to flourish.

Stephen Kinnock: Since the introduction of the minimum wage, only 14 employers have been prosecuted by HMRC for failing to pay the minimum wage. Does the Chancellor agree that that is a completely unacceptable state of affairs? What action is he taking to boost the capacity of HMRC to go after those who are not paying the minimum wage?

Mr Hammond: HMRC does take action against errant employers. It is always pleased to receive information on suspected non-compliance and will investigate any such cases. I am sorry that the hon. Gentleman had difficulty thinking of a question. Anticipating this situation,

I have at least four or five potential questions that he could have asked me, and I am happy to show them to him afterwards.

Mr Speaker: Colleagues, on a discretionary basis I am changing the order, but, believe me, I know why I am changing the order and there is a compelling reason in this instance for doing so.

T8. [909604] **Tim Loughton** (East Worthing and Shoreham) (Con): In yesterday's education debate in Westminster Hall, we heard about a national emergency in school funding based on the National Audit Office's predictions of £3 billion of savings being required in the next year—and I have often gone on about the £2 billion shortfall in children's social care. Will schools and children's social care be at the top of the Chancellor's priority list in the forthcoming comprehensive spending review?

The Chief Secretary to the Treasury (Elizabeth Truss): We were able to increase the education budget by £1.3 billion last year, which means there have been real-terms funding increases per pupil. We are already the top spenders in the G7 as a proportion of GDP, according to the OECD. But I do recognise that we need to make sure that, going into the future, our education system is properly supported. I would be delighted to meet my hon. Friend and colleagues to discuss this further.

John McDonnell (Hayes and Harlington) (Lab): When the Conservatives lost their majority at the last election, the Chancellor conjured up a £1 billion bung to the Democratic Unionist party to buy the Tories back into office. Yesterday, with the announcement of the towns fund, we reached a new low in politics in this country, with the attempt by the Government to purchase the votes of Labour MPs to vote for the Brexit deal. Pork barrel politics has become the new norm under this Government. Can I ask the Chancellor: if the price of a DUP vote has been £100 million each, how much has he calculated a Labour MP's vote will cost?

The Exchequer Secretary to the Treasury (Robert Jenrick): The Government have been investing in our cities across the country with interventions such as the transforming cities fund—a £2.5 billion investment. We believe it is important to mirror those investments to drive productivity and economic growth in our towns. This week, we have announced a £1.6 billion intervention to support those towns, building on other interventions that we have made throughout the course of the past 12 months, including the future high streets fund.

John McDonnell: I can understand why the Chancellor has broken convention today in not responding, because I think he would be ashamed to respond. Let me tell him what the answer is: if a DUP vote is worth £100 million, what Labour MPs were offered yesterday was £6 million.

Let me ask the Chancellor to undertake another calculation. Seven days ago, he was forced to publish the Government's assessment, again, of how much a no-deal Brexit would cost this country—in today's prices, nearly £200 billion. How much of a threatened cost to this country will it take for this Chancellor to find a backbone to stand up to the Prime Minister and the European Research Group to prevent no deal or a bad

deal? Or is the Secretary of State for Work and Pensions the only Cabinet Minister willing to put country before career?

Mr Philip Hammond: Oh dear, oh dear. As the right hon. Gentleman knows very well, I have been working tirelessly to ensure that we avoid a no-deal exit—that we leave the European Union in a smooth and orderly fashion to a new negotiated partnership that allows our complex and important trade relationships to continue to flourish in the future. That is what I spend every working day doing.

T2. [909598] **Scott Mann** (North Cornwall) (Con): The Chancellor briefly mentioned the spring statement. Can he update the House on his plans for the spring statement on 13 March?

Mr Hammond: As my hon. Friend is aware, because I have said it already this afternoon, the spring statement is not a fiscal event, but I will update the House on the Office for Budget Responsibility's forecasts for the UK economy and for the public finances. I will follow the approach that I took at spring statement 2018 and also provide the House with an update on progress since the 2018 Budget and set out our intended direction for announcements later in the year. Although it is not a fiscal event, I already anticipate my hon. Friend beating a path to my door before the Budget in the autumn.

T3. [909599] **Bambos Charalambous** (Enfield, Southgate) (Lab): Schools in my constituency face severe budget pressures running into millions. By 2021, some schools will not be able to afford any teaching assistants, learning support assistants, office staff or site staff. Does the Chancellor realise the perilous state of schools' finances, and will he announce adequate funding for schools in his spring statement next week?

Elizabeth Truss: As the Chancellor said, the spring statement is not a fiscal event. We are increasing school funding in real terms per pupil, but of course we need to ensure that we are investing properly in our education system. We are looking at human capital and what will be the most important investments, and we will report on that at the spending review.

T5. [909601] **Peter Aldous** (Waveney) (Con): Given the vital work done by East Coast College and Lowestoft Sixth Form College in promoting social mobility and improving the UK's productivity, will my right hon. Friend take full account of the letter sent on behalf of 164 Members from across the House and increase further education funding, ideally at next week's spring statement, but if not, at the forthcoming spending review?

Elizabeth Truss: FE spending is a priority, and we have protected the base rate of funding between 2015 and 2020. I was grateful to receive that letter from colleagues and have organised a meeting on 19 March. I am not sure whether we will be able to fit 164 people in a room, but I hope my hon. Friend will be able to attend.

T4. [909600] **Tom Brake** (Carshalton and Wallington) (LD): Does the Chancellor agree that the £1.6 billion set aside for towns is a pale imitation of the regional

growth fund set up under the coalition? Will he look at establishing a Brexit redundancy fund of up to £7.5 billion, to help the 750,000 people who are estimated to lose their jobs in a no-deal scenario?

Mr Philip Hammond: As I have told the House many times—I will elaborate more at the spring statement next week—in what I now think is the unlikely event of a no-deal exit, the Government have both fiscal and monetary tools available to them to support the economy. Of course, the likely shock would be on the supply side of the economy, and we would have to be careful that fiscal interventions did not merely stimulate inflation. If we are to find ourselves in that situation, we have the firepower and the clear intent to intervene to support the economy.

T6. [909602] **Nigel Huddleston** (Mid Worcestershire) (Con): I am sure that all those on the Treasury Bench agree that it is a really important responsibility of the Government to ensure that our children and young people can achieve their full potential. With that in mind, can my right hon. Friend assure me that skills and education funding will receive the priority attention it deserves in the upcoming spending round?

Elizabeth Truss: My hon. Friend is right. We also need to ensure that we are spending money on the right things. For example, the changes this Government have made to phonics have seen our children go from some of the poorest readers in Europe to some of the best. It is about money, but it is also about what we do with that money.

T9. [909605] [R] **Dan Jarvis** (Barnsley Central) (Lab): Given the urgent need for clarity on post-Brexit regional funding, when do the Government intend to launch the consultation on the UK shared prosperity fund?

Mr Philip Hammond: We regard the UK shared prosperity fund as very important, and we will launch a consultation this year on plans for the fund.

T7. [909603] **Charlie Elphicke** (Dover) (Con): Will the Chancellor tell the House how many people in my Dover and Deal constituency, since 2010, are either paying no income tax whatsoever, thanks to Government policies, or have seen an income tax cut? While he is about it, could he put that in a spreadsheet for every single constituency so that the whole House can see what has been done?

The Financial Secretary to the Treasury (Mel Stride): It is not possible to provide an estimate down at constituency level about the impacts of the changes in the personal allowance, but I can inform my hon. Friend that no fewer than 234,000 individuals have been taken out of income tax altogether who are living in the south-east, which obviously includes Dover.

Patrick Grady (Glasgow North) (SNP): Does the Chancellor agree with his right hon. Friend the Environment Secretary, who has told me on a number of occasions that he believes other European countries are looking enviously at the United Kingdom's withdrawal deal, especially in the context of all the economic analysis the Treasury has carried out on Brexit scenarios?

Mr Philip Hammond: I am not in a position to comment on private conversations that the hon. Gentleman may have had with my right hon. Friend the Environment Secretary, but I can tell him that I agree with everything my right hon. Friend has said at this Dispatch Box.

T10. [909606] **Henry Smith** (Crawley) (Con): What assessment has the Treasury made of the impact of air passenger duty on regional and short-haul airlines?

Robert Jenrick: Air passenger duty is a per passenger levy paid by all airlines, so there is no reason to believe that it discriminates against smaller airlines. We have now chosen to freeze APD on short-haul flights for eight years and to take children out of it altogether. The Labour party of course want to hike it with its holiday tax.

Laura Smith (Crewe and Nantwich) (Lab): What is the Chancellor doing to make sure local authorities have sufficient funding to allow care providers to pay sleep-in shifts at a national living wage rate?

Elizabeth Truss: We are currently working on this with the Department of Health and Social Care.

Nicky Morgan (Loughborough) (Con): The Treasury Committee will today publish the Economic Secretary's letter to me of 30 January on the current solution to problems faced by mortgage prisoners. This solution requires the private sector to be receptive to providing new mortgages to mortgage prisoners currently trapped with inactive lenders. What update can Ministers provide on the promised Treasury officials' work with those lenders?

The Economic Secretary to the Treasury (John Glen): I can tell my right hon. Friend that I am in conversation with the Financial Conduct Authority about its move to a relative rather than an absolute test. I note that there are a range of views out there about how this problem can be dealt with. The FCA has said that it will come back later this spring with its response, and I am happy to meet my right hon. Friend to discuss her concerns further.

Helen Goodman (Bishop Auckland) (Lab): This morning, the *Financial Times* entitled its editorial, "UK territories need to embrace transparency", prompted by the Government's decision to pull a vote they knew they were going to lose last night. Does the Chancellor of the Exchequer not feel that he is completely out of kilter with the spirit of the modern age?

John Glen: Some amendments were tabled on Thursday, and given the constitutional implications of those amendments, I think it is right that the Government work across Departments—with the Ministry of Justice and the Foreign Office—and have dialogue with the Crown dependencies and overseas territories to resolve the matter as the amendments suggested.

Ms Esther McVey (Tatton) (Con): Adding to the calls of colleagues, may I ask the Chancellor to ensure that more money is provided for schools? Schools across the country desperately need it, particularly in Cheshire, which is the lowest funded.

Elizabeth Truss: In response to my right hon. Friend, I can say that one of the things we have done is to introduce a national funding formula to make sure schools funding is more fair across the country, and it is getting fairer every year. I would be delighted to meet her and other colleagues.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): The Chancellor has claimed that the best way to protect the public finances from a decline in the motor industry post-Brexit is to back the PM's deal. The Society of Motor Manufacturers and Traders says the best way is for the Prime Minister to abandon her red lines and be part of a customs union. Who is right?

Mr Philip Hammond: As the Prime Minister has explained to the House many times, the deal that we have negotiated with the European Union provides for most of the benefits of a customs union, while still enabling the United Kingdom in certain circumstances to be able to strike trade deals with third countries. That is a win-win outcome, and the House should get behind it.

James Cartlidge (South Suffolk) (Con): Is it the intention that we will be publishing our draft tariff schedule in the event of no deal before the meaningful vote?

Mr Hammond: I cannot give my hon. Friend a clear answer on a specific date, but soon as we are in a position to publish the tariff schedule, we will do so.

John Cryer (Leyton and Wanstead) (Lab): Personal debt is now higher than it has ever been in British history. Household debt is now also higher than it has ever been and has increased by nearly £1,000 in the past year alone. How sustainable is that?

John Glen: That is why the Government are concerned that the establishment of a single financial guidance body should happen quickly this year. Some £56 million is spent on debt advice to 530,000 people. This is an area I take very seriously, and I will be going to the credit union conference on Saturday to outline some more policy initiatives.

Several hon. Members *rose*—

Mr Speaker: Order. As is normally the case, demand exceeds supply. I am sorry to disappoint remaining colleagues, but we are well out of time and we must now move on.

Points of Order

12.40 pm

Dr Sarah Wollaston (Totnes) (Ind): On a point of order, Mr Speaker. My hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) is currently on maternity leave. She has served with great distinction as a member of the Select Committee on Health and as a spokesperson who is nationally recognised for her work on mental health. I am deeply concerned to hear that the Labour party has been seeking names to replace and oust her from her position on the Select Committee. Surely this is unacceptable and sends entirely the wrong message about how we value maternity leave in this place. I am very relieved that none of her former colleagues was prepared to be nominated in that way. May I seek your guidance, Mr Speaker, on that point and on the wider point that Select Committees are surely at their best when Members can leave their narrow party politics at the door rather than being a tool of the Whips Office?

Mr Speaker: I am grateful to the hon. Lady for the point of order.

Joan Ryan (Enfield North) (Ind) *rose*—

Mr Speaker: If it is, as I believe it to be, on the same matter, I will hear the right hon. Member for Enfield North (Joan Ryan) and then I will respond to the two of them.

Joan Ryan: Further to that point of order, Mr Speaker. May I support the point raised by my hon. Friend the Member for Totnes (Dr Wollaston), the Chair of the Health Committee? Members of this House have previously left their parties and become independent or changed party, and I understand from the House of Commons Library that they have remained on Select Committees, only coming off them if they expressed a wish to do so. That is clearly not the case here. May I seek your ruling on the fact that there is no precedent for political parties to seek to remove Members whom the House has said should remain on their Select Committees for the duration of the Parliament?

Mr Speaker: I am grateful to the hon. Member for Totnes (Dr Wollaston) and the right hon. Member for Enfield North for those points of order. On the very last point, and this is not in any sense a criticism, from my recollection there are precedents. The truth of the matter is that there are precedents for a lot of things in this place and that does not necessarily mean that such a course of action is right. I say that without prejudice to what colleagues might judge to be the merits of the right hon. Lady's point of order as a whole. She has flagged up a very important issue. The points of order were raised, at least in part, to elicit a response, and I am grateful to the hon. Lady and the right hon. Lady for giving me notice of them. Procedurally, the position is certainly clear in my mind and I hope I can make sure that it is clear in everyone else's.

Changes in membership of Select Committees are made by this House on debatable and amendable motions. For almost all Select Committees, such motions are moved on behalf of the Selection Committee by its

Chair or another member of it. Under Standing Order No. 121, any Member intending to propose that a Member be discharged from a Select Committee shall endeavour to give notice to the Member whom he or she proposes should be discharged from the Committee. In the first instance, I refer the hon. Lady and the right hon. Lady to the hon. Member for North Herefordshire (Bill Wiggin), namely, the Chair of the Selection Committee. I am not aware of any current plan to remove somebody from such a Committee, and I would not necessarily be aware if there were such a plan. Procedurally, what I have said is, I think, accurate and in so far as it contains advice, it is the fairest advice I can offer. I hope that is helpful to colleagues.

I think there was another point of order.

Marsha De Cordova (Battersea) (Lab): On a point of order, Mr Speaker. This morning, the Secretary of State for Work and Pensions published a written statement outlining changes to social security, health and disability. By my calculations there are no fewer than nine announcements that will have a significant impact on hundreds and thousands of ill and disabled people, including, to name a few, changes to the personal independence payment assessment for pensioners; the introduction of a new integrated assessment framework for employment and support allowance, universal credit and PIP; seeking to extend contracts on the delivery of the then work capability assessment; yet another review of the Government's manifesto commitments to get more disabled people into work, with little or no mention of improvements to the Access to Work scheme; a small-scale test into conditionality and sanctions; and commissioning yet more research into the understanding of the needs of disabled people.

Mr Speaker, the written statement is vague on detail and raises significant questions. It is vital that Members are given the opportunity to question the Secretary of State about the changes. Will you please advise me on how best we can ensure that the Secretary of State comes to this House and answers questions from Members?

Mr Speaker: I thank the hon. Lady for giving me notice of her intention to raise this matter. She asks me specifically how to ensure that the Secretary of State will address the House on it. The short answer is that, apart from departmental questions and in the absence of an Opposition day facility to probe the matter, the absence of which at present is a matter understood by Members across the House, the recourse would have to be either through an urgent question, conceivably an emergency debate or a debate to take place under the auspices of the Backbench Business Committee. Beyond that, really only an end-of-day Adjournment debate or a debate in Westminster Hall would allow the matter to be aired. Those are the options.

On the procedural question the hon. Lady raises, I have to tell her—unfortunately from her point of view, but it is something I do have to say from time to time—that it is under our procedures for Ministers to decide whether a statement is delivered in writing or orally in this Chamber and whether such statements, rather as with the granting of urgent questions when the Government decide who to field, are delivered by the relevant Secretary of State or by another dare I say it?—more junior Minister.

[Mr Speaker]

The hon. Lady has made clear that she finds it unsatisfactory in the case she describes. Those avenues are open to her if she wishes to pursue the matter, as I think she clearly does. My advice to her would be that she discuss this matter with colleagues in her shadow ministerial team. She might consider undertaking the short journey to the Table Office, where further advice will be available to her if she seeks it. I hope that that is helpful to her. I do understand that some of these matters will be very pressing, not just as far as she is concerned but as far as many colleagues are concerned, and there should be an opportunity to air them in the Chamber.

If there are no further points of order—I am grateful to the hon. Lady for hers—I will momentarily call Mr Alan Brown to make an application for leave to propose a debate on a specific and important matter that should have urgent consideration under the terms of Standing Order No. 24. The hon. Gentleman has up to three minutes in which to make such an application.

EU Exit Preparations: Ferry Contracts

Application for emergency debate (Standing Order No. 24)

12.48 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): I wish to give formal notice to request an emergency debate under Standing Order No. 24 to discuss a specific and important matter that should have urgent consideration, namely the latest developments in UK Government ferry contracts for no-deal preparations.

Good governance goes hand in hand with transparency and accountability, and to date we have seen absolutely none of that in relation to the Transport Secretary's handling of the no-deal ferry contracts. In fact, every time more information has come out, more questions have been raised and have gone unanswered. In a point of order yesterday, I highlighted my frustration about the non-answers. Yesterday, the Health Secretary answered from the Dispatch Box and gave the same blithe responses as the Transport Secretary. It is simply not good enough. We have had a written ministerial statement, three urgent questions and several oral questions, including eight SNP questions at the last Transport questions, and all we have received are arrogant, condescending responses.

We are still to find out how Seaborne was identified as a suitable provider of what are supposed to be vital services in the event of a no-deal Brexit. It is a company with negative equity, no history of running ferry or freight services, no ships and no port agreements to run the ferry services, and Ramsgate port is still to be dredged to have the depth required for ferries. We were told that due diligence had been undertaken, but it turns out that the Department for Transport limited it. Then we learned that there were no financial guarantees, so when the possible backer walked away, the deal collapsed. We need to know how much of the £800,000 due diligence costs were spent on the abortive Seaborne contract.

The Transport Secretary's lines of defence—that he was supporting a start-up company, and that cancellation did not matter because it would not cost the taxpayer money—stretch the phrase “inadvertently misleading the House” to the absolute limit. We were advised that direct negotiation was possible under regulation 32 of the Public Contracts Regulations 2015, which relates to an emergency situation brought about by unforeseeable events. Given that the Government claim to have been planning for a no-deal scenario for two years, how was this unforeseen? What legal advice was provided?

Eurotunnel took the Government to court and was paid an out-of-court settlement of £33 million. Why did the Government cave if they were confident of the legal position? Why is it now argued that the £33 million settlement is actually prudent planning for a no-deal Brexit and is required to keep our vital medicine supply chain going? We need clarity and a breakdown of compensation cost versus the so-called service improvement.

There is anger in the House, and Members have not had their queries answered. I am asking for this debate so that we can get the Transport Secretary to the Dispatch Box to provide real, meaningful answers.

Mr Speaker: The hon. Gentleman asks leave to propose a debate on a specific and important matter that should have urgent consideration—namely, the latest developments in UK Government ferry contract awards for no-deal preparations. I have listened carefully to his application, and I am satisfied that the matter raised is proper to be discussed under Standing Order No. 24.

Has the hon. Gentleman the leave of the House? *[Interruption.]* Somebody is objecting. *[Interruption.]* I do not want to be unkind to the hon. Member for Rochford and Southend East (James Duddridge), but I am not sure he altogether understands our procedures perhaps as well as he ought to do and as well as I do. In fairness, he is graciously conceding from a sedentary position that the threshold of 40 has been reached. I thank him for his courtesy.

Actually, you lot are ahead of yourselves. People tend to stand up before they need to. *[Interruption.]* Order. I am saying this because I believe in the public intelligibility and accessibility of our proceedings, which is important. If there is an objection, as there was from the hon. Member for Rochford and Southend East, 40 Members or more must rise in order that the debate can go ahead. More than 40 Members have done, and therefore the Standing Order requirement has been satisfied.

Application agreed to (not fewer than 40 Members standing in support.)

Mr Speaker: The debate will be held today as the first item of public business after the ten-minute rule motion. The debate will last for up to three hours, and will arise on a motion that the House has considered the specified matter set out in the motion of the hon. Member for Kilmarnock and Loudoun.

Well, Mr Brown. I hope, at least for now, that you are satisfied with the result of your prodigious efforts. The debate will come in due course.

David Hanson (Delyn) (Lab): On a point of order, Mr Speaker. Have you had any indications, given the current situation, of whether the Secretary of State for Health or the Secretary of State for Transport will be responding to the debate? It is important, given the detail of the matter to be debated in the House today.

Mr Speaker: I am happy to accommodate the right hon. Gentleman. The presence of the Secretary of State for Transport is not ornamental. He has come into the Chamber, and my very clear understanding from him is that he wishes to speak in the debate. My expectation is that he will speak relatively early.

Paula Sherriff (Dewsbury) (Lab): Ahoy there!

Mr Speaker: Order. There is no need for the hon. Lady to chunter “Ahoy there!” from a sedentary position. That is very eccentric behaviour. It is not the sort of thing I would ever have done as a Back Bencher, I feel sure. We will leave it there. I welcome the Secretary of State to the Chamber.

BILL PRESENTED

GENDER-BASED PRICING (PROHIBITION) BILL

Presentation and First Reading (Standing Order No. 57)

Christine Jardine, supported by Jo Swinson, Wera Hobhouse, Layla Moran, Stella Creasy, Jess Phillips, Tonia Antoniazzi, Hannah Bardell, Tom Brake and Jamie Stone, presented a Bill to prohibit the differential pricing of products and services that are substantially similar other than being intended for, or marketed to, a particular gender; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 22 March, and to be printed (Bill 348).

Hereditary Titles (Female Succession)

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

Mr Speaker: We come now to the ten-minute rule motion, for which the hon. Member for Shipley (Philip Davies) has been waiting almost as patiently as he has been waiting for the Shipley bypass.

12.56 pm

Philip Davies (Shipley) (Con): I beg to move,

That leave be given to bring in a Bill to make provision for the succession of female heirs to hereditary titles; and for connected purposes.

Mr Speaker, you will know that I often argue that the law should treat everyone equally, irrespective of their sex, and where that does not happen, I speak out. For example, I have spoken out to highlight where men are treated much more harshly in the criminal justice system and about how badly women are treated by sharia councils. This Bill would deal with another area where women are treated unfairly for no reason other than that they are women. That is unacceptable and indefensible.

In 2013, male primogeniture was changed to absolute primogeniture in the Succession to the Crown Act 2013, following a report on the rules of royal succession prepared by the Political and Constitutional Reform Committee in 2011. The report also noted that women continued to be ineligible to succeed the majority of hereditary peers. My Bill would seek to extend the Succession to the Crown Act to include all hereditary titles through a straightforward piece of primary legislation consisting of just a few clauses. It would quite simply mean that daughters would be treated the same as sons for the purposes of succession. It seems to me to be a very natural step to take after amending the same principle for the royal family.

As a Conservative, I obviously resist change for change's sake, but this amendment both should and could be made. Similarly, I was more than happy to see the ending of the centuries-old defence of marital coercion in criminal proceedings—a legal defence that had been available to married women only in one guise or another until recently.

As drafted, the Bill would not apply immediately where there is already a son due to inherit a title, and it would certainly not be retrospective. If there is currently a son in line for succession, that would remain the case.

I want to take the opportunity to thank Charlotte Carew Pole of Daughters' Rights, who is the Public Gallery today, and Sir David Beamish, the former Clerk of the Parliaments, for their help in bringing this matter to its present state. They should both be commended for the immensely important roles they have played and the time they have spent putting together this legislation.

This modest change would obviously not affect huge swathes of people. According to Debrett's peerage reports, there are at present 803 hereditary peers, including 24 dukes, 34 marquesses, 191 earls, 115 viscounts, 426 barons, and four countesses and nine baronesses in their own right. They could all potentially be one of the 92 hereditary peers, or on the register to stand as a hereditary peer in a by-election to the House of Lords. I understand that the register of peers for the election

currently has 210 peers on it, only one of whom is female—Baroness Dacre. As this demonstrates, it is already possible to be a female hereditary peer, but clearly, because of the current system, it is not as routine as for males and clearly not as fair. The eldest of the four female descendants of the Earl of Balfour, Lady Willa Franks, commented in an article last year that she had had a very tongue-in-cheek suggestion from her father that she could consider a sex change to overcome primogeniture. I should add that the article went on to say that this was clearly a very light-hearted comment from the earl.

I accept that this is not the most important issue facing the country, but that is no reason not to put right this particular unfairness. Some people might look at this as a game of numbers—this change is needed to get more female hereditary peers into the House of Lords—but I want to be clear that this is definitely not where I am coming from. I refute the notion that any institution should have a particular number of men or women in the pursuit of what I believe to be unrepresentative representation by tick-box. I have often said that I could not care less if the House of Commons, for example, was 100% female. As long as people are here based on fairness and real equality of opportunity, their sex should be irrelevant; it should be their views and their contribution that count. That is arguably in the same vein as the change I am proposing today. As long as people fairly inherit titles regardless of their sex, I could not care less how many men and women it affects—that is not relevant to me at all; it is what they do with that title that should be of primary interest.

The Bill is not about men versus women, but about true equality between men and women, and I therefore commend it to the House.

1.1 pm

Martin Docherty-Hughes (West Dunbartonshire) (SNP): I thought I lived in the 21st century, and although I can commend those sitting in the Public Gallery who are seeking equality within the peerage, and although I understand their frustration, it would be disingenuous of me, belonging to a political party that fundamentally believes in the abolition of hereditary peerage in the House of Lords and of the House of Lords as it sits, and as an individual who is fundamentally opposed to the principle of state-sanctioned privilege, to allow this issue to go undebated on the Floor of this House.

If the hon. Member for Shipley (Philip Davies) believed in equality, he would not have given a 91-minute filibuster against the Istanbul convention on combating domestic violence. It is disingenuous, to say the least, that he should take 10 minutes on the Floor of the House of Commons to debate a so-called principle of equality in relation to privilege and the hereditary peerage. How are we to say to the women of the United Kingdom of Great Britain and Northern Ireland, especially those in their 50s seeking equal pensions, that we are giving equal rights to the privileged members of the peerage but not to them in seeking the money they paid in for their pension? I have sat in WASPI debates in Westminster Hall and listened to Members—predominantly Government Members—say that they should look to their husbands to help them out. What about women who happen to be married to other women born in the 1950s? It is disingenuous to the core in terms of the principle of equality.

The hon. Gentleman talks about equality for those in the peerage. That would be the monarchy, princesses, duchesses, marchionesses, countesses, viscountesses and baronesses—big dames and ladies. They are few and far between in West Dunbartonshire, I can tell you that, Mr Speaker. The women of my community—the women who elected me and have participated in votes for women candidates in my constituency—would be appalled at the disingenuous nature of this equality. He talked about equality for all.

Mr Speaker: Order. I have allowed the hon. Gentleman to develop his argument, which he is doing with considerable eloquence and passion, but I have been unhappy about the frequency with which he has used the word “disingenuous”. I say that to him because it entails an attribution of dishonour to the hon. Member for Shipley (Philip Davies). It would be better if he confined his argument to reasons why the Bill is a bad thing. He should not impugn the integrity of the hon. Member for Shipley. He has a dextrous facility with words and a versatile vocabulary, and he can express himself in other ways that would not incur the displeasure of the Chair.

Martin Docherty-Hughes: I did not mean to attribute dishonour to the hon. Member, who is of course entitled to their opinion, as is every other Member of the House—but, for the record, I think he is talking tosh.

There is no equality when we embed privilege for those, be they men or women, who sit in the honoured position of their father—predominantly—being descended from someone who walloped somebody else’s head off in the 1100s. It is an extraordinary position that we should seek to enshrine privilege, whether it be on a man or a woman, in the hereditary peerage. It would be extraordinary in the 21st century if I and many other Members across the House, not just on the Opposition side, were to go unheard in their opposition not just to the peerage in that other place but to the principle of privileged state positions. It would be disingenuous—I use that word about myself, Mr Speaker—of myself and many Members in this House who fundamentally agree with me.

How has it come to pass that unaccountable, unelected Members of the House of Lords, be they male or female, and even—forgive me—members of the Church of England, can bring in legislation while being unaccountable to the citizens of this political state? This is not a matter of equality; it is a matter of inequality. They are unaccountable not only to the men who participate in votes but to the women of this country who fought and died for the right to participate in parliamentary democracy. It is an affront to parliamentary democracy for Members of that other place to have that state-authorised privilege.

I cannot stand here in all good conscience, or even sit on these green Benches, and not articulate a position with which many right hon. and hon. Members—and learned Members—agree. I am talking about Members on the Scottish National party Benches, in the Labour party and even in the Conservative party. How can I look my female constituents in the face and say we are fighting for equality for a privileged class? If we believe in creating equality, let us abolish the hereditary privilege of hereditary peerage. That would create a level playing field for every man and woman, however they identify—that might confuse the hon. Gentleman even more—who is a citizen in a liberal democracy.

The Bill cannot go unchallenged. We cannot sit here in the 21st century, 100 years after women gained the right to vote, and say that this is what equality is about. Equality should exist for us all. I show due regard to those who have campaigned for their rights as women in the familial position of the peerage. I understand their situation—it is an absolute outrage that they should even be in this position—but the principle still exists that privilege, no matter someone’s gender or gender identity, state-sanctioned against the majority of their fellow citizens, is not equality. It is fundamentally a position that none of us should agree with in the 21st century.

I know that you are keen to move on, Mr Speaker, so I will sum up. The hon. Gentleman will be delighted to hear that I will not push this to a vote, because I fundamentally understand the principle of those who have campaigned for the Bill. However, as I said earlier, it cannot be that, in a parliamentary democracy, we believe that someone whose father, in the 12th century, chopped somebody’s head off—not “head”, for *Hansard’s* benefit, but head—should have a place of honour and economic privilege and political leverage in a parliamentary democracy. That is an affront to those who have campaigned to ensure liberty and dignity for all.

I belong to a political party that believes that citizenship, and equality of citizenship, should not be based on who your father was. It should not be based on your economic privilege. It should be based on the fact that you were born free, male or female, perhaps have a disability, or perhaps come from a minority ethnic community. Those who are part of a privileged society who are unaccountable, and held to be unaccountable, to the citizenry of this state should have no truck with telling me otherwise. They should get no inch, and they will not, from me or from my political party.

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

That Philip Davies, Ms Harriet Harman, Sir Christopher Chope, Jess Phillips, Esther McVey, Christine Jardine, Tim Loughton, Mrs Maria Miller, Vicky Ford, Sarah Champion and Jo Swinson present the Bill.

Philip Davies accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 22 March and to be printed (Bill 349).

EU Exit Preparations: Ferry Contracts

Emergency debate (Standing Order No. 24)

1.12 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): I beg to move,

That this House has considered the latest developments in the UK Government ferry contract awards for no-deal preparations.

May I first thank you, Mr Speaker, for granting the debate? You asked me earlier if I was happy now, and I was happy, but given that I had such a short time in which to prepare for the debate, I hope you will forgive me for doing a bit of cursing as well.

I am very glad to have secured the debate. We have a Transport Secretary who has tried to duck some important issues and has had to be dragged, kicking and screaming, to the Dispatch Box. We can see him saying, "Here we go yet again." The head-shaking has started, and the chuntering: we are talking nonsense, and we do not understand anything. That is why this emergency debate has been granted.

Let me say to Conservative Members who objected to the debate that it is about transparency and accountability, and about how the Government are being run. They should share the concerns of Scottish National party Members about the lack of that transparency and accountability, and the fact that these no-deal preparations have been a pure and utter shambles.

Chris Green (Bolton West) (Con): Assuming that the hon. Gentleman wishes to respect democracy and therefore to deliver on the Brexit decision of the British people, may I ask what plans he has to ensure that life-saving, life-enhancing medicines will cross the English channel post Brexit?

Alan Brown: Well, let's see. Perhaps I would ensure that no deal was off the table, so that there would be no hint of that cliff edge with no medicines coming through. That is what I would do to start with. We should also consider extending article 50, to try to give this incompetent Government time to make some real preparations, although I have no faith in the possibility that any more time would actually work for them.

I have mentioned transparency and accountability. Let me record my thanks to the journalist who first broke the story about Seaborne Freight in the new year and to the Public Accounts Committee and the National Audit Office for the work that they have done so far in assessing the diligence. Members on both sides of the House have raised some important questions: for instance, my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) first raised the matter of the likely illegal tendering process.

We have still to get to the bottom of the overall process. It started in secrecy; it has been shrouded in secrecy ever since; and the Transport Secretary's non-answers and evasions have not helped us to secure any further clarity. His Department has form when it comes to procurement issues. I remember, years ago, the collapse of the west coast main line franchise, which came about following another court action challenge. That resulted in Virgin receiving a direct award to extend its services, which clearly does not provide the best value for money for the taxpayer.

If the Transport Secretary believes so much in competition and privatisation, we have to ask why so many rail franchises have received direct awards, because that is the complete opposite of competitive tendering. The Southern rail franchise model has clearly failed, and much of that failure has been due to the inaction of the Transport Secretary, and the fact that somebody just wanted to have a fight with the unions rather than trying to improve markets and get services up and running.

That is the background to some of the systemic procurement failings in the Department for Transport, and it brings us neatly to where we are now. When the information about the award of the Seaborne Freight contract first surfaced, it was almost like a sick joke. This was an emergency contract for a company to provide emergency services. The hon. Member for Bolton West (Chris Green) referred to vital services to keep medicines running. The Government, and the Transport Secretary, chose to pick up a ferry company that had no boats, had negative equity of £374,000, and had no history of running ferry or freight services. Both Brian Raincock, one of the directors, and Ben Sharp, the chief executive, had had companies liquidated when they owed money to Her Majesty's Revenue and Customs. Raincock's debt was £600,000. I remind the House that HMRC is, effectively, all of us taxpayers.

What, then, constituted the due diligence, and what red flags were identified at that time? We have still to hear the answers to those questions. It turned out—I touched on this earlier—that the due diligence heralded by the Transport Secretary was actually very limited. It was very high-level, that meant that it was not due diligence. The companies which carried it out confirmed that they could not make a proper assessment of the merits of Seaborne being given a supposedly vital contract.

We need to ask some questions, and the Transport Secretary needs to start answering. How on earth did Seaborne get hand-picked for direct negotiation, given the circumstances? Saying that it accounted for only 10% of the vital services is no answer. Saying that that the Government were supporting a vital British start-up company is certainly not an answer. Why should we hand-pick start-up companies for vital emergency services? That makes no sense whatsoever. It was so wrong that it led to a £33 million settlement for Eurotunnel. The Transport Secretary is shaking his head. Hopefully he is managing to multi-task and listen to these points, and will respond to them at the Dispatch Box.

Dr Rupa Huq (Ealing Central and Acton) (Lab): Does the hon. Gentleman agree that the £33 million for something that never materialised—the phantom ferry contract—is not dissimilar to the £30 million that the Secretary of State's predecessor committed to the garden bridge? There is nothing to show for that either. It was not even directly a transport project. The hon. Gentleman mentioned rail upgrades. Vital rail upgrades elsewhere in the country were cancelled when the money was committed to this project. It is taxpayer money, and Members should not laugh at this appalling waste.

Alan Brown: I thank the hon. Lady for highlighting yet another miserable failure, with more money being thrown down the drain. It is interesting that Eurotunnel was paid £33 million for vital services, given that that

seems in one way or another to replace the contract of Seaborne Freight, which was given only £14 million. So we really do have to ask what extra we are getting for the £33 million, or is this all the compensation that Eurotunnel walks away with and the taxpayer has no chance of recouping? Again, the Transport Secretary really needs to explain this.

The Government have argued that direct negotiation was possible under regulation 32 of the Public Contracts Regulations 2015, which relates to emergency situations brought about by unforeseeable events. So, after more than two years of no-deal planning, we suddenly had an unforeseen event—an unforeseen event, however, that allowed such protracted negotiations and £800,000-worth of due diligence. I would like the Transport Secretary to explain how long those negotiations were ongoing in this supposedly emergency situation, because £800,000 of consultants' money amounts to a fair bit of time in negotiation, so he needs to explain when the actual emergency situation kicked in.

The argument from the Dispatch Box was that Seaborne Freight would only receive the money if it delivered the service, but that misses the point, because if it did not deliver the service, the emergency service it was contracted for would not happen, and that would leave the Government in a right mess in terms of no-deal preparations. The Transport Secretary has also argued that Seaborne has not cost the taxpayer any money. Hopefully he will re-explain these figures, because I would like to know how £800,000-worth of due diligence, at least some of which was on Seaborne Freight, has not cost any money. How did going to court and defending the Government's position not cost any money? How did an out-of-court settlement with Eurotunnel at £33 million not cost any money that was related to Seaborne, because I am pretty sure a key plank of Eurotunnel's objections was the fact that the Transport Secretary gave an important contract to a company with no ships? Meanwhile Eurotunnel is a company that obviously provides successful cross-border services. It is no wonder it was at court.

I would also like to ask the Transport Secretary whether there are any more objections outstanding: any more risks of court action. In response to a written parliamentary question I was told that a limited number of representations were received. In my book, a limited number is more than one. We have already had one court case to date; are any more court cases pending?

The Secretary of State for Transport (Chris Grayling): None.

Alan Brown: Are we absolutely sure about that? Given the Transport Secretary's ability to count, "A hae ma doots," as they say.

The Transport Secretary has never been able to answer what the loss of the 10% Seaborne contract would actually mean for the impact on Dover? Dover is so sensitive that even 10% would have a massive effect. We have heard about the fact that a minute and a half to two minutes of additional checks per lorry could lead to 30-mile tailbacks. Fortunately, under the Transport Secretary's competent planning for no deal, we know that the Government have planned for at least 10,000 lorries by doing an exercise involving 89 lorries, driving up and down the motorway! *[Interruption.]* Yes, and the bin wagons. So 89 lorries driving up the motorway and parking up at Manston airport successfully proves

that this Government can handle no-deal preparations! I am relieved; I am happy at that. I hold to my faith in the Transport Secretary.

Tom Brake (Carshalton and Wallington) (LD): Is the hon. Gentleman aware that according to reports what those lorries were mostly doing was sitting stationary while the drivers were drinking cups of coffee, so I am not sure the Secretary of State will have learned too much from that?

Alan Brown: Well, at least the lorries were not polluting the air so much if the drivers were just sitting drinking coffee; I am sure they enjoyed the exercise anyway. This illustrates a key point, however: if the Government are seriously saying that they are ready for a no-deal Brexit, they need to up their game in what they are doing and show some level of competency. I do not see many Conservative Members wanting to justify that exercise or how the Government handled that.

Diana Johnson (Kingston upon Hull North) (Lab): I congratulate the hon. Gentleman on securing this debate. Does he share my concerns about the lack of planning for other ports around the country? The Department for Transport and Ministers have been very lackadaisical about making sure that, if there is a no-deal scenario, those ports will be able to operate?

Alan Brown: I thank the hon. Lady for that intervention. I assume she is speaking in particular about ports in the north-east of England, and it seems that the Department for Transport has not engaged with any of the Scottish ports either. This is all about mitigating things around Dover, which is fine as Dover is clearly the biggest and busiest port, but one way to mitigate the traffic impact at Dover would be to stop as much traffic as possible travelling from the north to the south and to look at these other ports, and doing some real strategic planning. Strategic planning is severely lacking from the Department for Transport.

Charlie Elphicke (Dover) (Con): I have listened to what the hon. Gentleman has been saying with great interest. He will understand that, as I represent the constituency of Dover, this subject is very dear to my heart. In any negotiation, we have to have contingency planning. That is very important and it is right that the Department for Transport takes measures to ensure that, if there are disruptions at France, as has been threatened by some French politicians, it has alternatives and different ways of getting goods in and out of the country notwithstanding that. Does he not think that in principle the Department for Transport was acting in the national interest?

Alan Brown: We could argue that in principle the Department for Transport was trying to do the right things in terms of contingency planning because, let's face it, a no-deal Brexit could happen. But in practice, it has been a pure and utter failure—a shambles. That is the difference. Contingency planning needs to be absolutely that—putting in place proper, robust procedures for the contingencies. It is clear that that has not happened.

Charlie Elphicke: I am sure the hon. Gentleman has, like me, read with interest the National Audit Office detailed report into this. It goes through the decision

[Charlie Elphicke]

making in the Department for Transport and it does not come across to me as highly critical. It highlights that

“The additional freight capacity is intended to allow government to prioritise the flow of critical goods into the UK and to enable imports to flow as freely as possible in the event of no deal.”

It has to be in the national interest that we make sure we get medicines and other critical goods into the country and that we are prepared for every eventuality. Does he not accept that as a matter of principle—yes or no?

Alan Brown: I thank the hon. Gentleman for gamely trying to defend the Government position. Fair play to him; he is the only one willing to do that. I would like to see him argue to all the members of the Public Accounts Committee that that NAO report was reassuring and that the evidence it took was reassuring, because that is not what I have heard from PAC members. So again I disagree.

If this were a real and robust process, the Government would have defended themselves to the hilt in court. They would not have caved in and done an out-of-court settlement. Again, that is indicative of where the Government are and the lack of confidence they had once they were eight-balled by Eurotunnel.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I also read the NAO report said that warnings were ignored in the “rushed...ineffective” and “inappropriate” privatisation, creating “significant risks”, that it wasted £500 million and that the number of recalled prisoners skyrocketed. But that was about the Secretary of State’s careless probation service legacy. So he clearly has a track record. As a master of understatement, he said that those reforms had not worked as well as he had hoped.

Alan Brown: I thank my hon. Friend for that intervention. I spoke earlier about the systemic procurement failures in the Department for Transport. It is clear there is a common thread between the systemic failure in the privatisation and procurement of probation services and the man who is now in charge at the Department for Transport, who is sitting here lackadaisically thinking everything is okay in the world and he is doing a fine job. I am sorry but that is not the case and that is not how it is seen in the wider country.

I will now return to some questions raised in the Chamber that have still not had satisfactory answers. The permanent secretary at the Department for Transport told the PAC that the Department had awarded Seaborne the contract before Arklow confirmed its backing. So the Transport Secretary needs to be able to provide further clarity on that. We return to the question: where were the written guarantees that he was supposedly assured about from Arklow before it walked away? It is shameful that it turns out that as far as we know no written guarantees were given by Arklow, yet when it walked away some of the most hard Brexiteers, the right-wing Brexiteers, said it was an Irish conspiracy because Arklow is an Irish company. That is shameful. It was the Department for Transport not doing its due diligence

Additionally, the director general at the Department for Transport said that it was no longer possible to complete procurement and operation for any large amount of further capacity across the channel before the end of March by either sea or rail. Can the Secretary of State explain that? Can he explain how the sudden £33 million settlement with Eurotunnel, if it is going to provide all these vital services at the end of March, stacks up against the fact that the previous argument was that the Department no longer had time to be able to source those additional services?

In relation to Seaborne Freight, the Secretary of State said that

“we have spent no money on this contract.”—[*Official Report*, 11 February 2019; Vol. 654, c. 619.]

I ask him once again if he could please spell out the real financial implications of that award to Seaborne Freight and the handling of the direct negotiations.

Mr Mark Francois (Rayleigh and Wickford) (Con): At the risk of being called a Government nark—which I am not often called at the moment—I want to ask the hon. Gentleman this question. If this emergency debate is so important to Scottish National party Members, where are they?

Alan Brown: I feel as though I have more friends in here than I would have down the pub on a Friday night. This is a really good turnout for the SNP. There are only 35 of us, so this is a good turnout. But wait a minute—I do not understand that intervention. Once we discount the Parliamentary Private Secretaries and Government Front Benchers, how many Conservative Back Benchers are in the Chamber? How many are rushing to speak in this debate and to defend the Government’s handling of this? That is the question that the right hon. Gentleman wants to ask himself.

David Linden (Glasgow East) (SNP): I am sure my hon. Friend is aware that the right hon. Member for Rayleigh and Wickford (Mr Francois) is a leading member of the European Research Group, which advocates a no-deal Brexit. Given that this issue pertains to no-deal Brexit planning, why are there so few members of the European Research Group here?

Alan Brown: That is a fair point—[*Interruption.*] It is also being pointed out that there are no Scottish Tories here—those Scottish Tories who stand up for Scotland and do such a good job with their independent leading voices. Well, where are they?

Mr Francois: Will the hon. Gentleman give way?

Alan Brown: I will give way once more.

Mr Francois: I thank the hon. Gentleman for his courtesy. Through him, I wanted to respond to the Labour gentleman sitting at the back there—[HON. MEMBERS: “He’s SNP as well.”] Oh, I am so sorry. That means there are about 13 of them. I do apologise. Most members of the ERG are, as I speak, working towards how our country can be free, so they are otherwise engaged—

Mr Speaker: Order. There has been a certain amount of frivolity on the matter of attendance at the debate, but perhaps we can now return to the theme of the debate rather than having a constant competition as to who can be more amusing at others' expense on the matter of attendance.

Alan Brown: Thank you, Mr Speaker.

I shall return to the substantive point of procurement. I touched earlier on rail franchising. The Secretary of State always says that he believes in competition. If he believes in competition, why did he have this secretive direct negotiating process? What is competitive about that? How could that provide value for money for the taxpayer? Will he come to the Dispatch Box and justify the expenditure and give us a detailed rationale of how he has managed to provide any value for money for the taxpayer in this entire process?

Victoria Prentis (Banbury) (Con): Does the hon. Gentleman agree that the ending of Seaborne's contract has not in fact cost the taxpayer a penny?

Alan Brown: I thank the hon. Lady for her intervention, which proves either that she does not listen or that the Transport Secretary does not understand the meaning of spending money. It actually resulted in an out-of-court settlement of £33 million, in legal fees—we still have to hear how much—in further risk to the Government and in the due diligence costs. That seems to be quite a hefty expenditure loosely related to the Seaborne contract.

Charlie Elphicke: Will the hon. Gentleman give way?

Alan Brown: This is getting tiresome but, yes, once more.

Charlie Elphicke: I thank the hon. Gentleman for giving way one more time. I am glad to see Scottish MPs taking an interest in the matter of trade across the English channel. I am looking again at the NAO report, which makes it clear that the Department considered that it had to use a faster process. He castigates the Department for not advertising the contract and doing the usual procurement, but the report states:

"The Regulations also allow for the award of a contract through a 'negotiated procedure without prior publication'", when time is of the essence. That is clearly what the Department did. Given the fact that the clock is ticking, it is hard to say that that was an unreasonable thing to do.

Alan Brown: I thank the hon. Gentleman for trying once more. The EU referendum was in June 2016, and as I have said, the Government are supposed to have been doing no-deal planning for over two years. So why did this suddenly become an emergency issue? At what point did the Transport Secretary go, "Oh shoot! We might have a no-deal Brexit! We need to put in some plans to deal with that." So again I rebut the hon. Gentleman's intervention. By the way, it is also a fact that the Transport Secretary did not even bother to visit the port of Dover until October 2018, even though it was supposed to be so critical. Why did it take him so long to go and see those operations in person?

Andy McDonald (Middlesbrough) (Lab): Was the hon. Gentleman as surprised as I was to hear that no costs had been incurred in this? He has highlighted the £800,000 that was paid out to consultants, but there was also the cost of dredging the port. We were told by the permanent secretary that that was paid for by Seaborne, yet the contract was cancelled. Is the hon. Gentleman as surprised as I am that Seaborne bore the cost of that itself—or was it borne by someone else?

Alan Brown: I am actually very surprised at that. I put in a written parliamentary question asking how much the Department for Transport had paid towards the dredging of the port at Ramsgate, and the answer I was given was that it had paid nothing, so I shall be challenging that further. We need to get to the bottom of this, because we know full well that that operation was not done for nothing and that the Transport Secretary was lobbying Thanet Council to keep the port open because of his negotiations with Seaborne. There is more to run on this, and I thank the shadow Secretary of State for bringing it up.

Returning briefly to Eurotunnel, we know that the out-of-court settlement was effectively a Government cave-in. The thing about that Government cave-in is that we have learned that they are going to keep 10,000 documents secret for reasons of commercial confidentiality, which will make it much harder for us to get the bottom of this. We know that they had no confidence in their own position because they settled out of court.

We also need to understand why the Health Secretary came to the Dispatch Box yesterday to tell us that this was such an important contract as it would keep medicines coming into the UK. He said that that was why the Government had negotiated the £33 million settlement with Eurotunnel. He suggested that it was not about compensation but about vital services and improvements. I repeat that we need clarity on this. If that £33 million was related to the provision of vital services, why did Eurotunnel take the Government to court? Why was Eurotunnel not identified as a reputable provider before, when the Government were looking at Seaborne Freight? How much of that £33 million compensation for Eurotunnel has gone forever? What services are we going to see? What updates will the House be given on the progress of those vital services that the Government have procured?

The Transport Secretary has been lax on updating the House from start to finish. We had one ministerial statement at the outset, which he thought would head off the bad press about Seaborne Freight. We have subsequently had to table three urgent questions, and we are now having this emergency debate. And of course, he has sometimes not even turned up to the Dispatch Box. The fact that he is unwilling to come to the Dispatch Box, state his case clearly and leave himself open to questions from Members says everything about his confidence in his own competence.

A procurement matter that I touched on yesterday is that it looks as though Bechtel is going to sue the Government over the HS2 tendering process, so will the Secretary of State identify what other departmental risks exist in relation to procurement? What review of the procurement process has he instigated? Who is heading up the review and when will it report on this matter? It is quite clear that some sort of procurement review is absolutely vital.

[Alan Brown]

I will finish by again describing the Transport Secretary's litany of failures. We heard about the near £600 million cost of privatising the probation service following his time at the Ministry of Justice.

Chris Grayling: Will the hon. Gentleman confirm to the House that the probation service contracts are running around £1 billion under budget?

Alan Brown: I cannot confirm that. The right hon. Gentleman is quite comfortable with his legacy there, so I will leave that to him; what he said is on the record. No one else seems to appreciate his legacy, including the current Justice Minister, who is trying to deal with the mess.

Gavin Newlands: I cannot believe that the Transport Secretary stood up and defended his probation service reforms. I serve on the Select Committee on Justice, and the Ministers who replaced him and his team at the Ministry of Justice have said time and again that the service is a shambles. I am absolutely amazed that he stood up to defend it. Does my hon. Friend agree?

Alan Brown: I agree wholeheartedly. To be fair to the current Transport Secretary, he allowed VTEC, the Virgin-Stagecoach consortium, to walk away owing the taxpayer £2 billion and said that that was not a bail-out. If I let somebody off from owing me £2 billion, it would seem that I had bailed them out. As I touched on earlier, he also has a lot of culpability in the Southern rail franchise and in how the model was set up, and he has been unwilling to get involved in industrial disputes. In fact, in a way he wanted the disputes to continue because of his views on the unions. We had the Northern rail timetable fiasco, where the Government again tried to argue that the taxpayer was not liable, but when Network Rail pays compensation to a franchise holder, that money comes from the taxpayer. All that is in addition to the £800,000 on due diligence and the out-of-court settlement with Eurotunnel. It has been a farce from start to end, but the Transport Secretary is not willing to accept accountability.

Patrick Grady (Glasgow North) (SNP): When hearing these lists about how the opposite of the Midas touch has affected so many aspects of public policy, we should not forget the introduction of English votes for English laws, which was undertaken when the Transport Secretary was the Leader of the House. EVEL turns the House into a shambolic laughing stock whenever we try to use it.

Alan Brown *rose*—

Mr Speaker: Order. The hon. Gentleman must confine himself to the subject matter of today's debate, the terms of which have been specified and which the Secretary of State will answer. This cannot be a general ad hominem attack on the Secretary of State or a replay of other matters that happened at an earlier point in the Secretary of State's career to which Members want to object.

Alan Brown: I will take your guidance, Mr Speaker, and perhaps spare the Transport Secretary any more of his litany of failures.

The right hon. Gentleman has already survived what was effectively a vote of no confidence, but I have several times called for him to be sacked, as has the shadow Transport Secretary, and he should do the right thing and step aside. It is abundantly clear that his handling of this shambles has been truly shameful. I will be interested to hear what he says at the Dispatch Box, but I have no confidence in his handling of this matter and he really should think about walking.

1.43 pm

The Secretary of State for Transport (Chris Grayling): As I have explained to the House on several occasions, the Government entered into contracts with ferry operators to provide additional ferry capacity and services into the UK as part of no-deal contingency planning. However, as we have heard clearly this afternoon, the reality is that the SNP does not believe in preparing for no deal. Even though the hon. Member for Kilmarnock and Loudoun (Alan Brown) accepts that it is a possibility, a risk and a danger, he does not support us in preparing for the risk of a no-deal exit—[*Interruption.*] The Labour Front-Bench team say, "Take it off the table," but we can only take no deal off the table by reversing Brexit or agreeing a deal. The reality is that Labour and the SNP have spent week after week trying to prevent a deal, voting against the deal and trying to disrupt the process of getting towards a deal. Frankly, they are acting in anything but the national interest in doing so. We, however, have been acting in the national interest in preparing for all eventualities.

Wayne David (Caerphilly) (Lab): If the Secretary of State really believes that no deal should be an option, why on earth did the Government not begin preparations sooner?

Chris Grayling: We have been preparing for a no-deal exit for months and months. There was a particular reason, as I will set out in a moment, for this particular procurement at this particular time, but my Department has been working for months to prepare for the risk of no deal. That can be seen in the new international aviation agreements, in Kent, where we have put in alternative resilience systems to the deeply disruptive Operation Stack, and in many other things.

Julian Knight (Solihull) (Con): It is not just here that we see the Opposition parties not acting in the national interest, because the same applies to statutory instruments. It is a constant refrain. Does my right hon. Friend agree that the only way of taking no deal off the table is by voting for the Prime Minister's deal? It is time for the Opposition parties to put narrow party politics aside.

Chris Grayling: Absolutely. All that we have heard for months is, "Why are the Government getting this wrong?" but we have had no tangible or realistic plans from the Opposition. At every opportunity, they simply work to disrupt the Brexit process. Labour stood on a manifesto that respected the referendum result, but the party is doing anything but respecting the result. If it continues to disrupt the Brexit process, it will pay a heavy price in its heartlands, where people voted for Brexit.

Charlie Elphicke: I have been reading the NAO report with considerable interest, and it says:

"Over the summer of 2018, government departments stepped up their contingency preparations for no deal."

The truth of the matter is that Government policy changed in summer 2018 to step up contingency planning, so the Department for Transport acted from that point onwards because wider Government policy had changed from that point onwards.

Chris Grayling: My hon. Friend is absolutely right, although I must say that we started some of our planning well before then. However, it is certainly the case that last summer, as we saw the progress in the negotiations, the Government stepped up their preparations for no deal, as any responsible Government should. It is quite extraordinary that the Labour party seems to believe that we can just wave a wand and take no deal off the table. We have voted to leave the European Union, and we will either leave the European Union with a deal or without a deal, or we will reverse Brexit. Those are the only three options.

Mr Francois: It is right that Government did indeed step up their no-deal preparations, as my right hon. Friend has quite rightly told the House, but one of the points of debate has been the speed at which the Chancellor of the Exchequer has been prepared to release funding to individual Departments to facilitate those preparations. Does my right hon. Friend think it would be helpful in future if the Chancellor were to lean forward a bit more to ensure that all preparations are fully funded in good time?

Chris Grayling: I will leave my right hon. Friend to make his point, because I do not want to start debating discussions within the Government.

The hon. Member for Kilmarnock and Loudoun asked why we started this procurement when we did. As I have said, we and the national health service had been preparing for disruption at the ports lasting approximately six weeks after exit day. However, based on the negotiations, on comments coming from Brussels and on what we saw happening on the other side of the channel, the analysts changed that assumption late last autumn and recommended that Government prepare for a longer period of disruption.

At that point, the Department of Health and Social Care rightly highlighted the fact that that would put significant pressures on their stockpiles of drugs. The Government therefore collectively decided following discussions in Cabinet Committees to go to the ferry industry to secure capacity to guarantee the delivery of drugs to this country in the event of a no-deal Brexit. That was a collective decision, and it was the right decision. We talked to all the current ferry operators working across the North sea and the English channel, plus any other operator with tangible plans to do so. That is where the procurement came from.

David Hanson (Delyn) (Lab): Is this not the key question, however? Did the right hon. Gentleman have advice from his officials that negotiations solely with ferry companies would result in a legal challenge by Eurotunnel, which ultimately he has now paid off with a £33 million investment from taxpayers?

Chris Grayling: We knew, in accelerating the procurement process, that there was a legal risk. That has been highlighted in the NAO report. However, it was my

judgment, the judgment of my accounting officer and the judgment of those who vetted the plan across the Government that that was a risk that we should take, given the need to ensure that we had a supply of drugs into the country in the event of a no-deal Brexit.

David Hanson: The right hon. Gentleman has said that there was a legal judgment that there was an element of risk. He took that risk, and his actions have therefore cost the state £33 million.

Chris Grayling: We took a collective decision, in the light of the legal advice, which was taken by me, by my accounting officer, and by those who approved this across the Government, and we did so—[*Interruption.*] We did so because we judged it important to ensure that we had a proper supply of drugs to the NHS in the event of a no-deal Brexit. I challenge Labour Members, as they chunter from the Front Bench, to say that they disagree with ensuring a supply of drugs to the UK in a no-deal Brexit.

Peter Kyle (Hove) (Lab): I have been listening very intently to what the right hon. Gentleman has been saying. The thing that really surprises and shocks me is the fact that there is a complete lack of humility with regard to the fact that £33 million of public money—taxpayers' money—has been wasted. Could he just stand up and say sorry to them?

Chris Grayling: I very much regret the fact that we were taken to court. It was a risk that we acknowledged was there, but I stand by the decision to make sure that we could guarantee the supply of drugs to the NHS in the event of a no-deal Brexit.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): Does my right hon. Friend agree that proper preparation is an important role of the Government, and that frightening people unnecessarily, particularly those who are vulnerable and dependent on medicines, such as those with epilepsy, is completely irresponsible and unkind? Can he confirm to my constituents that the medicines will be available, regardless of whether we have no deal or Brexit on the Prime Minister's deal?

Chris Grayling: I can absolutely confirm that, and I think it is absolutely right and proper that we took the steps necessary to ensure that continuity of supply. We did so with a collective decision across the Government, taken by Cabinet Committees.

Andy McDonald: Does the Secretary of State not understand and accept that today he is laying bare the advice that he received—and that he acted in contravention of that advice and he lost? We are not asking for an absence of preparation for contingencies; we are asking for a modicum of competence, and he has singularly failed.

Chris Grayling: We did not receive legal advice saying, "Do not do this." We received legal advice saying that there was a risk in taking the approach, and we judged collectively across the Government that it was a necessary risk to take in the national interest.

Joanna Cherry (Edinburgh South West) (SNP) *rose—*

Charlie Elphicke *rose—*

Chris Grayling: I am going to make a bit of progress, because I have given way many times.

Let me touch briefly on the issue of Seaborne Freight, which was raised exhaustively by the hon. Member for Kilmarnock and Loudoun, and on which I have answered question after question in the House. First, to be clear, the agreement with Eurotunnel was not about the contract with Seaborne Freight; it was about the procurement process, and particularly about the continuing contracts we have with Brittany Ferries and DFDS for additional ferry capacity into the UK, to provide us with resilience. I have spoken exhaustively in the House about Seaborne Freight. I am disappointed that the contract had to be terminated. I stand by the decision to give that company a chance, particularly since it was backed by Ireland's biggest shipping firm at the time. We have, as a Government, paid no money at all to Seaborne.

The hon. Gentleman keeps asking me about spending money on due diligence. We spend money on due diligence for contracts that we do not award as well as for contracts that we do award, because rightly and properly in government due diligence is applied to a tender of any sort. That is what we did in this case, and what we do in all other situations. That, again, is the right thing to do.

So it is absolutely clear—I want to be absolutely clear—that when it comes to the Eurotunnel litigation, the settlement struck between the Government and Eurotunnel was separate to the issue of the Seaborne debate, and it was struck, I think, in a way that is designed to ensure that the taxpayer actually receives value through the addition of important facilities at the border that will smooth the flows.

Joanna Cherry: On that point, will the Secretary of State give way?

Chris Grayling: It was a challenge to the procurement process, on which I said I took detailed legal advice at the time of procuring, which I and my accounting officer took into account when awarding these contracts. We expected that if a legal challenge were brought, any court determination would be brought well after Brexit and would not disrupt the process. All this, as the hon. Member for Kilmarnock and Loudoun will be aware, has already been looked at by the National Audit Office. We have invited it to take a further look, but I stand by the decisions that we took.

These decisions were not simply taken by me and by my Department; they were decisions taken collectively, in the national interest.

Joanna Cherry: Can the right hon. Gentleman confirm, just for the record, that not a single penny of the £33 million paid out to Eurotunnel will be returned in the event that there is a deal?

Chris Grayling: The deal that we have done is to pay for additional facilities at the border, to create a smoother flow at the border. That is something that we will benefit from at the borders.

Joanna Cherry: You are not telling the truth.

Hon. Members: Oh.

Mr Speaker: Order. Look, I understand passions are high, but the hon. and learned Lady must not say that the Secretary of State is not telling the truth, because that—[*Interruption.*] Order. That is an imputation of dishonesty. The hon. and learned Lady may think that the Secretary of State is wrong, but I am afraid before the debate proceeds further she must withdraw that charge.

Joanna Cherry *rose—*

Mr Speaker: I am not debating it.

Joanna Cherry: I will withdraw it and I will speak later in full.

Mr Speaker: I say to the hon. and learned Lady that I am chairing this debate. The hon. and learned Lady will speak in full, or otherwise, if and when she catches the eye of the Chair. Thank you.

Chris Grayling: Mr Speaker, I simply reiterate: the settlement that we have reached with Eurotunnel is going to pay for improved facilities at the border, to improve flow, to make sure that our border through the tunnel works more smoothly in future, particularly in the post-Brexit world. That is a simple, factual point about the settlement that has been reached.

Charlie Elphicke: I thank my right hon. Friend for giving way one more time. He knows that the port of Dover could see the legal risk of the process that he had undertaken, but decided to act in the national interest. Will he make sure that the port of Dover is not in any way disadvantaged in relation to this matter?

Chris Grayling: I have to say that the management of the port of Dover have been exemplary for the last few weeks in co-operating with us, not only over this but in preparations for no deal. They rightly judged that it was not in their corporate reputational benefit to try to block the delivery of drugs to the NHS in a post-Brexit world. I am disappointed that not everyone took the same view.

Alan Brown *rose—*

Chris Grayling: I am going to make some progress.

I simply want to reiterate the point. We have taken the decisions. We collectively, in the Government, back in November; we collectively, a couple of weeks ago; we collectively, about this settlement, have taken the view that we need foremost to put the national interest first. We need to make sure that this country is ready for a no-deal exit, even though we are working very hard to make sure that that does not happen. We are working very hard to make sure that we are prepared for all eventualities. That is the responsible thing for the Government to do. Sometimes you have to take some risks in doing that, but I think sensible Governments take risks in the national interest. I and we and all of my colleagues who took this decision collectively, stand by this decision; we are deeply sorry that it did not work out in the way we had intended, but the reality is, it was the right decision to take, because we were putting the

national interest, and particularly patients in our national health service, first—and that, Mr Speaker, you would expect any responsible Government to do.

1.58 pm

Andy McDonald (Middlesbrough) (Lab): It is good to see the Transport Secretary finally in his place today, after I tried and failed to bring him to the House yesterday. Instead he sent the Health Secretary as his human shield, but that came as no surprise, considering how the Transport Secretary has made a habit of treating this House with disdain. Perhaps he will reflect upon that.

I thank the hon. Member for Kilmarnock and Loudoun (Alan Brown) for securing this debate. Understandably, the Health Secretary was not able to answer the questions put to him yesterday, so I am going to have another go at getting some answers out of the Transport Secretary, but I am not holding my breath. In the papers filed at court in the weeks before the case was due to be heard, the Government lawyers described Eurotunnel's case as "embarrassing". They were bullish and confident, yet in the early hours of the morning of 1 March a settlement was reached between the Government and the company. This sequence of events raises many still unanswered questions.

Joanna Cherry: Does the hon. Gentleman agree that there is at least an apparent conflict between the reported out-of-court settlement of £33 million and the Secretary of State's claim that the £33 million is to pay for "improved security", and that we ought to be trying to get to the bottom of whether that is accurate?

Andy McDonald: The hon. and learned Lady makes an important point on an issue to which I will be returning in a few minutes.

Alan Brown: I tried to intervene on the Transport Secretary on this point. Was the hon. Gentleman as surprised as I was that only after an out-of-court settlement with Eurotunnel had been agreed was this suddenly all about medicines? We had all the other urgent questions and medicines were never mentioned, yet we come to the Eurotunnel settlement and suddenly this is a health-led initiative. Does he share my surprise?

Andy McDonald: Yes, I was greatly surprised, but the hon. Gentleman has to concede that there had to be some justification for bringing the wrong Secretary of State to the Dispatch Box, and if a hook could be found to hang that on, that was as good as any. It was a nice try, but it failed totally.

Mr Jim Cunningham (Coventry South) (Lab): Has my hon. Friend noticed that every time the Government get something wrong through their incompetence, the excuse is that it is "in the national interest", yet when Labour Governments make mistakes it is a different thing altogether?

Andy McDonald: My hon. Friend makes a pertinent point. I am just astonished that people can hide behind what they perceive as being the national interest; I fail to see how it is in the national interest to pour millions of pounds of taxpayers' money down the drain. I do not call that being in the national interest at all.

Neil Gray (Airdrie and Shotts) (SNP): I understand that the hon. Gentleman is about to turn to some of the questions he would like the Secretary of State to answer, but does he agree that one of them should be about the due diligence process that was carried out? The company that carried out that due diligence says that it could not ask the normal questions of Seaborne Freight because it was such a new entity. So how could the Government be in any way confident in their risk aversion in awarding that contract to Seaborne in the first place?

Andy McDonald: That is a very good question, and I have raised the point myself. Those who were inquiring into the bona fides of these companies were restricted in the scope they were given. Why on earth they did not look into the track record of the individuals concerned at Seaborne is beyond me, as these things are well known. A mere cursory search of Google tells us about the track record of Ben Sharp in his dealings in the Gulf, but seemingly that was not considered. The hon. Gentleman makes the point well.

Let me return to the settlement that was achieved on 1 March. I want to know why the Department for Transport was so confident about winning the case only a week before. What brought the sudden change in strategy towards the legal challenge? The Department clearly thought it could win. Who intervened? What was the view taken by other Departments—the Department of Health and Social Care Health, the Treasury and Downing Street? Why did they take a different view from the Department for Transport? Why did the Government not settle earlier? Why did they leave it so late? Why did they continue to employ Monckton Chambers and a QC and two barristers, who do not come cheap? How much was spent on this case, both on Government legal fees and Eurotunnel's fees? Will the Secretary of State say who made the decision to settle with Eurotunnel over the £33 million provision of emergency medical supplies in the event of no deal?

Chris Grayling: I will give a very specific answer to that question: a Cabinet Committee.

Andy McDonald: I am grateful for that clarification that it took a Cabinet Committee to make such a mess of things. Can the Secretary of State specifically say what is in this standard settlement—or are there other clauses within it? Ordinarily, when such cases are settled, they are done by reference to a consent order, in which there would be a paragraph dealing with the sum of money to be paid. In these circumstances, it may say "£33 million" and it may say the date upon which that sum is to be paid. It may also say that the costs are to follow the event. So we want to know the answers to those questions.

Joanna Cherry: Does the hon. Gentleman agree that it would be highly unusual in an out-of-court settlement for the party settling to stipulate how the party receiving the settlement would spend the money?

Andy McDonald: I absolutely agree with the hon. and learned Lady on that. Having been in practice for the thick end of 30 years, I have never entered into a settlement where the defendant has told me what I am going to spend the money on. That is absolutely ludicrous, so we need to know the answers.

Sir Edward Leigh (Gainsborough) (Con): Earlier, the hon. Gentleman said that the Secretary of State was being used as a human shield. Is he aware that many Conservative Members have considerable sympathy with the Secretary of State? We believe he has been urging his colleagues for the past two years to undertake contingency planning for no deal but was frustrated by other people, perhaps in the Cabinet, who did not want to do that. If mistakes are to be made because these decisions have been taken at the last moment, it is not the fault of the Secretary of State, but he is too much of a gentleman to argue that in his own defence.

Andy McDonald: I am grateful to the right hon. Gentleman for that revealing clarification about the obvious chaos that the Government are in over these important issues. They do not speak with a concerted and singular voice, and people are falling out with each other left, right and centre. That comes as no surprise to me whatsoever.

Peter Grant (Glenrothes) (SNP): The hon. Gentleman clearly has a lot more experience than I do in matters of collective responsibility. Let us take the previous intervention at its word. If a Secretary of State is clear that the collective responsibility of the Government is preventing him or her from doing the job properly, is not the only honourable course of action for that Secretary of State to resign? So what the right hon. Member for Gainsborough (Sir Edward Leigh) has done by speaking in his defence is say that the Secretary of State should not resign now, as he should have resigned months ago.

Andy McDonald: That is a fair observation. We have heard that the Secretary of State was prevented from undertaking contingency planning in the first place because of disputes in the Government and that it took the Government to make a collective decision because nobody could come forward to take a decision on this settlement themselves. That really does characterise a Government in chaos and meltdown. Can the Secretary of State say which Departments contributed towards the £33 million? Yesterday, the Health and Social Care Secretary did not know whether his Department had contributed, so will the Transport Secretary please clarify which Department or Departments paid that bill?

Charlie Elphicke: Although I do not agree with the action that Eurotunnel took, it has to be said that this £33 million is clearly being invested in border infrastructure. I would like to see and have been calling for similar investment in Dover. Does it not occur to the hon. Gentleman that this money could have been very well spent as “no regrets” spending to improve our border security and trading links?

Andy McDonald: I say gently to the hon. Gentleman that that is a ridiculous proposition. Is he saying for a single second that this is wise investment and that it takes a court case for people to come to the right conclusion about investing in our border provision? Is he really suggesting that that is the way to drive public policy? Is he suggesting that we drive Government policy through the litigation process, whereby a claimant puts a case to the Government to say, “This is what you should be doing.”? He cannot possibly sustain that as an argument.

Charlie Elphicke *rose—*

Andy McDonald: I know the hon. Gentleman wants to get to his feet to retract that comment, so I will let him intervene again.

Charlie Elphicke: The hon. Gentleman is making a facile point. My point is simply that the Secretary of State, confronted with opportunism, has made the best of a bad job to make sure that the investment is used to the good of the country, not to fatten the profits of Eurotunnel. In a difficult situation, he has done the right thing, trying to act in the national interest while being consistently undermined by the Labour party, the Scots Nats party, the TIGgers and everyone on the Opposition Benches, who have been continually trying to undermine this country's leaving the European Union.

Andy McDonald: If the hon. Gentleman really thinks that expending £33 million when the Government did not want to or need to is a sensible way forward and a sign of success, I really do not want to see what failure looks like. That is outrageous. Saying that £33 million was the maximum amount to be paid implies that payment was conditional on particular outcomes being achieved. There is a lack of clarity on whether the Government can claw back money from Eurotunnel if it is not used on Brexit preparations. So do such provisions exist?

On that point, was the permanent secretary at the DFT correct to say of the Seaborne contract award:

“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”?

Has the Secretary of State's Department therefore thrown £33 million of public money down the drain by not contesting Eurotunnel in the courts? Or is it the case that because of the Prime Minister's catastrophic Brexit negotiating tactics, which have brought us right up to the cliff edge with 24 days to go before we leave with a default no-deal Brexit, the Government's failure to plan for such a devastating outcome has meant that they have given themselves no option but to pay out this money to Eurotunnel? Surely nothing says more about the shameful and destructive Conservative party than how, in the year 2019, a UK Government are having to make such costly decisions about prioritising medicines over food supplies. This disaster is only of the Conservatives' own making.

The Secretary of State for Health and Social Care was wrong to claim that yesterday's urgent question was not related to Seaborne even though the legal action was brought about in response to the award of a contract to Seaborne Freight. He did not explain why, if it was not related, as he stated, an agreement was reached with Eurotunnel now rather than in November or December. It is one way or the other.

Chris Grayling *rose—*

Andy McDonald: I am happy to take an intervention. Hopefully the Secretary of State can come to the Dispatch Box and correct his human-shield colleague, because the urgent question was directly related to the Seaborne contract.

Chris Grayling: Once again, the hon. Gentleman has conveniently forgotten that 90% of these contracts for the things on which the NHS is depending are with

DFDS and Brittany Ferries. I wish that at some point he would be frank with the House and explain the full gamut of what we are talking about.

Andy McDonald: That is not the first time the Secretary of State has put up this false argument, as if 10% of the goods flowing into this country through these ports and by this method are somehow irrelevant and unimportant. It is a ludicrous proposition. If damage was caused to 10% of the trade coming in, we would be in an incredibly difficult position.

Chris Grayling *rose—*

Andy McDonald: No, I have already let the Secretary of State intervene on this point. [HON. MEMBERS: "Oh!"] Come on then, get it over with!

Chris Grayling: The hon. Gentleman cannot add up. This contract brought 8% of the equivalent, in total, with DFDS and Brittany Ferries, and the contingency buffer was made up by Seaborne on the basis of buying tickets in advance that we would not pay for unless the ship sailed.

Andy McDonald: I cannot add up? I really think that is pot calling kettle. The Secretary of State has not been able to count for years; he is costing us a fortune.

Andrew Dean from law firm Clifford Chance warns that this may not be the end of the matter. Mr Dean, who used to advise the DFT and is a procurement specialist, says it is quite likely that the Eurotunnel deal will be challenged. What contingency planning has been done in relation to such a challenge, and what public funds, if any, have been allocated as part of such plans? The Secretary of State talks about having received legal advice and listened to it; perhaps he could tell the House what advice he has received about the risk of yet further satellite litigation because of the deal he has done.

The Government talk about the UK maritime industry being market-led. Is it not the case that the Secretary of State's blundering interventions have directly undermined the industry? He promised to ensure continuity of supply for six months in the event of a no-deal Brexit. Key to that was not increasing traffic around Dover, yet the Eurotunnel/Getlink route still goes through the same bottleneck road network on either side of the channel.

The Secretary of State appears to be puzzled by the anger of the House. Allow me to explain why Members and the public are so furious: this latest fiasco would be enough to warrant the resignation of the Secretary of State even if it were an isolated incident, but it is not a one-off; rather, it is the latest costly error in a series of blunders—blunders that could have been avoided were a different, more competent Secretary of State in post.

Alison Thewliss (Glasgow Central) (SNP): The hon. Gentleman is making a really good point, but my constituents are also very cross about the sheer waste of money in all this, and at a time when we are told that we do not have any money for anything else.

Andy McDonald: The hon. Lady makes a valid point. An awful lot of people are looking at these eye-watering sums and thinking about what else could benefit from such interventions. That really makes my point for me:

the Transport Secretary's record is that of a departmental wrecking ball. Almost every decision he made as Secretary of State for Justice was damaging and eventually reversed, at significant cost to the taxpayer. As Secretary of State for Transport, he has repeatedly thrown our transport networks into chaos, wasting obscene amounts of public money. A £2 billion bail-out for Virgin Trains on the east coast line; his failure to prepare airports for drone attacks; his awarding of contracts to Carillion when the company was on the verge of collapse; the rail timetabling chaos; the privatisation of probation services; the banning of books from prisons—the list goes on and on.

Research into the total cost of the Secretary of State's mistakes, both in his current role and at the Ministry of Justice, found that he has cost the taxpayer £2.7 billion. That money could have paid for the annual salaries of 118,000 nurses or 94,000 secondary school teachers. Instead, it has been squandered. He has even wasted more money than the Prime Minister offered as a Brexit bribe to towns. Shamefully, all this has been allowed by the Prime Minister, who keeps him in post because she is short of allies in the Cabinet. The country is being made to pay a heavy price for her political weakness. This would be unacceptable at any time—

Chris Grayling: This is really poor.

Andy McDonald: The right hon. Gentleman says, "This is really poor" from a sedentary position, and I agree with him: this is really, really poor. It would be unacceptable at any time, but it is especially outrageous following the years of austerity and neglect that have left our towns and communities hollowed out and our public services in crisis.

Joanna Cherry: The hon. Gentleman is giving an excellent speech. Does he agree that if the SNP Government in Edinburgh or the Labour Government in Cardiff were guilty of this sort of profligacy with public money, we would never hear the end of it from Conservative Members?

Andy McDonald: The hon. and learned Lady is exactly right: it is one rule for the Tory party and another for everyone else. [*Interruption.*] No, it is not a funny issue. The right hon. and hon. Members on the Government Front Bench would condemn such waste, and with some justification; they really cannot complain when other people hold them to account for their continuous errors and wastefulness.

There are now 8 million working-age adults in poverty, while child poverty has grown to more than 4 million and rising; councils have had their funding slashed by half; violent crime is rising; and school budgets are seeing cuts for the first time in 20 years. In my constituency and many others throughout the country, there is appalling poverty and people are struggling. We are told that there is not the money to properly fund our schools, hospitals or social care services, yet the Prime Minister always finds the money to indulge the Secretary of State's latest blunder. A further £1.9 billion has been spent on planning for a damaging no deal. For some, it seems, austerity is over. It is one rule for Tory Ministers and another rule for the rest of us. This cannot be allowed to continue. On behalf of the country, I implore the Secretary of State to resign.

2.18 pm

Charlie Elphicke (Dover) (Con): I congratulate the hon. Member for Kilmarnock and Loudoun (Alan Brown) on securing this debate. He has been far more efficient and effective than the official Opposition, who did not seek this opportunity.

It seems to me, representing one of the channel ports as I do, that the issue is that the people of Britain voted to leave the European Union. Some 17.4 million people voted to leave and we need to make a success of it. They voted to leave because they believed in Britain and in the kind of land of opportunity that we could build. They believed in the kind of future that we could make outside the European Union. That vote needs to be respected.

Having backed remain myself, after the vote I listened to my constituents, who said, “Let’s leave,” and I spent time on contingency planning. Two years ago, I set out a detailed report about how we needed to be ready on day one, deal or no deal; how we could overhaul our entire customs systems, our road infrastructure and our border infrastructure; and how that investment would be no-regret spending because a more efficient border system would provide economic growth. That is not just my case; it is what Jon Thompson, head of Her Majesty’s Revenue and Customs, said in evidence to the Treasury Committee when I raised the possibility of a single Department for borders. That is why I say that it is no-regret spending to invest in our borders, our border security and our border systems.

The shadow Secretary of State rejects as absurd the view that we should make such an investment. No doubt it would not be made by a Labour Government—they did not make it last time, so they would not do it now. They are not serious about border security, and they have a leader who believes that every single migrant should be allowed to wander into the country.

Andy McDonald: In case the hon. Gentleman wants to cite my words accurately, I said that the litigation route was a peculiar way of going about investing in infrastructure. Waiting until somebody sues us before we decide what to do—surely to goodness, that is not the way we should go about business when developing policy in this country.

Charlie Elphicke: The Labour party failed completely to invest in many things, including border infrastructure, when it was last in power, and it has not been serious about border security and border control ever since.

Dr Caroline Johnson: Did my hon. Friend note, as I did, that under the stewardship of the last Labour Government, the UK transport system fell from seventh best in the world to 33rd? Perhaps that is an indication of how well the Labour party would look after our transport system in the future—if it gets the opportunity, which I hope it will not.

Charlie Elphicke: My hon. Friend is absolutely right. This Government have invested substantially in transport. I believe we need more investment in roads to the ports, as has been set out in transport reports, and in infrastructure at our ports. It is so important, particularly as we leave the European Union, that we invest in our trading systems and ensure that the ferries, the channel tunnel

and all other logistics work efficiently, swiftly and well. That is why, two years ago, I set out the fact that we needed to plan to be ready on day one, deal or no deal.

Alan Brown: I welcome the hon. Gentleman’s congratulations on securing this emergency debate, which suggests that he agrees that it is needed because the Government are not answering questions properly. He is making a point about contingency planning; I respect the fact that he is talking about planning ahead two years ago and about no-regret spending. Does he know any more than other hon. Members present about what security improvements are coming after the £33 million settlement with Eurotunnel? The Transport Secretary certainly has not explained them.

Charlie Elphicke: I do not represent the tunnel, which is in Folkestone and Hythe; I represent Dover. However, I have been keen to press the Secretary of State to ensure that Dover receives similar investment and that it does not lose out, and I look forward to his confirmation that that will be the case.

Sir Edward Leigh: Away from the party games, we all know that the problems in the British transport system are so intractable that any Secretary of State would face them. Many Conservative Members think that if the rest of the Cabinet had listened to my right hon. Friend the Transport Secretary two years ago and started no-deal planning at the time, not only would the EU have taken us seriously and offered a much better deal, but we would not have made the mistakes that have clearly been made. It is not the Transport Secretary’s fault.

Charlie Elphicke: I thank my hon. Friend for making exactly the point that I am coming to. I set out how we needed to invest to be ready on day one, deal or no deal; as I argued at the time, to get the best negotiation, we needed to be able to get up and walk away from the table. I also set out detailed legal reasons why we did not owe any of the divorce bill—another point that was important to our negotiation.

The Government as a whole—the Cabinet—decided not to spend money at that time. The Cabinet decided not to invest at that time. The Cabinet decided not to take forward contingency planning at a substantial level until after the Chequers discussions. To visit that on the Secretary of State would not be fair, right or proper.

Joanna Cherry *rose*—

Peter Grant *rose*—

Charlie Elphicke: I have given way quite a lot, so I will make some progress.

The Secretary of State has worked hard in the national interest to make sure that contingency plans, once authorised, have been taken forward. I pressed him on the point, because I wanted to see a new route from Dover to Zeebrugge in Belgium, but it would have required a level of intervention that is difficult under the procurement rules. As it was, he undertook procedures that were known within the Department to be legally risky, but were seen as being in the national interest because of the time available. I have to agree that that decision was in the national interest. It would have been

very easy for the port of Dover to go for an opportunistic legal action on the basis that it was being shut out of the process, but it would not have been the right thing to do.

Everyone across the country could see what the Secretary of State was trying to achieve: to take pressure off the port of Dover and the channel tunnel in case there were difficulties with France. That was a concern at the time because of the kind of rhetoric that was coming from the French President, Monsieur Macron. Now that things have moved on and we know that the European Union will extend transit on a no-deal basis, the risk of such difficulties is much less, but that was not known at the time. It is right that the Secretary of State and the Department take measures based on the information before them.

Kevin Foster (Torbay) (Con): I am listening to my hon. Friend's speech with quite some interest. If he had to choose between the risk of potential legal action and the risk of no medicines for our NHS, would he make the same choice as the Secretary of State?

Charlie Elphicke: Therein lies the heart of this debate. The Opposition are saying that the Secretary of State should not have taken this action at all. They are attacking him for taking contingency planning measures. The kernel of their argument is that he was wrong to take them. I think that that is incredibly opportunistic. As I said, he may or may not have been allowed out of the traps as early as many of us in this House would have liked, but once he was away, he took the measures that were necessary.

Beyond the whole issue of contingency planning, some important improvements are needed in our country. The reason we need contingency planning is that we have not invested in our border systems and infrastructure as perhaps we might have done in the past. To set out the case for my constituents and the people of Kent, we need to ensure that our infrastructure is better prepared, because—irrespective of Brexit—we have big queues in Kent and problems on the ferries and in the tunnel.

Contingency planning or no contingency planning, there needs to be investment in more lorry parking in Kent, and the Department for Transport needs to be more effective in taking it forward. The roads to the port need upgrades. In particular, the A2 dualling, which was taken out of the programme by John Prescott in 1997 as one of the cuts in the early days of the then Labour Government, is long overdue and needs to be brought back as quickly as possible. It is also incredibly important that contingency plans work on a balanced basis between the tunnel and the port of Dover.

Lilian Greenwood (Nottingham South) (Lab): Does the hon. Gentleman accept that our case is not that there should be no contingency planning, but that if the contingency planning had been done in a timely fashion and under proper procurement rules, it would not have put the Government at the legal risk that has now cost them at least £33 million?

Charlie Elphicke: The difficulty with the hon. Lady's point is that she and her party are trying to lay the blame opportunistically at the Secretary of State's door. My point is that the Government as a whole should have released the funds and made the decision to invest in our borders. Irrespective of this debate and of Brexit,

that investment is in the national interest because our country will benefit from having more efficient, effective, safe and secure borders and from more efficient trading systems. Fewer people will be able to enter the country unlawfully, and people who are here unlawfully can be helped back to where they have come from.

We need to ensure that our trading systems are efficient and effective not just for our trade with Europe, but for the trade that we already do under World Trade Organisation terms. The more efficient we make them, the more economic growth we will get. Again, those are not my words, but those of Jon Thompson in evidence to the Treasury Committee—and he runs HMRC.

Alan Brown *rose*—

Charlie Elphicke: I will give way one last time.

Alan Brown: Given that the hon. Gentleman's robust defence of the Transport Secretary is that the fault lies not with him but with the entire Government, who does the hon. Gentleman think should resign over this fiasco?

Charlie Elphicke: I am saying that the Secretary of State is not at fault, but neither are members of this Government. It is too many Members of the House of Commons who are at fault for not heeding the votes of 17.4 million people who say that we should leave the European Union at the end of March. It is about carrying into effect the referendum mandate, which the Scottish National party, the Labour party, the Liberal Democrats and the TIGgers have continually declined to do and sought to stop at every single turn. This House should respect the decision of the British people because this House asked the British people to make that decision; and that decision, having been made, should be respected.

People in this House are at fault, and they know who they are. To a person, those people know that they have not been doing their bit to ensure that we carry into effect the democratic will and decision of the British people. It is entirely shameful of the Opposition parties to have opportunistically attacked this Secretary of State, when the whole House knows that the Secretary of State has been working hard and doing his bit in the national interest to ensure that Brexit is a success and that we are ready on day one at the end of March.

2.30 pm

Carol Monaghan (Glasgow North West) (SNP): I thank my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) for securing this important debate. It is interesting to follow the hon. Member for Dover (Charlie Elphicke), who asked us to respect the decision of the people. Well, SNP Members respect the decision of our constituents and the people of Scotland, who voted 62% to remain, and we will continue not just to respect that, but to stand here and defend their decision. The hon. Gentleman spoke about this utopia voted for by the people who wanted to leave—this wonderful place that would be the UK out of Europe. However, he failed to recognise that people voted to leave because they were neglected, forgotten and ignored for years and years. Those areas had not been invested in and, as a result, there was a vote. But it was a vote of anger and protest, not for the mess that we are currently in.

[Carol Monaghan]

During yesterday's urgent question on the Eurotunnel payment, the Secretary of State for Health insisted 24 times—I have been through *Hansard*—that these contracts were about the unhindered supply of medicines. He also went on to say:

"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"—[*Official Report*, 4 March 2019; Vol. 655, c. 710.]

I just wonder what part of the contingency planning process awards contracts to a company that has no ferries, when this is all about the vital supply of medicines. It makes no sense whatever.

Given that the Secretary of State for Health yesterday answered questions for his pal, the Secretary of State for Transport, I assume that there will be a reciprocal agreement today. I hope that the Secretary of State for Transport, before he leaves, will answer some questions about health. If this is all about the unhindered supply of medicines, we need him to answer some questions about medicines. In particular, I want him to answer some questions about medical radioisotopes. I have been asking about this issue for more than two years without any proper information coming forward. I asked yesterday, and I previously asked a fortnight ago during Health questions on 19 February. It is a shame not to see the Health Secretary here today as he is so good on transport. On 19 February, he said that any issues with the supply of radioisotopes would be dealt with because the radioisotopes would be brought in by air. He also said that this planning was at an advanced stage. That was a really useful statement. If this contingency planning is indeed at an advanced stage, I would be keen to hear about the arrangements—about what is actually happening to ensure that we have radioisotopes for medical diagnosis and cancer treatment.

Most of our medical isotopes currently come through Dover or Coventry airport. If we assume that they are going to be coming through Coventry in the event of problems at Dover, we can also assume that there is expertise there to deal with it. Coventry airport deals with isotopes efficiently and effectively at the moment, but has there been increased capacity planning? We now know about the £33 million, and we have heard statements today that this will improve the services and ensure that everything runs smoothly, but I wonder how much has been spent on increasing the capacity at Coventry airport. If we are at an advanced stage of planning, I wonder how much training and upskilling has been done for staff in Coventry. Dealing with radioisotopes needs special skills and training, but I am sure it will be fine because we are at an advanced stage.

The UK is not self-sufficient when it comes to producing these materials. Around 80% of the materials we get come from Europe—from the Netherlands, Belgium and France—but, unlike medicines, they cannot be stockpiled. As soon as they are produced, they begin to decay, and the longer the delay, the smaller the dose of useful isotope that remains. There are two isotopes that are important in this process. The first is molybdenum, which has a half-life of 66 hours. Just to be clear, half-life means that after 66 hours it is half as effective as it was, and after another 66 hours it is half as effective again. This means that if we have a delay of

even under a week, only a quarter of the useful substance will get to us. Once we get the molybdenum, we use it to generate technetium, which has an ever shorter half-life of only six hours. That has to get to patients quickly, but it would soon become utterly unusable. Not only does that have implications for patients' health; it also has cost implications. If the original molybdenum does not get to us quickly, we will only have a half or a quarter of the stuff we thought we could use. That is problematic.

In 2008, a channel tunnel fire interrupted the supply of medical radioisotopes from the continent. Even this brief disturbance affected services. In 2015, industrial action in Calais resulted in radioisotopes being flown in via Coventry airport. The concern is that the situation that we face now is far greater than any of these incidents and much harder to mitigate, and the duration of the disruption is almost impossible to predict.

There are major questions over the UK's ability to safeguard measures such as air freight deliveries of radioisotopes. Even assuming that aviation is completely unaffected by Brexit, there will be additional costs, and there is no guarantee that the supplies will be smooth, predictable and uninterrupted. There is uncertainty over the sourcing of radioisotopes from the European Union. We are currently part of Euratom, through which we are able to source them. Yes, of course, we can go further afield, but we cannot go to South Africa anymore because it has shut its reactor down, so supplies are even more limited. We could go to Canada, but as I have already explained, the time factor would make that problematic. This situation has serious implications.

Radioisotopes represent just one fragile and time-sensitive supply chain, but the challenges are considerable. With multiple links in the supply chain simultaneously threatened, the potential for serious disruption is immense, as we are seeing just now. The costs could be substantial, not least to the 1 million UK patients who depend on these services every single year. I am sure that the emergency planning has taken that into account. It is a pity that the Transport Secretary has gone because I would like to hear about the contingency planning for getting these medicines to the UK. In fact, since members of the Government are now able to switch roles, I would also like to hear how he is sourcing these medicines. I want to know what spending has taken place in Coventry.

Finally, I thank the Secretary of State for Transport for agreeing to appear here today. It is nice that he was here for a bit. I look forward to hearing more about the unhindered supply of medicines that we have heard about.

Several hon. Members *rose*—

Mr Speaker: Order. The hon. Member for Torbay (Kevin Foster) did not actually put in to speak.

Kevin Foster (Torbay) (Con): I have bobbed.

Mr Speaker: The hon. Gentleman may have bobbed, but I have just told him—

Kevin Foster *rose*—

Mr Speaker: Sit down. The hon. Gentleman did not put in to speak. He is signalling that he wishes to speak, and that—[*Interruption.*] If he leaves me to make the judgment and tell him what the situation is, he will benefit from the instruction that I am about to give him. Working on the basis of an informal time limit, it would be helpful if colleagues did not exceed 12 minutes each. I call Mr Kevin Foster.

2.40 pm

Kevin Foster (Torbay) (Con): Thank you for your guidance, Mr Speaker. I will of course observe that courtesy. I would not wish to prevent other Members from having the opportunity to contribute to this debate.

It is interesting to follow the hon. Member for Glasgow North West (Carol Monaghan), particularly given her interest in Coventry airport. As a former deputy leader of Coventry City Council, I know that one of the issues for that airport is that it is quite an underutilised resource since passenger flights from it were ended a couple of years back, when, sadly, the then Labour Government decided not to allow the airport permission for a terminal that would have allowed that service to become financially sustainable. Helpfully, there is quite a large resource there and an ability to develop it further. I hope that gives her some reassurances. Certainly, it is an airport that could contribute a lot more to our economy more generally. I will now focus my remarks more on Torbay.

There is a bit of a groundhog day feeling to this debate. Those who come here to tell us how dreadful no deal would be and to raise legitimate concerns about what that may mean for business and the economy, normally the next day pop back to complain about measures to mitigate no deal. There was always going to be a need to try to move with some urgency, particularly in relation to what the contract is actually about. We keep on talking about the ferries, but what we were actually talking about yesterday is the fact that this is about securing the supply of vital medicines into the UK if there is disruption at the border.

It is worth noting that there was not a contract just with Seaborne Freight; that is how it is regularly portrayed, for pretty obvious reasons. There are also contracts with DFDS and Brittany Ferries, which represent the majority of the capacity. Those contracts are still in place, even though the one with Seaborne Freight is not. As I said in my intervention on my hon. Friend the Member for Dover (Charlie Elphicke), whose speech I found quite informative and useful, this is about the balance of the debate. Let us be candid: if the Secretary of State had refused to take a decision to create additional capacity, we would probably be here debating the potential lack of capacity for medicines to be transported into this country in a no-deal scenario. Instead, we are debating whether the legal risk was the right one to take. That is ultimately the nub of this debate.

In any scenario, we cannot say 100% exactly what the legal risk will be. No one presenting a legal case to court, particularly with any move towards reaching an out-of-court settlement, is going to start with the gambit, “We think we’re done—now we’re going to come here and negotiate.” That would clearly be an absolutely ludicrous position to adopt at the start of any discussions. I have taken part in such discussions myself. Both sides

are always going to start with the fact that they feel their case is strong. We would be surprised if Eurotunnel walked in the door having decided that its case was not.

Joanna Cherry: Has the hon. Gentleman, like myself and the official Opposition spokesman, ever come across a commercial case where the settler stipulates how the settlee must spend the money? That is simply unheard of. Will he contradict that?

Kevin Foster: I thank the hon. and learned Lady for her intervention, which gives me an opportunity to confirm that this is not about £33 million going straight into Eurotunnel shareholders’ pockets—it is about spending it on specified outcomes. I am perfectly content to see what the settlement is being used for.

Alan Brown: Will the hon. Gentleman give way?

Kevin Foster: I will continue with my speech for a few moments.

This is not about just handing over £33 million. It is about the fact that investment will follow with a company that—let us be blunt—the Government work very closely with on a range of issues. If there were disruption at the border, the Opposition would immediately be having a go and complaining about it, yet now they are complaining about measures to try to mitigate disruption in case of a no-deal outcome.

For me, this is about that balance. The Secretary of State would have had to look at the legal risk versus the risk of no medicines coming into the NHS. That is the nub of the decision. If every decision went perfectly, there would never be a debate in this Chamber about it. That is what this fundamentally boils down to. [*Interruption.*] If the shadow Secretary of State, who is chuntering from a sedentary position, is saying that he would not have awarded the contracts and that he would have taken the risk on the supply of medicines in a no-deal scenario, that is a position that he could defend. I do not think that would have been the right decision. My personal view is that it would be better to take a legal risk than a risk with vital life-saving medicines, but he can try to defend his view if he wishes to.

Alan Brown: The Secretary of State has argued that the £33 million will not be going directly to the Eurotunnel shareholders because of the improved services, border systems and security. Can the hon. Gentleman clarify for the House what these additional services are, because we would all appreciate that?

Kevin Foster: I thank the hon. Gentleman for his intervention. When we are investing in border security, we do not usually put the exact details of what we are doing out there, do we? However, that issue has certainly been covered.

Alan Brown rose—

Kevin Foster: The hon. Gentleman has had his answers to his points. He may not like the answers he gets, but he has had them and I will not take a further intervention.

Some people have come here today talking about the fact that we should take no deal off the table and that would make all this absolutely pointless. I am afraid

[Kevin Foster]

that we cannot simply take no deal off the table. We have to do one of two things. To be fair, the Scottish National party and the Liberal Democrats take the consistent position that they would look to ignore the referendum result by revoking article 50. In effect, they would take no deal off the table by staying in the European Union. The only other option to take no deal off the table is to agree a deal with the European Union. That is where we see the inconsistency of many of Labour's positions. It is all very well Labour Members saying, "I don't like this deal; I don't want that deal," but, unless they are prepared to say that they would revoke article 50—there are two parties that are still on that platform; I do not agree with that but it is at least a coherent position—then it is absolute nonsense to come here and say, "We don't like any of the deals but we demand that no deal be taken off the table." That is absolute tosh and rubbish.

Peter Grant: Has the hon. Gentleman read the alternative deal that was put forward by the Scottish Government in December 2016?

Kevin Foster: I thank the hon. Gentleman for his intervention. I did read the White Paper put out by the Scottish National party a few years ago that was a bit of a work of fiction. My understanding, unless he wants to correct me, is that his position is that he wishes to remain in the European Union.

Peter Grant *rose*—

Kevin Foster: If the hon. Gentleman is going to get up and say that it is not, that will be quite a surprise for quite a number of Scottish National party supporters.

Peter Grant: I take it from his non-answer that the hon. Gentleman has not bothered to read that document. What the Scottish Government put forward over two years ago showed a willingness to make a significant compromise. They would have been willing to consider a deal that kept us in a single market and customs union if it allowed Scotland—and, indeed, Northern Ireland—to have the wishes of our people respected. It is a pity that he clearly has not bothered to read that document. Although his Government have completely ignored it, I would still recommend it to him because it might yet show us a way out of the shambles that they are creating.

Kevin Foster: I thank the hon. Gentleman for his intervention. As I say, I naively thought that his position was to stay in the European Union, because that is what I keep hearing in virtually every debate on Brexit that the Scottish National party contributes to. I recall the SNP Government's proposals on staying and it makes the point: why on earth would anyone want to be outside the European Union while following all its laws, all its rules and all its customs obligations, and probably ending up still within its common fisheries policy, which, as we know, has had such an impact on the north-east of Scotland? It would continue to do so if we stayed in the European Union. We would be obliged to be part of it, despite the claims by the Scottish National party.

This debate is about having a go at no-deal preparations, while at the same time complaining that the impact of no deal would be too great. There is a real opportunity next week to put an end to all these discussions by voting for a deal. It is an opportunity for some Opposition Members to come off the fence and be clear about their options: the deal that has been negotiated, which is realistic and can be passed, or joining the SNP in voting to stay in the European Union. It is easy to make party political points. It is easy to have a go and criticise decisions that you know you probably would have taken. [Interruption.] Sorry, Mr Speaker—decisions that they know they would have taken; the only decisions you take are on who is called to speak and procedural matters in this House.

That is the nub of this debate. Ultimately, it was a legal risk versus a risk to medicine supply. Many Members sitting in the Chamber know what they would have done in those circumstances. The contracts with DFDS and Brittany Ferries are still in place, providing the majority of this capacity. Next week, people will have to start choosing between the alternatives that are actually on the table, not ones that they pretend might be.

2.50 pm

Lilian Greenwood (Nottingham South) (Lab): Shortly after the Secretary of State awarded contracts to ferry operators as part of his no-deal contingency planning, the Transport Committee, which I chair, received two submissions to our inquiry into freight and Brexit alleging that the Secretary of State had acted illegally in doing so. Although it has already been published, I would like to make the House aware of the written evidence submitted by Dr Albert Sanchez-Graells. He is a reader in economic law at the University of Bristol Law School, a former member of the European Commission stakeholder expert group on public procurement, a member of the European Procurement Law Group and a member of the Procurement Lawyers Association Brexit working group, so one would think that he probably knows what he is talking about.

Dr Sanchez-Graells was clear in his evidence to our Committee that

"The award of three contracts for 'additional shipping freight capacity' in the context of the Government's 'No-Deal' preparations raises important illegality concerns."

He said that, under regulation 32(2) of the Public Contracts Regulations 2015,

"'extreme urgency' only exists where an unforeseeable event renders impossible the observance of the time-limits laid down for calls for tenders."

He said that the award of the three contracts for additional capacity seems "likely" to be in breach of that regulation, "as there was time to comply with the 60 calendar days' time limit required by alternative, transparent competitive procedures with negotiation."

He went on to say:

"Even if it was accepted that there was no time for alternative competitive procedures... the award to Seaborne Freight (UK) Ltd still raises issues of potential illegality. The Secretary of State for Transport has justified the award as an act of support for a new British start-up business. This fact, coupled with... the lack of readiness of the port infrastructure... undercuts the rationale of the extreme urgency of the procurement and heightens the likely illegality of the award."

We now know that the Department faced a legal challenge from Eurotunnel and that settling the case has cost UK taxpayers at least £33 million.

I am afraid that the Secretary of State has shown a repeated failure to operate in an open and transparent manner. He avoided questions in the House yesterday, but as I said, that does not mean that these questions go away. I understand why he is not in his place. However, I expect to receive written answers to these questions, as I assume that the Under-Secretary of State for Transport, the hon. Member for Harrogate and Knaresborough (Andrew Jones), who is sitting on the Front Bench, does not intend to respond to them this afternoon.

These are the questions that I want to raise. It is reported in *The Times* today that the Secretary of State wanted to fight Eurotunnel's legal action over the award of contracts to ferry firms but was overruled. Is that true? What legal advice did the Government receive on the likely success of Eurotunnel's action? How was the sum of £33 million arrived at? Is the fact that the Secretary of State was overruled an indication that he does not enjoy the confidence of the Prime Minister or his Cabinet colleagues? I believe he mentioned that it was decided by a Cabinet working group.

When the Secretary of State was not here yesterday, we had the rather ludicrous spectacle of the Secretary of State for Health trying to cover for him and explain. He said that

"the purpose of the decision is to ensure that unhindered flow of medicines."—[*Official Report*, 4 March 2019; Vol. 655, c. 700.]

However, he failed to answer the question from my hon. Friend the Member for Batley and Spen (Tracy Brabin) about how much of the £33 million being paid to Eurotunnel is being contributed by the Department of Health and Social Care. We still need an answer to that question, and I expect to receive one.

I will not be surprised if my Committee has additional questions. The hon. Member for Bexhill and Battle (Huw Merriman), who unfortunately is not able to be here for this debate, has described the level of this settlement as "absolutely outrageous", so I am sure he will share my wish to understand how it was arrived at. How much of Eurotunnel's £33 million settlement will be spent on border measures in Calais, rather than in the UK? Is it right that the UK taxpayer will be paying for these measures, rather than Eurotunnel or the French Government?

Andy McDonald: Does my hon. Friend share my concern that the settlement may amount to an entirely fresh procurement process, and if that has not been done correctly, there is a real risk of yet further litigation and cost to the taxpayer?

Lilian Greenwood: My hon. Friend raises an important point. We would like to receive further information about the basis on which this settlement was reached and the legal risks that it entails.

Finally, I return to the question I asked yesterday, to which I received nothing but bluster. If there is a Brexit deal, or if indeed there were no Brexit, how much of the taxpayers' £33 million do the Government expect to recover from Eurotunnel? I take it from the Secretary of

State's earlier response that the answer is none. I would be grateful if we received answers from him to those questions.

It is essential that the Department for Transport is subject to proper scrutiny and held properly accountable for its waste of public money. It is very disappointing that the Secretary of State once again had to be dragged to the Chamber. At least on this occasion he was here, but we still do not have proper answers on these important matters, which the public deserve.

2.57 pm

Joanna Cherry (Edinburgh South West) (SNP): I am grateful to be able to speak in this debate. I want to start by dealing with the red herring we frequently hear from Conservative Members that this debate is about impugning the Government's responsibility to prepare for a no-deal Brexit. It is not about that. It is about their ability to make those preparations competently and without squandering taxpayers' money.

Of course, the Government have to prepare for no deal because they are insistent on keeping no deal on the table, and last week they voted against the SNP amendment that would have taken it off the table. As some Conservative Members have generously accepted, no deal could be taken off the table by a number of routes, including an extension of article 50 or the option of revoking it—the lifeline thrown to the British Government by a number of Scottish politicians, including myself. In that respect, I declare an interest, with the backing of the Good Law Project.

Let us get that red herring off the table. This is not about the Opposition querying whether the Government should prepare for a no-deal or Brexit. This is about the Opposition doing their job and holding the Government to account for making those preparations in a shambolic, chaotic fashion that is wasteful of public money.

Last week, the Government settled out of court litigation brought against them by Eurotunnel for the legal reasons laid out by the hon. Member for Nottingham South (Lilian Greenwood). They paid more than £33 million to buy off the risk of losing the action and having to pay more, and the action was brought because they had failed to put three contracts—not just Seaborne Freight, so far as I am aware, but all three contracts—out to competitive tender. That £33 million was in lieu of a larger sum that would have had to be paid out in damages if the court case had gone ahead and the Government had lost.

That is why I, as a lawyer, am so puzzled by the insistence of the Secretary of State for Transport and the Secretary of State for Health that this £33 million will somehow pay for increased security at the ports. In my long experience of 30 years—20-odd years at the Bar and a number of years as a solicitor—I have never heard of such a stipulation in an out-of-court settlement in this type of case. That is why I was so puzzled, and perhaps expressed my puzzlement in terms that were unparliamentary.

I want to know. The Under-Secretary of State for Transport, the hon. Member for Harrogate and Knaresborough (Andrew Jones), is looking at his phone and is not interested in what SNP Members have to say, as usual, but this is not going to go away because I am going to pursue it with Eurotunnel and others. I want to

[Joanna Cherry]

know—[*Interruption.*] Well, perhaps he could just listen and be quiet while he is listening. I want to know whether Eurotunnel—

Sir Peter Bottomley (Worthing West) (Con): On a point of order, Mr Speaker. Is it customary for the Member who is speaking to provoke a Minister into looking at her directly and then to say that he is somehow interrupting her. It seems to me it would be far better if the hon. and learned Lady went on addressing the Chair and left the Minister to listen, like the rest of us.

Mr Speaker: The hon. Gentleman has his own interpretation of the chronology of events, which those attending to observe our proceedings can make a judgment about for themselves, and that is one point of view. If I may say so, there is another point of view, which is that the hon. and learned Lady was somewhat disquieted, not to say mildly irritated, by the junior Minister's evident fascination with the contents of his electronic device. It might be thought courteous not to be focusing intently on the said contents when a Member is addressing the House. I hope the hon. Gentleman will not take offence when I say that he is in the end a very loyal sort of person, and it is not terribly surprising that he should spring to the defence of his ministerial colleague and fellow parliamentarian. It was very gracious of him and a nice try.

Joanna Cherry: It may have been a nice try, but I am not going to leave this one alone. I want to know how much of that £33 million will be repaid in the event of there being a deal. I think I know the answer: it will be nil. I want to know whether there was any legal agreement that any amount of that £33 million was to be spent on improved security, and if so, to what extent. I will not be leaving those issues alone either today or in the future.

I was the first person, to my knowledge, to raise this issue on the Floor of the House or in Committee earlier this year. When I got hold of a copy of the contract with Seaborne Freight, which was readily available on the internet, I, like any lawyer worth their salt, looked up the public contracts regulations and realised that it looked very much as though the Government had avoided the competitive tendering process that they are bound to carry out under law.

That is why I raised this issue with the Secretary of State for Exiting the European Union in the Chamber on 7 January. I am going to go through the chronology because I want to make the point that I have raised at least half a dozen times the question of what was the urgent or unforeseeable event that justified there not being a competitive tender, and that on no occasion have I received the answer that has been given today by the Secretary of State for Transport that it was to do with a decision taken collectively by the Government last autumn to improve the supply of medicines in the event of a no-deal Brexit. The very first time I heard such an explanation was on the television at the weekend, when the Secretary of State for Health used it, and he of course used it again yesterday. However, it is very odd—again, this informs my puzzlement and frustration earlier this afternoon—that we have never heard that explanation before.

Let me go through the chronology. On 7 January in this Chamber, I asked the Secretary of State for Exiting the European Union why the contract with Seaborne Freight had proceeded under the negotiated procurement procedure without prior publication—that is to say, not competitively—because it seems to me that it must have been foreseeable for quite a long time that there might be a no-deal situation and it was therefore hard to say that no deal had come out of the blue and was urgent or unforeseeable. I received the usual non-answer from the Secretary of State. I will not bore hon. Members with the contents of the answer—they can look it up in *Hansard*—but there is nothing about a requirement to prepare for the urgent supply of medicine and, indeed, no kind of explanation at all.

The following day, 8 January, I raised the same point with the Secretary of State for Transport on the Floor of the House. I said I was concerned about the legality of the procurement process, that I had a copy of the contract notice and that, as my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) reminded the House earlier that day, no deal has always been a possibility because the Prime Minister said right at the beginning that no deal is better than a bad deal. I asked the Secretary of State what the urgency was and whether the Government had set aside any funds in the event of legal action. I got a non-answer, other than to say it was a “matter of extreme urgency”, and there was no reference to the supply of medicine.

The following day, 9 January, I raised the matter in some detail with the Under-Secretary of State for Exiting the European Union, the hon. Member for Daventry (Chris Heaton-Harris), at a question and answer session before the Exiting the European Union Committee. I am proud to say that the segment where I questioned him went viral on the internet. I asked him a number of times to tell the Committee what the urgent and unforeseeable event was that justified these contracts not going out to competitive tender, and he was unable to tell me.

If the explanation that it had been a collective decision by the UK Government to put these contracts out non-competitively to secure the supply of medicines, I would have expected the Minister in charge of no-deal planning at the Department for Exiting the European Union to know that. The fact that he did not know and, under sustained questioning, did not mention it does raise a suspicion in my mind that it is an explanation that has been invented after the fact, rather than an explanation that has always been the case.

Charlie Elphicke: Will the hon. and learned Lady give way?

Joanna Cherry: I will finish the chronology, and then I will give way.

That was on 9 January. Later, I put in a written question:

“To ask the Secretary of State for Transport, what unforeseeable events led his Department to award contracts for additional shipping freight capacity under Regulation 32 of The Public Contracts Regulations 2015.”

I received the reply:

“A negotiated procurement procedure without prior publication was concluded...to ensure that capacity can be in place in time for a No Deal exit whilst at the same time securing value for money for the taxpayer.”

There was no mention of the need to secure the urgent supply of medicines in the event of no deal, but there was a mention of value for money for taxpayers. Do the Government still think they have provided value for money for taxpayers, given what we have heard this afternoon? I very much doubt it.

On 31 January, I asked the Attorney General about this matter. I asked him whether he was concerned that the Government could face legal action in respect of their failure to put these contracts out to competitive tender, whether he had been asked to advise on the matter and whether any money had been put aside for the contingency of such court action. He fell back on the Law Officers' convention not to answer that question, but he certainly did not mention that the reason why these contracts had been awarded as a matter of urgency and non-competitively was the need to secure the supply of medicines.

On 11 February, I raised this matter with the Secretary of State for Transport. I asked:

"Will he state clearly for the record, as I have asked this question of him and other Ministers five times now: what were the reasons of extreme urgency and the unforeseeable events that justified his Department proceeding without competitive tendering?" He said it was

"a change to the assumptions on the levels and length of disruption that might arise in a no-deal Brexit scenario."—[*Official Report*, 11 February 2019; Vol. 654, c. 624.]

Perhaps the junior Minister could take a note that I want to know from the Secretary of State for Transport why he said on 11 February that the explanation was a change to the assumptions on the levels and length of disruption that might arise, and why he is now saying that it was a decision back in the autumn to secure the supply of medicines in the event of no deal.

Charlie Elphicke: Will the hon. and learned Lady give way?

Joanna Cherry: I will finish the chronology, and then I will give way.

Finally, I raised the point again on 14 February with the Secretary of State for Transport, asking him what he meant by a "change in the assumptions". I asked:

"Would he care to elaborate on exactly what he meant by that? Does he think that that defence will stand up in court?"

Those were my exact words. He said:

"I recall explaining on Monday precisely what the circumstances were, and I do not want to detain the House any longer by repeating an answer that I gave to the hon. and learned Lady three days ago."—[*Official Report*, 14 February 2019; Vol. 654, c. 1038.]

Again, he had an opportunity to say that the explanation was a requirement to secure the urgent supply of medicines in the event of a no-deal Brexit, but he did not. In fact, he told me that he had already told me precisely what the circumstances were, three days before, when he referred to a change in assumptions and said nothing about medicine.

I am going to give way to the hon. Member for Dover (Charlie Elphicke) in a moment, but the point I am making is that this is just an example of the number of times that I have pursued this question. I know that other hon. Members have done so, too, particularly my hon. Friends the Members for Kilmarnock and Loudoun and for Glasgow North West (Carol Monaghan). They

have pursued in some detail their concerns about the supply of medicines after a no-deal Brexit, and never has anyone said to them, "Don't worry, we so are concerned about this that we have risked breaking the law on competitive tendering to sort it all out." That is why I am highly sceptical.

Charlie Elphicke: I thank the hon. and learned Lady for giving way, and I have been listening carefully to her submissions. The question of purpose is dealt with in the National Audit Office report, which states that the decision was meant

"to prioritise the flow of critical goods into the UK".

Specifically, the report says that in September and October 2018, the intention was to

"ensure that capacity and flexibility exists for government to prioritise the flow of certain...goods".

In November 2018, the Department's business case was

"to ensure that capacity and flexibility exist for government to enable the prioritisation of...certain goods".

It seems to me that critical goods were always in the mind of the Department, so I am not sure that her submissions to the House are borne out.

Joanna Cherry: I am grateful to the hon. Gentleman for that, because he actually reinforces the point that I sought to make. The National Audit Office has that information, and the House of Commons has had it today and yesterday, but my point is that on repeated occasions when I asked a number of Ministers from different Departments what the explanation was for this urgent need to tender non-competitively, not once did any of them mention what we are told was a collective decision to do it for a particular purpose. I therefore question whether that explanation has been invented after the fact.

Andy McDonald: The hon. and learned Lady is doing a brilliant job of exposing the facade that has been put up to excuse this reprehensible behaviour, but is the bottom line not that the Government knew that they were in breach of their own procurement rules and that Eurotunnel was going to win? That is why they settled the case.

Joanna Cherry: That is the bottom line. The hon. Gentleman is absolutely right.

I am going to draw to a conclusion, because I know that others want to speak. The history of this whole event, which the Government now say that they all knew about as it was a collective decision, has been one of evasion and obfuscation. I and others are left with the inevitable conclusion that they are trying to cover up a monumental error of staggering negligence in their preparations for a no-deal Brexit, which is costing the British taxpayer a lot of money. I would like to point out that Scottish taxpayers did not even vote for all this nonsense in the first place, and their representatives in this House have, apart from the Scottish Tories, done their best to try to get a no-deal Brexit off the table.

I came to the House this afternoon planning to ask for the resignation of the Secretary of State for Transport. That has been asked for by others already. But now that we know that this was a collective decision and that the

[Joanna Cherry]

Government are taking collective responsibility for it, let me say that in any normal, healthy and functioning democracy this scandal would bring the Government down.

3.13 pm

Wayne David (Caerphilly) (Lab): What a farcical situation. It gives me no pleasure to say that this Government have become a laughing stock to people not only in this country but throughout Europe and the world. In many ways, that is epitomised by one individual: the Secretary of State for Transport.

It came as no great surprise that Eurotunnel was aggrieved by the decision taken by the Secretary of State for Transport and his colleagues. I am no expert on procurement policy or tendering law, but it strikes me as common sense that there should have been a tendering process, especially as it was very obvious that the Government were making a decision late in the day in response to a predicament of their own making. If they were serious about considering a no-deal Brexit, they should have begun the preparations as soon as this House triggered article 50. They decided not to, and to delay it, so they found themselves in a predicament and decided not just to avoid the law but to consciously, perhaps, break it as well.

When the Secretary of State for Transport announced that the procurement process was not being followed, he announced to the House that three contracts were being issued—for three “compliant bids”, as he said. Towards the tail end of that ministerial statement, I asked a question that I thought was pretty innocuous, and I expected a certain reply. I asked:

“In the interests of transparency, will the Secretary of State indicate to the House which companies were considered for the contracts?”

At that point, I realised that the procurement process had not been followed, but I assumed that the Secretary of State had at least had a shortlist and decided from that which companies were best equipped to fulfil the requirements. The response was significant, because the question was totally ignored. The Secretary of State simply said:

“We received three compliant bids, all of which we judged acceptable and accepted.”—[*Official Report*, 8 January 2019; Vol. 652, c. 202.]

In other words, there was not just an avoidance of the procurement process or a dilution of it; there was a complete and utter conscious avoidance of it. Instead, we had cherry-picking—of the worst kind—of the three companies.

We have learned now that the Government have paid £33 million to Eurotunnel to avoid the case going to court, because it is pretty clear that the Government did not have a leg to stand on. The question that has already been asked is where that is coming from. Are there contingencies available that we do not know about? Will there be further public expenditure cuts? Where precisely will this £33 million of unplanned expenditure come from?

It is important to recognise that Eurotunnel had plenty of time to prepare if it had been given the opportunity to make a bid. There was clearly no urgency when the Government chose to take the action they

did. It is also important to recognise that although the Government have said that they are coming to an agreement with Eurotunnel and will pay that £33 million, they have unusually stipulated what the money will be used for, as has been mentioned. We understand that the money is for the development of infrastructure, security and border measures that will guarantee the flow of vehicles carrying urgent and vital goods to help keep supply chains moving that are essential to both industry and consumers. It is interesting that the Government have stipulated that, and it begs the question that has already been raised by the shadow Secretary of State: what is the legal basis for taking such action and making such a stipulation?

Andrew Dean, an expert in procurement law who works at the law firm Clifford Chance, used to advise the DFT and is widely recognised as an expert in his field, said:

“If Eurotunnel were required to develop or redevelop infrastructure that delivers or supports a public function as part of this settlement, there is a risk it could be construed as another piece of public procurement without open and transparent competition... In which case the government would be back to square one, with other potential providers able to challenge the process.”

My question to the Minister is this: has the Department considered that possibility? What advice is he currently receiving from his departmental legal team on where the Government now stand? There is a distinct possibility that they are going from the frying pan into the fire. They have apparently solved one problem of their own making, but they have another problem, also of their own making, that they will possibly have to confront in the very near future. That is an important issue.

All of us are extremely concerned about the situation in which we find ourselves. At one point I thought the Government were surely not serious about considering the possibility of a no-deal Brexit. I suspect that initially they were not serious about pursuing it, but as time has gone on and the negotiations have been more and more unfruitful they have found themselves inevitably in the situation of having to make quite extreme, ill-thought-out contingency plans. I hope very much indeed that the Government do not have to introduce those plans. The message has gone out from right across this House, as well as from industry, the trade union movement and civil society generally: for goodness’ sake, even at this late stage, end this farce once and for all, and take no deal off the table.

3.21 pm

Tom Brake (Carshalton and Wallington) (LD): I congratulate the hon. Member for Kilmarnock and Loudoun (Alan Brown) on securing the debate, and you, Mr Speaker, on granting it.

The hon. Member for Glasgow North West (Carol Monaghan), who is no longer in her place, earlier speculated on why it was the Secretary of State for Health who responded yesterday. I am sure Members are aware that requests have gone out to civil servants in all Departments—for example, the Department for Education—saying, “Please, please, please, will you come and work for one of the Brexit Departments?” It may be that the Secretary of State for Health was simply responding to such a request from the Department for Transport to go and bolster the numbers in that Department.

Mr Speaker, you rightly pre-empted the introductory comments a number of Members wanted to make in relation to the Secretary of State's rather cluttered hall of shame. Had you enabled us to dwell a little bit on the other matters for which the Secretary of State has been responsible, or indeed irresponsible, this debate would have continued for much longer. I will just say, "Probation, timetable fiasco, drones" and move on to the subject of Seaborne. Before I do, it is worth pointing out on the timetable fiasco that in correspondence with me the Secretary of State refused even to reveal that the Department for Transport had any responsibility for that. That is rather indicative of the way he approaches things, as is his unwillingness to issue an apology for anything he has been responsible for. I think he actually sneaked in a very small apology earlier today, I think for the first time, although it was collective responsibility that he seemed to be admitting to. Maybe that is a positive development.

I have a chronology. It is not as detailed, erudite or in-depth as anything from the hon. and learned Member for Edinburgh South West (Joanna Cherry), but I thought I would go through recent statements by the Secretary of State to see where he has referred to no deal, just to see his level of awareness of the prospect of no deal. I started googling, as everyone does these days, and the first reference was from last month. Nothing surprising there. Apparently, because of the Secretary of State's completely disrespectful manner and what he has been saying about a no-deal Brexit, he has been banned from the port of Calais. That augurs well. I understand he may have had to leave the Chamber because there is currently a go-slow at Calais. It does not augur well for our future relationship if Calais has sought to ban our Secretary of State for Transport because of his attitude to no deal.

Going back a bit further to September 2018, Mr Barnier was apparently ticking off one of our departed Secretaries of State for Exiting the European Union, the right hon. Member for Esher and Walton (Dominic Raab), over his no-deal letters. In September 2018, therefore, there was clearly an awareness of no deal. In August 2018, hauliers were warning our Secretary of State for Transport that he had no plans for no deal, so clearly in August he was being warned that he had no plans. Going back a little bit further to February 2018, some Members will remember that the Secretary of State for Transport was saying that in a no-deal situation we would be growing our own—farmers in the UK would be doing the growing, but presumably some of us would be too—potatoes and other vegetables in our own back gardens. He had also made the same comment in October 2017.

At that point, I gave up. It was clear that however much more trawling I did, I would find earlier references the Secretary of State had made to the risk of no deal. Clearly, for him to say now, or to have said a couple of months ago, that no deal was an emergency about which there was no knowledge within the Government, is not borne out by the facts that are very easily there and available for people to dip into if they choose to do so.

More recently, the hon. and learned Member for Edinburgh South West has been particularly insistent on pursuing him over the contracts, as have other Members of the SNP and Members of other parties. I wrote to the Secretary of State in January. My final question was: "Are the contracts in accordance with

procurement rules?" I made lots of other points in the letter, most of which were answered, but that final point was not answered. I do not know why. A lot of other things were said in the reply to my letter, including that it was because of me personally and my Liberal Democrat colleagues that we were going to have no deal, rather than the 118 Conservative Members who voted against the Prime Minister's deal. Apparently, it was all my fault. However, the point about whether the contracts were in accordance with procurement rules was completely ignored in the response I received. The response was not from the Secretary of State, of course; it was from the Under-Secretary of State for Transport, the hon. Member for Wealden (Ms Ghani).

I would like to conclude, as I know other Members wish to speak. We have had to bring the Secretary of State, or his representative on Earth in the shape of the Secretary of State for Health, before us a number of times and it is hard to find new material to go over, so I will just finish by saying that in any other Government at any other time the Secretary of State would be sacked by the Prime Minister. In any other Government at any other time, the Secretary of State would in fact have resigned before he was sacked, but this is not any other Government at any other time. Our calamitous Secretary of State remains in post mainly, I suspect, because he was in charge of the Prime Minister's leadership campaign when she became our Prime Minister.

Several hon. Members rose—

Mr Speaker: Order. There are two remaining speakers. Just as a helpful guide to both hon. Members, the average length of Back-Bench speeches has been approximately 10 minutes. Neither hon. Member need feel a driving ambition to exceed that very satisfactory self-imposed time constraint.

3.28 pm

Peter Grant (Glenrothes) (SNP): I am grateful for the chance to speak in this debate. I congratulate my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) on securing it, and I thank you for approving it, Mr Speaker.

My hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) could have conducted this debate on her own, because in the space of what I am reliably informed was about 10 minutes, she utterly dismantled any shred of credibility that the Secretary of State and the Government had left. She has made a succession of attempts to get a simple answer—I can vouch for that, because I was often either behind or beside her when she did so—but one has not been forthcoming. The charitable explanation of that is, as she suggested, that the Government made up the answer just a few days earlier. The less charitable, but, I fear, correct, answer is that they responded to every single question with a deliberate attempt to place obstacles in the way of Members of Parliament and prevent them from doing their job. This Parliament is supposed to be getting back sovereignty as a result of Brexit, but the Government's first, and often only, response to proper parliamentary inquiry is to stonewall, swat away questions and often to insult the motivations of those asking the questions.

It was a bit rich for the Secretary of State to talk about how many times he has answered these questions. He has not answered them at all. He has responded to

[Peter Grant]

them, but has not yet given an answer. Although my right hon. Friend could not, within the terms of parliamentary order, say that he has not been telling the truth, it is fair to say that he has not been telling the whole truth. Although not telling the whole truth is not unparliamentary, it can sometimes have the same effect as telling a complete untruth. Although the explanation that the contract is about securing emergency medical supplies has apparently been talked about in Government circles since August or September last year, it has been used as an explanation for Members of Parliament only for the past few days. It simply does not wash.

Tom Brake: I agree that the explanation about medicines is entirely dubious. Does the hon. Gentleman agree that, even if it were true, the fact that our Government—in peacetime, not wartime—are having to prepare to air freight in medicines because of the risk that they will get stuck at the border is condemnation enough of their complete incompetence?

Peter Grant: Absolutely. The single biggest example of incompetence coupled with complacency—it must be said that a lot of the official Opposition were guilty of this—was triggering article 50 and setting a two-year deadline that we cannot unilaterally get out of, after which we will leave without a deal, before the Government had any idea what no deal meant. It is notable that, although the Prime Minister's mantra was, “No deal is better than a bad deal,” we just heard the Secretary of State announce that, two years after the referendum, they suddenly discovered that no deal would be a lot more disruptive than they realised. I will just mention in passing that when the Government discovered that a no-deal Brexit would be much worse than they realised, they were allowed to change their minds, have another think about it and do something that they had not done before, but 60 million citizens of these nations have not been allowed to have another think and perhaps another go at a decision now that they have been told what they could not have been expected to know in June 2016 about the disastrous consequences of no deal, because Her Majesty's Government were blithely unaware of it until August or September last year.

We are told that the reason why the Government brought in this new company was the desire to support a new start-up business. Well, bravo. I would always support that, but it completely annihilates the claim that the reason for urgency was that this was a potential life-or-death medical supplies requirement. If there is a service that cannot be allowed to fail because people's lives would be at risk, who in their right mind would give the opportunity to undertake that work to somebody who had never done the job before? I am sure that health services and health authorities all over the United Kingdom do what they can to give work experience and job opportunities to young people who have not had too great a time at school, but they would not under any circumstances put them behind the wheel of an ambulance with a blue light and ask them to go and save lives, but that is, in effect, what the Secretary of State is telling us the Government did with this contract. Either the contract was innocuous enough that we could afford to give it to a business that did not exist, because nothing would go

wrong if the whole thing collapsed, or it was a life-or-death contract that, for reasons of urgency, had to be signed very quickly. If that was the case, it was an act of utter folly to award it to anyone who did not already have an impeccable record in the running of ferry services.

I commend the efforts of the hon. Member for Dover (Charlie Elphicke) and the right hon. Member for Loughborough (Nicky Morgan) to protect the Secretary of State by saying, “It wasn't the Secretary of State who was incompetent; it was everyone else in the Government.” My hon. and learned Friend the Member for Edinburgh South West has given us the way out of that.

What does the fact that this Parliament does not have the authority to table a vote of no confidence in the Secretary of State for Transport tell us about this model of parliamentary democracy? We do not have the authority to instruct a Prime Minister to remove a Minister from office, and we do not have a say over who the Prime Minister appoints or does not appoint to any post in the Government. We must be one of the very few allegedly democratic Parliaments in Europe that does not get a say before Ministers are appointed. Ministers in the Scottish Government have the same Crown appointment as Ministers in the UK Government, but the First Minister of Scotland will not put them forward until they have been agreed by a motion of the Scottish Parliament. The First Minister herself did not accept the commission from Her Majesty until her appointment had been recommended and agreed by a vote of the Scottish Parliament. Maybe that is one of the 1,001 improvements to democracy we need in this place, so that in future Ministers are appointed and unappointed not at the whim of the Prime Minister but by a vote of their peers in this Parliament and can be removed from office when this Parliament loses confidence in them, rather than only when the Prime Minister decides they have become too much of an embarrassment.

Throughout this Brexit shambles, any number of serious issues have been raised—life-or-death issues, issues with the potential to devastate our economy, issues such as citizens' rights that have the potential to ruin the lives of millions of our fellow citizens, issues with the potential to wipe out entire sectors of industry and put tens of thousands, even hundreds of thousands, of people on the dole—and each and every time the knee-jerk, first-choice response from Her Majesty's Government has been to throw it back at the person raising the concern. If it comes from Labour Members, they are told, “Well, if you lot had been in power, it would have been an even worse disaster.” What kind of a way is that to run a Government? I can understand why a lot of people would have concerns if the current Leader of the Opposition became Prime Minister—I would have my concerns as well—but if the only thing the Government can say to defend themselves is that the Government-in-waiting would be even worse, they are a Government well past their sell-by date.

My hon. and learned Friend the Member for Edinburgh South West has repeatedly and rightly raised valid concerns—I hope she will continue to raise them because she has right on her side—and the response from numerous Ministers has been ridicule: she did not know what she was talking about, she was trying to make trouble, she was just an SNP Member, the SNP did not want to leave the EU anyway so how could they possibly have any good ideas for making Brexit less damaging? That

would be unacceptable for a Government with a majority of 150. For a Government who threw away their majority and do not command majority support in the House or the nations, it is a despicable way to behave. If that is the best they can do, not only the Secretary of State but the whole Government have to go.

3.37 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a great pleasure to follow—well, everybody.

I congratulate my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown), and you, Mr Speaker, on granting this debate. It is important when such issues occur that the Government and their Ministers and Secretaries of State actually be held to account and not be allowed to duck and dive their way out of their responsibilities.

The Secretary of State is increasingly popular with some people—those employed by law firms—but he is not popular with anyone else. Let's recap. He contracted a company with no ships or terms and conditions of their own and after no proper assessment. He has given no answers. There has been no accountability. He takes no responsibility. He basically does not have a clue, and the public have been left with a bill of at least £33 million, not counting the £800,000 in consultant fees and whatever else. Coming from a constituency ravaged by the effects of universal credit over the past six years, I find that deeply insulting to all the people suffering under the policies of this Government.

We have heard from other right hon. and hon. Members about the litany of failure that the Secretary of State has visited upon his ministerial career; it is well rehearsed and I will not go into it again. Nobody has confidence in this Secretary of State, and yesterday we found out, because he was too feart to appear, that even he does not have confidence in himself as Secretary of State. What he does have is a brass neck wider than a ship's bell. What a snapshot of this Tory Brexit chaos and this Tory Government: defending the indefensible time after time, instead of doing what they should have done right away, which was rule out a no-deal Brexit.

The Secretary of State's decision to award Seaborne Freight a contract worth £13.8 million attracted widespread criticism when it was announced. Seaborne was founded only two years ago and, as I said, had no ships or trading history. That has been raised by many of us in the Chamber since the beginning of the year, which was the first opportunity we had. Although the company had never run a channel service, it was one of three firms awarded contracts totalling £108 million to lay on additional crossings. As we have heard, the Department for Transport spent £800,000 on consultancy services when evaluating Seaborne and was warned of significant risks that came with the tender. Despite that, Seaborne was awarded the contract.

As my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) has pointed out time and again, concerns were also raised that the EU procurement rules had not been followed in the awarding of the contract. That has been brought home by the Eurotunnel action, which has been settled out of court. Eurotunnel had said that it would take legal action, and it did. The Department argued that because

this was an emergency there was legal justification, but there was doubt about that, because the emergency scenario of a no-deal Brexit had been raised well in advance. This was a disastrous decision. The cost to the taxpayer of the Transport Secretary's incompetence is now well beyond any joke.

Alan Brown: My hon. Friend is making a fine point. Does he share my surprise that when the Government have effectively been shown to have broken a law of competitive tendering, the Transport Secretary's defence is, "I am really disappointed that Eurotunnel took me to court."? He breaks a law, and then blames the company that was wronged in the first place.

Drew Hendry: My hon. Friend, who, along with other colleagues here, has been at this since the beginning, has made the point that the Transport Secretary takes no responsibility. He is willing to accept none of the criticism. I would say that he is Teflon, but the public know that he is not, because all this sticks to him. However, he has not had his just deserts: either being sacked from his job, which should have happened, or resigning from it.

Andy McDonald: The point about the Transport Secretary's intervention in his other lives is well illustrated by his attitude to judicial review. He did not like people taking the Government to court, so he made it more difficult for them to do so. Is that not consistent with his attitude to this matter?

Drew Hendry: I agree with the shadow Transport Secretary. It is indicative of the way in which the Transport Secretary has performed throughout his ministerial career, and, indeed, it is now indicative of the Government themselves.

The Government's settlement with Eurotunnel confirms what everyone except, it seems, the Transport Secretary knew: that flouting EU law on the basis of so-called unforeseen events was a completely untenable position. The only development that was foreseeable was that he would make a hash of anything that he touched. He now even has his own website, tracking how much money he is costing the taxpayer. That becomes a great deal less humorous when we see the amount: £2.7 billion as of this morning, although—as we know from the Transport Secretary—that may have gone up while I have been speaking.

Before the Government's settlement last week, Eurotunnel said:

"It appears ...that the secretary of state is seeking to maintain extensive claims to confidentiality in relation to large numbers of disclosed documents and appears to intend that large parts, if not all, of the trial should be held in private."

Moreover, we have again seen a failure to disclose answers to the questions asked in the Chamber.

Let me end by asking some more questions. The Transport Secretary says that there has been a changed assumption. No, there has not; there has been complacency and arrogance. There was an urgent question about this issue yesterday, following a weekend of silence from the Transport Secretary. Why did he duck it, and send the Health Secretary to answer it in his place? Has he any shred of respect for the principle of ministerial accountability?

[Drew Hendry]

The question remains why Eurotunnel was overlooked in this first place. As I have said, the secrecy is of real concern. How much documentation is still hidden from public view? If the no-deal contract is not invoked, how much money will still be paid to Eurotunnel? With engineering firm Bechtel set to sue the Government over the HS2 tender process, what other departmental procedural risks still exist? Is it not the case that any other individual working on a business deal would have been sacked by now for wasting the amount of money the Secretary of State has wasted to date? What message does that send to the public? The message it sends is that failure, waste, ignorance, complacency, arrogance and contempt for the public are to be rewarded by the Tories.

3.45 pm

Alan Brown: Once again, I thank you, Mr Speaker, for granting this debate. I also thank all Members who have taken part, particularly the two Conservative Members, whose contributions in trying to defend the Transport Secretary unwittingly made our case for us in terms of how big a farce this has really been. There was a ludicrous defence of the Transport Secretary by the hon. Member for Dover (Charlie Elphicke), who stated the whole Government were to blame for being too late in undertaking contingency planning. With the Transport Secretary also advising us suddenly of a collective Cabinet decision, we now know we have collective Cabinet incompetence, which says all we need to know about this Government and the leadership of the Prime Minister.

Despite having had nearly three hours of debate, the reality is that we still have no clarity about what the £33 million to Eurotunnel gets us and what, if anything, is being withheld by the Government in event of a

withdrawal agreement being reached. We have had no reasons for the court climbdown on Eurotunnel's challenge; nobody has been able to answer the questions on isotopes from my hon. Friend the Member for Glasgow North West (Carol Monaghan); and we have had no justification for how this whole procurement exercise is suddenly a medicine-led exercise. We have had no clarity or justification on the rationale for pursuing an exemption in competitive tendering on the basis of the regulation 32 exemption for unforeseeable circumstances, and no answers to the detailed questions from my hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry).

Many Members have called for the Transport Secretary's head, although, as I said earlier, it goes much wider than this. There was a classic oxymoron from the Transport Secretary: in defending his approach to the contingency planning he said that sometimes risks have to be taken. It undermines the point of contingency planning if he is actually willing to take risks. I will finish with this: the longer he stays in post is a risk too far for the United Kingdom. Again, I thank Members from across the House for their contributions.

Question put and agreed to.

Resolved,

That this House has considered the latest developments in the UK Government ferry contract awards for no-deal preparations.

Chris Grayling: On a point of order, Mr Speaker. I would just like to inform the House that the annex containing the requirements for Eurotunnel to spend money on improvements at the borders has now been published on the Government website.

Mr Speaker: That is an extremely helpful point of order from the right hon. Gentleman, and I thank him. It is by way of being a public information notice and I take it very much in that spirit.

Speaker's Statement

3.48 pm

Mr Speaker: I have a brief announcement to make. I have received a letter this afternoon from the Registrar of Criminal Appeals informing me that Fiona Onasanya's application for leave to appeal against her conviction has been refused. This notification triggers the provisions of the Recall of MPs Act 2015, and I will accordingly be writing to the relevant petition officer to inform that person that Fiona Onasanya is therefore subject to a recall petition process. It will be for that officer to make the arrangements for the petition. I am sure the House will understand that I will not take points of order on what I have just said, which I think is clear, and I thank the House for its courtesy in listening to that announcement.

NORTHERN IRELAND BUDGET (ANTICIPATION AND ADJUSTMENTS) (NO. 2) BILL (BUSINESS OF THE HOUSE)

Ordered,

That the following provisions shall apply to the proceedings on the Northern Ireland Budget (Anticipation and Adjustments) (No. 2) Bill:

Timetable

(1) (a) Proceedings on Second Reading and in Committee of the whole House, any proceedings on Consideration and proceedings up to and including Third Reading shall be taken at today's sitting in accordance with this Order.

(b) Notices of Amendments, new Clauses or new Schedules to be moved in Committee of the whole House may be accepted by the Clerks at the Table before the Bill has been read a second time.

(c) Proceedings on Second Reading shall be brought to a conclusion (so far as not previously concluded) four hours after the commencement of proceedings on the Motion for this Order.

(d) Proceedings in Committee of the whole House, any proceedings on Consideration and proceedings up to and including Third Reading shall be brought to a conclusion (so far as not previously concluded) six hours after the commencement of proceedings on the Motion for this Order.

Timing of proceedings and Questions to be put

(2) When the Bill has been read a second time:

(a) it shall, despite Standing Order No. 63 (Committal of bills not subject to a programme order), stand committed to a Committee of the whole House without any Question being put;

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

(3) (a) On the conclusion of proceedings in Committee of the whole House, the Chairman shall report the Bill to the House without putting any Question.

(b) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

(4) If, following proceedings in Committee of the whole House and any proceedings on Consideration of the Bill, a legislative grand committee withholds consent to the Bill or any Clause or Schedule of the Bill or any amendment made to the Bill, the House shall proceed to Reconsideration of the Bill without any Question being put.

(5) If, following Reconsideration of the Bill:

(a) a legislative grand committee withholds consent to any Clause or Schedule of the Bill or any amendment made to the Bill (but does not withhold consent to the whole Bill and, accordingly, the Bill is amended in accordance with Standing Order No. 83N(6)), and

(b) a Minister of the Crown indicates his or her intention to move a minor or technical amendment to the Bill, the House shall proceed to consequential Consideration of the Bill without any Question being put.

(6) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph (1), the Chairman or Speaker shall forthwith put the following Questions in the same order as they would fall to be put if this Order did not apply:

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment, new Clause or new Schedule selected by the Chair or Speaker for separate decision;

(d) the Question on any amendment moved or Motion made by a Minister of the Crown;

(e) any other Question necessary for the disposal of the business to be concluded; and shall not put any other questions, other than the question on any motion described in paragraph (17)(a) of this Order.

(7) On a Motion so made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

(8) If two or more Questions would fall to be put under paragraph (6)(d) on successive amendments moved or Motions made by a Minister of the Crown, the Chairman or Speaker shall instead put a single Question in relation to those amendments or Motions.

(9) If two or more Questions would fall to be put under paragraph (6)(e) in relation to successive provisions of the Bill, the Chairman shall instead put a single Question in relation to those provisions, except that the Question shall be put separately on any Clause of or Schedule to the Bill which a Minister of the Crown has signified an intention to leave out.

Consideration of Lords Amendments

(10) (a) Any Lords Amendments to the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(11) Paragraphs (2) to (11) of Standing Order No. 83F (Programme orders: conclusion of proceedings on consideration of Lords amendments) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (10) of this Order.

Subsequent stages

(12) (a) Any further Message from the Lords on the Bill may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(b) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement; and any proceedings suspended under sub-paragraph (a) shall thereupon be resumed.

(13) Paragraphs (2) to (9) of Standing Order No. 83G (Programme orders: conclusion of proceedings on further messages from the Lords) apply for the purposes of bringing any proceedings to a conclusion in accordance with paragraph (12) of this Order.

Reasons Committee

(14) Paragraphs (2) to (6) of Standing Order No. 83H (Programme orders: reasons committee) apply in relation to any committee to be appointed to draw up reasons after proceedings have been brought to a conclusion in accordance with this Order.

Miscellaneous

(15) Standing Order No. 15(1) (Exempted business) shall apply so far as necessary for the purposes of this Order.

(16) Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

(17) (a) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken, to recommit the Bill or to vary or supplement the provisions of this Order.

(b) No notice shall be required of such a Motion.

(c) Such a motion may be considered forthwith without any Question being put; and any proceedings interrupted for that purpose shall be suspended accordingly.

(d) The Question on such a Motion shall be put forthwith; and any proceedings suspended under sub-paragraph (c) shall thereupon be resumed.

(e) Standing Order No. 15(1) (Exempted business) shall apply to proceedings on such a Motion.

(18) (a) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(b) The Question on any such Motion shall be put forthwith.

(19) No debate shall be held in accordance with Standing Order No. 24 (Emergency debates) at today's sitting after this Order has been agreed.

(20) Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

(21) No private business may be considered at today's sitting after this Order has been agreed.—(*Wendy Morton.*)

Northern Ireland Budget (Anticipation and Adjustments) (No. 2) Bill

Second Reading

3.50 pm

The Secretary of State for Northern Ireland (Karen Bradley): I beg to move, That the Bill be now read a Second time.

As I have stated to the House on a number of occasions over the 14 months that I have been in this role, and as my predecessors did previously, the UK Government have a responsibility, in the absence of a functioning devolved Government in Northern Ireland, to ensure good governance and to protect the interests of all parts of the community. We have a duty to safeguard public services and public finances. The Bill before the House today upholds that duty by giving certainty to Northern Ireland finances for the 2018-19 financial year and by enabling Northern Ireland Departments to continue to deliver public services into the first half of 2019-20.

Last year, the UK Government had to step in and ask Parliament to legislate for the 2018-19 budget for Northern Ireland. This was not a step that we wanted to take, but it was a necessary step to give a clear, legal basis to Northern Ireland Departments to enable them to manage resources and perform the important work that they continue to do in the absence of an Executive. I want to put on record once again my admiration for the work that the civil servants in the Northern Ireland civil service do in the absence of political leadership. The legislation that we passed, the Northern Ireland Budget Act 2018, did not set out any direction for how spending decisions should be made. Instead, it set out in law departmental spending allocations within which permanent secretaries could deliver on their respective responsibilities. That Act was passed in July. Since then, the Northern Ireland civil service has continued to assess where pressures lie across the system, and it has reallocated resources as required. As we approach the end of the financial year, those changes need to be put on to a legal footing, as is a standard part of any annual budgetary process, and that is what this Bill does.

In addition, the Bill will provide for a vote on account for the first half of next year, to give legal authority for managing day-to-day spending in the run-up to the usual main estimates process. This is a normal part of the estimates process. This year, however, following discussions with the Northern Ireland civil service on the pressures it faces in the year ahead, I am proposing in this Bill to provide a higher than normal level of vote on account of 70%.

Lady Hermon (North Down) (Ind): The Secretary of State will be well aware that, in evidence to the Northern Ireland Affairs Committee, a considerable amount of criticism has been expressed of the budget allocation to the Education Department. In particular, we have heard evidence that primary schools have had to ask for donations of toilet roll, in addition to pencils and the other things that one would usually expect. Can the Secretary of State guarantee that, following the increase in the budget to the Department of Education—many other Departments are in the same situation—we will not see a repetition of primary schools in Northern Ireland asking for donations of toilet roll?

Karen Bradley: The hon. Lady makes a number of important points, the first being that we have rightly increased spending for the Department of Education. This is an area in which there is a clear need for increased spending, and the permanent secretary at the Department was keen to ensure that the Government were aware of that. That is why, in the allocations for 2019-20 that were set out in the written statement last week, there is an increase in spending power for the Department of Education. The hon. Lady also makes a point about how that spending happens. The difficulty in the absence of Ministers in Stormont is that spending cannot be directed from this House. She also refers to issues within education in Northern Ireland. There is an undoubted need for reform of the system to ensure that money is spent appropriately and gets to the frontline and to the children and students who need it most, but we need Ministers to do that, which is why Stormont must be restored as soon as possible.

Tony Lloyd (Rochdale) (Lab): I am interested in what the Secretary of State said in response to the hon. Member for North Down (Lady Hermon). I am looking at the Secretary of State's written statement and the announcement of an extra £140 million for education, health and, as it happens, justice, but she says that it was provided

"in recognition of the lack of opportunity for more fundamental service reconfiguration over the last 12 months".—[*Official Report*, 28 February 2019; Vol. 655, c. 23WS.]

This may be new money, but it will provide no new services and it comes as a result of a failure of the political process in Northern Ireland to reconfigure those services.

Karen Bradley: The additional funding for health and education is partly down to the new money that the Treasury has found—the £140 million—but it is also down to Barnett consequentials and other reasons. We have worked to ensure that the money that is needed by Departments, as requested by the permanent secretaries, is given to them, but the shadow Secretary of State is right that it is for business as usual activities. Major policy decisions cannot be taken at this stage because that needs political leadership.

Dr Andrew Murrison (South West Wiltshire) (Con): My right hon. Friend is right to say that this is not simply a matter of uplifting the amount of funding to education or healthcare; this is also about trying to work out how best to spend that money. Will any of the £4 million in transformation funding that she identified last month be used to try to work out how the footprint of the education and healthcare estate might be better utilised?

Karen Bradley: We are keen that the Northern Ireland civil service does the necessary work to prepare for the transformation of health and education and for the urgently needed reforms but, to be clear, the actual reforms can only be made once Ministers are in place in Stormont to make the decisions and give political direction.

Returning to the vote on account, the reason why it is 70% in this Bill, rather than the normal 45%, is that that recognises the increased spending pressures facing public services and the lack of Ministers in place to take reactive and decisive steps to respond to emerging or

escalating pressures. It also recognises the uncertainty of the political situation in Northern Ireland in the months ahead. In the light of that context, such a level of vote on account is reasonable and provides the practical and legal certainties to protect public services in any circumstance and up until the point that Northern Ireland budget legislation for 2019-20 is taken through to secure funding for the full year. It goes without saying that I genuinely hope that a new Executive will be in place to take their own budget legislation forward for 2019-20, but this Government stand ready to take it through if needed.

To be clear, this Bill does not represent a budget for the year ahead. It does not seek to set out in legislation the departmental allocations that I outlined in my written statement on 28 February, because the headline allocations will require legislation later in the year. However, until that point, the vote on account in this Bill and the draft Northern Ireland budgetary position for 2019-20, as set out in my written statement last week, give the necessary clarity and certainty to Northern Ireland Departments to enable them to take decisions and plan and prepare for the year ahead.

Lady Hermon: I am grateful to the Secretary of State for allowing me to intervene for a second time. She has said twice in quick succession that the Bill is to allow a budget that takes into account any circumstances in Northern Ireland—that allows Departments to plan ahead. May I just mention Brexit to her? Can she actually tell us how much has been allocated in the Bill towards Brexit preparations and does that allocation take into account—heaven forbid—the possibility of a no-deal Brexit?

Karen Bradley: I repeat: the Bill is about putting on a statutory footing the spending that has already taken place. I will be happy to furnish the hon. Lady with information about money that Departments in Northern Ireland have spent on planning for Brexit, which covers all Brexit planning. The allocations in the written ministerial statement do include moneys that have been allocated from the Treasury for planning for Brexit, so that is in the written ministerial statement, but the budget today is about the money that has already been spent. I will be happy to give the hon. Lady full information about money that has been spent to date and up till the end of the month. We are putting that on a statutory footing today. The hon. Lady looks as if she is itching to intervene again.

Lady Hermon: I am extremely grateful; it really is very generous of the Secretary of State to give way again. I am reading the legislation before us, which we are asked to give our consent to. Under the allocation for the Department of Justice, it says in black and white—I have not invented this—

"expenditure on activities that are required as a result of the United Kingdom's exit from the European Union".

As that appears to be expenditure on activities that are required as a result of Brexit, I have asked the Secretary of State how much has been spent. That is a clear question; I just want a clear answer.

Karen Bradley: There may be information on certain departmental spending, but, on the total, this is a number that is owned by NICS, not by the Northern Ireland Office, and I would not want to give the hon. Lady

[Karen Bradley]

just one bit of the jigsaw. I would like to give her the full picture, including all the money that has been spent on preparations this year. On the allocations for the future, this is to enable the vote on account to happen, but actually the departmental allocations will be properly done, through a budget next year. In the same way as we had a budget Bill last July, which put the 2018-19 spending on a statutory footing, this is the completion of that process for 2018-19. Another Bill will do that for 2019-20. However, I will of course write to the hon. Lady and ensure that she has full information about all the spending across all Departments, because as I say, that information is held by the NICS; it is not owned by the Northern Ireland Office and I want to get it absolutely correct for her.

Vernon Coaker (Gedling) (Lab): I think it would be very useful for the House to have the information that the Secretary of State just mentioned. Given that, regrettably, we do not have a functioning Executive and Parliament in Northern Ireland, it would be useful for the House to have the information that the civil servants have given her on why there should be a budgetary increase in individual Departments—such as Justice, Education or Health—so that we have some way of understanding in this House what the budgetary pressures are and what influences are leading to the decisions that the Secretary of State is making. I think that would be very helpful to us all.

Karen Bradley: The written ministerial statement sets out the departmental allocations. Those are the moneys that the permanent secretaries have asked me to deliver to them. I cannot direct the spending within those Departments. I also cannot ask them exactly which work streams or programmes they will spend the money on, because in this House we do not have the Executive power to do that. However, I am making it possible for the spending that has already happened to have the statutory footing that it needs, and I am making possible the vote on account for next year, as agreed with the permanent secretaries of each Department.

It is not a satisfactory process. I do not deny that this is not the ideal way to do it. The ideal way to do this would be to have Ministers in Stormont who are able to direct departmental spending and to have a budget process that is done in the same way as the overall budget is done for the United Kingdom in the Treasury; but we are not in a situation where that can happen, so unfortunately, this is where we are.

Emma Little Pengelly (Belfast South) (DUP) *rose*—

Vernon Coaker *rose*—

Karen Bradley: I will give way to the hon. Gentleman again, and then I will make progress.

Vernon Coaker: I am not trying to criticise. I am not complaining or saying that the Secretary of State is wrong. All I am saying is that, for example, her statement states that £16.5 million goes to the police for EU exit preparations. So, somewhere along the line, the police have decided that they would like those additional moneys to help. All I am saying, as somebody who takes a keen interest in Northern Ireland, is that with that, or

with the schools, or with health, it would be helpful, as far as possible, to have some idea about the reasons that that money has been requested—not to criticise it, but just to understand it better.

Karen Bradley: I understand the point the hon. Gentleman makes. He has significant experience in Northern Ireland and will know a great deal about it. The police put in a specific bid for additional resources for Brexit preparations. It went through the proper processes in the Treasury and this has been paid. I recognise his frustration about wanting more information here for parliamentarians, and I have supplied the information I am able to supply in my capacity as Secretary of State. Clearly, we are not looking at the future spending and, when we do the budget for 2019-20—I hope we will not have to, as I hope it will be done by Ministers in Stormont—I will bear in mind the points he has raised.

Emma Little Pengelly: At which point will the Secretary of State accept that this is an entirely unsustainable position? As has been outlined, there is no scrutiny in this process. I do not believe that such a process would take place anywhere in a democracy in the western world. This process is taking place completely behind closed doors in terms of what bids are being put forward and what bids are being accepted. The people of Northern Ireland are in a difficult position; they are between two positions. The first is that Sinn Féin is boycotting the Northern Ireland Assembly, so we do not have the right mechanisms in place to scrutinise and make decisions. The second is that the Secretary of State and this Government are refusing to put in place direct rule, which, although not desirable, is necessary. We have now had several years of this type of process where there is no scrutiny and no democratic accountability. When is that going to change?

Karen Bradley: Of course, there is full scrutiny of the Northern Ireland block grant—that is the estimates process that we went through last week in this House; this House is able to scrutinise the block grant. I will accept the point the hon. Lady makes about the undesirable level of scrutiny and about how the allocations are made between Departments. I do not disagree with her on that. It would be much better to have the full scrutiny process that a devolved Executive would be able to deliver. We are in a very unsatisfactory position. I would rather we were not doing this in this way, but to ensure that public services continue to be delivered and that public servants—the civil servants in Northern Ireland—have the statutory underpinning they need for the spending, we are taking forward this budget Bill. I would really rather we were not.

Gavin Robinson (Belfast East) (DUP) *rose*—

Karen Bradley: I will take one final intervention and then I will make some progress.

Gavin Robinson: The Secretary of State is right about the difficulty we are in because Stormont is not sitting, but that does not obviate the need for the process that this House should be engaged in. There is no need for this Bill be done through emergency procedures—there is no need for it to be fast-tracked. The explanatory

memorandum says that the Bill is being fast-tracked because there was a hope that the Executive would have been restored to make the provisions. When in the past two months was there any genuine prospect of the Assembly being restored to go through this process? Our Committee stage is to be constrained this afternoon—we might get an hour or we might get 45 minutes on the Floor of this House. That is not satisfactory; we have the tools and the mechanisms in Parliament for full Bill Committee consideration of the estimates and future allocations. There was also the opportunity for the Select Committee on Northern Ireland Affairs to get into these discussions. The Departments are very good at appearing before the Committee chaired by the hon. Member for South West Wiltshire (Dr Murrison). We should have used those processes, rather than this constrained, fast-track process today.

Karen Bradley: I understand the hon. Gentleman's concerns, but we have to be aware of the constitutional precedents that are set by changing the way we scrutinise these Bills. The way this Bill should be taken through is not as primary legislation; it should be an estimates process done in Stormont, in the same way as we vote on our Budget in this House. We do not have scrutiny of the Budget resolutions upstairs; we have a Finance Bill that puts them into legislation, but we vote on Ways and Means resolutions on the Floor of the House. Unfortunately, we do not have the ability to do that in Stormont, for well documented reasons. What I want is to see those politicians in Northern Ireland doing the right thing, coming back to Stormont and forming the Executive, so that all those proper processes can be applied. We should not kid ourselves that some substitute arrangement will offer a different approach; we have to see devolved government restored in Stormont.

Sammy Wilson (East Antrim) (DUP) *rose*—

Karen Bradley: I know the right hon. Gentleman wants to come in, but I want to make some progress, because I am conscious that others want to speak and we want to make sure everyone has a chance to be heard.

Let me go back to the work we are doing today. Like last year, the draft budget sets headline allocations only. It will remain for Northern Ireland permanent secretaries to use the powers of this budget legislation and the draft budget position to take decisions to maintain public services and live within their means. Also like last year, the Bill does not propose any new moneys to be voted on for Northern Ireland. The totals to which it relates are either raised locally or have been subject to previous votes in Parliament, most recently in respect of the Supply and Appropriation (*Anticipation and Adjustments*) (No. 2) Bill, which has passed through this House and is now in the other House. Instead, the Bill looks back to confirm spending totals for 2018-19, to ensure that the Northern Ireland civil service has a secure legal basis for its spending in the past year. Taken as a whole, it represents the minimum necessary intervention to secure public finances at this juncture.

Let me turn briefly to the Bill's contents, which largely rehearse what I set out to the House in spring last year when I introduced the Northern Ireland Budget (*Anticipation and Adjustments*) Act 2018. In short, the Bill authorises Northern Ireland Departments and

certain other bodies to incur expenditure and use resources for the financial year ending on 31 March 2019—this month.

Clause 1 authorises the issue of £16.8 billion out of the Consolidated Fund of Northern Ireland. The allocation levels for each Northern Ireland Department and the other bodies in receipt of the funds are set out in schedule 1, which also states the purposes for which the funds are to be used.

Clause 2 authorises the use of resources amounting to some £20 billion in the year ending 31 March 2019 by the Northern Ireland Departments and other bodies listed in subsection (3).

Clause 3 sets revised limits on the accruing resources, including both operating and non-operating accruing resources in the current financial year. All are largely as they appeared in the Northern Ireland Budget Act 2018. The revised totals for Departments appear in schedules 1 and 2.

Clause 4 sets out the power for the Northern Ireland civil service to issue out of the Northern Ireland Consolidated Fund some £11.8 billion in cash for the forthcoming financial year. That is the vote-on-account provision that I have already outlined. It is linked to clause 6, which does the same in terms of resources. The value is set at around 70% of the sums available in both regards in the previous financial year. Schedules 3 and 4 operate on the same basis, with each departmental allocation simply set at 70% of the previous year, and clause 5 permits some temporary borrowing powers for cash-management purposes.

As I have already noted, all these sums relate to those that have already been voted for by Parliament, together with revenue generated locally in Northern Ireland. There is no new money in the Bill; there is simply the explicit authority to spend in full the moneys that have already been allocated.

Lady Hermon: May I record my serious disappointment that in the allocations we are going to approve today there appears to be absolutely no money at all set aside for the victims of historical institutional abuse? Will the Secretary of State confirm that the head of the Northern Ireland civil service, David Sterling, indicated that the Government would have a moral obligation, after the consultation on the Hart recommendations had ended, to bring the legislation through this House if the Assembly was not sitting? Will the Secretary of State honour that moral obligation to the victims of historical institutional abuse in Northern Ireland?

Karen Bradley: The hon. Lady has raised this issue on several occasions and I know how strongly she feels about it. I have met survivors of historical institutional abuse and what they went through is shocking. As she will know, the consultation the Northern Ireland civil service started is still open. Once that consultation has been completed and the recommendations from it are clear, we will consider them in the normal way. To reassure her, the vote on account that we are talking about is merely on 70% of the previous year's spending. We are not doing anything in this Bill other than giving the Departments in Northern Ireland the ability to continue to spend money up to the level of 70% of the spending in the previous year. We are not directing them on how they spend that money.

Sammy Wilson: May I take the Secretary of State back to where she started, before she began going through the departmental allocations and the detail of the Bill? The whole point—it has been made time and again by Democratic Unionist party Members—is that there is no scrutiny of how the departmental allocations were reached. She is right that that scrutiny would normally be done through Stormont, but Stormont is not operating. A mechanism is available here, but there seems to be reluctance to use it because of the possible reaction from Sinn Féin. Not only is Sinn Féin stopping scrutiny in Stormont; the fear of how it will react is stopping scrutiny here. When will the Secretary of State realise that Sinn Féin cannot block the scrutiny of how money is spent in Northern Ireland by keeping the doors of Stormont shut and causing fear here about how it may react when we try to do the job in this place?

Karen Bradley: I know how strongly the right hon. Gentleman feels about that point, which he has raised on several occasions. He will know that we consulted on the process with all five main parties in Northern Ireland, with the Opposition and with the Northern Ireland Affairs Committee to allow some prior scrutiny of the figures. All parties had full sight of the figures that we published in last week's written ministerial statement. He is absolutely right that normal scrutiny procedures are not in place—they will be in place only with the restoration of devolution—but I caution him against trying to create artificial scrutiny processes that might well set a precedent for the future across all the devolved nations. The right scrutiny processes are available to respect the constitutional arrangements across the whole United Kingdom and all the devolved Administrations.

Civil servants are taking decisions—not major policy decisions, but the decisions that the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 enables them to make and that we want them to be able to make. We have to be very careful about the civil service's separation and independence from scrutiny by political masters. It is the political decisions that need scrutiny, not the decisions of civil servants. We would like to see Departments given full scrutiny in Stormont, as happens in this House, but we have to be very careful about the constitutional arrangements.

That brings me back to my point that the Bill would ordinarily have been taken through the Assembly. Clause 7 therefore includes a series of adaptations that ensure that, once approved by both Houses in Westminster, the Bill will be treated as though it were an Assembly budget Act. That will enable Northern Ireland public finances to continue to function, notwithstanding the absence of an Executive.

Alongside the Bill, I have laid before the House, as a Command Paper, a set of supplementary estimates for the Departments and bodies covered by the budget Bill. Those estimates, which have been prepared by the Northern Ireland Department of Finance, set out the breakdown of resource allocation in greater detail.

Jess Phillips (Birmingham, Yardley) (Lab): When I was over in Northern Ireland recently, I realised to my horror that childcare is not widely available there, as it is in GB. People told me that some money had previously been allocated for childcare, but it seems that all the money for education, early years and childcare in the Bill is

being allocated towards equal pay claims rather than provision to help women go to work, so this is a cracking day for women in Northern Ireland. To go back to the scrutiny conversation, the details seem to be very cloudy about where the previous money has gone and why there is no childcare in Northern Ireland. Could the Secretary of State answer that point?

Karen Bradley: This is a very technical Bill to put on a statutory footing the moneys that we have already voted through the House or that have been raised locally. The departmental allocations that the hon. Lady questions are in line with the advice that I have received from permanent secretaries about the moneys that they need. How they spend that money is for them to determine, based on previous decisions of the Executive and on the previous draft programme for government. That leads to perverse outcomes: things not being as we would like them to be in Northern Ireland, differences in Northern Ireland and the end of programmes that we might otherwise have wanted to continue. Without a Minister to direct them, those programmes finish. The answer is devolved government in Stormont. That is the way in which there will be proper scrutiny and proper political accountability, and there is no alternative.

Emma Little Pengelly: In Northern Ireland, we have a childcare strategy called Bright Start, and a significant amount of money was allocated to each of its themes and actions. I concur with the hon. Member for Birmingham, Yardley (Jess Phillips) that we do not have the 30 hours' free childcare; the Department of Education in Northern Ireland was supposed to work on that. This illustrates two issues. First, we do not know what further allocations are being made under the childcare strategy. There has been no information on that thus far, and nor has there been any information about whether those allocations were bid for. Secondly, there cannot be a decision about 30 hours' free childcare, despite all the work in the Department, because there is no Minister to take that decision. Sinn Féin are boycotting the Northern Ireland Assembly, so we cannot make the decision there. Will the Secretary of State please step up and start making those kinds of decision for Northern Ireland?

Karen Bradley: As I have said, there is no good alternative for the people of Northern Ireland other than the politicians that they have elected making the decisions on their behalf in Northern Ireland, fully scrutinised and fully accountable to the people who elected them. There is no alternative, and that is why we want to see politicians back in Northern Ireland. *[Interruption.]* I can hear my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) making noises from a sedentary position.

Sir Mike Penning (Hemel Hempstead) (Con): I was moaning, as usual.

Karen Bradley: I do not believe that my right hon. Friend is capable of moaning.

Sir Mike Penning: On that point—*[Laughter.]*

Karen Bradley: As hon. right and hon. Members will note, this is a different process from that which we might ordinarily see for estimates at Westminster, whereby the estimates document precedes the formal Budget legislation and is separately approved. That would also

be the case at the Assembly. If it is Westminster that is passing the main Northern Ireland budget Bill later in the year, that Bill would contain modifications to the Government Resources and Accounts Act (Northern Ireland) 2001 to reflect the departure from the usual process.

As I hope hon. right and hon. Members will agree, this is very much a technical step that we are taking as we approach the end of the financial year. It provides a secure legal footing for the Northern Ireland civil service and demonstrates that this Government will uphold our responsibilities to the people of Northern Ireland.

As I conclude, I will set out once again a point that I have made several times before to this House. The UK Government are steadfastly committed to the Belfast agreement. Legislating on Northern Ireland budgetary matters at Westminster is not a step I want to take; nor is it one I want to take again. I am determined to restore the political institutions set out in the 1998 agreement and its successors at the earliest possible opportunity.

The people of Northern Ireland have now been without a power-sharing devolved Government for over two years. They need their representatives back in Stormont, taking decisions on the issues that matter to them. I know that an agreement to restore the Executive is achievable. I met the party leaders of the five main parties on 15 February at Stormont House, and I spoke to them again last week to discuss a further period of intensive talks to restore the Executive. In those discussions, all parties bar one—which was not able to meet me, rather than anything else—reaffirmed their commitment to a restored Executive and said that they wanted to continue to work towards that aim. I am absolutely determined to bring this about, and that is my focus and priority. I will do everything I can to support parties in coming together to find an agreement that can restore the power-sharing devolved government that is so needed. In its absence, this Bill is a reminder that the UK Government will always uphold their responsibilities for political stability and good governance in Northern Ireland, and I commend it to the House.

4.23 pm

Tony Lloyd (Rochdale) (Lab): May I begin by offering a small prediction that, sadly, there will be very little coverage of this debate in the Northern Ireland media or beyond? That is a tragedy, especially when I compare it to a debate that might take place in a large local authority—in my city region, for example. There would be massively more local media interest in such a debate for a particular reason: there is engagement with the political process. At the moment, people are becoming disillusioned with the political process in Northern Ireland, and that is beyond a matter of regret; it is a matter of danger for us all, and we should recognise that.

As the Secretary of State said, there has been no functioning Stormont for over two years, as the Stormont Executive and Assembly collapsed on 9 January 2017. The Secretary of State has a unique role, in that at no point other than when the present Lord Murphy introduced a budget to establish the Assembly has a Secretary of State delivered a budget. This Secretary of State has now delivered two.

This is set against a background of a seeming lack of action on re-establishing the Stormont Executive and Assembly. I know that the political parties in Stormont

will argue about who is responsible. However, the reality is that during the more than two years that have gone by, the level of activity has been low. The Secretary of State has met the political parties, but not regularly. A little over a year ago, when the Prime Minister went over to be part of this along with the Taoiseach, people thought and hoped, rightly, that there would be a resolution to the situation. The Prime Minister has not been engaged consistently since then. I am bound to compare that with John Major when he was Prime Minister before the Good Friday agreement was signed, with Tony Blair during the years when he was Prime Minister, and with David Cameron when he was Prime Minister. I have to say to the Secretary of State that we must see more concerted action. We have to see some ambition for real change.

I know that this will not please everybody in the Chamber, but let me quote Michelle O'Neill, the leader of Sinn Féin at Stormont, who said, when talking about a serious and meaningful talks process that removes obstacles to proper power sharing and delivers a successful outcome in restoring the Assembly, that

“we have yet to see Karen Bradley prioritise such a process”.

The Secretary of State may be cynical about Michelle O'Neill. I know that other hon. Members in the Chamber certainly will be. However, the same message is coming through to me from all the political parties that this Government have not been properly engaged in re-establishing the Stormont Assembly.

The Secretary of State has said to me:

“This Government will continue to observe all our commitments under the Belfast/Good Friday agreement.”—[*Official Report*, 13 February 2019; Vol. 654, c. 906.]

Mr Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman quoted the leader of Sinn Féin's explanation of situations that had to come about in advance of the talks process. Does he agree that that sounded remarkably like a precondition to talks as well as a precondition to going into Stormont?

Tony Lloyd: When John Major was engaged in the talks process leading up to the Good Friday agreement, and Tony Blair even more intensely so, there were many preconditions on the table—of course there were. That is the nature of a talks process. Anybody who has ever engaged in meaningful negotiations knows that people do not walk in with no agenda, but the talks process has to get them together and iron out the differences. It has, in the end, to say what is held more in common and what is more important.

I will go through some of the things that, in the end, are more important when we look at what is not taking place in Northern Ireland now—some of the things that hon. Members have already raised. The hon. Member for North Down (Lady Hermon) mentioned the Hart inquiry. The Secretary of State has heard the demands in this Chamber, on a regular basis, that she take action. We have to look at the people across Northern Ireland. The politicians from all sides say that they want to get back to Stormont. Yes, we have to test the competence and the willingness of politicians really to negotiate, but the trade unions, the business community and civil society are also saying, “Let's get Stormont back working.” That is so important, because without it the decisions are not being made that can make a material difference.

[Tony Lloyd]

The business community and the trade unions have recently said to me that they cannot get decisions made on infrastructure investment. I know that the hon. Member for East Londonderry (Mr Campbell) will agree that the Derry and Strabane city deal is fundamental, and my hon. Friend the Member for Bristol South (Karin Smyth) will talk later about the pressing importance of a decision on the medical school there. Decisions are required on the upgrading of the A5 and the A6 and on higher and further education. This might sound like a trivial issue, but decisions are required on sewers in Belfast. The sewerage system in Belfast requires £800 million. People may wonder why that matters, but from 2021, no new facility will be connectable to that water and sewerage system. We want to see the Belfast city deal bring in new offices, industries and hotels, but that will not be viable if the sewerage system is not capable of taking them on board. That is not a joke; it is very serious.

Gavin Robinson: The hon. Gentleman is making an important point. I want to give another example, which is the Belfast power plant. When the Northern Ireland (Executive Formation and Exercise of Functions) Bill went through the House, we indicated the need to get planning consent for that, so that it could form part of our capacity auctions and the Utility Regulator could factor it into our future energy requirements. Without it, we will not be able to keep the lights on. Four months on from that Act being passed, we still do not have a decision, and we need decisions where they can be taken.

Tony Lloyd: The hon. Gentleman is right. Electricity is fundamental to our way of life. It is not a bolt-on extra, and it is not just a question of keeping the lights on; it is a question of keeping hospitals working and the world of work functioning. That is fundamental.

I want to touch on one area of progress. I am delighted to see that £55 million has been put into the budget for the legacy coronial process, which is a really important step forward. That is a decision by the Department of Justice, within the framework of this budget. However, there will be a consequence of that coronial process. If it is successful, which we all hope it will be, it will put pressure on the Police Service of Northern Ireland, the police ombudsman and the Public Prosecution Service. Those bodies will all need a resource base that allows them to complete the work of the coronial process. Otherwise, we will be giving an illusion to the families of victims of crime.

In that context, I also want to mention pensions for the victims of violence. There are issues to be resolved, but nobody in the Chamber would disagree that those pensions are necessary. All these things are urgent, because we have an ageing population, whether it is Hart victims or victims of the violence during the troubles. They will die without resolution of these issues unless action is taken.

I am bound to compare this issue to what we will discuss tomorrow, which is the contentious issue of tariffs under the renewable heat incentive. That is urgent, and the Government are acting—even though it is outwith the norms of Government power, according to the Secretary of State's definition—because it is about money.

The issues relating to the Hart victims and victims of terrorism are human issues, and they are just as urgent. If we can act on one such issue, we should think seriously about acting on others.

Sir Mike Penning: I have listened carefully to what the shadow Secretary of State has said, and he has made some very reasonable points. I would like to ask him two questions. First, it seems that there is little movement, and we can blame a lot of different people, but at the end of the day it takes two to tango and Sinn Féin needs to come forward and be part of the process. If there is no movement, does he think that direct rule is the answer, two years on? Secondly, he talked about victims. Has he forgotten the victims who were our soldiers, our people and our policemen on the streets of Northern Ireland, who are now being dragged before the courts? Does he not think that they need a mention?

Tony Lloyd: On the first question, it is very reasonable to ask what happens next. We simply cannot allow this vacuum to continue—decisions are not being made. I would say to the right hon. Gentleman that, from my perspective at the moment, I still think we have to say that the hope is for a restoration of the Stormont structures, because if we give up on that, we are giving up on at least the principle of what the Good Friday agreement delivered.

Democracy matters. The right hon. Gentleman would not accept the situation—I say this to him seriously—if I said that we were going to abrogate his local council's need to function. This is not about getting two to tango, but probably about getting at least five parties in Stormont to tango, plus the Government here in London and, actually, the Government in Dublin. We have to see a much more concerted effort to get people around the table to try to break the logjam. If we start raising the spectre of direct rule at this point, we are saying that we are giving up on power sharing.

Sir Mike Penning: I do not quite understand the point the shadow Secretary of State is making. If a council is failing to deliver the services we would expect from it, the Government step in and deliver them, as we have seen in Northamptonshire. We have a situation in the Province where there is no governance. We cannot question what civil servants are doing, quite rightly, because they are civil servants. However, they are running the show, which is not a democracy. I ask again: if not today or next week, when, for Labour, does direct rule come in?

Tony Lloyd: I simply repeat to the right hon. Gentleman that I do not want to see direct rule—I genuinely do not—and there are massive issues with it. Some of my hon. Friends served as Ministers during the period of direct rule, and it is a very difficult and undesirable thing. I will say this, and it may give him a small hint: the Labour Government did bring in direct rule, so none of us can say that it will never happen. We are not there yet, but we are in a position where we have to see greater activity from the Secretary of State and—yes, of course—from the leaders of the political parties. I will return to that theme in a little while, because I want to make another point in that context, but I am definitely not giving up yet on Stormont being brought back into operation.

The right hon. Gentleman also asked me a totally separate question. By the way, let me make it clear to him that there were soldiers who were victims themselves, members of the then Royal Ulster Constabulary were victims. Many of them take the view that the justice process has to continue because they want justice or, very often, the families of soldiers and serving police officers want to know what happened to their loved ones. I think that is still a legitimate case to make, and it is one I will continue to make. We will no doubt debate this on other occasions.

Dr Murrison: As always, I am following all the hon. Gentleman has to say with a great deal of interest. He has mentioned victims, and he is right to do so. Will he say whether he would include within his definition of a victim those who are victims by virtue of actions by their own hand?

Tony Lloyd: I am afraid—to give the hon. Gentleman the answer he does not want to hear—that, yes, I think so. We have to cut through this very difficult situation, and we cannot delay payments to victims. It is controversial, and I am very well aware of that, but if we are going to delay payments to victims across the piece to get the perfect, then we may be waiting forever, and that would be at the expense of the ageing population of people who are now dependent on seeing some real progress.

Dr Murrison: I do appreciate that this is a sensitive point. In saying that, however, does the hon. Gentleman accept that he is condoning criminality, because that is what compensating criminals would be? It is an extraordinary thing—indeed, I would say, an unprecedented thing in this country—that the state should seek to compensate those who damage themselves by their own hand while engaged in terroristic activities.

Tony Lloyd: I do understand the difficulties. Let me simply say that this is probably not the right time to pursue this debate, although I am more than content that we ought to pursue it, because bringing to a conclusion the question of victims' payments is clearly right and just, and it is important that it is done in this era, not simply deferred forever. However, it is probably not for today. I hope I have answered the hon. Gentleman's question as directly as I could—I think it was a clear answer—and we will continue the conversation.

Sir Mike Penning: Will the hon. Gentleman give way on that point?

Tony Lloyd: Yes, but I do not want to continue this for too long.

Sir Mike Penning: It is clear that the hon. Gentleman does not want to talk about this issue, but it is vital, when we are talking about money that will go to schemes to develop the whole argument about victims, that we address the point made by my hon. Friend the Member for South West Wiltshire (Dr Murrison). We have plenty of time to do it now. How can it be right that someone who has attempted to kill a civilian, a member of the police force or soldiers on active duty gets compensation from the victims fund? I used to administer the victims

fund when I was at the Ministry of Justice, and it is not perfect, but, for sure, one thing that I would not allow was that.

Tony Lloyd: It is rather interesting that the right hon. Gentleman says that I do not want to discuss the issue. I did. I answered the hon. Member for South West Wiltshire (Dr Murrison) very directly. I do not know what the right hon. Member for Hemel Hempstead (Sir Mike Penning) wants me to say beyond what I have said. If he wants to check the record, he should please do so. I am happy to continue the debate. If any Member wants to apply for an Adjournment debate, I will certainly turn up. They can ask the Secretary of State the same difficult question. It is a difficult question, but what we cannot do is freeze the process for victims, who, as I and the right hon. Gentleman agree, are absolutely worthy of compensation. We have to get on with it; that is the issue today. We need progress on all these issues, the difficult ones as well, then let us debate the finer points.

Martin Whitfield (East Lothian) (Lab): There needs to be a comprehensive settlement, but are we not coming up against the same problem that was discussed earlier? The question of transparency in the Bill and the limits that the Secretary of State sets for disclosure of all items confine us equally when we talk about any one element of the Bill. We need to look at it globally—at all of it. We need some way to get through the lack of transparency to find out where the expenditure is going, how it is being asked for, and what is being sought.

Tony Lloyd: My hon. Friend makes a similar point about the lack of transparency to that which has already been made by a number of Members, including the hon. Members for Belfast East (Gavin Robinson), for Belfast South (Emma Little Pengelly) and for East Antrim (Sammy Wilson). They are right to make that point.

Any local authority would have a far more dignified debate than the one we are having today about the length of time involved and the capacity to scrutinise. The Secretary of State says that we would create a new precedent were we to change these things, but we are in very different circumstances because we do not have direct rule and we do not have a functioning Stormont structure. We are already in unprecedented terrain, and we have to find ways to make sure that transparency and scrutiny are done far better.

There are specific questions I want to come on to, but it is probably worth making the point that a lot of people in Northern Ireland are already concerned about the lack of engagement with the budgetary process. I know that they are not represented in this House, but I want to quote the Ulster Unionist party's finance spokesman, Steve Aiken, who said:

"It's a disgrace...that the NIO handled the engagement on next year's budget so appallingly. The Secretary of State said in her budget statement that she has discussed the budget situation with the political parties—she has not. Tokenistic efforts do not constitute actual engagement.

Over the last ten days there have been three NIO budget meetings. The first ended in farce as the political parties were asked to consider options without being told what those options were, the second ended with only minimal information provided, and the third—just two hours before her statement was published—lasted minutes with again only bare information provided."

[Tony Lloyd]

That is not good enough to reassure the wider public or even people in this House that the process is transparent and accountable or has any processes for scrutiny. They simply are not there.

I have some specific questions and I hope that the Minister of State will pick up on them in his response. The Secretary of State said that this was retrospective, and of course not all of it is, because it sets out the budgetary headings for the coming year. It is important to recognise that. There is a real question. If Stormont were to begin to operate again at the beginning of April, would this budgetary process be transferable and amendable by an elected Stormont? Would it be able to change the budgetary headings?

Karen Bradley: That is absolutely the case. The shadow Secretary of State is absolutely right. The Bill puts on a statutory footing the spending that has already happened and that which will happen in the next three weeks up to the end of March. It also allows for a vote on account of 70% of the previous financial year's spending in the following year's spending, but nothing about this budget puts on a statutory footing any of the departmental allocations as set out in the written statement. That has to be done in a separate piece of legislation, which we hope will be done at Stormont. It could be amended and changed at Stormont, as seen fit by Ministers in Stormont.

Tony Lloyd: I very much welcome that reassurance. Will the Secretary of State also consider this point? The frame of reference in previous budgets is that 45% of the spend has been moved forward. That would take us up to September, roughly. This year, unusually, the Secretary of State has put in 70% of next year's spend. That speaks to the point raised by the hon. Member for Belfast East, who made the legitimate point that there is no emergency. The original ambition was to put this through using emergency powers, but there is no emergency whatsoever. This could have been done at any other time, whether in March, April or May—well, the retrospective part cannot, but the part for next year could be.

Karen Bradley: It is probably helpful if I clarify that point. We have to put on a statutory footing, by the end of March, the spending for the financial year 2018-19—the year we are in. That is what we are doing. The vote on account of 70%, rather than the 45% we did last year, is because of the recognition of the pressures on the Departments in Northern Ireland as a result of having no Ministers, and because we have additional moneys coming through. If an infrastructure decision is taken, money will need to be spent. What I did not want to do was constrain Departments to be legally able to have only up to 45% of the previous year's spending. The 70% reflects the fact that, because there are no Ministers and because of the unique circumstances in Northern Ireland the fact that there may well be decisions on infrastructure and on other issues that may require accelerated spending in a Department, I wanted to provide flexibility so we do not have to come back sooner and bring forward the legislation required to put that on a statutory footing for the next year. We will of course have to do that at some point; what we hope is that it will actually be done in Stormont.

Tony Lloyd: I think the Secretary of State is confirming that this is not an emergency and that the procedures to allow everything to be forced through so quickly are not absolutely necessary. The different parts of the Bill—the retrospective definition of what was legal spend and the anticipatory spend for next year—could have been separated. The second most certainly could have been done more slowly. There could have been capacity for much greater and lengthier scrutiny of those processes. That is important. The suspicion about the 70% is that it anticipates that there will not be an Executive or an Assembly back in operation. It allows the situation to ride over and ride over. The concern is that there is no ambition to see the restoration of Stormont.

Karen Bradley: I am sorry to intervene on the hon. Gentleman again—he is being very generous with his time—but I just want to be absolutely clear on the record: this has nothing to do with a timetable around the restoration of devolution. It is recognising that last year we were under pressure to introduce, before the summer recess, the Northern Ireland Budget Bill for 2018-19. We did that in July—I think in the last week of July—to put it on a statutory footing, because there was a risk that if we had not done so, some Departments would have run out of the ability to spend money over the summer recess. There would have been no legal basis for spending on schools, hospitals and so on. The reason for the 70% is that, in the absence of Ministers and with additional spending pressures on Departments, I do not want us to be in a position where we are urgently having to take that legislation through here again. I would much rather we gave civil servants the comfort they need. I accept that it is unusual, but I assure the hon. Gentleman that it is nothing to do with the timetable around devolution.

Tony Lloyd: I am grateful to the Secretary of State for that assurance.

On a different issue, the Secretary of State's colleague, the Communities Secretary, made it clear that the stronger towns initiative would extend to Northern Ireland, and hon. Members from across the Chamber will welcome that. However, given that it is a UK Government initiative, it is not clear how the decision-making capacity will be implemented. It is important that people can make decisions. It would be farcical if money were gifted to Northern Ireland—I do not know whether it would be Barnettised—but were not spendable because nobody can make a decision. [Interruption.] I am glad to see that the Secretary of State is considering that proposition.

Some have claimed that the £140 million is new funding that has resulted from the political pressure that Northern Ireland parties have put on central Government, but it is important that I repeat what the Secretary of State has already confirmed. Although it is new funding, and is welcome for that reason, it is actually a result of the lack of opportunity for more fundamental service reconfiguration, as she said. In other words, it is money for failure. The problem with that—the House must look at this very closely—is that my constituents, the Secretary of State's constituents and the constituents of all Northern Ireland Members are paying for it. That is unacceptable. It is a tariff resulting from the failure of the political process. Once again, we come back to the recognition that, because

there is no Stormont Assembly, we are all paying the cost in worse services, financially, and in the erosion of democratic values.

We do not intend to divide the House on budgetary items. It would not be appropriate to do so because they give permission to spend or are the legal ratification of spending processes. However, this shakes us all to say that there must now be real effort put in to restoring Stormont. I have never doubted the Secretary of State's sincerity in wanting to see Stormont restored, but I doubt the Government's capacity. That is the real issue that divides us. I repeat what I have said previously: if the Prime Minister is so preoccupied with Brexit that she has no time to look at devolution to Northern Ireland, that is a fundamental political mistake that we will rue in time to come. We need ambition. Those talks must take place, and the Government in Dublin must be involved.

Some time ago, when I arranged the British-Irish Intergovernmental Conference with the Secretary of State, she said:

"I remind him that that body has met twice in the past 12 months."
—[*Official Report*, 13 February 2019; Vol. 654, c. 906.]

That is true, and those occasions were the first in 145 months. That is not acceptable.

Karen Bradley: It is worth putting on the record the fact that the last time the British-Irish Intergovernmental Conference had met was in 2007. Clearly, although the institutions were running and Stormont was fully running with full power sharing, the appropriate east-west conversations could happen through other bodies. It is clear that that has happened, but it is a consequence of Stormont's not operating and there needing to be a forum for east-west communication.

Tony Lloyd: As the Secretary of State knows, I have asked for the BIIGC to be convened regularly. Back in the day, it sometimes met three or four times a year, particularly in the days of direct rule, when there was an ambition to get us back to a functioning Stormont. I have asked her in the past when it will meet again. Those meetings need to be timetabled and put on a regular basis so that we know it will meet and continue to be an active partner with the British Government in achieving the ambition of a restored Stormont.

I am aware that I have spoken for some time—I have given way a lot—and although we have the time, as the right hon. Member for Hemel Hempstead reminded me, it is probably time I devoted it to other people.

4.55 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I welcome the Secretary of State's hard work over the past several months in trying to resolve the impasse at Stormont. She has worked tirelessly. If I may be ever so slightly critical of the hon. Member for Rochdale (Tony Lloyd), I think he is being a little harsh—uncharacteristically—about the efforts of the Government to restart this process and about the Prime Minister's efforts. I do not particularly appreciate shuttle diplomacy of the sort we have seen in the past—there are other more effective ways of achieving the same end—but he has to accept the extraordinary difficulty that currently pertains in Northern Ireland and the intransigence of some of the actors therein.

Like the Secretary of State, I hope that we restore the Executive in the near future—more in hope than expectation—and I understand why she is behaving as she is in trying to keep the ship on an even keel while trying not to interfere in matters that are properly devolved. It is a dilemma she faces on a daily basis. She well knows that the longer this goes on, the more the people of Northern Ireland suffer and the more their lived experience deteriorates. In that context, I congratulate once again the Northern Ireland civil service and David Sterling. It is important to do that. This is unprecedented, and Northern Ireland should be very proud of its civil service. I also thank and commend the work of the Northern Ireland Office under the strong leadership of Sir Jonathan Stephens. It is often forgotten in this mix, but it has done an excellent job in trying to keep things going.

Clearly, I welcome the Bill, which is largely of a technical nature, but I share the concerns expressed about scrutiny. I am not entirely clear that this measure should be dealt with as an urgent matter, as referred to in paragraph 27 of the guidance notes. It could have been far more elective than that. Scrutiny is important. I accept that the Secretary of State is avoiding at all costs making decisions on important matters relating to Northern Ireland that are properly devolved, but this place has to assume some responsibility for scrutiny of these important matters, and I am not sure we are doing justice to that process.

Paul Masterton (East Renfrewshire) (Con): My hon. Friend says the Bill is of a technical nature, and I agree in some respects, but ultimately it authorises the spending of billions of pounds in Northern Ireland. Can it really be called merely technical when it is so substantive in nature? On scrutiny, despite all the money going to Northern Ireland, there has been very little progress in getting it directed in a way that meets the needs of people in Northern Ireland since the priorities were first set. If we are to be in this situation again in 12 months, we will need to reflect on how we can do this better.

Dr Murrison: My hon. Friend makes a good point. We are in uncharted waters. It is difficult to hold to account Ministers who are not making decisions. It is not clear where accountability lies in this process. I hesitate to say we are making it up as we go along—clearly that would be unfair—but it is difficult to know precisely whom to hold to account, which is the job of this place.

Of course we have organisations such as the Northern Ireland Audit Office, which does its best to ensure that public funds are being disbursed in a reasonable manner, and there are other mechanisms for Members to attempt to shed light on the position and hold the Executive to account. Ultimately that process may end up in the courts through judicial review, but the Secretary of State is very keen for that not to happen, hence the guidance that she issued recently. However, I entirely agree with my hon. Friend the Member for East Renfrewshire (Paul Masterton) that the whole thing is unsatisfactory. I suspect that if the Secretary of State were answering his point, she would say that the solution is very straightforward, and it is the restoration of the Executive.

I must say that I worry about the state of Northern Ireland and where it is going, given the lack of Ministers. The public are often rather cynical about us politicians,

[Dr Murrison]

but I think this process has shown that Ministers have utility in improving people's lives. David Sterling himself has referred to "slow decay and stagnation" in Northern Ireland. Those are strong words, and I take them very seriously: I think he is absolutely right. Very few of us who have anything to do with Northern Ireland will not be impressed by the sense there that people are being let down by their political class, and that is an indictment of us all. I will not pin the blame on any one party or set of politicians, but it is incumbent on us all to ensure that proper governance is restored to Northern Ireland at the earliest available opportunity.

I accept the arguments for the uplift in the vote on account for the financial year 2019-20, because that strikes me as a pragmatic way ahead, but it is quite unusual. Of course I accept everything that my right hon. Friend the Secretary of State has to say—she is a person of great honour and integrity—but, as my hon. Friend the Member for East Renfrewshire pointed out, surely the job of this place is ultimately to scrutinise, and this 70% uplift is somewhat unusual. I therefore particularly regret the lack of opportunity that we are having—and, if I may say so, my Select Committee is having—to delve into why the uplift is needed. It may be expedient, but expediency is not necessarily sufficient.

I also accept that the Bill does not imply any particular decisions, political or otherwise, except, of course the so-called flagship projects to which the Secretary of State referred in her written ministerial statement on 28 February, which include the A6, the York street interchange and the mother and children's hospital. Those projects are unobjectionable and I believe that everyone in Northern Ireland wants to see them, so I think that the Secretary of State is on very safe ground. Nevertheless, they are big infrastructure projects, which, in the normal course of things, would be subject to intense scrutiny one way or the other. That scrutiny clearly cannot come from Stormont, as Stormont is not working, but it falls to someone, and it really falls to us, because we are the default position. I am not clear in my mind that those big projects, and the planned expenditure on them, are being given the scrutiny that they deserve.

At the risk of being accused of being a pedant, I should like the Minister, when he sums up the debate, to clarify what the £4 million allocated to transformation is being spent on. I alluded to that earlier in a brief intervention. "Transformation" is very politically loaded, because it implies that something is being transformed into something else. It is important to know what is in the minds of those who are doing the transforming. I know that £4 million is not a great deal of money, but it would be useful to know what it is being spent on, because it implies a particular direction in terms of the outcomes that are being sought. I understand from what has been said previously that it is intended to make public services more sustainable. "Sustainable" is one of those words that sound innocuous, but it does imply change, and when change impacts on public services, it becomes politically contentious and, again, politically loaded. We therefore need to be told in a reasonable amount of detail how that relatively small sum is being disbursed.

I welcome the real-terms increase for health and education. My Select Committee has taken the view that it should get involved in both those areas. They are

both areas that in the normal way of things we would be firmly told to set aside since they are devolved matters, but nobody else is looking at these particularly important areas of public policy at the moment and we have taken that as licence to exert some level of scrutiny. It has been very clear to us that not only is transformation needed in both areas, but that we need to look at making root-and-branch changes particularly in relation to footprint, to ensure that public money is spent properly and outcomes are improved.

In healthcare in particular, outcomes in Northern Ireland are really not good at all. The people of Northern Ireland deserve much better. We have heard in our Committee about issues to do with education, and I think we will be drawn to conclude that the footprint is part of the problem. All these things in all our constituencies up and down the country would ordinarily be matters of acute political interest in which politicians would be heavily involved, and there would be public meetings and all manner of things. The hon. Member for Rochdale who speaks for the Opposition was absolutely right to draw that comparison in his opening remarks, because were this to happen in my constituency I know I would be attending public meetings and doing all sorts of things that simply do not happen in Northern Ireland because of the absence of normal politics there at the moment. What is important however is that, wherever we can, we make sure we have some level of scrutiny, and that is why in its small way my Select Committee has taken upon itself investigations into health and education, and will be reporting very shortly.

I wonder whether the Secretary of State, or the Minister who replies, can update the House on what the £130 million transferred from capital for the next financial year to deal with public service resource pressures is being spent on. It has been referred to already and is a substantial sum of money. We really do need some level of granularity to ensure that money is best spent on areas where it will have the biggest impact. It is of concern, obviously, when money is transferred from capital to revenue, because it implies that there will be a backlog in due course of capital spend not being done at the moment that will have to be made good in the fullness of time.

Will the Minister say why the Executive Office vote is being uplifted by 4.4%? On the face of it that seems remarkable, and, knowing how eager the hon. Member for North Down (Lady Hermon) is to scrutinise these areas, she might have it in mind to press Ministers further on this when she speaks. It is remarkable that when we do not have an Executive in place, the Executive Office should be having an uplift of 4.4%. I would have thought the reverse would be the case.

Ian Paisley (North Antrim) (DUP): Does the hon. Gentleman agree that one of the most heartbreaking pressures brought to the attention of his Committee is that of special educational needs children in the education sector, and that some of the money he has identified would be far better allocated to addressing that particular and acute need that affects everyone on these Benches, and indeed those who do not even come to this House?

Dr Murrison: Yes, I very much do, and if the hon. Gentleman wants to attend my Adjournment debate tomorrow on the subject of special educational needs

in Wiltshire, perhaps he will find some commonality between his situation and my own as a constituency MP. *[Interruption.]* I am looking forward to the contribution of the hon. Member for Strangford (Jim Shannon); I would be very disappointed if he did not contribute to my debate. He will be very welcome, while of course trying to remain in order since I suspect his knowledge of special educational needs in Wiltshire is somewhat limited—not that that will necessarily stop him.

May I press Ministers on how confidence and supply money is being spent? Of course spending in general in Northern Ireland uses guidance set by the collapsed Executive. That is perfectly right and proper, and to use that trajectory to guide spending is perfectly legitimate, but that justification obviously falls away in relation to confidence and supply money; the guidebook is not there, which makes it of particular interest.

For example, under the non-ring-fenced resource departmental expenditure limit—RDEL—£100 million is being allowed for health transformation. Health transformation is surely needed, but it is politically sensitive. We in this place really do deserve to know how that money is being spent, but we are none the wiser. Under CDEL—the capital departmental expenditure limit—there is £200 million for infrastructure. Again, that is highly politically sensitive stuff, and almost certainly involves projects that will be warmly welcomed by the people of Northern Ireland, but our job is scrutiny, and one way or the other, scrutiny must be done. I fear that it is not being done at the moment.

We are sort of being asked to sign this off, although the Secretary of State is saying that she has no input into decision making within this process. Nevertheless, the mere fact that we have a Bill before us today means that we have to accept some level of responsibility. I am left with a sinking feeling that I do not have the information necessary to do this confidently, yet it needs to be done, because the consequences of not doing it would be immense. This is putting right hon. and hon. Members in something of an invidious position, because we do not have the level of detail or granularity that we deserve. Paragraph 27 of the guidance notes claims that the Bill needs to be implemented “urgently”. I think it probably does, and I sincerely hope that it is passed this evening, but this really should not happen at the expense of scrutiny.

5.11 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): For another year, I rise with a degree of reluctance as we agree a budget that should be debated about 300 miles from here. I am sure that hon. Members across the House will agree that this situation is deeply regrettable. Devolution should be cherished, and its success is vital to the growth and prosperity of Northern Ireland. I believe unequivocally that this budget should not be voted on by politicians in this place representing constituencies in Scotland, Wales and England. Also, as others have said, this emergency legislation process affords ineffective scrutiny. I once again urge the Government to redouble their efforts to begin talks in earnest as soon as possible, so that they can be the effective arbiter required to bring an end to this impasse. If they cannot do that, they should bring in someone who can.

The collapse of the Executive and the subsequent failure to deal with the situation have placed huge, unsustainable stress on the civil service in Northern Ireland. I join the hon. Member for South West Wiltshire (Dr Murrison) in praising the Northern Irish civil service for all the work it has done in these tough times without an Executive. In our opinion, direct rule can never be countenanced, but as the shambolic Brexit process is now a central reason for the ongoing crisis, the UK Government have a responsibility to ensure that talks progress swiftly.

Amid ongoing austerity, the absence of decision making is straining Northern Irish public services. Decisions are urgently required to provide direction and funding to vital services. The current conditions are placing particular pressures on health and education, which are the most important services that a Government can deliver. It is for this reason that I want to make it clear that I do not begrudge the additional money that is going to be made available for public services in Northern Ireland—far from it. We have been calling for additional public spending from Westminster for years. However, it must be said that, under our agreed devolved settlement in this precious Union of equals, both Scotland and Wales should also receive additional funding. Successive UK Governments have inflicted brutal austerity measures on Scotland and Wales, as well as on Northern Ireland. That extra funding could be a small step towards repairing this recklessly inflicted damage. Indeed, if the Barnett formula were applied as it should be, Scotland would receive an extra £400 million for its budget.

Last year, the economy of Northern Ireland did not keep pace with the rest of the UK and it lagged far behind that of the Republic of Ireland, which was growing around four times faster. That just shows what a small independent country in the EU is capable of.

I firmly believe that investment in good public services and infrastructure is vital to the success of any economy. There is £140 million of new funding in recognition of the lack of opportunity for more “fundamental service reconfiguration”—a nifty wee phrase with which the Treasury and the Northern Ireland Office are attempting to circumvent the regular budgetary process. We cannot forget that that is in addition to the £333 million of funding that comes from the Government’s confidence and supply agreement with the Democratic Unionist party. Some of the money seems to be allocated effectively, with £100 million to support health transformation, £3 million for broadband and £200 million for capital spending on key infrastructure projects. I particularly welcome the £30 million to tackle poor mental health and severe deprivation. However, despite my jealousy at that extra investment, I would never countenance the SNP selling its soul to prop up a Government who do so much harm to our citizens and are hellbent on ripping us out of the EU, for which neither Scotland nor Northern Ireland voted, and the reasons behind the positive spending are more than a little suspect. In fact, many say that the extra funding is just a Brexit bung to buy off the DUP.

The extra revenue allocation falls outside the normal budgetary processes deliberately to ensure that Scotland and Wales are denied their rightful Barnett consequentials. That raises huge questions of the Secretary of State for Scotland, who said unequivocally that he “was not going to agree to anything that could be construed as back-door funding to Northern Ireland”.

[Gavin Newlands]

He has been written to this week, but he had not replied by the time that I stood up to speak, so does the Secretary of State for Northern Ireland know when the Secretary of State for Scotland was informed that the additional moneys would not be subject to the Barnett formula? Did he agree to that? Most importantly, did he even argue that Scotland should be entitled to its fair share of budgetary increases? If he did not, he must simply go.

Gavin Robinson: I know that the hon. Gentleman wants to make an elaborate political point, but he is not a churlish individual and will have heard this afternoon that we do not have devolved Ministers who are able to take account of financial pressures and make decisions accordingly. That is the rationale for the additional funds. Scotland is blessed with a functioning Government, and we wish we had one, but he should not try to extrapolate this proposal into some cheap point.

Gavin Newlands: I do not accept that I am making a cheap point, but I fully accept the hon. Gentleman's central point. We would not be strong Members of Parliament for Scotland if we were not here to represent Scottish interests, and the Barnett formula is there for a reason.

The Secretary of State for Scotland should have used his position in Cabinet to stand up for Scotland and protect the Barnett formula, but he did not. If he did, the Scottish budget could have increased by £400 million. Moreover, if he had stood firm regarding the confidence and supply agreement in its entirety, Scotland would have had an extra £3 billion to mitigate this Government's policies, to prepare for Brexit and to invest in infrastructure, but he either failed or did not bother. He has abdicated his responsibility to Scotland and, despite various promises that he would resign with regard to protecting Scotland interests vis-à-vis Brexit, he has bottled it each and every time.

Hannah Bardell (Livingston) (SNP): My hon. Friend is making an excellent contribution. Does he agree that the Secretary of State for Scotland has promised to resign so many times that we have lost count? It is clear that the Secretary of State does not have the ability to have any effect in Cabinet and is becoming the boy who cried wolf.

Gavin Newlands: I could not agree more. The Secretary of State for Scotland's promises to resign in defence of Scotland have become like white noise, which just highlights how Westminster does not work for Scotland. If the Scottish Secretary is actually arguing for us in Cabinet, he is not being listened to. The alternative is that he is not bothering at all, which is even more troubling. If ever there were proof that the Scottish Secretary is the Tory Cabinet's voice in Scotland rather than Scotland's voice in Cabinet, it is now.

The SNP believes that new talks should be established immediately to restore the Executive and the Assembly. However, with the UK Government rather distracted by internal Tory party infighting, I say again that an independent mediator could and should be brought in to speed up progress. It has been over two years since Northern Ireland had a functioning Assembly, which is

far too long. The people of Northern Ireland deserve reassurances that they will have a responsive and functional devolved Assembly and Executive as they face Brexit—one of the biggest policy challenges that any of us will ever face. Nothing must be done that would undermine the Good Friday agreement. Therefore this, in my opinion, must be the last budget to be delivered in this manner. A paralysing political vacuum in Northern Ireland must not become the new normal state of affairs.

The UK Government, in this Parliament, to a degree are in chaos, but that absolutely cannot be used as an excuse for the lacklustre attempts since last February to re-establish Northern Ireland's political institutions. The Government are consumed by their own civil war, but that should not distract from all our duties to steadfastly defend and protect the peace process. The SNP understands that decisions are badly needed to direct and fund public services in Northern Ireland, but the absence of political decision making, amidst ongoing austerity, has placed an intolerable burden on the health and education systems and on the Northern Ireland civil service and the people of Northern Ireland.

The broader instability caused by Brexit is a central reason why it is proving to be so difficult to restore the devolved institutions in Northern Ireland. The Executive and Assembly may have collapsed for various reasons, but Brexit and the threat of new borders or regulations have prolonged the dangerous political vacuum. The threat of new borders can, however, be removed. There would be no need for new economic borders in the Irish sea or across the island of Ireland if the whole UK pursues the SNP policy of staying in the European single market and customs union. It is important to remember that Northern Ireland, like Scotland, voted to remain in the EU by 56%.

Since the 2016 referendum, we in the SNP have engaged with businesses and civic leaders across Northern Ireland, all of whom have consistently made the point that the people of Northern Ireland voted to remain, and that their future economic prosperity will be put at risk by Brexit in any form. According to the Government's own figures, a no-deal Brexit could end up resulting in a 12% GDP decline in the Northern Ireland economy. The UK Government's analysis states that a no-deal Brexit

"would affect the viability of many businesses across Northern Ireland",

and would therefore be tantamount to economic vandalism.

We in the SNP want to see Northern Ireland flourish. We want to see political and economic stability, partnered with strong, inclusive economic growth. We want to see that so that our neighbours—only a few miles across the Irish sea—will have effective public services, growing businesses and better livelihoods for their families. A prosperous Northern Ireland is in Scotland's interests. A prosperous Northern Ireland is in the interests of England, Wales, the Irish Republic and our friends across the European Union.

We in the SNP fully support the Good Friday agreement and the maintenance of an invisible border that people from all over Ireland can freely cross, whether to visit family, to work, to study or to conduct business. Let me be clear: we would never stand in the way of Northern Ireland achieving a special relationship with the European Union, if that was what was required. All that we ask is

that correct, and equitable, budget procedures are followed and that any increases in spending across the UK result in the rightful Barnett consequential for Scotland.

The final point that I want to make about the budget is on the Hart recommendations. I appreciate that those are sensitive topics and have been raised already, and I concede that the Secretary of State's position has softened somewhat of late, but the Scottish Government have already announced that they are taking action in this area. The Secretary of State and the Minister will be aware of the victims' group SAVIA—Survivors and Victims of Institutional Abuse. The group was pleased that the Scottish Government confirmed that they would be making advance payments to elderly and infirm victims and survivors prior to the passing of legislation, and is calling for that model to be adopted for Northern Ireland. So many of those who would have been entitled to compensation are now deceased, and SAVIA believes that the initiative shown by the SNP and the Scottish Government shows that where there is a will, there is a way. The group asks that the Secretary of State follows the leadership, courage and compassion shown by the Scottish Government to make compensation payments to elderly and infirm victims before it is too late.

In conclusion, the Government must give Northern Ireland, and restoring its Assembly, the attention that it requires. Delays in establishing effective talks can no longer be accepted. The institutions of the Good Friday agreement must be championed by all across this House, for the sake of the peace process and for the people of Northern Ireland. The people of Northern Ireland deserve better than this. However, if the Prime Minister's promises about governing in all our interests are to ring true, she must respect the agreed devolved settlement for the Scottish Parliament and the Welsh Assembly. The people of Scotland and Wales deserve better than this and, believe me, Madam Deputy Speaker: they are watching closely.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): I call Jim Shannon.

5.23 pm

Jim Shannon (Strangford) (DUP): I did not expect to be called first, Madam Deputy Speaker, so you have caught me off balance. [*Interruption.*] I am never lost for words.

I am pleased to be called in this debate and I want to start by thanking the Secretary of State for introducing this essential Bill today. It is important and it is why we are all present. I thank Members for the contributions that have been made up to now. We all know that the Bill contains parliamentary approval for in-year adjustments to Northern Ireland departmental budgets and for certain other bodies to incur expenditure and use resources for the remainder of the financial year ending 31 March 2019. Its importance has been highlighted by everyone who has made a contribution, including in interventions and by Northern Ireland's representatives in this House. On behalf of the people of Northern Ireland, we are here to make that comment. The Bill further seeks approval for a vote on account of an amount equivalent to 70% of the 2018-19 allocation to allow those Departments

and public bodies to continue to deliver public services for part of the 2019-20 financial year. This finance, what it sets out to do and what it does is so important.

We all understand how necessary these steps are to take. We have the information before us and I had a quick look through it earlier. I wonder whether the Minister summing up will be able to indicate what the responsibilities will be in respect of the fisheries enforcement vessel we have in Bangor and the Department of Agriculture, Environment and Rural Affairs when we leave the EU on 29 March. On the Monday a week or so ago, I had the opportunity to meet the fisheries officers to discuss that. I said to them that that fisheries enforcement vessel does not seem to do very much. That seems to be the case, from the evidence I have. Will it be more active after 29 March? Will the resources be made available to ensure that it can enforce the fisheries rules that we will have for our seas at that time?

I do not want to be critical about Departments, but sometimes I wonder exactly what happens. I brought the matter of packaging to the attention of Ministers at the Department for Exiting the European Union last week. There is a responsibility here to the agri-food sector, and a number of businesses in my constituency depend on that. The packaging issue has not been addressed. For some reason, DAERA has not responded to the companies in my constituency. The hon. Member for North Down (Lady Hermon) is one of those who contacted me about this. I understand that this is a simple matter of addressing the packaging. DAERA has not done it and has referred the issue to the Department for Environment, Food and Rural Affairs. It is like musical chairs; they are pushing it about as much as they can. They must get it done. That is the issue we need to get sorted out for our agri-food sector.

The explanatory notes state:

"This Bill is a minimal step to ensure that public services continue to be provided in Northern Ireland."

Therein lies the issue I have: the people of Northern Ireland have had the bare minimum for too long. The acceptable level of governance has been emphasised by other Members and we simply are not getting it.

As for 70% of the moneys allocated to Departments being used for projects, I have to say that I have some concerns about delays on some of the things we are all waiting for. I am sure Members will not be surprised if I give them a list of what I am waiting for in my constituency. I could spend half an hour going over all the ones that need to be done, but I will just spend a few minutes highlighting the issues. The first thing we need is the Ballynahinch bypass—we are still waiting on it. All the papers are in order; everything is ready to go; the land has been acquired—but, guess what, the Department just cannot make that decision. Everybody in Ballynahinch wants to see the bypass in place. Even my colleagues and friends do. Why is that? It is because then I will not be bringing this issue up every time we have a parliamentary meeting, but that is by the bye. The point I am trying to make is that everything is in order for it to happen but it is not happening.

Secondly, we have a coastal erosion programme for the Ards peninsula. Again, the deliberations are done and the recommendations have been made. There are 96 coastal erosion locations to be addressed, but we have not got to the place we want to be in addressing that. Again, that highlights how we need to get the moneys through to where they need to be.

[Jim Shannon]

The problem with these minimal steps is that they are going to produce a minimal health service and minimal education for our children. The hon. Member for South West Wiltshire (Dr Murrison), the Chair of the Northern Ireland Affairs Committee, referred to its ongoing inquiries on education and health. We will shortly be doing one, which we hope will be less complicated, on the benefits system, which the hon. Member for North Down and I wish to see addressed, too. There are lots of things happening that we need to address.

The DUP has taken action. The fact is that without the supply and confidence agreement, which boosted the budget by some £300 million, and the successful party representation to the Chancellor, which has secured an extra £140 million, Northern Ireland simply could not function. People talk about green cheese in this House all the time. The hon. Member for Paisley and Renfrewshire North (Gavin Newlands) sees somebody getting something good and he wants it as well. They are unbelievable, they really are.

We need to take action to tackle the pressures in education and health. The Northern Ireland Affairs Committee is trying to address some of the important issues as and when it can and make recommendations, which we hope to see shortly. My hon. Friend the Member for North Antrim (Ian Paisley) referred to special needs education. How important that issue is. It comes up in every inquiry, deputation and presentation that we get. I have people in my constituency saying almost every week that we need to address those issues. The highest levels of depression in Northern Ireland are among schoolchildren, some of them under the age of 10. There are levels of depression that we were never aware of before, but we have them in our area and in our constituencies in Northern Ireland. We really need to address those critical issues.

The referrals are also part of the issue. I met the chair of the local primary schools less than a month ago. All those primary schools' budgets are squeezed. They are really at crisis point, so we have to address the issues. Last week, I had the opportunity to speak to the principal of Movilla High School to catch up and find out what is happening there. Movilla High School needs some help. I sit on the board of governors of Glastray College, which needs that new building. These things are coming across throughout the constituency.

The money would not have come without my colleagues having outlined the fact that frontline services are at breaking point. I am thankful for the funding that the DUP has secured, but we must be clear that even with the additional money, frontline services are struggling; A&E services are literally at capacity. We need ministerial intervention, and that is not happening at Stormont, so I ask again for something for which I have advocated consistently: a compulsory return to Stormont with no red lines, or the Secretary of State's rolling up her sleeves and beginning direct rule procedures.

We have tried to address the issues relating to rare diseases in the Chamber. I am a member of the all-party group, along with other right hon. and hon. Members, and we have tried to address the issues with getting funding through, because rare diseases involve minimal numbers. We need to address those issues. On access to

medicines, Orkambi is very important. Those with diseases and problems who need help will understand that access to drugs is important. Diabetes is a growing time bomb in Northern Ireland, among not only children but adults, too. We have the highest levels of diabetes among children in the whole United Kingdom, with Scotland second. We need to address such issues, if we can.

A long time has passed and Sinn Féin's intransigence is slowly killing hope and seeing people needlessly die on waiting lists throughout the Province. It is effecting professionals' mental health as they try to cope in situations that have been described as war-zone situations in A&Es. We need to act on behalf not simply of patients but of the staff who are being asked to do the impossible. Minimal steps are not good enough for the elderly lady lying in a corridor in the Ulster Hospital in Dundonald, and neither are they good enough for the four-year-old about to start her schooling career in a school where the teachers are advised to ask parents—this has been said in the Northern Ireland Affairs Committee—for toilet paper and told by unions that they cannot run after-school clubs. Not only the principal of the school that I visited but the chair of the primary schools in my area have told me that if it was not for the parent-teacher association and the moneys that it raises every year, they could not afford to have the classroom assistant teaching in those schools. They could not afford to have the stationery if it was not for the good will of others who are helping out. These are the critical issues.

Of course I welcome the additional money for frontline services—£20 million in 2017-18 and £410 million in 2018-19—but it was a sticking plaster. That plaster has now come off, revealing a wound that needs dedicated, specialised attention but is not getting it. The DUP wants a return to devolution, because we believe that that is the most democratic future for Northern Ireland, but we cannot afford to wait any longer.

I believe it is time to consider a new political process for Northern Ireland with all the parties at Stormont that want a devolved Administration, which Sinn Féin continues to thwart. It is time to consider a different and more direct approval process. If Sinn Féin does not want to participate, or wants to put down red lines to stop the political process, let us move forward with the parties that do wish to participate and form a Government who can look after the affairs of Northern Ireland. I believe that that would be a way forward; it might be different from what we have done in the past, but maybe it is time we did it now. Even if a party does not want to be part of the process, we should move forward, because we need regional government.

I will finish soon—as you will probably be glad to hear, Madam Deputy Speaker. [HON. MEMBERS: “Hear, hear.”] I do not know why Members are saying that.

Minimal steps are not enough. That is what this debate is about: we are very pleased to have a budget approved, but we are also clear in what we are saying. I ask the Minister of State to take the appropriate steps towards direct rule, not because that is my first option or that of the DUP—we want a regional government in place that is accountable to the people—but because it is our only option to stop the wound seeping before we bleed out.

Please, Minister of State, hear our call. Yes, we need the Bill, but we need more than these minimal steps; we need decisive action. We need to start the process and

send a message to Sinn Féin: “If you won’t return to Stormont, fine, but decisions will be made in this place for the education and health of all people in Northern Ireland.” Nevertheless, I welcome the budget, and I welcome where we are today.

5.36 pm

Sammy Wilson (East Antrim) (DUP): General disappointment has been expressed that, for the third year now, expenditure in Northern Ireland is being approved through this unusual process in the House, with little or no scrutiny or knowledge of how the allocations to Departments have been decided. We do not know what arguments were made for giving 3.8%—or whatever it was—to health and 1.1% to education, while other Departments suffered an overall reduction and others’ budgets were kept static. We have had no opportunity to ask civil servants what cases were made or whether they were valid. As my hon. Friend the Member for Belfast East (Gavin Robinson) pointed out, it is not that there is no mechanism for such scrutiny; it is simply that a choice was made not to use the mechanism that is available through this House.

Of course, this should all have been done at Stormont. During the budget process, its committees ought to have brought civil servants in, asked them what bids were being made and what arguments were being employed, and then made a judgment on the merits of each case. However, we are not in that position—not because parties in Northern Ireland do not want the opportunity of scrutiny at Stormont, but simply because they have been prevented from carrying it out.

Using the terms of the arrangements for setting up a Government in Northern Ireland, Sinn Féin has been able to prevent the coalition arrangement that was forced through in the Belfast agreement from being implemented. Because including the two main parties in the Executive is a compulsory imposition rather than a voluntary arrangement, if one of those parties throws a hissy fit and decides that it does not want to be in the Executive, everybody is kept out—not just from the Executive, but from Stormont and from all the roles and responsibilities that they were elected for and would normally be entitled to carry out.

The Secretary of State quite rightly says that this process should be done at Stormont, but she knows that it cannot be done there. Like the shadow Secretary of State, I do not place the blame totally at the door of the Secretary of State. She has to operate within the rules, and the rules state that if one party decides to veto, not a great deal can be done about it. For reasons that I will explain in a moment or two, no powers of persuasion will persuade Sinn Féin to go into Stormont at this particular time; they have made that quite clear. Sinn Féin have thrown up every barrier. Whatever magic wand the Secretary of State might wave, she is not going to persuade them otherwise. However, there is one way in which she could put pressure on them, which is by making it quite clear to them that, through their inaction, the very thing that they do not want to happen—that is, rule by London—will happen, unless they are prepared to accept their responsibilities in Northern Ireland.

We find it difficult to understand why there has not been a willingness to take Sinn Féin on in that way, but I suspect that it is because of the advice given by the

Northern Ireland Office, known colloquially among Unionists in Northern Ireland as the nest of vipers. The position of the Northern Ireland Office seems to be, “Don’t annoy Sinn Féin and don’t annoy the Irish Government.” I suspect that a large part of the reason why we have not moved to greater scrutiny and greater decision making by Ministers here is the advice of the Northern Ireland Office: “Don’t rock the boat.” But if we don’t rock the boat, we are going to stay on the path that we are on at present, which does not provide scrutiny of the most important issue for politicians—the expenditure of resources for the benefit of the community.

Not only do we not have scrutiny of the overall budget allocation, we do not even have scrutiny of the efficiency of current spending. Looking through the various headings for expenditure last year, or through the proposed 70% expenditure for next year, we can see many areas where there is great concern about the way in which money is spent. I will pick out just a few. Take, for example, the Department for the Economy. We have been trying to increase connectivity in Northern Ireland, yet despite all the evidence that supporting access to air services to other parts of the world helps economic growth, we have found an unwillingness to spend money in that area. One of the reasons that the Department has given is, “We don’t have any direction from a Minister. It’s not a decision that the civil service can make.” My hon. Friend the Member for South Antrim (Paul Girvan) has lobbied hard on this issue because Belfast international airport is in his constituency and there could be huge opportunities there.

Petroleum licensing is another example. There are huge opportunities in Northern Ireland but we cannot even get consultation on licences that could create hundreds of jobs in mining and oil exploration in rural areas in the west of the Province, where high-paid jobs are hard to come by. Money for broadband has been reprofiled because, despite the fact that £150 million was made available, decisions have not been made about spending that money. Hopefully, with the start of the money that has been allocated this year, we will find that the programme will be accelerated over the next number of years.

We allocate money to Tourism Ireland, and many people query whether that money is used effectively. When people travel into Belfast international airport, what hits them in the face when they come off the plane? An advert to send tourists who arrive at that airport down to Dublin—and our money pays for it. Yet there is no scrutiny of whether that is an effective way of spending public money to promote Northern Ireland.

I could go on with lots of other examples, but that is the kind of vacuum we are left with because of the lack of scrutiny not just of the general allocations of money across Departments but of the specific allocations within Departments.

Maria Caulfield (Lewes) (Con): As members of the Northern Ireland Affairs Committee, we hear at first hand, nearly every week now, about how the lack of an Assembly and an Executive is affecting ordinary people, whether it is money not being spent on healthcare, schools where parents are having to bring in toilet rolls, or the Police of Service of Northern Ireland not knowing whether it can pay its staff at the end of the month. This is impacting the real lives of real people.

Sammy Wilson: The hon. Lady mentioned education. In the year for which we are now finalising the accounts, additional money was secured for education. That money was meant to go to frontline services in education—that is, the classrooms—but the Department of Education decided to allocate it to finance the education authority, which was running a deficit, and was leaning on schools that were running a deficit in their budgets. That is the kind of thing that would never have been allowed to happen if we had a functioning Assembly and a Minister rather than civil servants making these decisions. It is not just about the total amount of money that is allocated; we also have to be looking at how effectively that money is spent, and we do not have the means for doing that. If it cannot be done in Northern Ireland, then there should be a means for doing it here.

The Secretary of State gave an explanation why she had allocated 70% of the expenditure to Departments for next year as opposed to the usual 45%—because there might be heavier expenditure at the beginning of the year than at the end of the year, and she therefore wanted to make sure that Departments did not run out of money. Given that most of the revenue expenditure has to be spread over the year because a lot of it goes on salaries and so on, I do not think that is a credible explanation. I think the Secretary of State knows full well that we will not have an Assembly up and running by June, because she knows what the problem is. She has talked to Sinn Féin and she knows the attitude of Sinn Féin. I suspect that 70% has been allocated so that she has the flexibility maybe even to bring the final budget to this House in September or October rather than be forced to bring it early in June because there is no Assembly up and running.

That brings me to one of the reasons why I believe we are having to do this again this year. Many people have said that it is about Brexit, or the fact that Sinn Féin cannot get agreement with the DUP about certain matters like an Irish language Act. Having said that, I do not know how anyone justifies tens of millions of pounds of expenditure on an Irish language Act at a time when we have the pressure on budgets that we have now. Certainly, it should not be a priority for expenditure or getting Stormont up and running again.

I welcome the additional money. For the information of the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), this is not a result of the Barnett formula not being properly applied. The Barnett formula is properly applied. Barnett formula allocations for Scotland and Northern Ireland are based on the expenditure decided for Departments in England. If there is an uplift in areas of spending in those Departments, it also comes to Scotland, Northern Ireland and Wales.

This is money over and above the Barnett formula. Scotland has experienced that on occasions, but we did not complain about it. It is wrong to suggest that this is a result of the Barnett formula not being properly applied. Some of the changes to the allocations that we are authorising for 2018-19 are a result of Barnett formula applications during the year, with additional money put into the budget since we discussed it last June having to be spent by Departments.

This is a challenging budget. The real reason why Sinn Féin are not prepared to enter the Assembly is that they do not have the political courage to make the decisions that a budget of this nature would require

them to make. There is plenty of evidence for that. First, why did the Assembly collapse? Despite what people say about the renewable heat scheme and everything else, the Assembly would have collapsed anyhow, because the then Finance Minister had not even presented a budget to the Assembly. If it had not been presented to the Assembly, the Government would have collapsed because there would have been no money to spend. Why did he not present a budget two and a half years ago? Because he knew that there were hard decisions to be made, and he was not prepared to make them. His party was not prepared to go through the Lobby to back those decisions because it was looking over its shoulder at People Before Profit, which had taken votes off it in its heartlands in West Belfast and Londonderry.

If that was the problem then, it is still the problem today. Sinn Féin do not want to have to put their hand on the tiller and guide Northern Ireland through the difficulties of budget considerations. Governments here and in Scotland and Wales have to do that, as indeed do Governments in the Irish Republic. Sinn Féin would rather strut around the Irish Republic telling people that if they vote for Sinn Féin, the Government down there will not have to impose austerity measures. Of course, the one way to expose the nonsense of that claim is by Sinn Féin having to make decisions about budgets in Northern Ireland, but they do not want to do that.

That means that we have not been able to look at new areas of expenditure, and that is significant. Members have talked today about new pressures. For example, there is greater pressure on school budgets because of rising populations and a change in the distribution of populations, which sometimes expand and sometimes decline. There are greater pressures on mental health, which my hon. Friend the Member for Strangford (Jim Shannon) talked about. This budget reflects the decisions and priorities of the Executive of more than three years ago. Indeed, if we look at the heads of spending for 2018-19 and 2019-20, we see that it is a cut and paste. There are no new things, because that is not possible.

We pass legislation here to allow top civil servants and permanent secretaries to take decisions that could redirect some spending, but civil servants—wrongly, I think—have refused to use those powers on many occasions. It is frustrating that they have not been prepared to make decisions on even simple things, because they fear that if something goes wrong, they will be called before the Northern Ireland Audit Office or finish up on the front page of the *Belfast Telegraph*. It is not a great way of doing it, but at least some of these decisions should be made by civil servants.

We have a lack of scrutiny of the overall budget and of the detail of the budget, and we have no mechanism for deciding new priorities, all of which we are going to need in a dynamic economy. That is why this process is so damaging to Northern Ireland. It is damaging politically because it allows people simply to opt out of the political process. They entered that process, stood for election and got elected, but then they do not do their job.

I know there will be debates about how to do this, but I think one of the ways of pushing into doing their job properly those who are holding back our ability to do the job—we are doing it, and doing it very poorly, here today—is to make it quite clear that the stark choice is

either to have local rule or to have rule from London. I believe that would be a huge embarrassment to Sinn Féin. It has been able to avoid that embarrassment because the Government here have refused to make such a decision.

We want to see devolution and we want people to be pressurised into going back into Stormont, however difficult that may be. Let me just say to the House that it is difficult. Look at the difficulties the Government have with the disparate views they have on their own Back Benches in this place. It is an indication of the skill that was used by politicians in Northern Ireland that, for many years, we ran a coalition that included people who would very happily sit on the Government Benches as well as people who might be uncomfortable sitting beside the Leader of the Opposition on the Opposition Benches because they are even to the left of him. We ran a coalition on that basis, but it has now collapsed, and following its collapse, this is an inadequate way of doing business for Northern Ireland.

5.57 pm

Mr Gregory Campbell (East Londonderry) (DUP): It is a pleasure to follow my right hon. Friend the Member for East Antrim (Sammy Wilson). I am afraid, as far as the Northern Ireland Office is concerned, I will continue on the issue of the lack of transparency and scrutiny. At the nub of this—it is felt across the House and I know it is shared in Northern Ireland—is the fact that these are important matters that need to be dissected and examined, but the level of scrutiny we are able to subject them to will be minimal indeed.

I want to begin with the political outlook. Unfortunately, we are in the position we face today only because we do not have a devolved Government in Stormont, and we have now been in this limbo for two years and several months. Part of the reason why we continue to be in this limbo is that Sinn Féin, which brought the Stormont institutions down by the resignation of the then Deputy First Minister, has for some considerable time established a series of red lines in relation to going back into government.

However, as indicated by the Opposition spokesperson on Northern Ireland, the hon. Member for Rochdale (Tony Lloyd), Sinn Féin, in the words of its leader, Michelle O'Neill, has now copper-fastened that approach. I have to say that part of the reason why it has copper-fastened that approach is that the lack of decisive action from the Government in this place in confronting its previous intransigence has only emboldened it to be more intransigent.

Not only do those in Sinn Féin say, “Well, we’ve gotten away with two years of saying we’re not going back into government until we have certain unreasonable demands met, and we must have them met, pocketed and banked before we go in”—they have got away with that, and we have simply continued this limbo period—but they have now established yet further red lines in relation to even going in to talk about how we get the Government up and running. I am afraid that a considerable amount of blame can be landed on the desk of the Northern Ireland Office for not confronting the Sinn Féin approach.

We are in a situation that is neither fish nor fowl, with neither direct rule nor local rule, as my right hon. Friend the Member for East Antrim put it. Our constituents

are talking about education, health and a whole series of local projects that could be delivered and asking what we are doing to try to help deliver them. Our answer is that we can do very little and that we want to get Stormont up and running. I know colleagues of mine met a series of principals in the education sector just a few weeks ago, and the principals were unanimous in their demand that something had to be done to rescue their sector from an impending crisis, as we hear in the Northern Ireland Affairs Committee week after week. Yet my colleagues had to say, “We’re ready to enter Stormont today, tomorrow or next week, but unfortunately others are not.”

We find ourselves in this bind, without either direct rule or devolved government. We are stumbling into a crisis week by week, month by month. Although there are a number of local issues, people are also demanding action on broad, encompassing issues. I know that the Secretary of State made it clear that certain matters of departmental spend were not her prerogative or that of the Minister of State, and I understand that, but nevertheless we are left in a bind with something that cannot deliver and that is inadequate in what it does deliver.

Many parts of Northern Ireland are teetering on the cusp between the crisis that is ahead of us and a remarkable breakthrough. My hon. Friend the Member for Strangford (Jim Shannon), who is not in his place at the moment, talked about his constituency. For the first time in 70 years, the Open golf tournament will return to my constituency and the Royal Portrush golf club. There will be almost 200,000 visitors to that tournament, 30% from outside Northern Ireland and the Republic. A considerable number of that 30% will be high-net-worth individuals.

I have been pressing Invest Northern Ireland to ensure that when those people arrive, we do what we can to maximise any inward investment potential. At this point, I pay tribute to the outgoing chief executive of Invest Northern Ireland, Mr Alastair Hamilton. He has spent 10 years in his role and has performed a manifold, dutiful task over and above what would have been expected of someone in his position. So much more could be achieved in the next few months. The Open golf tournament takes place in July, and I would hope that Invest Northern Ireland would be campaigning and pressing inward investment buttons for opportunities that could be opened up as a result of it.

I have referred in this House to the private sector Heathrow logistics hub process, which is taking a further step forward. If it is a successful operation in the part of the United Kingdom that is Northern Ireland, it will deliver thousands of jobs. Here we are on the cusp of a breakthrough, with a combination of things that could deliver. Others have mentioned connectivity, and I think of the potential at all of our airports. Londonderry airport can expand, and we have a public service obligation that could help to deliver additional routes. That can only happen if we have ministerial direction and ministerial cover to ensure that all the possibilities are taken advantage of. We have other rail routes and road routes. All can help to deliver job infrastructure developments, which are there now but cannot be fully developed because of the lack of a devolved Government.

As I said, there are two overarching sectors that pervade the Northern Ireland Affairs Committee week on week—education and health. We hear the messages of complaint. We hear the dire consequences that are

[Mr Gregory Campbell]

ahead of us. I do not want to unduly be a prophet of gloom, but the health sector came through the current winter crises and pressures because of the relatively mild winter. It came through it in a poor state, but not in a crisis. Next winter, however, if emphatic action is not taken either at Stormont or here, I am absolutely certain that we will not come through unscathed in the way that we have in the winter that is hopefully just ending. The overall Bengoa-style review is required to give emphasis and impetus to an overarching exchange and development of our health service to meet the demands of the 21st century. Without taking that into account, we are facing an impending crisis in the health sector.

Every one of us, every week, hears from schools, principals and vice-principals about the escalating catastrophe that is the education sector. That will worsen and deepen in the coming weeks and months unless we have ministerial involvement either in this place or in Stormont. Unfortunately, to date, Sinn Féin's feet have not been held to the fire. We want to get a devolved Government back up and running. We know and accept that the process for that devolved government is not ideal. It is not our No. 1 priority in terms of what we would like to see, but it is the only show in town, so either we deliver a mechanism through Stormont or moves will have to be made here in the Westminster Parliament. One thing is for sure: we cannot and we must not—the people will not allow us—allow the position that currently pertains to go on for very much longer.

6.7 pm

Karin Smyth (Bristol South) (Lab): We have heard a wide range of speeches on the Bill, but they have a similar theme. Before entering this House, I was a manager in the NHS in England. I have been a school governor and a non-executive director. I have served on finance committees, audit committees, and, since joining this place, I have been a member of the Public Accounts Committee. Like many people in this place, I take seriously the issue of spending taxpayers' money. I believe it warrants scrutiny, analysis, challenge and, critically, accountability. As has been noted in all the speeches we have heard this afternoon, we should not be discussing the Bill, but, as we are, we should be doing it properly, and we cannot.

Paul Masterton: The hon. Lady mentions her role on the Public Accounts Committee. Does she think that, for as long as Stormont continues to not sit, there would be any merit in having the reports of the Northern Ireland Audit Office reviewed by the Public Accounts Committee?

Karin Smyth: I understand that the reports of the Comptroller and Auditor General for Northern Ireland are currently not being scrutinised in the way that we would expect here. If the Public Accounts Committee was to undertake that role, it would be a very serious change to constitutional arrangements. The actuality discussed by the Chair of Northern Ireland Affairs Committee and others is that there needs to be some sort of process. I am not sure whether this is the right process, but I agree that there needs to be some sort of process for the reports already coming out of Northern Ireland that are highlighting some serious problems.

I make no judgment about the work of the Northern Ireland Office, the civil servants in Northern Ireland and the many public servants trying to continue to deliver services, but the lack of scrutiny and analysis of that money, and our incapacity to challenge, means that that huge area of spend, involving UK taxpayers' money, is receiving less attention than school budgets get when we audit them. We know—this has been reinforced—that there are huge problems under the headings of this debate. As my hon. Friend the Member for Rochdale (Tony Lloyd) said, the Opposition want the Department to make progress on the Hart inquiry, victims' and survivors' pensions, and the medical school at Ulster University. I recently visited the team behind the project to progress the medical school in Derry/Londonderry. The scale of the work to date, and their ambition for their city and region, is to be commended, and the Secretary of State must find a way to support them. We have the ridiculous situation in which civil servants can support the business case but not agree the funding, because that is beyond their powers and would be considered a reallocation.

Why is a medical school important? The Government are proud of their announcement of new medical schools in England. The areas chosen need those schools because we need the recruits. As the chief executive of Health Education England said when the announcement was made—MPs in those areas know this—

“studies show that doctors tend to stay in the areas where they train so it means more doctors for the region to deliver high-quality care.”

In Northern Ireland, the locum bill is more than £80 million per annum and rising—an increase, according to the Bengoa report, of more than 78% in five years. It is clear that Northern Ireland needs to be training more of its own doctors and other clinical staff. It also needs to pay them properly, but the rates of pay of those staff are falling behind those in the rest of the UK.

Mr Gregory Campbell: I commend the hon. Lady for raising the issue of the medical school. Does she agree that there is an urgent need to develop not only the medical school in Londonderry but the veterinary school in Coleraine for precisely the same reasons, albeit in a different sector?

Karin Smyth: I am grateful to the hon. Gentleman for making that point. I have not been able to visit that project, but I would very much like to. I agree that investing, training and keeping people local is an important and valuable symbol.

I recently visited the stunning new Omagh Hospital and Primary Care Complex, which is part of the Western Health and Social Care Trust. It is doing great work across the area to manage the challenges of rising demand and costs, which all health systems face. Its top issues of concern are the availability of medical staff and the huge amount of money being spent on locums. To ensure cover across Northern Ireland, precious resource is being spread far too thinly. I ask the Minister to tell us whether the Government will direct the Ministry of Justice to support the Lord Chief Justice's call for funding, and whether he will progress the medical school, which is time-critical.

Some 46% of the Northern Ireland budget is for healthcare, and the history of reports and recommendations is decades-long. Most recently, Professor Bengoa's report

referenced the renowned academic Professor John Appleby, who found that Northern Ireland's spending is roughly 11.5% higher than in England, but there is roughly an 11.6% higher level of need. The service is broadly funded as well as the rest of the UK, but there are significant disparities. In particular, mental health need is recognised to be about 44% higher than in England, but per capita spending is sometimes 10% to 30% lower. That led to the conclusion that the problem is not the level of funding but how it is being used to deliver services. Today, we are no further forward in addressing that problem. Spending on the acute sector continues to grow. Having a large number of small buildings is expensive and, most importantly, is not fit for the high quality, 21st century care that we should all be expecting across the United Kingdom.

The Bengoa report opens with a quote from the former chief medical officer, Sir Liam Donaldson:

"A proportion of poor quality, unsafe care occurs because local hospital facilities in some parts of Northern Ireland cannot provide the level and standards of care required to meet patients' needs 24 hours a day".

What action are the Government taking to address that problem?

The Minister of State and I share a health geography in the south-west. His local hospital is undergoing difficult and controversial changes. He understands the safety issues and the need to make difficult choices about changes to small hospitals and the transformation to different models of care and to greater specialisation at large acute trusts. In his remarks, he needs to reassure people in Northern Ireland, just as we seek to reassure our constituents here in England, about quality of care. He needs to assure us today that the extra money for health is not just covering continuing inefficiencies and deficits, but is doing something to improve services and, above all, that patient safety is paramount.

Previous allocations as part of the confidence and supply money are of course welcomed by people in Northern Ireland, but one-off payments are no way to transform a health system. I recently heard about a preventive cardiology pilot working upstream with GPs. Money for successive years is not known and the trust is expected to continue funding it as part of its mainstream budget. It is not possible to transform healthcare to meet demands in the 21st century on one-off moneys, and it is a very poor use of taxpayers' money as well as of the staff time spent proposing and developing new bids.

The next greatest area of spending is education, which has dominated today's debate. As mentioned, the Northern Ireland Affairs Committee has had an informative session on education spending in the last few weeks, and last week again discussed the much reported recommendations to improve education outcomes in Northern Ireland. Sir Robert Salisbury, who gave evidence last week and reported in 2013, told us six years ago that the system was living beyond its means, and he gave the example of the six post-primary schools in Omagh, which has a similar population to his native Nottinghamshire, which has two.

The Education Authority, which has been referenced this afternoon, has a £90 million deficit largely because of special educational needs spending, which has also been addressed this afternoon. Schools are managing very high levels of mental ill health and, sadly, of

suicide and self-harm among children, as the hon. Member for Strangford (Jim Shannon) highlighted. As I mentioned earlier, the poor funding of mental health services as part of the overall health budget is exacerbating the problem.

There is a large deficit in schools, as the hon. Member for East Londonderry (Mr Campbell) just said, and the budget is an escalating catastrophe. There are also high levels of achievement, as referenced in the Select Committee last week, and what is described as a long tail of underachievement. There are an estimated 60,000 to 70,000 empty desks in Northern Ireland, two teacher training colleges and two separate statutory planning authorities. The Integrated Education Fund, which I have visited recently, has called the system divided and costly.

I hope that the Northern Ireland Affairs Committee report will shine more light on education spending, but many of the calls have been for a Bengoa-type review. As noted, however, we already have a Bengoa review of health, and without the political oversight and will, it will not make the change. The end of the Committee's session finished on a depressing note, as the Northern Ireland Commissioner for Children and Young People reported that there needed to be an honest conversation about the allocation of funding within the Department of Education but that there was no appetite for that.

We in the Labour party continue to support the need for integrated education as part of the long-term route to reconciliation in Northern Ireland, and I know that the Integrated Education Fund hopes to visit here in the summer to share with Members the work it does and the challenges faced. It would be good to see some of its thoughts put to the Northern Ireland Affairs Committee in its final report.

Beneath the figures that we are rushing through tonight—without proper process and security—lies the future of Northern Ireland's children's hopes, dreams and aspirations and of the people needing treatment and care from the NHS who now find themselves on record length and totally unacceptable waiting lists. We will of course support the budget tonight, so that public services can continue, but the people of Northern Ireland deserve much better than this.

6.19 pm

The Minister of State, Northern Ireland Office (John Penrose): Let me pick up from where my opposite number, the hon. Member for Bristol South (Karin Smyth), left off and say that I am pleased to hear—from, I think, everyone—that there is limited opposition to the Bill and that Members are willing to support it on a cross-party basis. That is incredibly welcome. This is perhaps an unusual example of cross-party unanimity and consensus; there have been some pretty stropy debates in the last couple of weeks on a variety of subjects. It is lovely to be here on a day when agreement is breaking out across different parts of the House.

However, I do not want to overstate that degree of cross-party consensus and agreement because what was also widely shared was a sense of frustration. There was frustration at the lack of a Stormont Executive—we heard that from pretty much every speaker this afternoon—and inevitably, because it matches that lack of a Stormont Executive, frustration at the limits of the Bill. As we have heard repeatedly, the Bill is there to keep the

[John Penrose]

wheels turning in Northern Ireland, but not to bring about much-needed reforms, because those reforms require a functioning Stormont Executive. We have also heard repeatedly a litany of things that are either not being done and need to be done, or are not being done as efficiently as they could be, simply because there is not the political air cover in Stormont that would enable much-needed decisions to be made to change what is happening.

I echo many Members—including the Chairman of the Northern Ireland Affairs Committee, my hon. Friend the Member for South West Wiltshire (Dr Murrison)—in saying that that is no criticism of the civil servants in either the Northern Ireland civil service or the Northern Ireland Office. They are honour bound to make decisions based on the last set of policy decisions available to them, some of which are two or three years old. They must try to draw a line between those policy decisions and remain true to them.

Vernon Coaker: May I repeat what I said earlier? I agree with what the Minister is saying and this is not meant to be critical. I accept that, given the lack of a devolved Administration in Northern Ireland, we cannot scrutinise the decisions of civil servants. May I, however, ask the Minister to reflect again on the fact that changes are being made in this budget on the basis of the advice of civil servants? While we may not want to scrutinise or criticise those decisions, no information is available to the House about why the changes should be made. Will he take on board what the Secretary of State has said and look again at what information is provided to the House so that we can base our decisions on more information than we have now?

John Penrose: I do take that on board, especially because I think that the hon. Gentleman was one of the last Ministers who had to deal with the issue of direct rule.

Vernon Coaker: No, I was not.

John Penrose: So I am giving the hon. Gentleman responsibilities that he never had to bear. Let me also mention to him that a Command Paper is currently available in the Library which gives a very detailed breakdown—it is well over an inch thick—of the way in which money has been spent in Northern Ireland during the financial year that is about to end. There is a huge amount of detail, but it is backward-looking. While it is helpful and, I am sure, welcome to all Members to ensure some degree of accountability, I think that all of us, including the Secretary of State, have agreed that we all hanker after a better process than this, but also that the fundamental and central problem is the lack of a functioning Executive in Stormont.

I was delighted to hear the shadow Secretary of State, the hon. Member for Rochdale (Tony Lloyd), clearly say that he did not think direct rule is justified at this stage. He is also right to say that, because of that and because of the shortcomings we have all been enunciating, there is a tariff for political failure at Stormont: I think that that was the phrase he used. The Chairman of the Committee quoted a reference to the “slow decay and stagnation” that is happening in Northern Ireland politics as a result, but rightly levelled the balance a little by

referring to the restoration talks efforts made by my right hon. Friends the Secretary of State and the Prime Minister, and—again, rightly—was positive and full in his praise of both the Northern Ireland civil service and the NIO, and their unstinting efforts to do a professional job in an extremely difficult and increasingly challenging political environment.

Sir Mike Penning: Can I, in all fairness, challenge the Minister on the way he congratulated the hon. Member for Rochdale (Tony Lloyd) in relation to direct rule? If direct rule is not the answer today, when will it be and, if it is not the answer soon, why?

John Penrose: A number of Members have said today that they would regard it as a last resort. I agree because we have to be incredibly careful about what we wish for here. We have to be extremely cautious about the notion of starting to take the drug of direct rule because it very swiftly leads to a very difficult and very precarious political position. I say to my right hon. Friend that there is a process laid out in primary legislation passed by this House—the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018—that says we have, first, five months and then, potentially renewable, a further five months in which to find a consensus and get an Executive re-established at Stormont. At that point, to answer his point about “If not now, when?” there are statutory obligations on the Secretary of State for Northern Ireland that will require decisions to be made at those various different waypoints, but it is extremely dangerous and extremely difficult for us all to prejudge, or indeed to wish that those talks, stuttering though they are, but attempted though they definitely are, should not be given enough time to come to a sensible conclusion. I think everybody has been clear that that is what we want them to do; we want them to be successful if they possibly can be.

The SNP spokesman, the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), was of the same mind. He spoke about a paralysing political stalemate in Stormont that must not become the new normal, and I agree.

Lady Hermon: I am sure I am not the only one who blinked and drew breath when I heard the Minister use the words “the drug of direct rule.” Perhaps I misheard him, but I will give him the opportunity to pick a more appropriate noun to describe direct rule.

John Penrose: It was certainly not my intention to cause the hon. Lady to draw breath. The point I was trying to make is that direct rule is potentially extremely dangerous and can lead to a very difficult political situation if we are not all collectively very careful. It is not a step to be taken lightly, simply or frivolously at all.

Tony Lloyd: In agreeing with the Minister, it is probably worth pointing out that the last period of direct rule lasted five years. This was the total antithesis of the ambitions of the devolved Administration.

John Penrose: I strongly agree and I think there has been pretty much unanimous agreement across the House during this debate about that point.

Sir Peter Bottomley (Worthing West) (Con): Essentially, what the House understood by the Minister's first remark and his reformulation is that short-term temptations can lead to situations that are adverse and undesirable.

John Penrose: Indeed.

The hon. Member for Strangford (Jim Shannon) had a long list of local projects that are not happening and that he thinks could and should happen were there to be proper government led in Stormont, and so did the right hon. Member for East Antrim (Sammy Wilson); he had a list of all sorts of missed opportunities—everything from mining to tourism was mentioned. Both of them had some interesting suggestions, which I will take away rather than react to now, about how we might perhaps exert more pressure through potentially changing rules in Stormont. I will treat them with the care with which they were offered, I am sure.

The hon. Member for East Londonderry (Mr Campbell) was passionate in saying that Northern Ireland is on the cusp of a breakthrough—the economic performance and indeed the social cohesion in Northern Ireland are out-of-sight better than 10 or 20 years ago—but that it is being frustrated and that further progress could be made, but we are caught. I think he said that the governance of Northern Ireland is neither fish nor fowl—it is neither London nor local—and should this be solved, that would make a huge difference.

My opposite number, the hon. Member for Bristol South (Karin Smyth), spent some time talking about important issues to do with public services—health transformation budgets, for example—and how that money could be used to make some of the changes, because they were already agreed in policy before the Stormont Executive changed. But she was also right to point out, as others have done, that the amount of transformation that can be done is limited by the political constraints that everybody here has been describing.

Nigel Dodds (Belfast North) (DUP): On the issue of health transformation, the permanent secretary at the Department of Health has made it clear that £100 million went into health transformation funding last year and another £100 million will go in this year as a direct result of confidence and supply money. He has welcomed this greatly, because it gives us an opportunity to roll out multidisciplinary teams and other things that can

actually save money. These are not insignificant amounts of money. They are substantial amounts that are going to transform the health service as a result of the confidence and supply deal.

John Penrose: The right hon. Gentleman is absolutely right. There is a significant transformation going on, and a significant amount of funds is going in to let that transformation happen, but it is also true to say that more transformation would be possible if there were political leadership as well. The civil service is limited not so much by the money at the moment; it is about the ability to take fresh policy decisions that would allow further progress to be made. That is the frustration under which we are all labouring during this Second Reading debate. On that basis, I plan to let us move on to consider the remaining stages of the Bill. I am delighted that there is cross-party consensus that it should proceed.

Karin Smyth: I am grateful to the Minister for giving way. In my remarks, I specifically asked, given the progress that the Government made on the Lord Chief Justice's proposals, whether the Minister would give us an answer on progress towards having a medical school as part of Ulster University. The project is not only time critical but critical to the future provision of training places for doctors, particularly, in Northern Ireland, which would help to reduce the locum bill. We would be grateful for the Minister's comments on that.

John Penrose: I shall respond swiftly, as I do not want to hold up the rest of the process. The hon. Lady is right to say that she asked that specific question. Let me make two comments in response. First, the judicial changes are not a Westminster Government decision. They are taken, rightly, by independent judiciary in Northern Ireland. Secondly, her question on the medical school needs to be addressed as part of the city deal discussions that are currently getting under way, and I would be happy to discuss that with local people and, if necessary, with her as well. With that, I propose to do something unusual for a politician: stop talking and sit down.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Northern Ireland Budget (Anticipation and Adjustments) (No. 2) Bill

Considered in Committee (Order, this day)

[DAME ELEANOR LAING *in the Chair*]

6.34 pm

The First Deputy Chairman of Ways and Means (Dame Eleanor Laing): I must inform the Committee that the Chairman of Ways and Means has selected amendment 2, tabled by the hon. Member for Walthamstow (Stella Creasy). He has not selected the new clause tabled by the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), and he has not selected amendment 1, tabled by the hon. Member for Walthamstow. It will, however, be in order on this occasion to refer to the subject matter of new clause 1 and amendment 1, which have not been selected.

Clause 1

ISSUE OF SUM OUT OF THE CONSOLIDATED FUND FOR
THE YEAR ENDING 31 MARCH 2019 AND
APPROPRIATION OF THAT SUM

Question proposed, That the clause stand part of the Bill.

The First Deputy Chairman: With this it will be convenient to discuss the following:

Clauses 2 to 9 stand part.

Amendment 2, in schedule 2, page 13, line 7, after ‘offences’ insert—

‘except where such future prosecutions involve alleged offences under sections 58 and 59 of the Offences against the Person Act 1861’.

Schedules 1 to 4 be schedules to the Bill.

Karen Bradley: It is an honour to serve under your chairmanship in this Committee, Dame Eleanor. As these matters were debated at length on Second Reading, I do not propose to detain the Committee any further.

Stella Creasy (Walthamstow) (Lab/Co-op): I rise to speak to amendment 2, which I tabled with my hon. Friends the Members for Birmingham, Yardley (Jess Phillips), for Wirral South (Alison McGovern), for Ilford North (Wes Streeting), for Canterbury (Rosie Duffield), for St Helens North (Conor McGinn), for Cardiff Central (Jo Stevens) and for East Lothian (Martin Whitfield). We recognise that this legislation has been brought to the House at short notice, but we want to put the Secretary of State on notice that the concerns raised in the amendments will endure in every piece of legislation until the issues are resolved, because they speak to one of the first concerns that any Member of Parliament should have: the human rights of the people whom we represent. Amendment 2 seeks to recognise that this Government cannot pick and choose their responsibilities. On the one hand, they take full responsibility for expenditure in Northern Ireland but, on the other hand, they ignore human rights abuses and the suffering that they are causing to UK citizens.

The Bill authorises departmental expenditure to allow the continued delivery of public services in Northern Ireland in the absence of an Executive and the consequent

inability of the Northern Ireland Assembly to pass legislation to provide the same rules. That Assembly has not sat for over two years, which is why this House passed emergency legislation last November. Section 4 of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 makes it clear that the Secretary of State for Northern Ireland is responsible for the guidelines relating to human rights in Northern Ireland. However, amendment 2 relates to the fact that she has failed to take any meaningful action to uphold that obligation and, indeed, has sought to deny it.

In a written ministerial statement on 30 January 2019, the Secretary of State said that

“the current absence of devolved Government in Northern Ireland should not dislodge the principle that it is for the devolved Administration to both legislate on, and ensure compliance with, human rights obligations in relation to such devolved matters.”—
[*Official Report*, 30 January 2019; Vol. 653, c. 40WS.]

However, article 27 of the Vienna convention states:

“A party may not invoke the provisions of its internal law as justification for its failure to perform a treaty.”

In layman’s terms, that simply means that we cannot ignore our human rights responsibilities to the people of Northern Ireland and use devolution as a cover for doing so.

Martin Whitfield (East Lothian) (Lab): We have heard from across the House today that a unified approach is the proper answer in Northern Ireland, but that cannot be achieved at this stage. However, when we asked for transparency around finance, we were unable to get it. With human rights, that obligation rests on each of us as an individual, and particularly on the Secretary of State, and it is not restricted by borders. It is a responsibility wherever we see a human rights abuse.

Stella Creasy: I could not agree more with my hon. Friend, who is a co-sponsor of amendment 2. That speaks to a concern that is shared by many, which is the picking and choosing for political expediency of what human rights means and what action the Government will take. However, we are not the only people to have identified that. Amendment 2 relates to the prosecution of people under sections 58 and 59 of the Offences Against the Person Act 1861, and other august bodies have recognised the problems created by the Government’s approach to human rights.

On 23 February 2018, the Committee on the Elimination of Discrimination against Women carried out an inquiry into abortion law in Northern Ireland under article 8 of the optional protocol to the convention on the elimination of all forms of discrimination against women, to which the UK acceded in 2004—just as we are a party to the Vienna convention. The report stated that the

“delegation of government powers did not ‘negate the direct responsibility of the State party’s national or federal Government to fulfil its obligations to all women within its jurisdiction’. Thus, the United Kingdom cannot invoke its internal arrangements (the Belfast Agreement) to justify its failure to revise the laws of Northern Ireland that violate the Convention.”

The laws that violate that convention were written in this place, because the 1861 Act was written by the United Kingdom. It was written here, but it still has effect in Northern Ireland. It is the reason why, to this day, a woman who is raped in Northern Ireland and seeks a termination as a result would face a longer

prison sentence than her attacker. That is the human rights abuse that we are talking about today, violated in this country and the responsibility of this Parliament.

Amendment 1 was not selected, but Madam Deputy Speaker said that it was in order to speak to it. We are concerned, not just about abortion and human rights abuses, but about human rights across the piece and the importance of equality to our values and to our country. Amendment 1 spoke to the same situation that arises as a result of our failure to give equal marriage to the people of Northern Ireland—a failure to treat people who are married as married under the law, not as civil partners but fully married, as anyone else would be. I am not married myself; I am sure that after today I might even get the odd proposal. *[Interruption.]* Well, a girl can live in hope. However, the proposal that I would really like to see the Secretary of State picking up on is represented in articles 8, 9, 12 and 14 of the European convention on human rights. Even the former Minister has noted that the prohibition on marriage in Northern Ireland is “simply not justifiable”. Just as with those laws on abortion, it is this Parliament legislating today that is perpetuating the prohibition on same-sex marriage for couples in Northern Ireland, even when those who are lawfully married in England and Wales visit or reside in Northern Ireland.

Martin Whitfield: Is not the real test of a politician their conduct—not when something is easy to do, but when it is hard? This may be a hard decision, but it is the honourable, right and historically correct decision to make.

Stella Creasy: Yet again I find myself in complete agreement with my hon. Friend, because that Vienna convention must mean something. The fact that we have signed those treaties gives rights to all our citizens—not rights to some of them when we need to do a deal with some other citizens to stay in power, but rights that should transcend party politics, rights that should mean something, rights that we should all be proud to uphold. Because we do not do so, our fellow UK citizens in Northern Ireland are treated as second-class citizens. Women are not allowed to access basic rights of control over their own bodies, and people are not allowed to love who they love and see that celebrated without fear or favour and equally.

It is because the Secretary of State has done nothing about those issues, and tries to deny her fundamental responsibility for upholding those rights on behalf of all UK citizens, especially in Northern Ireland, that we are in this position today, and that is where amendment 2 has come from. It is about the mess that has been created—about the fact that UK taxpayers’ money is being used to perpetuate those human rights abuses by funding prosecutions and defending claims that are having to be brought by Northern Irish citizens to uphold their rights—because this Government will not act. This is a very live issue.

Lady Hermon: May I ask the hon. Lady to take a few moments and reflect on the very significant Supreme Court decision in June 2018, in a case brought by the Northern Ireland Human Rights Commission, and the very critical comments that the judges made about the lack of appropriate legislation in Northern Ireland? I think I am right in saying that the situation in relation

to the abortion legislation in Northern Ireland in the cases of rape, incest and fatal foetal abnormality was described as “deeply unsatisfactory”. When Supreme Court judges describe such things as “deeply unsatisfactory”, this country will have to legislate at some stage to comply with that.

Stella Creasy: I thank the hon. Lady. I am only disappointed because I was sort of hoping for a proposal; but I completely agree with the point that she makes. Indeed, she prefigures something that I shall come on to. We are spending money because of our failure to tackle those human rights issues—money that could be going into public services in Northern Ireland, but instead will be spent upholding the situation that she describes. I want to come on to that, and what that practically means for the Secretary of State.

We know that cases are currently going through the courts as a direct result of this situation. In 2013, the mother of a 15-year-old was prosecuted under the Offences Against the Person Act 1861 for procuring abortion pills for her under-age daughter. The mother was prosecuted following the appointment with her daughter and a GP. That decision is now being judicially reviewed, so there is a live case, which the UK Government will spend money to defend as a result of the provisions of the Bill before us.

Today, we know that the UK Government have been formally notified that A and B, a mother and daughter from Northern Ireland, are taking their battle to the European Court of Human Rights. They are challenging the refusal to allow women from Northern Ireland access to abortion services free of charge in England and have issued legal proceedings against the English Health Secretary. Six years ago, they were forced to raise £900 to travel from Northern Ireland to Manchester in order for B to be treated at a private clinic. I absolutely share the sentiments of my hon. Friend the Member for Bristol South (Karin Smyth) about the importance of value for money within our politics. On the public purse, the crucial thing in this case is that an offer was made to settle with the Government. There was an offer not to proceed with this kind of spending, but the Government have refused. They have ignored the requests to settle this case, even though the law has subsequently changed. That means that public money that could be going on public services in Northern Ireland will be spent contesting that case.

6.45 pm

We also know that under this legislation public money has been spent on raids: raids on people to find the pills; and raids on women who are trying to help other women in Northern Ireland. We know that 28 women a week are coming across to have an abortion in this country, so we know this is a very live issue, because they are only the ones who can afford to travel, who can travel because they have the travel documents, and who are not in an abusive relationship and can leave to come to England and Wales without being in trouble. We know that in 2017, on International Women’s Day, of all days, the PSNI carried out a number of searches and seizures connected to the illegal purchase of abortion pills online. So as women were celebrating International Women’s Day, our sisters were being arrested because of this legislation written in 1861. Abortion should not be

treated as a criminal matter; it should be treated as a medical matter. Yet because of that legislation, public money was being spent on chasing those women. We have no guarantee that that will not happen again on International Women's Day this year.

Amendment 1 has not been selected, but we know that there is the same live situation, where public money is being put into court cases, on equal marriage. We know there is a case before the High Court at the moment regarding petitioner X and his husband, who wed in London in 2014. They are attempting to secure a declaration that their marriage remains fully constituted throughout the UK, including in Northern Ireland. That case was appealed at the Northern Ireland Court of Appeal in March 2018 and a judgment is still awaited, so money is still being spent on these cases.

In a case led by Gráinne Close and Shannon Sickles, and Chris and Henry Flanagan-Kane, a claim is being brought against Northern Ireland's prohibition on same-sex marriage. In August 2017, a High Court judge dismissed the case, after identifying no breach under European law, but that is now being appealed and the case is being heard at the Northern Ireland Court of Appeal. They are currently awaiting a judgment as well.

My point is that this is not a theoretical issue about public money being spent as a result of the Secretary of State's failure to uphold the basic human rights of the men and women of Northern Ireland. It is a direct, live issue. We heard on Second Reading concerns about the funding that was available for public services in Northern Ireland and about whether appropriate scrutiny was being undertaken. These amendments are trying to deal with that inconsistency where the Government wish somehow to make decisions about spending in Northern Ireland and set out precise sums, but not to uphold the other end of their bargain, which is to do right by the people of Northern Ireland and uphold their human rights.

Martin Whitfield: When we look at the cases travelling through the courts and those we can anticipate are going to come forward, we see that there will be only one inevitable conclusion when the judgment comes out. What we have seen over the past few months is pure delay, which has cost money and drawn away from services in Northern Ireland. We know where this is going to end up and it would be better for us to make the change now, in control, and with credit being given where it is due, so that we can move forward and invest properly in Northern Ireland.

Stella Creasy: Again, I do not disagree. I believe that these are issues for the people of Northern Ireland, but I recognise that this situation arises in the first place because of antiquated legislation written in the United Kingdom, so it is right that this place takes responsibility for the antiquated legislation that is causing these human rights problems in Northern Ireland.

The trouble for me with all this is that I know that the Secretary of State agrees, because as she said to the Women and Equalities Committee last week, she agrees that the situation with the Northern Ireland Human Rights Commission is untenable. She agrees that it is an error that the commission is not able to bring cases directly. Right now, because of her Government's failure to act on these issues, we are in the position that it

would take a rape victim coming to court and having to explain their situation to address the laws that we have.

The hon. Member for North Down (Lady Hermon) is absolutely right when she points to that Supreme Court ruling, which is what should really matter today, because that is where that public-purse money is going. The Northern Ireland Human Rights Commission took the Government—our own Government—to court. How can we lecture on human rights around the world when our own Government are being taken to court? The Supreme Court ruled that the situation in Northern Ireland was “incompatible” with human rights; that it treated women—UK taxpayers—as “vehicles”; and that it was “untenable” and in need of “radical reconsideration”.

The Court stated:

“Those responsible for ensuring the compatibility of Northern Ireland law with the Convention rights will no doubt recognise and take account of these conclusions, at as early a time as possible, by considering whether and how to amend the law, in the light of the ongoing suffering being caused by it”.

That was June 2018, months and months ago—months of continued suffering for the people of Northern Ireland, and yes, in relation to today's debate, months of continued expenditure from the public purse to keep these laws in place for women like Sarah Ewart, who went for a 19-week scan and was told that the baby she was carrying had a fatal defect, that the brain and skull had not developed properly and that it would inevitably die, either before it was born or moments after.

The horror about these laws is shown by the horror for Sarah Ewart and her family in the treatment that they then experienced, having had that devastating diagnosis. Mrs Ewart said that she was refused advice on how to seek a termination. When she asked about having an abortion at a hospital in Belfast, doctors informed her that it was not an option in Northern Ireland. When she inquired as to where she might be able to go to seek a termination elsewhere, they said they were not even able to give her any information to help her. They said their hands were tied: “We can't tell you anything. We would be prosecuted if we give you that information.”

Some days later, having consulted as many people as she could and certain that hers was one of the rare and exceptional cases in which an abortion could be performed in Northern Ireland, Mrs Ewart met a second consultant. That woman banged her files on the desk and said:

“I'm not going to prison for anyone.”

That is the chilling effect of this situation on the human rights of the woman of Northern Ireland in 2019.

The High Court has told us that the situation is untenable. We know that the same egregious distress is caused by the situation around equal marriage. So when I see the Secretary of State saying that it is a devolved matter and trying to deny basic Vienna convention rights, I also see the mess we are in today with this legislation, whereby money will be wasted. There are rights that she should be upholding and acting to protect, but instead we will put money into prosecuting people—into raids and court cases. It is denying people their basic rights—rights that other courts will have to uphold. What a waste. What a waste of time, effort, money and, above all, dignity for the people of Northern Ireland.

These amendments and this debate are about the dignity of the people of Northern Ireland and about treating them as equal citizens of the United Kingdom. They are about not shirking our responsibility to those men and women to uphold their rights, not matter how uncomfortable that may be and no matter how difficult some in this Chamber may find it. The sight of Government-funded lawyers defending the denial of somebody's right to love who they love must stop. The sight of public prosecutions of women trying to help other women have control over their own bodies—other Sarah Ewarts—has to stop.

The Secretary of State may tell me that the Bill is not the right vehicle to address these issues, or that they are all matters for devolution. What she has to tell me is how much longer the people of Northern Ireland will have to wait before their human rights are seen as equally important to the rights of the coalition. I put her on notice: she may not support our amendment, but we will not stop fighting for equality across the whole United Kingdom. I wager that history is on our side, not hers.

Sir Mike Penning: I say this with all due respect: I enjoyed the passionate speech of the hon. Member for Walthamstow (Stella Creasy). I may not have agreed with every word, but frankly I agreed with the vast majority, even though I am a passionate believer in devolution.

I have sat in the Chamber for nearly five hours today, apart from the odd trip to powder my nose. I have intervened on a few Members, but I have made no speeches—I turned up five minutes into Second Reading, too late to speak. That is my fault and no one else's, but I will try to make up for it now.

I have several points to make about the Bill, but there is one in particular that the hon. Lady might agree with. The first page of the Bill includes a compatibility statement:

“Secretary Karen Bradley has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Northern Ireland Budget (*Anticipation and Adjustments*) (No. 2) Bill are compatible with the Convention rights.”

I am not convinced that the provisions are compatible with convention rights, nor am I convinced that the Bill will do what we were sent here to do. Representation through taxation, the principle that Parliament stands for in this democracy of ours, was set out 900 years ago: we are supposed to look at how the taxpayer's money is being spent. In passing a Bill because there is no devolved Assembly in Stormont, frankly we are offering a sop to Sinn Féin, which will not participate either in this Chamber or in the Stormont Assembly—that is why it has collapsed.

We cannot say that on the one hand we are willing to pass the Bill, but that on the other hand this is a devolved matter; I think that that is the hon. Lady's point. This type of Bill will keep coming back—she certainly will. If we believe in devolution, in the Union of this country and in the rights of the people of Northern Ireland to be represented not only here but in their Assembly in Stormont, at some stage we will have to bite the bullet and say that enough is enough. If a political party is not willing to participate, we—the Parliament of the Union of this great nation of ours—will have to step up to the plate and do something about it.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): Will the right hon. Gentleman give way?

Sir Mike Penning: Will the right hon. Gentleman give me two seconds? I am in a flow.

I have raised the issue with shadow Front Benchers and my own—I was a Northern Ireland Minister for a considerable period—because we have to address it. Perhaps I will come back to that point after the right hon. Gentleman's intervention.

Sir Jeffrey M. Donaldson: The right hon. Gentleman puts forward the proposition that the only longer-term alternative to the current stalemate is direct rule. One understands that, but it has been argued today that the provisions of the Good Friday agreement and the concept of devolution are not sacrosanct and that they can be overridden. That is an interesting comment, but surely there is another solution. Of the five parties in a position to form a Government in Northern Ireland, four are prepared, on a cross-community basis, to form a Government without precondition. Might this Parliament stepping up to the mark finally lead us to recognise the need for democracy to move on in Northern Ireland, instead of a single faction being allowed to veto the people of Northern Ireland having their own Government?

Sir Mike Penning: I cannot disagree with a single word that my right hon. Friend has said. This cannot continue; we cannot sit in a situation where there is no way of looking properly at how civil servants are spending taxpayers' money. That is not the principle of this democracy, and it is not the principle on which I was elected to this House. We must have a methodology. If this House voted to go forward with four parties instead of the five, somewhere along the line Sinn Féin would suddenly wake up and smell the coffee. But at the moment we are not challenging Sinn Féin. We are accepting that they have this veto. We are accepting that this House, in this great Union of ours, is not going to challenge the convention whereby Sinn Féin can say, “No, there is no devolved Assembly in Northern Ireland.”

7 pm

The aspect that fascinated me even more when I was a Minister was that, even when we had the Administration up and running, any party could veto decisions anyhow. We have to make sure that democracy thrives in the same way that we try to teach the rest of world. At the moment, we are shirking that responsibility, if we are being really honest. The shadow Secretary of State was kind in offering that he would turn up to an Adjournment debate to explain Labour party policy, but I do not think that is quite where we are. I am more than happy to have an Adjournment debate, but I think that I would be outnumbered in that I want us to progress.

Do I want direct rule? No. But it may be one of the only threats, which is why I keep saying “when”, not “if”. Unless we set a date, we are going to be back here in September and next spring. At that time, the fantastic, brave work that happened to give us the Good Friday agreement will be lost and Northern Ireland will go backwards. We saw the bombs in Londonderry the other day. The New IRA—as they like to call themselves—are there, although there is nothing new about them; they are old-fashioned terrorists. The people of Northern

Ireland want something tangible to hold on to. It cannot be right that their health service and education system are in decline, and we have heard about many other problems today, although it was a very short list from my hon. Friend the Member for Strangford (Jim Shannon). I have heard much longer lists from him on many an occasion, and quite rightly so.

Let me tell the Secretary of State that I voted against these measures on Third Reading the last time they came before the House. I hope that the Whip is also listening, because this is important. I voted against the Bill—only the second time that I have ever voted against my Government—because there was no provision to protect the veterans who served this country so brilliantly in the police, in the other emergency services and particularly in the armed forces, which I am so proud to have served with. There is now again the threat of our veterans—some of them much older than I am—being dragged through a judicial process when these matters have already been addressed on many occasions. Double jeopardy seems completely unfair in these circumstances.

Terrorists who murdered people are walking free now because of agreements that came through with the Good Friday agreement, yet there is absolutely nothing at all from my Government for veterans in this legislation or in any other measure. There is lots of talk from the Government that they are trying to address this or that, but these veterans served this country of ours. If they have done something fundamentally wrong, I think that we might actually have had them in court and sorted it out over the last 40 years.

As the shadow Secretary of State said, some victims are dying off now and they need to get their compensation, quite rightly. I do not think the British taxpayer would ever understand if we gave victim's compensation to a terrorist—not just an alleged terrorist but a convicted terrorist—when our own veterans are being dragged through the courts, paid for by the taxpayer. Am I missing something here?

This budget is a substantial one. It is basically the same budget as last year, as we have heard—and why? Because no one is there to make decisions. I was sent to this place to make decisions not only for my constituency but for the United Kingdom of Great Britain and Northern Ireland. I lost colleagues in Northern Ireland. I cannot sit back and say we are just going to carry on while there is a devolved Assembly out there that for two years has just been sitting there gathering dust, and then say that we are going to push this budget through but not take on the responsibility, or a version of responsibility, for direct rule. The Minister of State and that Secretary of State have a massively important role. It is a balancing act—a balancing act that is leaning too far towards Sinn Féin, in my opinion, and that is why we do not have an Assembly in Northern Ireland.

Gavin Newlands: It is a pleasure, Mrs Laing, to see Renfrewshire represented in the Chair.

I rise to speak very briefly at this stage, although perhaps not quite as briefly as the Secretary of State. Despite some disagreement from the Northern Ireland branch of my fan club on the Benches behind me, I stated clearly on Second Reading the SNP's view, at least, of the commensurate funding that Scotland would be able to receive as a result of the additional Northern Ireland budget allocation.

It should be noted that the Scottish Parliament and the Welsh Assembly have just simultaneously debated, voted on and passed a motion calling on the Prime Minister to rule out no deal and to extend article 50. That is the first time that this has happened in the history of devolution. But I digress—I just wanted to put that on the record.

I made my point, notwithstanding the comments by the hon. Member for Belfast East (Gavin Robinson), on the clear and distinct issues present in Northern Ireland, which I wholly accept. But no Scottish MP worth their salt, or Scottish Secretary for that matter, would accept this situation without at least trying to ensure that Scotland received proportionate funding, and it is not cheap to attempt to do so. I outlined my reasoning at length on Second Reading, so I will curtail my remarks at this stage. Suffice it to say that the extra funds announced for this budget, which would amount to £400 million if Barnettised, could amount to 4,100 police officers, 4,500 nurses and 4,400 junior doctors. At this time when the Scottish Government are doubling childcare funding, an extra 5,000-plus nursery teachers could be paid for by Barnett consequential from all the £140 million, or an entire borders railway with the £106 million change. Or, taken in the round, the extra £3.4 billion flowing from the DUP's confidence and supply agreement, in addition to the new moneys, could be transformational. It could fund another three Aberdeen bypasses or nearly three additional Queensferry crossings, should we ever need such things.

Sammy Wilson: I am just wondering why so many people would want to bypass Aberdeen that it needs three roads round it.

Gavin Newlands: I pass no comment on Aberdeen, but this road has been a long time coming. The Scottish Government have just ordered it; thankfully there was an opportunity to say that. Sadly, even though the £3.4 billion could cover the cost of almost three Queensferry crossings, it would not even cover the cost of two Chris Graylings.

Clearly, we are unable to pursue this issue any further during the passage of this Bill, but the Scottish Secretary, the Chancellor and the Northern Ireland Secretary can rest assured that pursue it we will.

Tony Lloyd: This has been an interesting debate so far. I will not name the hon. Members, but some unfortunate references have been made to civil servants in the Northern Ireland Office. I deplore those remarks. I deplore remarks about people who have no capacity in this House to answer for themselves. I deplore the remarks for another reason. Whatever people think about the institution of the Northern Ireland Office, ultimately it is politicians—I make no criticism of politicians when I say this—who make the decisions. Civil servants are there to advise and implement. I want to put that on the record, because it is important that the House knows, and in particular that those who work for us know, that those criticisms are not a uniform view of their behaviour.

Emma Little Pengelly: I know that things can be said, and there is a range of views, but I think that I can certainly speak for everybody on the DUP Benches when I say that over the last number of years, our civil servants in Northern Ireland and across have been

working incredibly hard in very difficult circumstances. I can say that because I see it on a week-to-week basis—I wish it was a day-to-day basis, but I am stuck over here most of the time—because my husband is a senior civil servant. I think I speak for us all when I say that we recognise the incredible, hard work that they have done under difficult circumstances, and we applaud them for that.

Tony Lloyd: I strongly thank the hon. Lady for her helpful remarks, which correct the record.

I thought that giving a direct answer to the question posed by the right hon. Member for Hemel Hempstead (Sir Mike Penning) was the direct answer. I am not quite sure what more I can do to amplify no, when no means no. Nevertheless, I am always happy to continue to debate these issues. This debate, by its nature, is not necessarily the most appropriate time, but we will continue the conversation anywhere, any time, within reason.

Importantly, I want to refer to the very imaginative amendment tabled by my hon. Friend the Member for Walthamstow (Stella Creasy). The right hon. Member for Hemel Hempstead said that he agreed with nearly every word she uttered; I agree with every word. It is important to say that, because there are issues of practical humanity involved. I have met Sarah Ewart and other women from Northern Ireland who have sought the safe, legal abortion that women in the rest of the United Kingdom hopefully take for granted, whatever criticisms we make of our health service. That is really important, because the devastation caused to people's lives by their inability to access things that are taken for granted elsewhere ought to be brought to a conclusion.

People have different views. I am well aware that people in this Chamber have different views on the issues of equal marriage and abortion, but these are basic issues of human rights. It is right and proper that my hon. Friend the Member for Walthamstow has raised these issues tonight, because they need airing.

I will not repeat everything that my hon. Friend said, but any woman who loses a wanted baby is already part of an individual tragedy and a familial tragedy, and many people in this House will know that from their personal experience. For a woman who conceives in hope but finds that the baby she conceives is born, sadly, to die is an immense tragedy. For that to then be compounded by an inability to seek the help and basic guidance that I hope members of my family and people living in the rest of the United Kingdom take for granted is not a tragedy; it is a disgrace. My hon. Friend is absolutely right.

There is an irony in this, as the hon. Member for North Down (Lady Hermon) pointed out. Our Supreme Court's decision was interesting. It was not a judgment, because the Court was not capable of making a judgment, but its analysis and recommendation was absolutely unambiguous on where the law stands. Nobody can doubt what the Supreme Court said. However, the odd thing is that the Supreme Court's judgment was a narrow one. It said in that case that the Northern Ireland Human Rights Commission had no competence to take the case forward. Because it was taken on behalf of a real human being, it now falls back on that individual to refight the case through the lower courts, with all the time that will take and all the personal trauma it will cause. In the meantime, many other women will, of course, be denied access to safe and legal abortions that would be available anywhere else.

7.15 pm

In that context, we have to recognise something fundamental in the Supreme Court's judgment, and it comes down to two things. It is interesting that the Secretary of State has rightly indicated—I congratulate her on this—that she will now reform the law to give the Northern Ireland Human Rights Commission the locus to take cases through the court process in the way that it has not been allowed to do in the past. I hope we can see early resolution of that, which we look forward to, and she is right to do it.

The judgment also sharpens the focus on something else very specific. The Supreme Court judgment was a judgment not about the Stormont process, but about the compatibility of the United Kingdom with our obligations under the European convention on human rights. Since the United Kingdom is in breach of its obligations, the necessary process to exculpate us from that particular critique is a UK one. We can hide behind devolution, but that is not appropriate. If we prefer, we can hide instead behind the narrowness of the fact that the Court could not make this a judgment. However, one way or the other, we know what the judgment would be, and we know that this is for the UK. If the Secretary of State wants to refer this to her colleagues in the Government, I think we would all be very happy with that in order to see progress made by a different Department, if that is the right way forward.

I will make the Secretary of State an offer, because this is really important. I know that the Government are in an interesting relationship with the DUP at the moment, and I know that most of the DUP Members will not agree with any attempt to reform the laws with respect to safe and legal abortion in Northern Ireland. For our part, Labour guarantees that we would support any move towards providing safe and legal abortion for women in Northern Ireland. That gives the Government the guarantee on any step forward. In any case, this would almost certainly be done on the basis of a free vote, because that has been the tradition in the House on these issues. However, the official position of the Labour party would be to support the Government in taking those steps. This is a challenge to the Secretary of State—I understand that—but it is a challenge on which we will support her if she is prepared to take it on. Let me say that the same would apply to the question of equal marriage.

Ian Paisley: I appreciate the point the shadow Secretary of State is making, and we respect the difference that exists on those views. Will he confirm that the views he has expressed are diametrically opposed to those of his sister party in Northern Ireland and to many members of the Social Democratic and Labour party?

Tony Lloyd: I have to say to the hon. Gentleman that this does not obviate the absolute necessity for this House to recognise that, whatever people's views, we have to look at our obligations under the European convention on human rights. We have to take that on board: human rights are the human rights of a person in North Antrim just as much as they are of someone in my constituency of Rochdale in the north end of Greater Manchester.

Let me also say that, ultimately, I would of course sooner that this was done in Stormont. Of course we would sooner see Stormont Members take it forward.

[Tony Lloyd]

In the meantime, however, it is not Stormont or Northern Ireland that is in breach of its treaty obligations, but the United Kingdom. Because it is the United Kingdom, the obligation is on this UK Parliament to be the one that now resolves the issue.

I will not go on at any greater length, but I hope I have made the Labour party position very clear. We would support any action in this Chamber to resolve the two issues of equal marriage and of the safe and equal abortion for women in Northern Ireland. I hope that the Secretary of State, emboldened by that commitment, will recognise that justice can now be served only by moving forward to prevent the experiences of the Sarah Ewarts of this world, to prevent a mother facing potential criminalisation because she wants to help her daughter, to help women who try to obtain the morning-after pill and are under investigation by the PSNI and to move our world forward and put those in Northern Ireland in the same position as I would expect for my own constituents.

Karen Bradley: This has been an interesting debate with some passionately held views clearly expressed.

Let me touch briefly on the comments made by the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), who talked about the moneys allocated in the written ministerial statement. Clearly, we are not voting on those today; we are voting on the vote on account. Let us be very clear what the Bill is. He needs to recognise the unique pressure that Northern Ireland faces, particularly because of the lack of Ministers for more than two years. These matters need to be resolved, but they need to be resolved in Stormont by a devolved Executive dealing with these budgetary pressures. I am sure that he will understand why the written ministerial statement included the additional money—it was because of the unique pressures faced by Northern Ireland.

My right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning) was thoughtful, as always, and passionate about the matters he cares so desperately about. I know of his support for our veterans and retired police officers who served in Northern Ireland during the troubles, and he has campaigned for them long and hard for many years. I assure him that I want the situation to change. I want things to be different, because none of us wants the current situation to continue. That is why we have consulted on how we can best take forward legislation in this place, as agreed in the Stormont House agreement, which he will know so well having served in Northern Ireland just before that took place. Of course, the Stormont House agreement happened when my hon. Friend the Member for South West Wiltshire (Dr Murrison), the Chair of the Northern Ireland Affairs Committee, was a Minister in the Northern Ireland Office.

We want to take that work forward, and I would very much like to work with my right hon. Friend the Member for Hemel Hempstead on the responses to the consultation. We have had more than 17,000, and we are still working our way through some traumatic, difficult and individual responses. I would like to work with him personally to get his expertise and wisdom fed into the process so that we can ensure that those brave service personnel and retired police officers who made sure that peace was possible are treated with the dignity they so rightly deserve.

I turn now to amendment 2, tabled by the hon. Member for Walthamstow (Stella Creasy), who told me that she has put me on notice. I do not think it is the first time she has done so, and I am sure that it will not be the last. I know how hard she campaigns on this issue and how much she cares about it. We have debates on it and I will not rehearse the conversations we have had. She knows my personal position, but she also, I know, understands the constitutional situation and that what we all want to see is a restored Government in Stormont that can then take forward the measures that she has talked about and those brought to the Supreme Court when the Executive were taken to court.

The shadow Secretary of State talked about the UK Government. Clearly, legally the UK Government are always the defendant in such cases. We are the member state that is signed up to the treaties. However, it was the position of the laws of Northern Ireland as set out by the Executive and the Assembly that was challenged following the 2016 vote when a push to change the law on fatal foetal abnormality, rape and incest was defeated in the Assembly, with the majority of the then Assembly Members voting against that change.

The shadow Secretary of State also talked about the legal standing of the Human Rights Commission, and I have said on the record on a number of occasions that what came out from the Supreme Court judgment was an anomaly in the law that nobody knew was there. In 1998, when the Northern Ireland Act was passed and the Commission was established, everyone believed it had the same legal standing as commissions in other parts of the United Kingdom that were established at around the same time as devolution happened around the UK. Clearly, that is not the case and steps therefore need to be taken to address that point. I agree that we do not want women who are victims of the situation having to come to court and make the case themselves.

Gavin Robinson: Just on that brief point, which I raised with the Secretary of State last week: in the interests of clarity, transparency and the scrutiny that the Chair of the Select Committee has asked for, will the Secretary of State provide details, after this evening, to confirm the point about an error in the grounding legislation for the Human Rights Commission? She knows that in Northern Ireland, unlike in England and Wales, we have a separated Equality Commission for Northern Ireland and Human Rights Commission, and that the Equality Commission does have standing. Will she provide detail and clarity to confirm the position she has taken, which is that it is an error in the law?

Karen Bradley: I will of course be very happy to provide the hon. Gentleman with more information on that point. Everybody believed that the Human Rights Commission had legal standing. The HRC took the case believing it had legal standing, but it was only during the Supreme Court judgment that that point was clarified. I am very happy to share the information on that point with him.

Returning to the point raised by the hon. Member for Walthamstow about the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 and the amendment to section 4 that she pressed to a vote and that this House accepted late last year, clearly the Act cannot change the law in Northern Ireland. The guidance I have issued on what I expect the Northern

Ireland Office to do is very clear, but it cannot in itself change the law. I do not have the power to do that through that Act of Parliament. However, I do keep under review the obligations we have on the matter.

I want to be very clear and to state very clearly that the UK Government remain committed to their obligations under international law, including the European convention on human rights. It is important to recognise that it is for the devolved Administrations across the whole UK to ensure that their domestic laws and actions are compliant. The observance and implementation of international obligations, and obligations under the European convention on human rights, so far as they are otherwise within the competence of the Assembly, are matters for the Northern Ireland Assembly.

If I can make one final important point, I support the principle of the amendment on same-sex marriage, which was not selected today, and I have been clear on the record that I want changes to the legislation relating to abortion in Northern Ireland. However, those are matters for a restored Executive. We want a restored Executive to progress legislation on that issue as one of the first things they do.

Maria Caulfield: Given that this is the second year that this place is bringing forward a Northern Ireland budget Bill—there is another Northern Ireland Bill tomorrow—and given that the debates we have had with the hon. Member for Walthamstow (Stella Creasy) and on the veterans issues raised by my right hon. Friend the Member for Hemel Hempstead (Sir Mike Penning), does the Secretary of State not think that passing all the stages of a Bill in one day does a disservice to the people of Northern Ireland? We need proper scrutiny of the Bill through the normal process that any other Bill would have.

Karen Bradley: What we are doing today is effectively the estimates process. The moneys we are voting on today have all been voted for and properly scrutinised in this House. We are confirming the departmental spending in 2018-19, so for this current financial year. That spending was done on a proper statutory basis, with the moneys having been properly voted through this place and properly scrutinised in this place in terms of the block grant given to the Northern Ireland Office. What would happen normally is that the Northern Ireland Assembly would hold an estimates day, which would probably be about the same length of time. At the end of it, it would vote on the estimates. We are therefore effectively doing the same thing, but we have to do it through primary legislation because we are unable to do it in any other way in the absence of the Assembly sitting.

I know that that is not satisfactory and I know it does not feel right to those of us who are used to the full scrutiny of Bills, but I gently say that we are probably giving the Bill about the same amount of time it would have had in the Assembly if it was sitting. This is a very technical Bill. It is about making sure we agree that the spending that has already happened has been done on the proper legislative statutory footing and that we agree that more spending can take place next year without going into any further details about the allocations, merely that we accept that 70% of prior year spending can be spent by the Department without the need for further legislation. I hope that clarifies the point further.

Tony Lloyd: The Secretary of State is touching on an important point. Of course, the retrospective nature of the Bill and the estimates comparison are significant. With other departmental budgets that come through the House, there are different mechanisms of scrutiny, which do not apply here. The Secretary of State has heard the profound argument from both sides of the House that if this happens in the future—like her, I hope it does not—we should begin to think about a better way of separating the Second Reading process and the detailed scrutiny.

7.30 pm

Karen Bradley: I absolutely understand the hon. Gentleman's point, but I gently say that this is a very technical Bill that is putting spending that has already happened on a statutory basis. It is about money that has been scrutinised in this House, which we have voted to be allocated to Northern Ireland in previous debates. We are talking about putting the decisions that civil servants took and the money that we have agreed that they can spend on a proper statutory basis. I absolutely understand the frustrations about a lack of scrutiny—I want more scrutiny. However, the right, constitutional way to do that—the way this House has agreed we should do that—is to have an Assembly and Executive sitting in Stormont doing the appropriate scrutiny.

I return to the amendment tabled by the hon. Member for Walthamstow. I know how strongly she feels about this issue, and I know that she wants to see change, but this is not the Bill to do it in. This is a technical Bill. She wants success in what she is trying to achieve, and I therefore urge her to withdraw the amendment.

Stella Creasy: The Secretary of State, by refusing to recognise her responsibility to uphold the human rights of the people of Northern Ireland, is creating a situation by which public money will potentially be spent on cases like the one that Sarah Ewart was involved in. What is her message to Sarah Ewart and all the other women she is letting down by refusing to stand up for their human rights?

Karen Bradley: I do not accept what the hon. Lady said. We have appropriate and proper separation of the judiciary and Parliament. The prosecuting services in Northern Ireland, the police and others must decide what investigations they undertake, based on the law as it stands. Her concerns are with the law, and I understand that. I very gently say to her that I and the UK Government are committed to all our obligations under international law, including the European convention on human rights. It is for the politicians whom the people of Northern Ireland elected to do the right thing by those people. I understand how strongly the hon. Lady feels about this issue, but this is not the right vehicle for what she wants to do. I urge her to withdraw the amendment.

Stella Creasy: I recognise that this is a spending Bill and is not the right place for this, but I want to put the Secretary of State on notice that until she recognises her responsibility for human rights, this House will take every single opportunity to speak up for the Sarah Ewarts of Northern Ireland. She clearly will not, but we will.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clauses 2 to 9 ordered to stand part of the Bill.

Schedules 1 to 4 agreed to.

The Deputy Speaker resumed the Chair.

Bill reported, without amendment.

Third Reading

7.35 pm

Karen Bradley: I beg to move, That the Bill be now read the Third time.

I will keep my remarks to a minimum, as we have had a long day and considerable debate on the matters raised. We have heard some very passionate and heartfelt contributions from right hon. and hon. Members. I thank them all for their contributions. I also thank the Minister and the Whips for their work, the Opposition and SNP spokespeople and all the officials who helped to put the Bill together.

This is not something any of us wished to do again. We want to see a devolved Government in Stormont because many of the matters raised today should rightly be dealt with by politicians elected by the people of Northern Ireland—that is what we want to see—and I very much hope that I will not be back doing a budget Bill again for Northern Ireland. That said, I am grateful that the House has supported the Bill so far and I hope that it will now support its Third Reading.

7.37 pm

Sir Jeffrey M. Donaldson: On behalf of my right hon. and hon. Friends, I place on the record our appreciation of the Secretary of State, her officials and the Minister for their co-operation in discussing the detail of the Bill and our appreciation for the additional funding, which is greatly needed to address issues in Northern Ireland.

I echo the comments of the Secretary of State. DUP Members sincerely hope that this evening will be the last time the House will need to deal on this temporary basis with the budget for Northern Ireland. We truly hope that by this time next year we will have a functioning devolved Government and Assembly that can do the job, provide the scrutiny and bring forward proposals for public expenditure in Northern Ireland. We agree that this is not a desirable way to do things—it is not our wish that it should happen this way—but we appreciate the time the House has devoted to it. I wish we had more time for scrutiny, but we understand why we are where we are. The DUP is committed to working towards the restoration of devolved government. The sooner it happens the better.

7.38 pm

Tony Lloyd: Some of the principles in this debate do not divide the House. Some are clearly matters of enormous importance. What has come through time and again is that the process of examining the competence of the budgetary process is not written into the procedures of the House, and I urge the Secretary of State to think about how we can make accountability and transparency more efficient, even in this coming year, because there will be further stages of the budgetary process for 2019-20. That is my first point.

Secondly, while I am grateful to my hon. Friend the Member for Walthamstow (Stella Creasy) for not pressing her amendment, I think that she raised an enormously

important issue. Let me say gently to the Secretary of State—I hope she will take this on board—that at present the remedy for the United Kingdom's failure to honour its obligations lies with the United Kingdom Government, and it is the United Kingdom Government who must search for that remedy.

My final point concerns something on which the whole House is agreed. The people who are being let down by the lack of a Stormont Assembly are not the people of Rochdale or the people of the Secretary of State's Staffordshire Moorlands constituency, but, ultimately, the people of Northern Ireland. With that in mind, I urge the Secretary of State to ensure that a real effort and a real emphasis are directed towards all-party talks to bring that situation to a conclusion.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

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

EXITING THE EUROPEAN UNION (WATER)

That the draft Conservation (Natural Habitats etc.) (Amendment) (Northern Ireland) (EU Exit) Regulations 2019, which were laid before this House on 28 January, be approved.

EXITING THE EUROPEAN UNION (ENVIRONMENTAL PROTECTION)

That the draft Environment (Miscellaneous Amendments) (Northern Ireland) (EU Exit) Regulations 2019, which were laid before this House on 31 January, be approved.—(*Amanda Milling.*)

Question agreed to.

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

EXITING THE EUROPEAN UNION (ROAD TRAFFIC)

That the draft Motor Vehicles (Compulsory Insurance) (Amendment etc.) (EU Exit) Regulations 2019, which were laid before this House on 24 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).

PETITION

Police force funding

7.42 pm

Dr Alan Whitehead (Southampton, Test) (Lab): I wish to present a petition on the topical issue of inadequate funding for police forces, signed by Mr Tony Weafer, residents and business owners in Southampton; it has been signed by 956 constituents in total. The business owners and residents of Shirley in my constituency have expressed concern about cuts in police funding and the inability of the police force to secure sufficient funds from central Government to protect people in this country adequately from the frightening increase in crime.

The petition states:

To the House of Commons.

The petition of residents and business owners of Southampton in Hampshire, declares that the Police Force is unable to secure sufficient funds from Central Government in order to adequately protect the people of this country from the frightening increase in crime. The petitioners therefore request that the House of Commons urges the Government to ensure that the Police have the resources they need to adequately protect the people of this country.

And the petitioners remain, etc.

[P002433]

Families of Commonwealth Soldiers

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

7.43 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I am deeply grateful for the opportunity to raise this issue. Let me begin by paying tribute to all the men and women who serve in our armed forces. They put their lives on the line to protect ours and those of millions of people around the world.

My constituency is home to Fort George, the Black Watch, 3rd Battalion, and 500 soldiers. To them, and each and every one of the others, we owe a debt of gratitude for their service. That, of course, includes more than 6,000 men and women serving in the armed forces from foreign and Commonwealth countries, a number that is set to increase as the Army embarks on yet more recruitment campaigns across the Commonwealth.

In response to the hon. Member for Blaenau Gwent (Nick Smith), the Defence Secretary has said:

“We expect up to 1,350 Commonwealth citizens to join our armed forces next year.”—[*Official Report*, 26 November 2018; Vol. 650, c. 3.]

Like any other soldiers, sailors and aircrew, they will put their lives on the line in our service, and they will do so under the direction of this Government’s Ministry of Defence. Reflected in their service is the sacrifice also made by their families, who will find themselves affected. They are sometimes uprooted, and often left with the anxiety of knowing that their loved ones are doing a difficult and dangerous job.

Jim Shannon (Strangford) (DUP): I thank the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) for securing this debate; I have always wanted to say that right, and I have had the luck to do so. The hon. Gentleman has been very outspoken and diligent in taking this matter forward. Does he agree that we have a duty of care to those who fight for Queen and country in whatever form that takes, that that extends to the family of service personnel and that it is outrageous that it is not currently discharged as well as he and I would expect?

Drew Hendry: Absolutely; my hon. Friend makes a great point. As I was going on to say, the sacrifice is also made by the families. They have the anxiety of their loved ones doing a difficult and dangerous job, yet their sacrifices often go untold.

As the Army Families Federation has said,

“Commonwealth members of our Armed Forces make up a significant and vital part of the UK’s Defence capability and, as a nation, we ask them to make significant sacrifices to do so.”

Is it right that the sacrifices they make in undertaking the duty of service should mean being kept apart from their families? No, it is simply not right; yet it is continually happening. The current immigration rules are keeping Commonwealth soldiers apart from their families. The report from the AFF reads:

“The UK recruits soldiers from across the Commonwealth to serve in our Armed Forces. There are currently over 6,000 personnel serving in the UK Armed Forces from foreign and Commonwealth countries, with more being recruited each year to fill technical and specialist roles.

[Drew Hendry]

Since December 2013, those who leave their country of origin to serve our nation are subjected to the Government's minimum income requirements if they wish to bring their immediate family with them.

This requirement means that due to military pay scales, a Commonwealth soldier with a spouse and two children can end up waiting up to six years before they earn over the £24,800 needed for their family to join them.

It cannot be right that those who have signed up to defend our nation by serving in the Armed Forces are doing so at the expense of their family life. The current situation can result in personnel making the heart-breaking decision of choosing which child they bring with them to the UK and which they leave behind until their income has increased. The MIT should be removed as a barrier from those who serve in the Armed Forces."

Louise Simpson, chair of the Cobseo Foreign and Commonwealth cluster, has said:

"We struggle to engage with recruiters to make sure that soldiers and service personnel understand the financial commitment that they have when coming to the UK particularly around the cost of visas and the minimum income requirements. There was a lot of press...about soldiers not understanding that they may not be able to bring their children in for almost 4 years because they are not earning the right amount of money. As an organisation, we feel that is immoral".

She is right; that is immoral. This Government must accept that fact.

Mr Jim Cunningham (Coventry South) (Lab): The hon. Gentleman is doing the armed forces a great service. Does he agree that we must remember that these Commonwealth soldiers put their lives on the line just like British soldiers and therefore should be treated in the same way as British soldiers in terms of family, instead of having this limit of £24,000 and waiting for six years?

Drew Hendry: I absolutely and fundamentally agree. It is a disgrace that people are being asked to put themselves on the line and at risk without qualifying for the same conditions as others enjoy just because they were born in one of the nations of the UK.

In 2011 the Government announced plans to introduce a new policy on family migration. One of the major changes was to make the level of income threshold "higher than that of the safety net of income support."

Subsequently, the armed forces immigration rules introduced in the first quarter of 2013 closely aligned themselves to the rules for non-military and introduced the requirement for a soldier with one child to be earning at least £22,400 and a further £2,400 for each additional child. It could be many years before a recruit earns the salary needed to meet the threshold.

In 2011, the Government enshrined the armed forces covenant in statute. The Army Families Federation and the Cobseo Foreign and Commonwealth cluster group have urged the Government to consider the principles of the covenant with regard to the family needs of Commonwealth personnel. Commonwealth recruits find it very difficult to hold down a second job, due to their irregular hours. They also stand alone as a cohort within the armed forces, in that they are forcibly separated from their immediate dependants on recruitment, unlike their domestic peers.

In August 2014, the Prime Minister announced the introduction of a family test to be applied by Departments when devising policy. The guidance and documentation for the test state:

"Strong and stable families, in all their forms, play an important role in our society. Families have a major impact on the life chances of individuals and strong family relationships are recognised as an important component of individual, community and national wellbeing."

While we think about those words, let us consider the case study of an Army private who enlisted in 2013, just prior to the new rules coming into effect. He had not even had the chance to bring his family to the UK, as he had not finished training. He has two children and a wife back home in Ghana, and he has been separated from them for six years. He is now earning enough to bring his wife and one of his children to the UK, but it will be another two to three years before he can bring his other child here. He is faced with the agonising decision of choosing which child should join him and his wife in the UK. How can that be right?

The family test sets out a number of questions that Departments should apply when devising policies that risk affecting families. Those questions include:

"What impacts will the policy have on all family members' ability to play a full role in family life, including with respect to parenting and other caring responsibilities?"

The previous Chief of the Defence Staff commented in the Ministry of Defence's 2016 strategy that our personnel could fully carry out their defence tasks only if they had the support of their families and the confidence that their loved ones would be able to access the right support when required.

In September 2017, a soldier who had been refused a visa for the UK as a result of the minimum income threshold appealed, with the assistance of the Army Families Federation, on the basis of exceptional circumstances. The judge said that the appeal was successful in the light of the compassionate circumstances of the case, particularly noting that the sponsor had a legitimate expectation that he would be able to bring his family to the UK when he signed up to the armed forces in 2017. He said:

"I find that it is not in the public interest to exclude the appellant".

It is time to amend the existing immigration rules on the minimum income threshold to exempt the families of serving armed forces personnel.

However, the difficulties do not end there. My constituent, Denis Omondi, is a serving soldier in the British Army who, in 2011, found out that he was the father of a little girl in Kenya. He had previously been unaware of his daughter's existence, but he then sprang into action, meeting and visiting his daughter as often as he could. There was an instant connection between them, and they are indeed a dad and daughter, so when his daughter's birth mother said that she could no longer look after her, Denis became Ann's sole custodian. He pays for her education and living costs in Kenya and is proudly responsible for her care and wellbeing. Understandably, he takes the role of being her dad very seriously. He also takes his job very seriously. He is a British citizen and a serving soldier in 3 Scots, Black Watch, stationed at Fort George, where he has loyally served, undertaking tours in Afghanistan, Iraq and Cyprus. Despite the demands of his work, he has used every opportunity to visit and spend time with Ann in Kenya.

With his wife battling cancer and as a dad missing his daughter, Denis set about applying for a visa to bring her to live with them in the highlands. To him, it was simply the most natural thing for them finally to be together as a family. Imagine his heartache when he opened the letter from the Home Office telling him that Ann's visa application had been rejected. The reason given was that the Home Office considered that this soldier, committed to serving in the British Army, had not spent enough time with Ann to prove the relationship. That happened despite him providing evidence of visits, photos and calls with Ann, correspondence with teachers and care providers and much more. Denis and his wife were in disbelief at the news, and Ann was devastated to be kept apart from her family.

I could not believe it when I heard about their plight so, in this very Chamber, I pleaded with the Prime Minister to right the wrong. She promised that the Home Secretary would investigate personally, and he readily nodded his agreement. I thought that common sense and common decency would prevail, but that has not yet been the case. Since then, the anxiety, cost and pressure has built up on the Omondi family. A promise to look again eventually came, but only after relentless chasing. Confusion and chaos at the Home Office meant that I had to raise the case again, this time with the Secretary of State for Scotland.

Incidentally, I thank the Immigration Minister for the apology for saying that Dennis, Shelagh and myself had told lies about the situation with the mislaid paperwork and about the fact that no conversations with the Omondies had come from the Home Office. It has been said to me in writing that the Home Office apologises for that, and I am grateful, but I would rather that it got on with sorting the situation out for the Omondies. Here we are: a Prime Minister, two Secretaries of State, a heartbroken family and still no answer on whether this serving soldier will be reunited with his only daughter.

I found out today that so distrusting is the Home Office that it has arranged with a South African agency to call Ann and her birth mother to check out the detailed information supplied by the Omondies. I cannot believe that we would trust a member of the armed forces to go and put his life on the line for us, yet we cannot trust the information that he and his family are directly supplying here in the UK. What does that say?

"Your Army needs you" is a recruitment call-out, and the website details many benefits of joining, including promises of child and adult safeguarding and support for emotional wellbeing, all of which is sanctioned and promoted by the Ministry of Defence. Those promises will seem pretty hollow if the UK Government fail to do the right thing by someone whom they have called on to serve for them. Let us expedite this case so that this family can be reunited. The Tory Chair of the Foreign Affairs Committee, a former lieutenant colonel in the British Army, said:

"Commonwealth troops should be able to bring their kids to Britain. If they fight for us, they should be able to live with us."

I agree.

Veterans Aid responded to my note this morning by saying:

"Since 2007 we have interacted with nearly 700 Foreign & Commonwealth veterans seeking help with status issues. These range from regularisation of their own status to complicated appeals to reunite, or keep together, families. Indeed during 2012-14

—well before the scale of the Windrush debacle was revealed—we highlighted two landmark cases that effected a change in the law."

More recently, in a case remarkably similar to the one that I have described, Veterans Aid

"successfully helped to reunite a father from Sierra Leone with his daughter. It took nine months to resolve."

That is not Veterans Aid's core business, but on the basis of considerable experience with a similar case, it was happy to advise if required. The charity continued:

"Behind each 'case' there is a tale of human misery and while the details differ, the causes rarely do. Residency and status regulations are complex and inflexible. Advice to those about to leave the Armed Forces is either not given, or not given a priority. Costs relating to residency and citizenship applications are prohibitively high—and well beyond the budget of a typical former infantry soldier with a family."

When families are in this country, the difficulties do not end, and they continue when soldiers do manage to be reunited with their families. One such case is that of another constituent of mine, a serving Commonwealth soldier who has done tours in Afghanistan, Kenya, Jordan, Cyprus, Germany, Ireland and France. His wife and stepdaughter applied for naturalisation in September 2017, but there is no decision yet.

Jim Shannon: Once again, the hon. Gentleman has advanced a very good, comprehensive case. The soldier in the field who is doing his duty in uniform is always conscious of his family back home. The distress that he obviously experiences because of what is happening is bound to have an effect on him in the field, as it does on his family back home. Is it not really important that the Minister now, in response to the hon. Gentleman, takes this case on personally and sorts it out as soon as possible?

Drew Hendry: I am very grateful to my hon. Friend for his words. Absolutely—it is just the right thing to do. There is no dubiety here. He is absolutely right about the effect on people.

As I was saying, my constituent's wife and daughter applied for naturalisation, with no decision yet. That means that despite his being a UK citizen, his wife and daughter do not have recourse to public funds and are not allowed to work, and the Home Office currently has all their identification documents. They have been waiting well over a year, and are yet another family of a Commonwealth soldier suffering at the hands of the Home Office, which insists that the case is "complex". When I ask for a timeline for the decision, we are told that it cannot give us one, and so on.

Another case is that of Emmanuel, who is happy to be named. He wanted to bring his auntie over for a visit, but was unable to do so because she did not earn enough in Ghana, and the Home Office would not accept him paying for her visit here. He basically just wanted to see his family before he went off for a tour in Iraq in 2018. He wrote to my assistant, Callum:

"Dear Callum,

Good day and thank you very much for getting in touch.

Even though we felt abandoned in our own case, I will be more than glad for the MP to mention my case as an example and use my name if need be, so Parliament and the Home Office knows that these are real issues affecting real Commonwealth people.

[Drew Hendry]

I am sad to say that after two attempts, my auntie never was issued the visa. This is unacceptable, what is happening to Commonwealth citizens serving in the British army and it's super bad for the recruitment drive!

It's bad enough that these men and women, having signed blank cheques with their lives for this country, still pay the full cost for their naturalization to become British, and yet their loved ones cannot even visit them to keep them sane. My support for Mr Omondi in getting his daughter is massive, as it affects all of us Commonwealth people, especially when I and my partner have experienced this ill treatment. We are still devastated by what has happened to us, because I was going through postnatal depression then. Extend our thanks to Mr Drew for flying the Commonwealth flag for us in this matter."

All these cases are simple. We have asked these people to come and do a duty for us—to put their life at risk, and to obviously involve their families, because that is a part of the job. I am asking the Minister now to take this seriously. In the case of Mr Omondi, I would like an answer. In the case of this entire situation for all Commonwealth armed services personnel, there is a big job to do to sort this out. Let us see the changes made that need to be made, and let us see those Commonwealth soldiers and armed forces personnel treated with the dignity that they deserve.

8.3 pm

The Minister for Immigration (Caroline Nokes): I thank the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) for bringing this subject to our attention during tonight's debate. As he said, we are all rightly proud of our armed forces and the contribution made to the tri-services, whether it be the Army, the Royal Air Force or the Royal Navy, by our Commonwealth personnel. There is a long tradition of recruitment from the Commonwealth, which we are all proud to see continuing. Like the hon. Gentleman, I have a military base in my constituency—the School of Army Aviation at Middle Wallop.

In the Home Office, as in all other Departments, we are absolutely committed to upholding our obligations under the armed forces covenant, to ensure that no one who is serving or has served, or their family, is disadvantaged because of that service. The Home Office works closely with the Ministry of Defence and the individual services to make sure that those who choose to enlist in Her Majesty's forces are well informed and fully aware of what the immigration requirements are for them and their families.

As the Immigration Minister, I am responsible for the borders, immigration and citizenship system, including how it applies to the armed forces. That includes our provisions for foreign and Commonwealth members of Her Majesty's forces, foreign and Commonwealth family members of our service personnel and members of international armed forces and their families. I am also the Minister with responsibility for the armed forces covenant and veterans' issues in the Home Office, which means I take a direct interest in the issues affecting our current and former service personnel and their families. I take extremely seriously my role of ensuring that the immigration system operates in supporting the families of our dedicated service personnel who join Her Majesty's forces from Commonwealth countries. That involves keeping up to speed with the work conducted by the

Ministry of Defence and other Departments in delivering our cross-Government commitment to our armed forces covenant obligations. It also includes keeping our policies relating to the armed forces under review, and acknowledging and championing where our policies are meeting our covenant obligations.

Drew Hendry: I am grateful for the Minister's comments about the armed forces covenant. Will she take account of the request of the AFF and Cobseo foreign and Commonwealth cluster group urging the Government to consider the principles of the covenant with regard to the family needs of Commonwealth soldiers?

Caroline Nokes: Well, of course. I think I have already indicated that we have to look at the needs of not only service personnel and former service personnel but their families when considering our obligations under the covenant.

As the subject of today's debate is families of commonwealth soldiers, I trust that hon. Members will find it helpful if I set out some of the Government's policy background. From December 2013, a dedicated part of the immigration rules known as "Appendix Armed Forces" was introduced. As the name suggests, it was developed especially for the family members of those who had chosen to enlist as members of Her Majesty's forces. The purpose of the change was to align dedicated routes with the broader immigration framework. It was also designed, with joint input from the MOD, to ensure that the provisions therein fulfilled our obligations under the armed forces covenant. Although the military sponsor remains exempt from immigration controls for the duration of their service, family members who come to the UK to join them are considered under the dedicated rules for Her Majesty's forces families in "Appendix Armed Forces".

As members of Her Majesty's forces are regularly posted abroad and their families are rightly encouraged to accompany them, the rules make special provisions to account for that. First, a standard grant of limited leave for Her Majesty's forces family members is for five years, rather than the 30 months that is standard for other family applications. Importantly, that saves them the cost of a second application fee. Secondly, time spent overseas on an accompanied posting is treated as time spent in the UK for immigration purposes. That means that any time spent accompanying their partner or parent on an overseas posting does not prejudice their eligibility for settlement after spending five years with limited leave. We are proud of our continuing commitment to our armed forces and their family members, including Commonwealth nationals who bravely offer their service to Her Majesty the Queen and our country. As I have indicated, I am committed to ensuring we uphold our obligations and do right by all members of the forces and their families.

As the Minister with overall responsibility for immigration matters, I am acutely aware that some of the applications received by my Department fall into what can be called the "complex cases". I thank the hon. Gentleman for taking the trouble to set out his constituents' cases in such detail. He will of course know that I cannot comment on the detail of individual cases on the Floor of the House. I hope he will understand that I can speak only in general terms. Without going

into specifics, I accept that applications involving families can involve a variety of reasons, as family dynamics themselves can become ever more complex. This is not isolated from marriage or relationship breakdowns, the setting up of new family units and myriad other causes.

Although I shall certainly not speak about specifics, it is important to explain some of the background. These applications can be, by their very nature, time-consuming for decision makers to consider, and I make no apology for that. Although we are striving to have more streamlined processes, we must never lose sight of the fact that one of our primary duties is the protection of the public. That is especially true when we are looking at applications made on behalf of children. In some cases, the application may not have been properly completed, or there might be gaps in the provision of the information that we require to make a sound, well-balanced decision. In some instances, it may well be that we ask for more information, or that we ask to speak to the sponsor. Such additional measures are taken only when it would assist the decision-making process and other options have been exhausted. Understandably, that might be frustrating for some sponsors or applicants, but we will do it only to safeguard the interests of the applicant. All Members will be aware that we have statutory obligations to minors and to others who may be vulnerable for other reasons. Again, I make no apology for officials being assiduous in making responsible decisions.

My right hon. Friend the Home Secretary and I are conscious of the hon. Gentleman's point about the income threshold and how it might affect Army families. Although I stand firmly by the principle of the minimum income threshold, I reassure the hon. Gentleman that I have listened carefully to the points he has made this evening.

The Government have a proud tradition of supporting our armed forces and recognising the invaluable service that they give to the United Kingdom, and that includes Commonwealth nationals who come to the UK to serve in the forces. That is one reason why we explicitly provide for Commonwealth personnel to obtain settled status after they have discharged, enabling them to remain in the UK permanently and, if they wish, to become British citizens. We also recognise the valuable role that families play in supporting our armed forces, which is why we have immigration rules specifically for forces family members. We greatly value the contribution and sacrifices made by Commonwealth members of the forces, and their families, in ensuring the security of the UK and protecting our citizens. We want them to go on playing an important role in our armed forces, and we are committed to upholding our obligations to them.

Question put and agreed to.

8.11 pm

House adjourned.

Westminster Hall

Tuesday 5 March 2019

[GERAINT DAVIES in the Chair]

Catholic Sixth-form Colleges

9.30 am

Gareth Thomas (Harrow West) (Lab/Co-op): I beg to move,

That this House has considered the future of Catholic sixth form colleges.

It is a pleasure to speak under your chairmanship, Mr Davies, and at the outset of this debate I thank the Backbench Business Committee for selecting it.

Catholic sixth-form colleges face double discrimination under the Government's funding of post-16 education: they are not academies, so they receive less funding than colleges that have converted to become academies, but even if they wanted to become academies they cannot do so.

The Government have been aware of these problems for a number of years, but they have done little to address either concern. On top of the huge cuts in funding to post-16 education since 2010, this double discrimination is raising concerns within the Catholic community about the long-term future of all 14 Catholic sixth-form colleges in England.

Unlike Catholic schools, the religious character of Catholic sixth-form colleges is not protected in statute, so the trustees of Catholic sixth-form colleges such as the nationally renowned St Dominic's in my constituency, even if they were huge fans of academising, could not switch their college to make it an academy and take advantage of the many financial inducements that such status might allow.

St Dominic's has an impressive history. It was established 140 years ago, in 1879, as a school. When the London borough of Harrow reorganised its education system, creating a specific sixth-form sector, the Dominican nuns agreed to transfer the school grounds to the Diocese of Westminster as the site of a new Catholic sixth-form college.

St Dominic's Sixth Form College opened its doors to its first 289 students—boys and girls—in September 1979. With more than 1,300 students, it attracts young men and women from a wide geographical area across north-west London, with a number travelling more than 15 miles a day to study for their level 3 qualifications. It is a great Catholic college, but it exists within a multi-faith and multi-cultural setting that reflects our very diverse local community in Harrow.

John Howell (Henley) (Con): I wonder whether the hon. Gentleman wanted to add at this point the enormous concentration that that college and other Catholic sixth-form colleges have shown in relation to social justice. That has been a strong element of what those colleges teach and the way that they teach it.

Gareth Thomas: The hon. Gentleman is absolutely right to take the opportunity to praise the contribution of Catholic sixth-form colleges in teaching about social justice. I do not know whether that is part of the reason that I keep getting elected. [*Laughter.*] Certainly, though, Catholic sixth-form colleges deserve his praise for their teaching about social justice.

The staff at St Dominic's, to whom the hon. Gentleman was perhaps also alluding, are some of the best in the business. They are experts in their field who have devoted their careers to the education of post-16 students. They teach at a very high level, which in turn enables the students to get excellent results.

Eddie Hughes (Walsall North) (Con): The hon. Gentleman is making a great case for that specific sixth-form college, but I understand that 85% of these Catholic sixth-form colleges are rated "outstanding" or "good" by Ofsted, so clearly there is excellent teaching going on across all of them.

Gareth Thomas: I should not have allowed the hon. Gentleman to intervene, because he has stolen a line from later in my speech, but he makes a good point and I will return to it later.

Jim Shannon (Strangford) (DUP): I apologise to the hon. Gentleman for being unable to stay and make a speech in this debate—I have a meeting with a Minister—but I want to make this point. Does he agree that, given the fact that schools are increasingly becoming secularised, parents must have the option to have their child educated with faith as a cornerstone and to have an input into spiritual teaching, and that the Government cannot and must not ignore this point but instead must take it into consideration when allocating funding? Spiritual education is so important in this day and age.

Gareth Thomas: I recognise the continuing and strong support for spiritual education, and it continues to be a striking feature of many of our communities that there is strong support for faith schools. In the context of the debate, there is strong support for this Catholic sixth-form college, which inspired me to seek Backbench Business Committee approval for this debate, and I am sure that there is also strong support for the other Catholic sixth-form colleges across the country. The hon. Gentleman makes a good point.

Jim Shannon: To re-emphasise that point, when it comes to parents seeking a school for their children to go to, it is so important that they have a choice between secular teaching and faith-based teaching. When it comes to funding and assistance, we obviously look to the Minister for some support, but it is important that people have that choice and that that choice is available in Members' own constituencies as well.

Gareth Thomas: The hon. Gentleman makes an important point about choice. I suppose the essential point of this debate is to say that there needs to be a level playing field in funding. A child who wants to go to a certain type of school or college should not see that there is better funding for one particular institution than there is for another down the road. I am sure that is a point he will agree with.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my hon. Friend on securing the debate. In relation to capital, particularly for colleges and their funding, sometimes Catholic schools have had to amalgamate to release property they can sell to raise

[Mr Jim Cunningham]

capital funding. I have come across cases such as that—I do not know whether he has or not—because of the lack of capital funding.

Gareth Thomas: My hon. Friend makes a good point about the lack of capital funding, and access to capital funding is one way in which Catholic sixth-form colleges face the double discrimination that I talked about in my opening remarks. Later in my speech, I will give some detail about the issue of capital.

Until 1993, St Dominic's Sixth Form College was part of Harrow's local authority-maintained system, but following the Government's post-16 reorganisation the college became independent within the state tertiary system, overseen by the Further Education Funding Council for England. That change brought about new challenges and pressures on the college, primarily to increase student numbers and its educational provision, in order to cater for the educational needs in our community.

The 21st century has seen a series of considerable successes for the college, as its reputation for delivering high-quality sixth-form education has continued to spread. By 2007, St Dominic's Sixth Form College was among the small group of colleges that were awarded beacon status. The 2008 Ofsted inspection of the college judged it "outstanding", which is a distinction it has held on to ever since. Indeed, the college is now regarded as being at the very top of the league of sixth-form colleges for "excellence" in its educational provision and for its A-level results. In 2017, *The Sunday Times* specifically recognised it as the best sixth-form college of the year.

Not surprisingly, therefore, St Dominic's is heavily oversubscribed—typically, there are about 3,000 applications for the 700 places available annually—but in recent years the college has had to expand, in part to meet the financial challenges of a static budgetary settlement. However, with 1,300 students, the college is now full, with no capacity to expand further.

Without an increase in funding per student or additional students, revenue income will remain flat and with increased costs such as pensions, salaries and so on, the risk of further financial challenge becomes very real. The implications of that include the possibility of a reduced curriculum, at a time when the new Ofsted framework requires a rich and diverse curriculum offer, and the possibility of substantially increased teacher-to-student ratios.

The principal of St Dominic's, the excellent Andrew Parkin, rightly describes his college as an "educational jewel" that is looking increasingly fragile, because there are no significant financial increases on the horizon.

There are 14 Catholic sixth-form colleges in England: Aquinas in Cheshire, Cardinal Newman in Preston, Carmel in St Helens, Christ the King in Lewisham, Holy Cross in Bury, Loreto in Manchester, Notre Dame in Leeds, St Brendan's in Bristol, St Charles in Kensington, St Francis Xavier in Wandsworth, St John Rigby in Wigan, St Mary's in Blackburn and Xaverian in Manchester, as well as my own, St Dominic's. Like the wider sixth-form college sector, those are high-performing institutions, as was mentioned by the hon. Member for Walsall North (Eddie Hughes).

Catholic sixth-form colleges teach just over 27,000 pupils, and employ almost 2,500 teachers and support staff. Together, they educate about 3% of all 16 to 18-year-olds in publicly funded provision. They account for 4% of all A-level students and for 5% of students progressing to higher education, including to the most competitive universities. Some 86% of them, as the hon. Gentleman also mentioned, are rated outstanding or good by Ofsted. They have a justified reputation as centres of excellence and places of academic rigour and achievement. They give students the chance to excel, regardless of their previous academic achievement.

Catholic sixth-form colleges have many things in common, and most serve diverse and often deprived communities.

Conor McGinn (St Helens North) (Lab): My hon. Friend talks about the excellent standard of education in Catholic sixth-form colleges. Does he agree that that is all the more commendable in relation to Carmel College in St Helens—a college of which we are very proud—where more than a third of the cohort is from a disadvantaged background? That high standard of educational excellence means that the college contributes strongly to social mobility in the borough.

Gareth Thomas: My hon. Friend makes a good point about Carmel College, which he knows very well. Catholic sixth-form colleges are generally regarded as a vital catalyst for social mobility in the areas they serve, and many have high levels of progression into further and higher education. Although they maintain a strong Catholic ethos, they are open to students of all faiths and none. Inevitably, many understandably cite their Catholic identity and vision as being key to their success.

I am told that Catholic dioceses across the country are developing multi-academy trusts so as not to suffer needless financial loss and because of the inducements on offer from the Government for conversion to academies. Within that construct, which is not of their choosing, they are, to their credit, trying to lock down school partnership and school-to-school support. Given the wealth of expertise within Catholic sixth-form colleges, one might have thought that the Government would have wanted them to be part of such multi-academy trust arrangements. However, even if the colleges want to join the trusts, they cannot do so at the moment.

The future of Catholic sixth-form colleges and their ongoing excellent performance largely depend on three things: revenue funding, capital funding and, in the worst case, the possibility of conversion to academies. On revenue funding, it is without question that sixth-form funding is in crisis. Two deep cuts to post-16 education funding were made after 2010. The national funding rate, which is by far the biggest component of the 16-to-18 funding formula, has been frozen at £4,000 per student per year since 2013, and funding for 18-year-olds was cut to just £3,300 per student in 2014. Expenditure on 16-to-19 education fell from £6.39 billion in 2010-11 to £5.68 billion in 2017-18—a reduction of more than 11% in cash terms and more than 20% in real terms. In 2018, the Institute for Fiscal Studies estimated that, at 2018-19 prices, spending per full-time equivalent 16-to-19 student in further education fell from just over £6,200 in 2010-11 to £5,698 in 2017-18.

The cuts come against a backdrop of significant increases in running costs in education generally, and in colleges in particular. Since 2010, the Government have imposed a range of new requirements on institutions, which has left much less money for schools and colleges to spend on the frontline education of students, at a time when the needs of young people are becoming increasingly complex.

The future for Catholic sixth-form colleges also depends on changes to capital funding—a point made by my hon. Friend the Member for Coventry South (Mr Cunningham). A number of institutions are keen to expand but cannot access the necessary funding to educate more students. Others have increased student numbers as a response to funding pressures, but have reached maximum capacity and lack the capital needed to satisfy the demand for places. The absence of a sufficient national capital fund, as well as the growing reluctance of banks to lend for capital projects, means that many sixth-form colleges, including most Catholic ones, have nowhere to turn.

On academy conversions, I understand that some 23 sixth-form colleges have taken the opportunity to change their status and become 16-to-19 academies. That has allowed them to have their VAT costs refunded, and it provides, on average, more than £385,000 more to spend on the frontline education of students each year. Catholic sixth-form colleges, in common with all colleges that do not convert, face financial disadvantages also due to the Government's implementation of the teachers' pay grant. In September 2018, they extended the grant to cover 16-to-19 academies, but not sixth-form colleges or other colleges that had not converted. All Catholic sixth-form colleges were affected. They have the same workforce, pay rates and negotiating machinery as almost every 16-to-19 academy, and there is no justification for treating them differently when it comes to teachers' pay.

Due to the religious character of Catholic sixth-form colleges, they do not have the option to convert to academies. Since they are not schools, they do not come within the legislative framework that applies to schools and which includes protections of a school's religious character. As 16-to-19 academies, they would have to remain further education institutions but would not be governed by the statutory provisions of the Further and Higher Education Act 1992, which contains the current legislative protections that enable them to be conducted as Catholic colleges.

An Act of Parliament or a change of legislation is not required to allow a sixth-form college to become a 16-to-19 academy. The position is, however, different for Catholic colleges. When maintained schools become academies they become independent schools that are subject to statutory provision and regulation, including protection of their religious character, which thereby enables them to be conducted, still, as Catholic schools. When sixth-form colleges become 16-to-19 academies, they do not come within the legislative framework that applies to independent schools, because they remain as further education institutions. However, they are also not governed by the statutory provisions of the 1992 Act. A review of the legislation, jointly undertaken by the Catholic Education Service and the Department for Education, has made it clear that the statutory protections will no longer apply to Catholic colleges post conversion

to 16-to-19 academies. That includes protections in the areas of curriculum, acts of worship and the responsible body—in other words, the governance.

Furthermore, I understand that financial risk assessments for further education institutions that wish to convert into academies require any Church-controlled premises to be removed from the college's balance sheet. That stipulation is likely to affect the perceived financial health of Catholic sixth-form colleges and place them in the position of being unable to pass the risk assessment needed to become an academy.

One solution to address those anomalies suggested by the Catholic Education Service is for the Government to explore legislative and non-legislative options for Catholic sixth-form colleges to convert while retaining their religious character. Such legislation would affect only Catholic sixth-form colleges, as there are no other religiously designated sixth-form colleges in the country. I understand that the Catholic Education Service has had useful discussions with the Department for Education about reinstating in a future education Bill the legislative protections for Catholic colleges that want to become 16-to-19 academies. Such a Bill could ensure that the protections that Catholic sixth-form colleges currently have would be mirrored if they converted into 16-to-19 academies. I understand that only a short clause would be needed, although it is difficult to know when such a Bill might emerge in a future Queen's Speech, or, given the way that Brexit is affecting the parliamentary timetable, how soon the House of Commons and the House of Lords might realistically have a chance to debate such a provision. It is also not clear whether such a clause is the Government's preferred option for protecting the future of Catholic sixth-form colleges.

It is worth noting that non-Catholic sixth-form colleges that want to become academies have benefited from some £10 million of Government funding through the area review restructuring facility. I understand that that facility, from which Catholic sixth-form colleges have been clearly unable to benefit, closes this month.

Conor McGinn: Does my hon. Friend agree that the sense of urgency within the Catholic sixth-form college sector about this matter cannot be stressed enough to the Minister? Representatives of Carmel College have told me that they have had to reduce the number of subjects they teach and have larger class sizes, but they are also having to lay off staff. That is not sustainable or viable, nor is it something that any of us wants, so I urge the Minister to address that anomaly quickly.

Gareth Thomas: I am grateful to my hon. Friend for his intervention on behalf of Carmel College; he makes his point extremely well. Capital funding, VAT refunds and the teachers' pay grant are all areas of finance for post-16 academies that Catholic sixth-form colleges, like other non-academy post-16 colleges, are not benefiting from. That is short-changing Catholic students, and also many other students who benefit from attending those other institutions.

As the number of 16 to 18-year-olds is set to increase, it is important that funding is made available to deal with that demographic upturn. Sixth-form colleges, as large specialist 16-to-18 institutions with proven track records, are well placed to help to cater for the coming upturn in student numbers, but they urgently need

[Gareth Thomas]

access to sufficient capital funding to build the necessary capacity. The Sixth Form Colleges Association believes that establishing a capital expansion fund for dedicated 16-to-18 educational institutions such as sixth-form colleges is the way to break that capital impasse. Other colleges also deserve to be able to access proper capital funding, such as Harrow College and Stanmore College, which serve my constituency. That would help to increase the number of young people being educated in high-performing institutions, at a lower cost to the public purse and with a higher likelihood of success than continuing to establish new, usually much smaller providers.

The critical issue is that since 2010 the further education sector has been held back through lack of investment. Over the past 10 years, colleges have had to deal with an average funding cut of 30%, while at the same time costs have increased dramatically. As I alluded to, other colleges in Harrow such as Harrow College and Stanmore College have been hit financially, reflecting problems across the English post-16 sector. Further education is the only part of the education budget to have been cut year on year since 2010. That drop in funding has had a real impact on staff pay: on average, college teachers are now paid at less than 80% of the rate of school staff. The latest Association of Colleges workforce survey suggests that average lecturer pay in colleges is just over £30,000—significantly lower than average schoolteacher pay and university academic pay, which are £35,000 and just over £43,000 respectively. The value of staff pay has fallen by more than 25% since 2009, and staff turnover rates in colleges averaged 17% in 2017, which is the most recent year for which stats are available. The hardest-to-fill posts are teaching jobs in engineering, construction and mathematics.

The recent ring-fenced teachers' pay grant for schools was not extended to further education colleges, which made it even more difficult for Catholic sixth-form colleges and other post-16 institutions to recruit the teachers they need. Schoolteachers received a pay rise of up to 3.5%, whereas college staff did not, which is simply unfair. Extending the teachers' pay grant to Catholic sixth-form colleges and all other non-academy 16-to-19 institutions would relieve pressure on the frontline and begin to level the playing field between institutions that are delivering effectively the same type of education. The cost would be comparatively small, but the impact would be significant—not just on the financial position of individual colleges, but in reassuring the sector that its work, curriculum and workforce were properly understood and appreciated by the Government.

In short, students do not deserve to be discriminated against. If students attend a college that is not an academy, the Government are discriminating against them, as they allow academy colleges to be better funded. Catholic sixth-form colleges and their students are doubly disadvantaged, as those colleges cannot convert to become academies even if they want to. It is high time that Catholic sixth-form colleges, like other non-academy colleges, got the same funding as academies; that this double discrimination was brought to an end; and, crucially, that funding for all post-16 education was significantly improved. I look forward to the Minister's response.

9.57 am

Bob Blackman (Harrow East) (Con): It is a pleasure to serve under your chairmanship, Mr Davies, for what I believe is the first time. I congratulate my neighbour, the hon. Member for Harrow West (Gareth Thomas), on securing this debate at an important time for not only Catholic education, but education as a whole. It was a great pleasure to chair the Backbench Business Committee and give him the opportunity to hold this debate.

I rise for a number of reasons, the first of which is fairness. I have always strongly believed in a parent's right to choose the type of education they want for their children, be that a church school, any other form of religious school, or a secular school—I do not take a particular view. Equally, parents should have the right to choose whether their child receives single-sex or mixed education. One of the great beauties of the London borough of Harrow, which my neighbour and I share, is that we have education for Hindus, Jews, Catholics and Protestants, and we will soon have a Muslim state school as a result of parental demand.

St Dominic's Sixth Form College, which is in my neighbour's constituency, has as its main feeders two Catholic schools in my constituency: Salvatorian College and Sacred Heart Language College. They are 11-to-16 schools, both Catholic in nature, and the natural progression for their pupils is to go on to St Dominic's college. However, St Dominic's does not just take young people from Salvatorian College and Sacred Heart; as my neighbour alluded to, it takes young people from across north-west London. It has quite a long reach into a number of London boroughs.

The nature of St Dominic's, and of other Catholic colleges, is that they provide excellent education. That is why they are in demand, after all. It is worth remembering that in many ways we have such advanced education across this country because of the investment made by the Church of England and the Catholic Church going back way before we had state education. It is important to understand that the colleges are excellent. They provide a very good standard of education, are well led and have excellent teachers. That is the feature of a good education system, so it is grossly unfair that they are disadvantaged.

I rise to seek fairness in the system for Catholic sixth-form colleges. It is fair to say that when we have changed the funding formula, sixth forms generally have suffered. Clearly, the priority has been on young people between the ages of 11 and 16, who have a higher rate of funding than sixth forms. A head or member of a governing body of a school, college or whatever that teaches people from the ages of 11 to 18 can adjust the funding to ensure a spread throughout the institution, but a sixth-form college is totally dependent on the funding that comes in for those young people between the ages of 16 and 18. The slight problem is that the average funding is £4,545 for a sixth-form student, which is 15% lower than that for 11 to 16-year-olds. Straightaway, sixth-form colleges are at a disadvantage from a revenue perspective.

One of the challenges in Harrow is that Sacred Heart Language College has always been full. It is an excellent school, so there has been a steady flow of young women going on to St Dominic's or beyond. It is fair to say that

Salvatorian College has had real challenges. However, it is being completely rebuilt and we are looking forward to the new premises opening completely. The school is now full with young boys coming through, so the impact on St Dominic's will be even greater. The college is full, and as the hon. Member for Harrow West alluded to, there is little if any space to expand. Even if we could get hold of the money required, expansion is a real challenge, given where it is located and that it has such a tight site.

The impact on the funding level is important. Colleges—sixth-form colleges and Catholic sixth-form colleges in particular—are dropping courses in modern languages as a result of funding pressures. When we are trying to encourage the development of modern languages, it is not helpful if colleges are dropping them due to funding. Equally, we are trying to get young people better educated in science, technology, engineering and mathematics. When we are encouraging them to do STEM subjects, it is a disaster for colleges to drop those courses.

There are other issues. St Dominic's is having to put young people in much larger class sizes to try to use the facilities available. I visited the college only last week. It has a plan to expand into lecture halls, as opposed to classrooms, to try to use facilities to their maximum capability. There is good sense to that. Teachers can lecture, but then there still needs to be the capacity for one-to-one teaching subsequently. As has been mentioned by my neighbour, the hon. Member for Harrow West, and in various interventions, we have a crisis.

John Howell: What effect is the situation that my hon. Friend describes having on university applications and the success that Catholic sixth-form colleges have had in getting people into good universities to do good courses?

Bob Blackman: I thank my hon. Friend for his intervention. There is that concern. All the Catholic sixth-form colleges are producing an excellent education, with a good flow of young people going on to university and being given the opportunity to excel. Virtually every young person who goes through St Dominic's goes on to good universities with good courses, particularly in maths and science. We should be encouraging that and ensuring that it happens.

At the same time, we have the challenge of what we could call the learning tax. Catholic sixth-form colleges are not able to academise and therefore cannot claim the VAT back. That gives any college a real challenge. Catholic sixth-form colleges should be able to academise. We should also remove any restrictions on the faith of the leadership of the college. Such colleges should be able to ensure that Catholics are the senior management and senior staff. We should have a position where the intake is in line with legislation, namely that a proportion of the students coming into the college can be selected. They do not have to be exclusively Catholic, but there should be a Catholic flavour to the colleges.

Equally, there is a challenge in what we do to expand such colleges, which are extremely popular and very successful. It is fair to say that the teachers in those colleges are experienced, highly professional and doing a good job, yet they do not get the pay rises they would get if they were working in a college down the road.

That is clearly unfair. We have to remove the restriction whereby these colleges are not getting the pay grant that other colleges get. That is unfair discrimination.

Gareth Thomas: Unusually, the hon. Gentleman is making a very good speech, but will he join me in urging the Minister to commit today to the next teachers' pay award for post-16 institutions being fully funded, regardless of status? That would certainly give substantial reassurance to the principal of St Dominic's Sixth Form College, as well as other Catholic sixth-form colleges.

Bob Blackman: I thank my neighbour for congratulating me on my speech. I look forward to him congratulating me on many occasions on my speeches in this place and in the main Chamber. He makes an important point. We are going into the comprehensive spending review, where there is an opportunity for the Government to make some changes. I am not sure whether we need a change in the law to ensure that Catholic sixth-form colleges receive the pay award that other colleges receive. If that change is needed, we should get on and do it. Given that the Government seem to find time to adjust the law when they wish, it may be that that would be relatively easy to do. I do not think there would be any disagreement across the House on the need for the measure.

If we could reach a point where Catholic sixth-form colleges could academise, get the benefits of academy status and reclaim VAT costs, that would be an enormous boost to their revenue funding. Equally, if we could remove any measures that prevent senior staff from holding a particular faith, that would remove the challenge that many such colleges face.

The hon. Member for Harrow West raised the issue of capital funding. Why would a bank lend to a college if its revenue funding was already challenged and it might not be able to repay the loan? That is one of the key challenges in raising capital. There needs to be a fund available to Catholic sixth-form colleges from which they can draw in order to provide capital provision within the system. All Catholic sixth-form colleges suffer the same challenge of how to expand and get more revenue funding. If they do not have the capital, they are clearly not able to expand. Their revenue base is a particular challenge.

In terms of the money for 2019-20, if the teachers' pay award was extended to Catholic sixth-form colleges, it would cost only £2.5 million—a relatively small amount compared with the overall budget—but it would make a huge difference to the colleges that need to pay it. As my neighbour, the hon. Member for Harrow West, has mentioned, if we could get to a position whereby Catholic sixth-form colleges were allowed to academise or possibly join multi-academy trusts, it would assist them to some degree. At a time when the majority of young people in this country are taught in academies, it seems unfair that Catholic sixth-form colleges are discriminated against and do not have the capacity to opt in. If they were an 11-to-18 school, they could academise, but because they have chosen to be a sixth-form Catholic college, they cannot. That does not make sense in this day and age.

We have T-levels coming on stream. It seems ridiculous that sixth-form colleges are dropping STEM courses when we are trying to develop T-levels. They will be properly on stream by 2023, but we need action now.

[Bob Blackman]

Will the Minister look at the case that has been put forward? If we need a change in the law, so be it. We could change the law relatively easily with all-party support, and I believe it would pass the Commons and Lords very quickly. We could equalise the situation for the benefit of the young people we all serve.

10.12 am

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to see you in the Chair, Mr Davies. My hon. Friend the Member for Harrow West (Gareth Thomas) delivered an excellent and comprehensive speech, so I do not think that I need to add much. As he mentioned, I have a Catholic sixth-form college, St Brendan's, in my constituency, although it serves a wide catchment area that stretches as far as Weston-super-Mare. My hon. Friends the Members for Bristol West (Thangam Debbonaire), for Bristol North West (Darren Jones) and for Bristol South (Karin Smyth) have all visited the college. They are great supporters of it and would have been here today to speak in its defence if they had been able to.

I do not hold a particular torch for faith-based education. I have some reservations about it, although I think that a greater problem is where demographics in a particular area lead to a school being de facto one culture. I say this as someone who grew up in Luton and went to Luton Sixth Form College, which was very diverse, but some of the schools there, just because of where people live, tend not to be as diverse as they could be. We are fortunate in Bristol that all the schools, including St Brendan's, have a healthy mix of pupils from different backgrounds. Although St Brendan's is a Catholic sixth-form college and priority is given to students from Catholic schools, it is very diverse.

St Brendan's clearly has an ethical focus to its teaching, but the Catholicism is not too evident. Catholic parents get the faith-based education that they want for their children, but children from all faiths feel comfortable there and the college is doing well. It has significant plans to expand, which presents some challenges, particularly in relation to traffic, because it is at the top of the most congested road in my constituency, but we can address that. There is also the challenge that school sixth forms are smaller and struggle to provide a broader curriculum. If St Brendan's expands, will the school sixth forms be no longer viable? However, I still support its expansion because, as I have said, it provides an excellent service.

When I have been to St Brendan's I have always been impressed by how open-minded the college is and how receptive it is to discussing issues across all faiths and no faiths. I attended a session there once after some young pupils from elsewhere in the Bristol school system had led a nationwide campaign against female genital mutilation. The sixth form brought the young women to talk to a group of pupils about issues within the community and about FGM. It was a real eye-opener for the pupils and was a really good thing to do. I have also met the feminist society there.

I had a meeting recently with the principal and a couple of student reps, one of whom said, "I identify as gender-neutral", and not an eyelid was batted. Some

people have real fears about what a faith-based organisation looks like, particularly a Catholic college, but St Brendan's is as far from bigoted as we would want an educational establishment to be. There is also a real focus on international development, which links with the work of lots of churches in my constituency that do really good work with overseas communities, as does St Brendan's as well.

As my hon. Friend the Member for Harrow West said, St Brendan's and the other Catholic sixth-form colleges face double discrimination. Sixth-form academies do not have to pay VAT, but sixth-form colleges do. We have debated that before in Westminster Hall on numerous occasions in the broader context of how sixth-form colleges are treated, and we are all keen for the Minister to move forward on that. Other sixth-form colleges have the get-out clause that they can convert to academies and receive funding as a result. Only the Catholic sixth-form colleges cannot, which is particularly unfair when schools that convert to academies can retain their current status. It seems completely anomalous, as has been said, that Catholic sixth-form colleges are treated differently from other sixth-form colleges, and differently from other Catholic schools.

The hon. Member for Harrow East (Bob Blackman) mentioned another issue. I was not expecting to speak in today's debate, so I do not have the figures to hand, but there is an issue with pupils in sixth-form colleges receiving less funding than pupils in schools. There is also still an issue with third-year funding, whereby they get even less if the pupil stays on at the sixth form for three years. Perhaps the school system failed the young people; perhaps they simply were not ready to grapple with education; or perhaps there were issues with their home circumstances. We have a lot of children in Bristol who have come from fairly chaotic family backgrounds. They might come from refugee families, for example. For one reason or another, they might not have left school with the GCSEs that we would want them to, so they might need to do three years at St Brendan's. As I understand it, if they stay on for three years, the college gets less funding once they have passed 18. That might have been rectified because we have raised it with the Minister before, but perhaps he will address that point. As has been said, rectifying that would require only a short clause in the next education Bill. The discussions have been going on for a very long time.

I will finish by referring to a note that Michael Jaffrain, the principal of St Brendan's, sent me recently, in which he asked me to speak in the debate. He said that the fact that Catholic sixth-form colleges are not allowed to become academies

"seriously limits choices in terms of future strategy."

I have already said that the college has huge ambitions to expand, which I support. The principal also said:

"The ability not to be able to convert into the schools sector is now starting to have a real bite. Unlike the sixth form colleges who have converted, St Brendan's will not receive any additional funding to cover the 2% increase in teacher pay and there is still no commitment that we will be fully funded for the 7% increase in teacher pension contributions. This, alongside the injustice that, unlike schools sixth forms, we still also have to pay VAT on all goods and services we purchase, is now putting a considerable strain on our finances and the ability to continue to deliver an outstanding education to our community."

St Brendan's serves not only my constituency, but constituencies in a significant range around the Bristol area. It is so important that we do all that we can to support it.

Geraint Davies (in the Chair): This is a so-called EVEL debate—English votes for English laws—so we do not have a representative of the Scottish National party. I therefore call Mike Kane to speak for the Labour party.

10.20 am

Mike Kane (Wythenshawe and Sale East) (Lab): As ever, it is a pleasure to serve under your chairmanship, Mr Davies. Referring to a faith-based debate as an "EVEL debate" might not be the best phraseology.

In addition to being the Front-Bench spokesperson, I should declare that I am the convenor of the Catholic legislators' network in Parliament. It is important that I put that on the record. It is a real pleasure to follow my hon. Friend the Member for Harrow West (Gareth Thomas), the hon. Member for Harrow East (Bob Blackman) and my hon. Friend the Member for Bristol East (Kerry McCarthy). I congratulate my hon. Friend the Member for Harrow West, who is an assiduous campaigner for his constituents. Both of us would like to see a day where we are talking not about academisation, but about the co-operatisation of more of our schools up and down the country. He is the country's leading campaigner for the co-operative movement, in my opinion.

My second interest to declare is that I am a product of Loreto College in Manchester. Having grown up in a council flat and a council house, going to Loreto at the age of 16 widened my horizons unbelievably. It turned me on to politics. I had a lecturer called Colleen Harris, who is still alive. I want to get it in *Hansard* that I would not be in this place had it not been for her. Coming down here for the first time and seeing Parliament was one of the most amazing experiences that I got from going to that sixth form.

I was glad to visit the college the other week, to campaign to raise the rate, and to speak to the principal, Peter McGhee, who is also the principal of St John Rigby College in Wigan. It is great to know that my principal, Sister Patricia, is still on Loreto's governing body. The only bit of the college that is left is the 19th-century grade II listed chapel. Otherwise, the college has been rebuilt completely, and serves the whole community of Manchester and Greater Manchester. In terms of social mobility, there was nowhere like it. It helped people from poor backgrounds such as my own to move forward, along with Xaverian College in Rusholme.

The Catholic Church is the biggest provider of education on the planet, and tomorrow 1.2 billion Catholics around the world will be celebrating one of their most solemn feasts: Ash Wednesday. It is a period of reflection, fast and abstinence, but for sixth-form colleges in this country the last 10 years have been a period of fast and abstinence. I want to put some of the figures that have already been stated on to the record. Since 2010, funding for 16 to 18-year-olds has been cut sharply. That is why we are talking about this matter today. Costs have risen, the needs of students have become more complex and the Government have demanded much more of colleges.

Recent research from London Economics found that, in real terms, sixth-form colleges received £1,380 less per student in 2016-17 than in 2010-11—a 22% decline in funding. The Institute for Fiscal Studies has shown that funding per student aged 16 to 18 has seen the biggest squeeze of all stages of education for young people in recent years. We have had debate after debate in this Chamber about schools, but school funding started to be cut only in about 2015. Since then, about £1.7 billion has been taken out of the system. However, we have seen a continual attack on sixth-form colleges since 2010.

Sixth-form colleges are in a strange place. It is interesting that the Minister and I speak for stand-alone sixth-form colleges, but the responsibility for further education colleges sits with our counterparts in our teams. As my hon. Friend the Member for Harrow West highlighted in his very good speech, funding per sixth-former is £4,545. That is 15% lower than for 11 to 16-year-olds, which is £5,341, and half the average university tuition fee, which is £8,901.

The impact on students could not be clearer. A recent funding impact survey found that 50% of schools and colleges have dropped courses in modern foreign languages as a result of funding pressures. As has been pointed out, 34% have dropped STEM subjects—science, technology, engineering, maths—and 67% have reduced student support services and extracurricular activities. Some 77% of schools are teaching students in larger class sizes. The national funding rate for 16 and 17-year-olds has remained frozen at £4,000 per student since 2013-14. As my hon. Friend the Member for Bristol East pointed out, the rate for 18-year-olds is even lower, at £3,300 per student.

There is only one way to ensure that schools and colleges can continue to deliver competitively good sixth-form education, and that is to raise the rate. I congratulate the Sixth Form Colleges Association on its fine campaign on the issue. According to London Economics, raising the rate would protect student support services, mental health support and minority subject support, and would increase non-qualification time, extracurricular activities and work experience for those in sixth-form colleges. The Government like to target funding at individual subjects or qualifications, but that has had little impact; there are just higgledy-piggledy pots of money here and there for sixth-form colleges to bid for. As the hon. Member for Harrow East stated, the £500 million for T-levels—the Government's proposed suite of technical qualifications—will not materialise until 2023.

The key point that has been made today is that the option to convert is not currently available to Catholic sixth-form colleges. Colleges that do not change status lose out in multiple ways, as has been mentioned. First, although school sixth forms and 16-to-19 academies have their VAT costs refunded, sixth-form colleges do not. That leaves the average sixth-form college with £386,000 less to spend on the frontline education of students each year.

Secondly, as has also been pointed out, sixth-form colleges face a further financial disadvantage due to the Government's implementation of the teachers' pay grant. In September 2018 the Government extended the teachers' pay grant to cover 16-to-19 academies, but not sixth-form colleges. The Minister has to tell us why that is the case.

[Mike Kane]

Extending the teachers' pay grant would make a huge difference. As my hon. Friend the Member for Harrow West said in an intervention, we really need an answer from the Minister on that.

VAT and the teachers' pay grant are the two examples of how sixth-form colleges are treated differently from 16-to-19 academies and schools. One solution would be to address both anomalies without requiring sixth-form colleges to change their legal status, but the other—and perhaps more realistic—solution would be for the Government to explore some legislative change. At the moment, Catholic sixth-form colleges will not convert for fear of losing their religious character, particularly if there were some sort of judicial review or legal challenge.

Non-Catholic sixth-form colleges have benefited from £10 million for conversion. That is another anomaly—Catholic sixth-form colleges have not been allowed to bid for that money, as my hon. Friend the Member for St Helens North (Conor McGinn) pointed out. He also spoke admirably about Carmel College in his constituency. The Government should commit to allowing Catholic sixth-form colleges to change their status after the March deadline in the area reviews, and ensure that they can access Government funding.

Catholic sixth-form colleges are prevented from converting to academies as their religious character, protected under the Further and Higher Education Act 1992, would not be maintained under current Government rules. They suggest that they would lose protections in areas of the curriculum, acts of worship and governance. Most Catholic sixth-form colleges in this country provide a religious education basis, which is not funded through their Government funding, and extracurricular activities such as mass and prayer, which are unfunded, and chaplaincy work. The key nature of a Catholic sixth-form college and the essence of its governance, and the reason that they are education institutions that are highly prized, is their very strong ethical character in Catholic social teaching. The social teaching in the colleges is driven by human dignity, solidarity, subsidiarity and preferential option for the poor, and that is what is highly prized by parents, both those of the Catholic faith and those not of the faith.

The director of the Catholic Education Service, Paul Barber, said in an article that

“because academisation legislation for SFCs was developed separately from schools, the same safeguards given to schools were omitted for Catholic SFCs”.

Under current Government rules, the colleges would lose protections for the religious character of areas of the curriculum, acts of worship and governance if they converted. Primary legislation would be required, but we have been discussing this for 28 months, and no action has been taken.

It would be an enormous act of good faith for the Government to begin to act. We have seen the problems that have arisen with the Conservative party's manifesto commitment on the cap on new free schools for Catholic schools, which has led to the Catholic Church refusing to build any more schools in this country, when perhaps 50 are needed in London and 12 in East Anglia. The Government refused to raise the cap. Faith schools are feeling quite battered at the moment, particularly in a muscular liberal secularised world, and are concerned

about their status with the Government. It would be an enormous act of good faith for the Minister to act on some of the issues facing Catholic sixth-form colleges today.

10.32 am

The Minister for School Standards (Nick Gibb): It is a pleasure to serve under your chairmanship, Mr Davies. It is not for the first time in my case, but I am not going to say that it is too often—it is never enough.

I congratulate the hon. Member for Harrow West (Gareth Thomas) on securing this debate. Catholic sixth-form colleges make an important contribution to education in this country and the Government recognise the distinctive role that they play. To address the important issue raised by the hon. Member for Wythenshawe and Sale East (Mike Kane), we value faith schools generally. I share the view of my hon. Friend the Member for Harrow East (Bob Blackman) that it is the right of parents to be able to bring up their children in their faith and that the state should provide faith schools to enable them to do that. The Government have provided capital through the voluntary-aided route to enable the Catholic Education Society to establish more Catholic faith schools in this country.

I am aware that the Minister for Apprenticeships and Skills has met the hon. Member for Harrow West to discuss the issues facing this group of colleges. The Minister has also recently seen at first hand the quality of the educational and wider opportunities provided to young people at St. Dominic's Sixth Form College in Harrow. I welcome the opportunity to explore the issues further today.

I want to begin by paying tribute to all the hard-working staff, principals, heads and governors in those colleges. Sixth-form colleges at their best not only provide excellent academic education, but help provide direction to young people and help them to grow in maturity through those crucial years. They allow young people to develop outside a school environment, giving them the aspiration to achieve in whatever field, job or career they want to pursue. Catholic sixth-form colleges provide that within an atmosphere of moral guidance and pastoral support.

Catholic sixth-form colleges represent a significant proportion of sixth-form colleges in England—14 out of 60, not including those that have become academies—and 17% of sixth-form college students attend a Catholic college. Such colleges are focused on meeting the needs of local communities and are key to our drive to improve social mobility. A high proportion of students in sixth-form colleges and 16-to-19 academies are from disadvantaged backgrounds. Colleges provide excellent support to help those students achieve high results and progress to sustained education, apprenticeships or employment.

My hon. Friend the Member for Henley (John Howell) was right to point to the priority that Catholic sixth-form colleges give to social justice. My hon. Friend the Member for Walsall North (Eddie Hughes) pointed out that 12 of the 14 Catholic sixth-form colleges are rated “good” or “outstanding”. Academic excellence has always been, and remains, at the core. More than a third of sixth-form colleges are rated by Ofsted as “outstanding”. Looking at the 14 Catholic sixth-form colleges in England, the picture is even better, with seven out of the 14 rated

“outstanding”, and five other colleges rated “good”. I recognise that that has been achieved in increasingly challenging financial circumstances.

Of course, an Ofsted rating is only a snapshot and I know that colleges are constantly reviewing their practices and procedures to see whether further improvements can be made. Two Catholic sixth-form colleges, for example, have benefited from support from the Government’s strategic college improvement fund. St Dominic’s Sixth Form College is partnering with St Francis Xavier Sixth Form College in south London. The fund supports colleges to improve the quality of provision and helps to mobilise and strengthen improvement capacity within the further education sector.

I congratulate sixth-form colleges on the successful implementation of the reforms to A-levels over the last few years, with the first wave of exams in 13 new subjects in 2017 and a further 12 last year. The reforms will continue to be rolled out over the next two years, with the first exams in a further 20 new A-levels in summer this year and another 13 next year. Exam reform is never easy. In the last 30 years, we have had four significant reforms to A-levels—the introduction of the advanced supplementaries, Curriculum 2000, which introduced the AS/A2 structure, the introduction of the A* grade a decade ago and now demodularisation.

In the run-up to the spending review that is expected later this year, we have been looking closely at the sustainability and funding of the FE sector, including sixth-form colleges. The Government understand that the sector faces significant challenges, and the Minister for Apprenticeships and Skills has made it a personal priority to address the constraints and their impact over the last year. Campaigns such as “Love our Colleges” and “Raise the Rate” have helped raise the profile of FE and sixth-form colleges and their important work.

My hon. Friend the Member for Harrow East raised the issue of 16-to-19 funding for colleges compared with sixth forms in schools. We have ended that unfair discrimination between colleges and schools. All institutions now receive funding according to the same base rate. The funding system aims to ensure a common entitlement. The same formula is applied to all students and different institutions now receive the same funding rate.

However, we recognise that funding per student in the 16-to-19 phase has not kept up with costs. We protected the base rate for funding for 16 to 19-year-olds at £4,000 until the end of this spending review period, but that is, of course, against the backdrop of previous reductions and the impact of inflation—reductions that happened because we had to tackle the historic and unsustainable deficit that we inherited in 2010, representing 10% of GDP. As my hon. Friend the Member of Harrow East pointed out, we prioritised protecting core school funding for five to 16-year-olds, because that is where the biggest influence on life outcomes happens.

The position has been made more difficult by reducing numbers of students. The number of 16 to 18-year-olds in the population has been falling for 10 years and it is now 10% lower than in 2008-09.

The hon. Member for Bristol East (Kerry McCarthy) raised the issue of the lower base funding rate for the third year of 16-to-19 education. She is right to do so, but that lower level does not apply to students with special educational needs.

As the hon. Members for Harrow West and for Coventry South (Mr Cunningham) pointed out, capital funding is a key concern for sixth-form colleges. Unlike general further education colleges, sixth-form colleges can bid for the condition improvement fund along with schools. Unlike academies, SFCs can borrow, and many have productive relationships with banks, although some of them have found it harder to borrow in recent years—a point that was made by my hon. Friend the Member for Harrow East.

We recognise that an important challenge facing sixth-form colleges in many areas over the coming years is to prepare for the anticipated increase in student numbers. That increase is, of course, an opportunity to recruit additional students and receive the associated increased funding, but in some cases it needs extra up-front investment—for example, to build new classrooms—so we will look carefully in the spending review at how we can help colleges to prepare for the increase in student numbers that many of them now anticipate.

It is true that we have made a teacher pay grant available to schools and academies to ensure that they can afford to implement the school teacher pay award this year, and that it did not extend to FE or sixth-form colleges. Compared with maintained schools and academies, colleges have a different legal status and relationship with Government, and they are not covered by the recommendations of the School Teachers Review Body. We concluded that we could therefore not extend the teacher pay grant to colleges. We are considering colleges’ needs separately ahead of the coming spending review, to help make the case for the best FE funding. The Government are concerned about ensuring that FE colleges can attract and retain the staff they need to deliver high quality education. Again, we welcome the input of Catholic sixth-form colleges.

Gareth Thomas: I am not sure I accept the argument the Minister is making for the last pay award, but let us put that to one side for now. Can he tell us whether he has sorted the issues, so that the next teachers’ pay award will be fully funded not only for colleges that are academies, but for those that are not, such as the Catholic sixth-form colleges that have been mentioned and all post-16 institutions?

Nick Gibb: That will be very much an issue for the next spending review, but perhaps a neater solution would be to address the issue of the conversion of Catholic sixth-form colleges to academy status. I am aware that the issue of academy conversion is very significant for this group of colleges. Indeed, each Catholic sixth-form college was asked to consider joining an academy in the reports of the further education area reviews covering their areas, but I understand that only three of the 14 made an immediate decision not to pursue that option.

I should explain—as other hon. Members have explained—that the Further and Higher Education Act 1992 includes specific freedoms, which permit Catholic sixth-form colleges to maintain and develop their religious character. Fully equivalent protections are not included in the legal framework for 16-to-19 academies, which are a distinctive type of institution compared with other academies established through the Education Act 2011. The provisions that allow sixth-form colleges to consider

[Nick Gibb]

faith when appointing governors and staff, and that allow them to teach religious education and provide collective worship in line with tenets of the Catholic faith, do not currently exist for 16-to-19 academies.

When the legislative framework for 16-to-19 academies was first established, we did not envisage establishing them as faith-based 16-to-19 institutions. At the time, our view was that EU directive 2000/78/EC prevented the creation of new post-16 vocational institutions with a religious character. We had adopted a blanket approach, so that no post-16 provision could be established with a religious character. We are now exploring how to put in place the right conditions to enable Catholic sixth-form colleges to convert to academy status with their existing freedoms.

I know that my ministerial colleagues have met representatives of Catholic sixth-form colleges and the Catholic Education Service to discuss this issue. As the hon. Member for Harrow West pointed out, it would require primary legislation to make the necessary changes, but the Government's legislative programme does not yet provide the scope for such legislation. We will of course keep this under review in future parliamentary Sessions, and we will continue to work with this group of colleges and with the hon. Gentleman to try to find a solution to this problem.

Bob Blackman: Clearly there is the issue of any potential legal impediment. Will the Minister confirm that, provided the United Kingdom leaves the European Union on 29 March, that legal impediment will fall away and it would be up to the Government to bring forward a change in the law—a private Member's Bill could achieve the same—that would enable Catholic sixth-form colleges to academise if they chose to do so?

Nick Gibb: My hon. Friend raises an important point. I think later legal advice shows that the issue is more nuanced than that, and it might be possible to legislate even while we remain subject to the EU directive. I very much hope that we can take that forward when an opportunity arises.

Last year, sixth-form colleges raised concerns about the creation of new 16-to-19 free schools and the approvals process for academies to create new sixth-form provision. We have listened to those concerns and strengthened the criteria we use to assess new sixth-form proposals. For all schools that apply to open a sixth form, we have set a clear requirement that all local sixth-form and FE colleges must be consulted prior to a business case being submitted. Furthermore, during the last free school application wave, we were explicit that all applications for new 16-to-19 provision must provide evidence of

need for additional places in the area, and that any request is likely to be approved by exception only. In the guidance for wave 14, which we published recently, this requirement was strengthened further.

I conclude as I began: by paying tribute to the excellent academic achievements of Catholic sixth-form colleges and their support for improving social mobility among students from disadvantaged backgrounds. I recognise that such colleges have particularly felt the tightening financial circumstances, despite our protection of the base rate of funding. The issue of academisation is significant for the sector.

I echo the sentiments of the Minister for Apprenticeships and Skills when she spoke at the winter conference of the Sixth Form Colleges Association in January. As we prepare for the spending review, explaining the issues through opportunities such as this debate will help provide strong arguments for the sector. More importantly, the continued delivery of excellent education and strong pastoral support and guidance will be the best advert for further investment in Catholic sixth-form colleges and all colleges in this important and high-performing sector.

10.47 am

Gareth Thomas: This has been an extremely good debate. I reinforce my gratitude to the Backbench Business Committee for allowing me to secure it, and to Back-Bench colleagues and the shadow Minister for their contributions. I also thank the Minister for his thorough response. However, I have to say that from listening to him speak—notwithstanding the thorough contribution he made—it is clear that the double discrimination that Catholic sixth-form colleges face is unlikely to end any time soon.

I urge the Minister and Secretary of State for Education to give this issue further priority in the months to come. If the issue of the next teachers' pay award being fully funded—not just funded in full for those colleges that have converted to become academies—could be resolved quickly, it would certainly provide some reassurance to Catholic sixth-form colleges and other post-16 institutions that are not academies. This issue needs to be sorted out. Although it is good that the Minister has been able to focus on it today, clearly more urgency is needed.

Question put and agreed to.

Resolved,

That this House has considered the future of Catholic sixth form colleges.

10.50 am

Sitting suspended.

UK Relations with Kosovo

11 am

John Grogan (Keighley) (Lab): I beg to move,
That this House has considered UK relations with Kosovo.

There have been three major debates about Kosovo in the history of this House. It is fitting to have this debate this month, because the first of those three debates took place in the shadow of war, on 25 March 1999, when the then Foreign Secretary, Robin Cook, flew back from the European Council at Berlin—NATO air forces had commanded strikes against military targets in Yugoslavia the night before. Justifying that action, and mentioning the unity that eight NATO countries had demonstrated in taking that action, he said:

“The solid basis for that unity is our common revulsion at the violent repression that we witness in Kosovo. Since March last year, well over 400,000 people in Kosovo have at some point been driven from their homes. That is about a fifth of the total population.”—[*Official Report*, 25 March 1999; Vol. 328, c. 536.]

I had many conversations with Robin Cook about Kosovo. My first interest in the country came from meeting members of the diaspora of 80,000 refugees from the war at one point. After Robin Cook resigned over the Iraq war, his office was next to mine. We had two conversation topics: Kosovo, which I learned a great deal about from talking to him, and horseracing. He misjudged me as an expert on horseracing, so I had to do a lot of swatting up—more than on Kosovo. He is remembered with great affection in Kosovo.

We had to wait eight years for the next debate, on 27 June 2007, led by the hon. Member for The Wrekin (Mark Pritchard). He made one or two gentle criticisms of American policy—I will follow that tradition in a moment. This debate, 20 years after that action, was inspired by my recent visit with my co-chair of the all-party parliamentary group on Kosovo, the hon. Member for Cleethorpes (Martin Vickers). We went for the eleventh celebration of Kosovan independence. I thank the chargé of Kosovo in London, Heroína Telaku, Her Majesty’s ambassador in Pristina, Ruairí O’Connell, and all the staff for making the arrangements.

We took with us three rising stars from the British Kosovan community: Freskim Rushiti, a banker; Artan Llabjani, from the British Albanian Business Association; and Fadil Maqedonci, who runs the Koha bar in Leicester Square, where Robin Cook went to meet some Kosovans during the war. We had a fascinating time and learned a great deal. Kosovo is now recognised by 116 countries, the International Monetary Fund and the World Bank and, importantly, by FIFA, the International Olympic Committee and UEFA. I will finish my remarks in a few minutes on sport. We had the honour to see Prekaz, which was the centre of much of the fighting, and the Jashari graves—a whole family bar one young girl were massacred, and the anniversary of that massacre is today. It made a great impression on the hon. Member for Cleethorpes and me. There are still 3,000 people missing from that war—not just Albanians but Serbs too.

I have some general points about contemporary issues in Kosovo and remarks about the contribution that the Kosovan diaspora can make. I was pleased that last week the President of Kosovo said that land swaps would never occur. Last year he talked about border corrections with Serbia, but that was the wrong approach.

Quite a lot of money was spent on lobbying in London and elsewhere on the issue, but I am glad the President has changed approach. The Prime Minister and the Parliament were right to be wary of land swaps, border corrections or whatever they are called. They could be very destabilising in the Balkans.

A delegation from North Macedonia is in Parliament at the moment, whom I was talking to yesterday. When borders start getting swapped in the Balkans, it can be destabilising. One member of the diaspora told me that land swaps should never be an issue for just one man to decide, and Kosovo as a nation will never allow it to happen. The Parliament’s approach to have a negotiating team, involving opposition parties, is a good one. Given that the President has clarified his position, I hope the United States will back away from statements that some officials have made to suggest land swaps, deals with President Putin and so on. A sober approach is needed, and I hope progress can be made.

It was good to see the Kosovo army on parade for the first time. Before this year, they were a defence force. It is an appropriate move for Kosovo to make.

Jim Shannon (Strangford) (DUP): Good work has been done by our own UK Government to support the reform and restructuring of the police force, among other initiatives. That is essential for this war-ravaged area. Nothing must be allowed to detract from the advance to more modern and acceptable policing. Some of my constituents who are ex-Royal Ulster Constabulary and Police Service of Northern Ireland are involved in some of that training. They are doing excellent work and should be commended for it.

John Grogan: The hon. Gentleman is completely right about the efforts that the British and others have made to train the police and the army. I understand that, on average, four cadets each year train in the United Kingdom.

There are still heavy tariffs between Kosovo and Serbia. That decision was made in response to perceived Serbian interference in Kosovo’s attempt to be recognised by Interpol. I hope that in time the tariffs can be lifted, because economic relations and contacts between Serbia and Kosovo are very important to encourage normalisation and a final agreement. Countries that trade with each other are far more likely to reach a final agreement.

John Howell (Henley) (Con): I am a member of the Council of Europe, which is very interested in helping to provide stability in Kosovo. One of the great things we could do, with the help of the hon. Gentleman and others, is to push the case for human rights. That has gone very slowly, despite the actions of the Council of Europe to try to increase them. Could he see his way to help with that?

John Grogan: The hon. Gentleman is right; human rights are very important, as is the Council of Europe’s work in Kosovo. The treatment of the Serb minority is important to Kosovo’s reputation and future.

The diaspora of 30,000 in the United Kingdom are important to encourage economic links. There are Kosovan students in the UK; there are five Chevening scholarships and many others besides. We also visited the Kosovo Innovation Centre, run by Uranik Begu. It was a window

[John Grogan]

on the world for many young Kosovars working in new technology in the digital economy. It was a highly skilled workforce. Fox Marble is the biggest British investor in Kosovo. It has four quarries in the centre of Kosovo and is listed on the stock exchange. Hopefully there will be more investors in future.

I suggest to Her Majesty's Government that it may be time for a trade envoy to the Balkans—the hon. Member for Cleethorpes would be an ideal candidate. It is notable that although the Department for International Trade is involved in Belgrade and has a couple of local members of staff who cover Serbia and Montenegro, there is nothing similar in Albania and Kosovo. I hope that in time that might change. I invite you, Mr Davies, to a future event I will organise with my APPG co-chair to showcase Kosovan wine. There are 3,000 hectares of vineyards in the country. Stone Castle is the most famous name but there are others. The BBC now has a news service in Serbian, which I understand is listened to quite a lot by the minority. That has provided another news source in the past year.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): My hon. Friend mentions the BBC. The British Council, another British institution, has an important role in the region. I did a number of projects with Kosovan young people in 2002 and 2003. Does he agree that we must redouble our efforts to ensure that the British Council is able to access both EU funding and, in the light of Brexit, other non-British funding so it can continue those important democracy-building projects with young people?

John Grogan: Yes. During our visit we heard many people praise the work of the British Council in Pristina and elsewhere in Kosovo. We also met the Westminster Foundation for Democracy, which is very active and engages with all the political parties.

It would be wrong when talking about the diaspora not to mention sport and culture. Rita Ora and Dua Lipa are both of Kosovan extraction. Mr Davies, you will be familiar with Rita Ora's first hit, "Hot Right Now". She has gone on to have many No. 1 hits. There is a big debate in Kosovo about which artist is the greatest. I could not possibly say, but Rita Ora's dad has a pub in north London—the Queen's Arms—so that probably does it for me. Nevertheless, there are many following in their footsteps.

In sport, Majlinda Kelmendi won Kosovo's first Olympic gold medal. There is a healthy competition with Albania, which has never won a medal at the Olympics. Majlinda said she had proved to the youngsters of Kosovo that

"even after the war, even after we survived a war, if they want something they can have it. If they want to be Olympic champions, they can be."

She has inspired a whole new generation of judokas, some of whom I and the hon. Member for Cleethorpes met at the independence celebrations. There is a Yorkshire connection to everything, and one of the leading Kosovar footballers, Atdhe Nuhiu, plays for Sheffield Wednesday. He came on late in the steel city derby last night. He did not manage to score, but he is one of a generation of Kosovar footballers who are inspiring the nation, too.

I will finish on football in a moment, but let me just say that corruption has to be confronted. Our ambassador, Ruairi O'Connell, made a very good speech about that recently. He pointed out that, although a high number of leading figures—more than 50, I think—had been indicted over the past three years, they had all been acquitted. He said Kosovo is "100% responsible" for dealing with corruption. That issue has to be dealt with if Kosovo wants more investment.

I mentioned football. Kosovo will play its biggest ever games against England, home and away, in the qualifiers for the European football championships at Wembley in September and in Pristina in November. I and my APPG co-chair believe that the day of the game in Pristina, which is on a Sunday afternoon, could be a day to celebrate the United Kingdom's culture and to forge more economic links between our two countries.

Geraint Davies (in the Chair): Thank you. Kosovan wine, "Hot Right Now", football—and now we have Martin Vickers.

11.13 am

Martin Vickers (Cleethorpes) (Con): Thank you, Mr Davies. It is a pleasure to serve under your chairmanship. I congratulate my APPG co-chair, the hon. Member for Keighley (John Grogan), on obtaining this important debate. I concur with everything he said.

Like the hon. Gentleman, I was delighted to be in Pristina a couple of weeks ago to mark independence day on 17 February. That was the third occasion I have had the privilege of being there, and it is always a joyful occasion, on which the local people can show how proud they are of their nation. I too wish to thank our ambassador, Ruairi O'Connell, and the staff of Parliament and the Kosovan embassy here in London, who helped put together our visit and have always been extremely helpful.

We had a number of important meetings, including with the Prime Minister and other senior Ministers, but we also met important young people who are developing the economy, particularly in the IT sector. The innovation centre in Pristina was very impressive, and there are certainly opportunities, perhaps including those created by the football tournament, to develop our business connections further. As the hon. Gentleman mentioned, Fox Marble is a major British investor in Kosovo. It has testified to the fact that it is possible to do business between Kosovo and the UK, although, as has been said, there is an acknowledgement that more must be done to tackle corruption.

Having taken two or three minutes of the hon. Gentleman's time, I will hand over to the Minister. I hope that he is able to develop the themes we have touched on.

11.15 am

The Minister for Europe and the Americas (Sir Alan Duncan): I am grateful to the hon. Member for Keighley (John Grogan) for securing the debate and for all the work he and his colleagues do to promote relations between the United Kingdom and Kosovo. I am grateful, too, for the other contributions we have heard.

As we know, the United Kingdom was the first country to recognise the independence of Kosovo 11 years ago, and we are as committed to friendship and partnership

with Kosovo now as we were then. Today, Kosovo's diaspora is a powerful bridge between the UK and Kosovo. As we heard, British pop star Rita Ora, who was born in Pristina, has supported Kosovo's survivors of sexual violence by sending the clear message that their dignified fight for justice is a source of great pride. Dua Lipa, who is the daughter of Kosovan parents and winner of multiple Grammy and Brit awards, is patron of Kosovo's Sunny Hill Foundation, which supports some of the most vulnerable people in Kosovo. Leonora Brajshori, the young British Army weightlifter, now competes for Kosovo.

Today, our two nations share a thriving and candid bilateral relationship—a relationship reinforced by our growing programme of technical assistance, which is designed to help the Government of Kosovo to deliver the reforms necessary for the country to make progress towards robust institutions and western standards of governance, and founded on our unequivocal support for Kosovo's independence and territorial integrity, and for its integration into the international community. We are very conscious that Kosovo will struggle to reach its potential if it does not enjoy peaceful and productive relations with its neighbours, so a significant strand of our policy to help Kosovo thrive is to support greater harmony and co-operation in the region.

As the hon. Member for Keighley will have witnessed during his visits to the country, Kosovo has great potential and offers many opportunities for economic development. Kosovo has Europe's youngest population, widespread foreign language skills and increasing digital literacy. Those assets can help Kosovo to succeed in an era when technology makes it easier than ever for ambitious individuals and companies to access consumers around the globe. That is why, through the British Council, which has been mentioned, the UK is contributing to building vital digital skills in Kosovo and right across the western Balkans with our 21st Century Schools programme. That programme, which will be launched later this month, will provide 1 million schoolchildren with coding and problem-solving skills.

On the point about the Department for International Trade, the DIT staff in Belgrade and Sarajevo cover the whole region. Foreign and Commonwealth Office staff are in close touch with the DIT to help UK companies to exploit the economic opportunities that clearly exist in the region.

However, although we are right to focus on the opportunities in Kosovo, we must also acknowledge important constraining factors. First, although Kosovo has many assets that provide trade and investment potential, there are also risks. That is why, through the embassy in Pristina, we work with the Government of Kosovo to ensure that international businesses have a level playing field and that Kosovo is tackling challenges such as corruption, uneven contract enforcement, arbitration and access to justice or remediation.

Secondly, the opportunities that exist are not equally accessible to all, which is why we and others in the international community are promoting greater inclusion of women and girls and of members of marginalised communities.

Thirdly, organised crime and corruption remain serious challenges, even after almost two decades of international support. We urge Kosovo's leadership to do more to show that it is a reliable partner, ready to root out crime

and corruption, and promote the rule of law. We put those security-related challenges at the heart of the Western Balkans summit, which we hosted last July, for good reason: we have a vested interest in helping Kosovo and the wider region to tackle the problems.

A part of Kosovo's standing as an independent country is the development of its own armed forces, which is the sovereign right of an independent state. We continue to encourage Kosovo to do that in close consultation with NATO, and expect it to continue to co-operate closely with the Kosovo force—KFOR—as it has done to date.

Unfortunately, regional tensions continue to undermine stability and economic development in the Balkans, and recent months have brought unwelcome friction between the Governments of Serbia and Kosovo. We have seen Serbia urge countries to withdraw their recognition of Kosovo's independence and we have seen Kosovo impose 100% tariffs on goods from Serbia and from Bosnia and Herzegovina. All that distracts from the EU facilitated dialogue on the normalisation of relations. We look to Kosovo and Serbia to seize the opportunity for an agreement, taking their inspiration from the leadership shown by Greece and what is now North Macedonia in reaching an agreement to resolve a long-standing name issue.

We believe progress between Serbia and Kosovo is possible and urgently needed, but that negotiations should not just be about speed, but should focus on reaching the optimum and most sustainable agreement. We continue to press both sides to de-escalate tensions and to return to negotiations. With our international partners, we have asked Kosovo's Government to set out the steps they intend to take to suspend the tariffs and enable a return to the dialogue. It is in Kosovo's interests to maintain momentum towards an agreement.

The United Kingdom believes that a dialogue agreement based on border changes risks endangering stability in Kosovo, Serbia and beyond, particularly in Bosnia and Herzegovina and in North Macedonia, as the hon. Member for Keighley said in his opening remarks. Border changes would also risk setting a precedent that could be unhelpfully exploited by third parties in the region and elsewhere. We are at an important juncture in negotiations, with the prospect of making progress this year. A conclusive and sustainable agreement would usher in an era of stability and economic development.

We urge all parties to remain focused on an agreement that strengthens regional security and stability, abides by the European principle of multi-ethnicity, commands the support of democratically elected representatives in both countries, strengthens the rule of law and comprehensively addresses all issues outstanding from previous agreements. Achieving those aims requires all sides to respect Kosovo's democratic right to determine how and by whom the country is represented in the negotiations. Therefore, we see Kosovo's formation of a state delegation, which it is working to put on a legal footing, as a positive step forward. A broad-based negotiating team, representing a plurality of voices, will be better equipped to deliver a comprehensive agreement acceptable to Kosovo's people and Parliament.

The United Kingdom will continue to devote sustained political and diplomatic effort to bring about such an agreement. The United Kingdom's support for the countries of the western Balkans is in our mutual interest. Instability and insecurity in the region have implications for the

[Sir Alan Duncan]

United Kingdom and Europe, as we saw at immense human cost during the conflicts of the 1990s. As the Prime Minister made clear at our Western Balkans summit last year, the United Kingdom remains resolute in support of the region's path towards Euro-Atlantic integration. That includes our efforts to help to resolve legacy issues, such as missing persons and war crimes, and to combat serious and organised crime.

The UK's commitment to European security will remain steadfast after we leave the EU. To reinforce this, we are doubling our programme funding for the western Balkans to £80 million a year by 2021 and also doubling the number of staff we have in the region working to combat security threats. The UK is Kosovo's friend. We want the country and its people to thrive, and we will help them to do so. In turn, Kosovo has to be open to dealing with its challenges, as well as celebrating its successes. For that to be effective, Kosovo will need its friends and I am proud to say that we in the United Kingdom can count ourselves among them.

Question put and agreed to.

11.25 am

Sitting suspended.

Regional Transport Infrastructure

[JOAN RYAN *in the Chair*]

2.30 pm

Dan Jarvis (Barnsley Central) (Lab): I beg to move,

That this House has considered investment in regional transport infrastructure.

It is a pleasure to serve under your chairmanship, Ms Ryan. I declare an interest as Mayor of the Sheffield city region and as a board member of Transport for the North.

This debate comes at a critical moment in our country's history and for Britain's regions. While the debate is about investment in our regional transport infrastructure, it is also about fairness and equality of opportunity for all parts of our country, because getting the right transport infrastructure in place will determine the ability of different parts of the country to contribute to national prosperity, as we face the future. If we believe in social mobility, we must ensure practical mobility, so that people can move around to access opportunities. Connecting people with the places that they need to go to is critical if we are to connect our nation's most talented people with the opportunities that will enable them to reach their potential.

Our country finds itself at a crossroads. We must not lose sight of the fact that in 2016 a huge number of citizens participated in one of the most important democratic exercises in our recent history: they voted for Britain to leave the European Union. I do not claim to hold all the answers as to why they did that—none of us should—because there is no overarching or unifying theory that can explain the Brexit vote. The referendum campaign became about immigration, national sovereignty, our international relationships and trade, but it was also about how well our democracy and our politics had responded to the challenges and concerns that people face in their daily and working lives.

The answer that we got was that the status quo was simply not delivering for many parts of our country, and that people wanted change. That is entirely understandable, because in places like Barnsley, which I represent, and south Yorkshire, there is an overwhelming sense of frustration that for too long the decisions made by successive Governments have not gone nearly far enough to match the aspirations and expectations of residents, and neither have they addressed the long-term structural barriers that have held communities back from reaching their potential. Alongside that is an increasing concern that for too long Britain's regions and nations, outside London and the south-east, have not seen their fair share of investment.

I emphasise the phrase "Britain's regions", which I am always careful to use, because it is not about the north versus the south. Communities in the south-west, the midlands, the east of England, the north-east and the north-west, and in Scotland, Wales and Northern Ireland, are as relevant to this debate as the communities in Yorkshire that I am proud to represent. This is not about north versus south—in fact, when it comes to transport infrastructure, the divide is often more east-west than north-south—but about the fact that city-led development has meant that growth has not been inclusive for those living outside the reach of cities.

The ink-spot approach to regional development has failed to serve many of our people and our economy. Our economic strategy has been too city-centric and dependent on the hope that wealth will trickle down and ripple out.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I agree with everything my hon. Friend is saying and I congratulate him on securing this debate. I appreciate that it is about the way that we invest, as much as where we invest. Does he agree that some of the expensive national infrastructure investment that has taken place risks alienating areas that are not regionally connected to that investment, no matter where they are in the country? For example, with HS2 there is no confirmation from the Government that the line north of York will be upgraded, which will make parts of the north even further away from that national infrastructure investment, rather than benefiting from HS2.

Dan Jarvis: My hon. Friend makes an important point. If this Government—or any Government—want to be taken seriously about investing in infrastructure that will benefit all parts of the country, it is absolutely right that they take into account the important and reasonable point that she makes.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): I congratulate my hon. Friend on securing this important debate. Does he agree that the Government need to commit to and invest in schemes that will benefit regions? For example, the western rail link to Heathrow—which the Government committed to in 2012, but about which they have since been dragging their feet—would benefit not only my constituency in Slough, but Wales, the south-west, the west and the south-east. It would mean that 20% of the UK population would be within one interchange of the Heathrow hub airport. Should the Government be dragging their feet or should they finally be taking some action?

Dan Jarvis: My hon. Friend makes an important point, for which I am grateful. The Minister will have heard him, and perhaps he will respond later.

In rural, semi-rural or coastal areas, and in areas such as former coalfield communities like the one that I am proud to represent, there is undoubtedly a strong sense that residents feel cut off from the major centres of growth. That is partly because across our regions we have a transport system that is disjointed and serves neither communities nor businesses as well as it should.

Gloria De Piero (Ashfield) (Lab): I, too, represent a coalfield community and can relate to what my hon. Friend is saying. One or two trains per hour serve the stations in my constituency, but two of the three stations that constituents might use have no disabled access, which means that parents with prams also struggle to use them. It is not north versus south, but it often feels like town versus city.

Dan Jarvis: My hon. Friend makes an important point and I will say something about the criteria that determine national infrastructure spend later. I am conscious that there will be people who will not necessarily be riveted by a debate about the criteria that determine national infrastructure spend, but as my hon. Friend

clearly articulated, these are incredibly important matters that impact hugely on the lives that our constituents lead.

Tracy Brabin (Batley and Spen) (Lab/Co-op): I thank my hon. Friend for securing the debate and for his incredibly powerful opening speech. In Batley and Spen, we have one railway station, so would he agree that buses are needed more than ever before? With the recent shake-up of the timetable, we are getting fast buses into the cities but we are not getting connectivity between communities, which, as he has said, leaves some communities increasingly isolated.

Dan Jarvis: I am grateful to my hon. Friend and Yorkshire neighbour for that important intervention. I was hoping someone would refer to buses. Debates of this nature traditionally tend to focus on rail, but the reality for many of our constituents is that buses are a lifeline that enable them to go and do the things they need to do, whether that is travel to work, access vital public services or travel in their leisure time.

I was delighted that a week ago my hon. Friend the Member for Sheffield South East (Mr Betts), who is not here, agreed to conduct an independent review of bus services in south Yorkshire. That provides an exciting opportunity to look carefully at the issue of bus services. My hon. Friend the Member for Batley and Spen (Tracy Brabin) will know that the number of people using bus services has fallen significantly in recent years. In south Yorkshire, we will look carefully at the reasons for that and look at how we can improve the bus services, which are a lifeline to many constituents.

The last two interventions highlight an important point: many people around our country feel disempowered and alienated, and that raises a big question about how we give people a stake in their communities and in our country as a whole. I believe the answer to that lies partly in how we respond to people's concerns about Britain's regional divide. We must respond to those concerns by strengthening our regional policy so that we have a joined-up approach to addressing the systemic structural imbalances in our economy.

We have before us a once-in-a-generation opportunity to put that right, and I believe that collectively we must rise to that challenge. As we face the future, we need to have all parts of our country contributing to Britain's national prosperity. We in the north are prepared to do our bit, but the Government must in turn recognise the crucial role that transport infrastructure will play in helping us to do so.

Roads and railways are the lifeblood of our economy. They are vital in connecting people with the places they want to go for work, access to public services and leisure. If we are to address the long-term structural imbalances in our country's economy so that we have stronger networks between towns, cities and rural locations, we must have a serious programme of investment in our transport infrastructure. That must include investment in innovative technologies such as tram-train, the first of which we have in south Yorkshire, running between Sheffield and Rotherham.

Integrated with all that is the need to do all we can to promote active travel as a means of getting out and about within our towns and cities. I know the Minister will be supportive of that. Chris Boardman has been doing a sterling job as Mayor Andy Burnham's walking

[*Dan Jarvis*]

and cycling commissioner in Greater Manchester. I will soon be announcing the appointment of an active travel commissioner for the Sheffield city region, and I have received confirmation that the next Transport for the North board meeting in April will, for the first time, include discussion of active travel, which I very much welcome.

Active travel is not about telling residents that they should ditch their cars or public transport, but about giving them the option to lead healthier, more active lives by investing in infrastructure to encourage more sustainable transport, walking and cycling—maybe even running, but we will see how that one goes.

We know the benefits of having strong transport networks in place around good economic infrastructure. Commuters find it easier to access sites of employment. Businesses can shift their goods to both domestic and international markets. Strong transport infrastructure is a key driver of both productivity and growth, but, unfortunately, too many communities across the north know all too well the consequences of poor connectivity. It has an impact on residents living in rural and semi-rural areas, who struggle to access the major sites of employment. It constrains the reach of our businesses, wastes the talent and skills of our workforce, and stifles our competitiveness. It is a drag on our productivity.

When we get this right, we can make a real difference. I will give an example of where we have done that. The Great Yorkshire Way is a stretch of road built to link up Doncaster Sheffield airport with the M18. The last mile of the Great Yorkshire Way is the most significant mile of road built in south Yorkshire for decades. From an initial investment of £56 million, with both the public and the private sectors working together, our region unlocked £1.8 billion-worth of investment, creating 1,200 jobs, supporting national airport capacity by delivering airport growth, and aiding the development of iPort, which is one of the UK's largest logistics developments. All of that was achieved while regenerating a former colliery community.

In order to achieve our potential, the north's existing and future economic clusters must be better connected.

Imran Hussain (Bradford East) (Lab): Like others, I congratulate my hon. Friend on bringing this important debate to the Chamber. He makes a powerful argument, particularly in favour of infrastructure support for all regions. In the north, one of the most important infrastructure support projects is Northern Powerhouse Rail, but unfortunately it is reliant on the successful completion of HS2, which itself is in doubt. Does he agree that we need these projects to go ahead regardless and not be reliant on London-based projects?

Dan Jarvis: I am grateful to my hon. Friend for his intervention. I agree with him, and in just a moment I will say more about Northern Powerhouse Rail, because it is an important case.

Before I do, I will give another example of how we can achieve growth as a result of investment in regional transport infrastructure: the plan for an east coast main line link-up with Doncaster Sheffield airport. The creation of a station serving the airport has so much potential. It will support the expansion of the airport, create a major economic hub around it and make a further contribution to the UK's national aviation capacity.

Better connecting our communities and neighbourhoods is how we give people the means to get from where they live to the economic opportunities that are being created around us. It is how we give businesses the means to shift their goods from one place to another in the most cost-effective and efficient way. The truth of the matter is, though, that there are not enough instances where we have managed to achieve those things, because despite having the ambition, we have not had the investment.

Transport for the North has a key role to play in looking at how we can make significant improvements right across the north of England. Last month, the Transport for the North board signed off its strategic transport plan, which calls for an ambitious and bold £70 billion programme of investment in the north's transport networks. We also agreed the strategic outline business case for Northern Powerhouse Rail, which my hon. Friend the Member for Bradford East (Imran Hussain) just referred to, and which will better connect Sheffield, Leeds, Liverpool, Manchester, Hull and Newcastle.

TfN's plans are hugely significant, because they remind us of what we are working towards: a transport network that fully integrates all parts of the north, connects our people and businesses with opportunities both within and beyond our great towns and cities, and transforms our economy so that it works better for the 15 million residents of the north. I take the opportunity today to ask the Minister, when he responds to this debate, to say something about how the Government intend to resource those important plans. As he will know, leaders across the north have agreed to a plan that will make a meaningful and lasting difference, but we now need the Government to get behind it and support it.

The situation we find ourselves in is underpinned by a systemic unfairness in the way that the Treasury allocates funding for major projects. The current Green Book criteria used by Government are automatically skewed toward better-performing areas, because they naturally favour areas with lots of latent demand, but do not properly recognise that transport infrastructure is a stimulus for economic growth and supports the growth of new demand as well as being a response to existing demand.

Looking at the Government's own figures, for every £1 of public infrastructure investment spent on transport across Yorkshire and the Humber, £3.20 is spent on London's transport networks. I am not suggesting that London should have less spent on its transport infrastructure; not only would I be in big trouble with Mayor Sadiq Khan, but investment is critical in maintaining our capital city's vital transport networks. What I am saying is that, across Britain's regions, we simply have not had anywhere near enough of what is required to begin to address our economic challenges.

The Government have been talking a lot about issues surrounding regional inequality, industrial strategy, growth and productivity, but if we are not prepared to make investments on the scale that is needed, we will fail to meet the productivity challenge the Government have set. The second question I would like the Minister to address today is whether he will look at the Green Book criteria with his colleagues at the Treasury, so that he can satisfy himself that the funding allocation is fair.

Mr Bob Seely (Isle of Wight) (Con): I represent a small but beautiful island, and we are in exactly the same iniquitous position with Green Book funding.

Because we are an island, we cannot use Portsmouth or Southampton in our argument; they are the wrong side of the Solent. It is not only the hon. Gentleman's area that suffers but mine as well.

Dan Jarvis: The hon. Gentleman makes an important point, and I hope that the Minister will take the opportunity to discuss it with his Treasury colleagues. I met the Chancellor recently, and I know that he is keen to hear representations from people who share my view that the current system is not fair.

Andrew Griffiths (Burton) (Con): I congratulate the hon. Gentleman on securing the debate. He is making some important points. As a midlander, I class my constituency as being northern. I will give the hon. Gentleman some hope: we were able to secure more than £50 million of funding in my constituency to improve the A50. The Government put that money up and it is making a real difference. He is absolutely right about engaging with the Government and the Treasury. I am the proof of the pudding that the Government want to improve infrastructure in the north.

Dan Jarvis: I am grateful to the hon. Gentleman for that. I hope other hon. Members take it as their cue to make similar representations on projects for which they seek funding, and I hope that the Government will give them the same support that they have given the hon. Gentleman.

I will make one final point on the importance of devolution. There is little point in giving regions the funding if we do not have the robust frameworks through which to decide where best to spend those resources. I know that my Yorkshire neighbour, the hon. Member for Thirsk and Malton (Kevin Hollinrake), gives a huge amount of consideration to that. He knows, as I do, that there is great potential in Yorkshire. The Great Yorkshire Way shows the power that investment can have in unlocking possibilities for businesses and communities across our region.

We also know that political leaders in the north are ready, as they have shown in recent weeks and months, to work constructively together and with stakeholders to make a real difference. We have seen great enthusiasm for devolution in Yorkshire; not everyone in this room is entirely convinced, but I am working on them.

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate the hon. Gentleman on securing this important debate. He tempts me on devolution. I am absolutely committed to devolution in Yorkshire, but we have to get the right type of devolution. He is a trailblazer with the city region devolution deal that he has struck with the Government. Does he agree that the best form of devolution to Yorkshire would be on a city region basis, including to Sheffield, Leeds, Hull and York?

Dan Jarvis: I am grateful to the hon. Gentleman for making that point, which he has made with consistency and clarity over a number of years. I always enjoy having that debate, as we will be having in Leeds on Friday, although I am not sure whether he will be there.

Kevin Hollinrake: I am not sure I'm invited.

Dan Jarvis: I extend an invitation to him. There is an important debate to be had about Yorkshire devolution, and I was pleased to meet not only the Secretary of

State for Housing, Communities and Local Government but the Government Chief Whip at Fountains Abbey on Friday to discuss it. I think we agree that there is an absolute requirement to move as quickly as possible to put in place a system of devolution that will best serve our great county. We may not be able to agree on precisely what that is today, but it is important that we reach agreement in the near future.

When thinking about regional transport infrastructure, we should be guided by the simple principle that we should connect our people to the places that they want to go for work, to access public services and for leisure, creating opportunities where we can and connecting people to them. That is how we give people a stake in their communities and in our country.

As we prepare for the future and life beyond the Brexit debate, all our regions and nations must be given the very best opportunity to contribute to our national prosperity. If we do not invest in regional transport infrastructure, we will not give the people we serve the tools they need to thrive, nor will we answer the concerns that motivated people to vote leave in the referendum. However, we can only do that if the Government support us. There are real opportunities before the Minister to help us to do that. I hope he takes them up.

Several hon. Members rose—

Joan Ryan (in the Chair): I am sure that Members can see how many people wish to speak. I suggest that, out of consideration for each other, Members limit their speeches to about three minutes. I will not impose a time limit; I will leave it to Members.

2.55 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to serve under your chairmanship, Ms Ryan, and to follow the hon. Member for Barnsley Central (Dan Jarvis). I thank him for securing the debate. I will touch briefly on devolution, which has proven to be the most intractable political situation in Yorkshire—much more so than Brexit—over the past five or 10 years. However, I am sure that there is a way forward, and I agree with the hon. Gentleman that it is crucial that we find it, so that we can properly exert our influence over central Government on hugely important matters, such as transport investment in our counties.

As the Chancellor admitted in his Budget speech in November 2016, no other major developed country has as large a productivity gap between its capital and its second and third cities as the UK. We are the most regionally imbalanced nation, which is a huge issue that we must deal with. London is 50% more productive than the regions of England—not only the north—and has 50% higher wages, on average, than the north. There is a direct correlation there. This is not about spending for spending's sake; it is about the prosperity of the people we represent. There is no doubt that infrastructure spending has been disproportionately higher in the capital than in the regions, and redressing that imbalance will transform the economy right across the UK.

Alex Chalk (Cheltenham) (Con): Does my hon. Friend agree that, in seeking to redress that imbalance, it is critical to present an ask, as it were, to the Department for Transport? When the Cheltenham cyber-park needed transport

[Alex Chalk]

infrastructure, the Department provided £22 million, showing that, where there is a clear goal to improve infrastructure, it is keen to help where it can.

Kevin Hollinrake: I totally agree. I will come shortly to the clear ask, which has been set out for us by Transport for the North.

The Government are doing much. By 2021, infrastructure investment spending as a percentage of GDP will be at its highest for the last 30 years, while the national productivity investment fund will increase to £37 billion by 2023-24. The Government recognise that this is an issue. We must always make sure that we spend wisely and, in many cases, the minimum amount, because this is taxpayers' money.

However, in my view there is a difference between recurrent spending—much of which is important but which we clearly have to keep under control, making sure that we run a surplus, rather than a deficit—and investment spending. A business would treat the two things differently in its accounts. Businesses have balance sheets and they also look at profit and loss. Investment spending goes on the balance sheet. We should look at investment spending in our regions in a completely different light from other types of spending, particularly in the north.

I support Transport for the North's recent strategic plan. The hon. Member for Barnsley Central rightly referred to £3 being spent per capita in London for every £1 spent per capita in the north. However, it is not all to do with central Government spending or central allocations. Much of it is about local authority spending and private sector investment. It is important that we recognise that difference. Nevertheless, Transport for the North's strategic transport plan sets out very clearly the £70 billion of spending needed between now and 2050, which would contribute an extra £100 billion gross value added to our economy and 850,000 jobs. That is a compelling case, as my hon. Friend the Member for Cheltenham (Alex Chalk) referred to earlier.

Yes, part of it is about Northern Powerhouse Rail, which is so important to connect Liverpool to Manchester, to Bradford, to Leeds, to Hull and to Scarborough, and to go up into the north-east as well, but when that is delivered is also key. I would like my hon. Friend the Minister to consider, if possible, in his closing remarks when Northern Powerhouse Rail will be delivered, because the key ask in the Transport for the North strategic plan is that it be delivered to coincide with High Speed 2 delivery in 2033, and that would involve bringing forward the very important Northern Powerhouse Rail plan.

I again congratulate the hon. Member for Barnsley Central on initiating the debate. I look forward to listening to further contributions.

3 pm

Karen Lee (Lincoln) (Lab): It is a pleasure to serve with you in the Chair, Ms Ryan. I thank my hon. Friend the Member for Barnsley Central (Dan Jarvis) for securing this important debate.

Since becoming Lincoln's MP, I have consistently been told that Lincoln's transport infrastructure does not work effectively for those who use it. I am working

hard with local stakeholders to create a vision of a better connected Lincoln. I wanted to know how residents thought that transport in Lincoln could be improved, so I did two things: I held a community engagement event, and I sent out a survey locally. The survey showed that people in Lincoln are currently not engaging with the public transport options available to them and therefore car travel is by far the most common way of travelling in the city. Residents expressed concerns about the value for money and punctuality of local transport. When I asked what would incentivise public transport use, "lower fares" was by far the most popular response. That is not surprising, because in the last year local bus fares in England have risen by 2.8%, increasing faster than wages and inflation.

The Government's austerity agenda has meant that, since 2010, bus budgets have been cut by 45%, leading to thousands of routes being cut or withdrawn, and last year saw the lowest level of bus journeys per head on record. The concerns raised by my constituents reflect the fact that, under this Government, Lincolnshire's transport infrastructure has consistently been neglected. Analysis last year by the Institute for Public Policy Research found that London was allocated more than three and a half times more transport funding per capita than the east midlands. My constituents deserve just as much investment as people living in London, but this Government have facilitated an unacceptable rise in regional inequalities.

Before the railways were privatised, our city had direct services to Birmingham, Coventry, Crewe and Chester. Those have all disappeared over the past 30 years. That is the logic of our fragmented and privatised public services: regional transport links become more unprofitable and are therefore discontinued. Shareholders are protected while people and our communities lose out.

Lincoln lacks the strategic service that might be expected for a city of its size. It has a very limited service to London and no east-west services running beyond Nottingham. Along with Lord Patrick Cormack, I have campaigned for the promise of extra trains from London to Lincoln later this year to be honoured, and we are keeping our fingers crossed on that one, but there are currently no clear plans for the improvement of east-west services beyond Nottingham.

Local stakeholders unanimously agree that electrification of the joint line between Peterborough, Spalding, Lincoln and Doncaster would be hugely beneficial in improving our regional interconnectivity, but a Network Rail report last year predicted that any upgrades were not to be expected until after the 2030s, once HS2 has been completed. I can see the benefit of improving transport to and from London, but I think that this Government often forget that not every journey in the UK goes through our capital.

Over the past 20 years there have been relatively few changes to Lincolnshire's rail network, and almost no service enhancements or changes to the rolling stock. Economic modelling by the Greater Lincolnshire local enterprise partnership indicated that improvements in rail services would lead to substantial benefits to our regional and national economy. Merely bringing existing services up to Network Rail's "good" standard could bring about a £34 million increase in GDP per year, and improvements in line with the best equivalent services in the UK could be worth as much as £167 million. That

shows that investing in our regional transport infrastructure can set in motion a virtuous cycle of prosperity that benefits commuters, businesses and residents, but the Government refuse to recognise that.

It is clear that this Government have consistently neglected Lincolnshire's transport infrastructure, along with every other region outside London. Like many of my colleagues, I will continue to work hard to deliver improvements that are in line with the wants and needs of my local community, but it is difficult to do that when we have one hand tied behind our back by a fragmented, shareholder-driven, privatised system and the other hand tied by a Government who refuse to distribute transport investment fairly across all regions of the UK.

Joan Ryan (in the Chair): The two Opposition Front-Bench spokespeople have kindly agreed to reduce their time to seven minutes each, which gives us an extra six minutes, but that still puts pressure on, so I just remind right hon. and hon. Members to be considerate.

3.4 pm

Chris Green (Bolton West) (Con): I appreciate the opportunity to contribute to this important debate, won by the hon. Member for Barnsley Central (Dan Jarvis), on investment in regional transport infrastructure. I believe that there is a powerful good news story on this. It is not unalloyed, not perfect, not quite as good as we would like it to be, but it is still very positive overall. When I was growing up in Liverpool, we used to be able to look over at Runcorn bridge. Runcorn bridge had not been upgraded—it had been over capacity for decades. That was the result of under-investment by Governments of both colours. It was fantastic to see the Mersey Gateway being delivered, a £1.2 billion investment—

Mike Amesbury (Weaver Vale) (Lab): Will the hon. Gentleman give way?

Chris Green: I will not take an intervention because of the time constraints, but I share the hon. Gentleman's concern about the tolls that have been put on the bridge. I would rather that had not been done, because it is a major local concern. However, that upgrade should have been delivered decades ago.

We also have Liverpool2—a £400 million investment in the docks. That is an immense commitment from a private company, but there is an understanding that, economically, the country is going in the right direction. A company has to have confidence in the future of the country, the economic prosperity of the country and the manufacturing in the country in order to invest £400 million in a new docks system, and I understand that it wants to upgrade that further.

It is very positive that electrification has gone ahead between Liverpool and Manchester. The project is ongoing between Manchester and Preston. It has suffered too many delays, which are very disappointing for my commuters. However, the hon. Member for Barnsley Central was right to highlight that this is not just about connecting cities; it is about connecting communities, such as Blackrod, Horwich and Lostock in my constituency. The electrification project will join them together or provide an enhanced service once it is completed.

People are looking into extending the tram-train system out to Hag Fold, Atherton and Daisy Hill, which would be a further advantage for my constituents, making them better connected and making work more

accessible. I hope that my hon. Friend the Minister will maintain his focus on—and ensure that the Government's focus is on—the central importance of the northern powerhouse. Fundamentally, it is about connectivity. It is about having that wealth of talent in the north-west, and indeed across the north of England, and ensuring that those in that pool of talent can work together, so that we can attract the best businesses and give our young people the best opportunities.

3.7 pm

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): It is a pleasure to serve under your chairmanship, Ms Ryan. I will try desperately hard to confine my comments to just three minutes. I would like to start by being kind to the Minister and thanking him for his personal support in getting the A63 project working in Hull. That has been 20 years coming—for 20 years it has been a battle to get the bridge built and the A63 work done. I am thanking the Minister partly because I want that support and help to continue until the project is completely finished—I hope to buy myself some favours there.

Hull does have a bright future. In 2017 it was the UK city of culture, described as

“a city coming out of the shadows”.

Some people describe that as the end of the line, but I say it was just the beginning, because what better place could there be to start than in the city of Hull? To keep that going and stop talent leaving our city—to enable people to stay there, live there, work there, be successful and reach their potential—we desperately need more money for our infrastructure; for our roads and railway. The Minister is already supporting us with the roads, so I will comment briefly on the need to support us with the railway. I know that the Under-Secretary of State for Transport, the hon. Member for Harrogate and Knaresborough (Andrew Jones), is coming up to Hull to look at the railway.

I fully support what my hon. Friend the Member for Barnsley Central (Dan Jarvis) said about Transport for the North's proposal and the desperate need for Northern Powerhouse Rail to link up with Hull. We desperately need a direct service from Hull all the way through to Manchester City airport. We would also like more frequent trains to go through to Leeds. Some constituents living in my city work in Leeds, and they now feel compelled to move to Leeds because of the problems with the transport links and infrastructure. I want to press the Minister on that.

I also want to press the Minister for a little more cash, please, but for a different road this time: Calvert Lane in Hull, which is in desperate need of complete remodelling. The ongoing work on the A63, which I am eternally grateful for, as he knows, has created additional pressure and traffic chaos at times in the city, and also huge problems with air pollution. Hull bid for the transforming cities fund but was unsuccessful, so if the Minister could look kindly upon Hull again and perhaps reach down the back of the sofa and find us some more cash for Calvert Lane, I would be very grateful for that as well.

Hull has a great future, but the money needed for our transport infrastructure is desperately overdue, and what better time to start giving us more cash than today?

3.10 pm

Mr Bob Seely (Isle of Wight) (Con): I thank the hon. Member for Barnsley Central (Dan Jarvis) for securing this genuinely important debate. I shall be brief. I apologise for being a bit late, Ms Ryan.

First, I would love Ministers to look at the ferry duopoly on the Solent. It is the most expensive ferry route in the world, and many issues that relate to the ownership of the two ferry companies are not necessarily in the public interest and help to sustain the very high fares that Islanders are forced to pay. There is also the issue of the debt that is loaded on to at least one of those companies.

Secondly, Island Line is not the longest railway line in the world, but it is nevertheless the line from Ryde Pier Head down to Shanklin, which is very important for Islanders. I am grateful to the Minister for his Ministry's kind support in pledging to rebuild Ryde railway pier. However, there is foot-dragging on the priced option for Island Line. The amounts of money are tiny compared with the very large sums going to other regions. At the moment, travelling on Island Line is almost the rail equivalent of travelling in a Land Rover over a reasonably rough bridleway. It needs significant infrastructure work on the track, signalling and rolling stock.

There was something approaching uproar when we learnt that Newcastle's rolling stock was 40 years old. Without sounding like something out of a Monty Python sketch, what I would give for rolling stock that is 40 years old! We have 10 Northern line carriages from 1938. As part of the modernisation for the priced option, if the Minister is generous enough, we will get refurbished 40-year-old rolling stock, which we will be more than happy with—it will be 41 years younger than the 81-year-old rolling stock we currently have. I hope I can press my hon. Friend the Minister to be generous.

Finally, I want to mention Southern railway. I really hope that HS2 is not diverting funds to every other rail project in the country. We should have proceeded with HS3, the northern high-speed railway, which is, as the Americans say, a no-brainer, rather than build a £100 billion route from London to Birmingham, which I am not sure we need—perhaps some of my colleagues disagree. Because of that, I am concerned that the main line routes to Portsmouth and Southampton will not get the attention they deserve. What I find most staggering is the speed of the London to Portsmouth express train service: currently 47 miles an hour, which is slower than it was in the 1920s. Will the Minister look at some of the examples of where a little bit of impetus from him and the Department for Transport would reap real benefits for our economy in the Southampton-Portsmouth conurbation, and especially in my constituency?

3.14 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to see you in the Chair, Ms Ryan, and I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis) on securing the debate.

I chair the all-party group on the east of England. Although I fully understand the arguments made by colleagues about disparities in regional funding, and I know that some will argue that the south in general does well, I ask people to look a little deeper, particularly at the east. The east of England region has enjoyed significant growth over the years and is a net contributor

to the Treasury, with great innovation hubs, but there are substantial challenges, almost all based around transport and housing. Despite considerable effort in different parts of the region, that continues to be a struggle. I pay tribute to those who developed the Cambridgeshire and Peterborough independent economic review, but still the answers often depend on unlocking the investment levers that sit in the Treasury.

I want to flag up a couple of positive suggestions that might help. Since coming to the House, I have strongly supported the London Stansted Cambridge Consortium and the West Anglia Taskforce, which has made a powerful case for rail improvements in the corridor, including sections of four-tracking. The case remains strong, but there are still considerable challenges to achieving it, so it is worth looking at other options.

I have been told that digital signalling across the eastern region could make a huge difference. The cost is £1 billion—a lot of money—and this does not necessarily make old, unreliable infrastructure any more reliable, but it can make better use of what we have. I am told that it could increase reliability and frequency, such that it could take up to 10 to 12 minutes off the Stansted to Liverpool Street journey: completely transformative in terms of our transport connections within the region.

For understandable reasons, I take Cambridge to be the centre of our transport hubs within the region, and I want to see better connectivity to the east. I also want to look west, having already looked south. There is much debate about the Cambridge-Milton Keynes-Oxford corridor, or CaMKOx, as it is likely to be called. To make the best use of it we will need much better regional co-ordination, but observers as esteemed as Sir John Armitt have pointed out that the plethora of organisations along the arc makes that extremely difficult.

I am grateful to England's Economic Heartland, which has suggested that a geographically-specific national policy statement might be considered. Such statements were established by the Planning Act 2008 and are introduced for major projects. It might be innovative to use a geographically-specific NPS to bring together infrastructure requirements, but that is not without precedent and there is a sound legal basis. As a member of the Transport Committee that looked in detail at the Heathrow NPS, I really can see the value of such a process. I would welcome the Minister's comments on that suggestion.

As we see the northern powerhouse, the midlands engine and other regions of the country come together to campaign on these issues, it is clear that this is a question not just of investment, but of how the investment is made. I do not want to see the south and the east get left behind in this new world.

3.17 pm

Grahame Morris (Easington) (Lab): I am grateful for the opportunity to speak, Ms Ryan, and I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis) on securing this important debate.

The figures are plain to see, and I am afraid I cannot agree with the hon. Member for Burton (Andrew Griffiths). I am sure the level of investment in the year '50 was wonderful; it certainly is not in the year '19. My issue for the Minister is fairness. We have seen tables produced by the Library detailing the inequalities in investment

between London and the south-east and the northern regions, particularly the north-east. It is clear that there is a question of fairness.

I know figures are manipulated. Yesterday, I attended a debate on school funding and there were arguments about whether funding for schools has increased and, depending on which baseline is used, whether local government funding has increased, but I want to talk about the actual experience of my constituents. We have very old Pacer trains, overcrowding and a lack of resilience on the A19, which is the main arterial route that serves my constituency. It is a potential engine of growth that is so important to the future prosperity of the region. There are accidents on a weekly basis—on a daily basis, when the weather is inclement—and that causes massive disruption. We really need the Government to look carefully at where money is spent. They have a moral and political obligation to tackle the inequalities in investment with regard to the older industrial areas—mine is a former coalmining area—that are being left behind, and they have an opportunity to address that inequality.

Kevin Hollinrake: The A19 runs through my constituency as well, as the hon. Gentleman may know. He makes a good point about fairness, but does he concede that the point is not a party political one? The situation has been going on for decades under Governments of different political persuasions.

Grahame Morris: I do not want to delay things by making a lengthy reply, but everything is political in this place and, whatever has gone on before, there is an opportunity to put things right now. I appeal to the Minister in the interest of fairness to address some of the fundamental issues. This is not a pipe dream. It is important, and it is about a vital part of the national infrastructure. Please do not leave the north-east behind.

3.20 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on bringing the matter forward.

We all know that a rising tide floats all ships, and certainly investing in infrastructure means that all the businesses in the vicinity are winners. Declining to invest in infrastructure means retaining a situation where rural communities are socially isolated, contributing to over-reliance on towns. The main town in my constituency, Newtownards, lies just short of 10 miles from Belfast City airport—the journey takes less than 20 minutes—yet I fear that my town does not benefit as it should from proximity to the airport, and the business and tourism that that should attract. I believe that is due to a lack of correct infrastructure in relation to the airport.

Whenever I have put questions to the Minister—I am always talking about connectivity with Belfast City airport or Belfast International airport—he has responded positively about the need for connectivity, but I want to emphasise this again. If we were to invest in the strengthening of routes directly from airports, that would allow businessmen to reach cheaper rental accommodation in Newtownards and other towns, and the local economy would benefit.

Another issue in my constituency is the coastal erosion programme. There are many roads around the Ards peninsula where I live, and in the centre of the constituency, where high tides and the weather conditions cause a lot

of erosion, yet the methodology for responding seems to be reactive rather than proactive. I do not fault the Department, but I ask that we look for future aspirational projects that could address the issues. Northern Ireland is at the bottom of the table in relation to spend per head throughout the United Kingdom. There is an historic lack of infrastructure. I do not want to insult anyone's intelligence in this place, but of course the fact is that over 30-odd years there was a campaign in which the IRA destroyed everything it could, including as many places as it could.

We have moved on, thank the Lord, but when I look at my local towns' potential and the state-of-the-art office space, UK-wide connectivity and low business rates, it is clear that while short-term issues must be addressed, so must the long-term goal of showing the world that Northern Ireland is the place to invest in business. It is the place to produce television shows and locate a high-class graduate labour force, as well as an abundance of admin staff. It is the cyber-security region for the whole United Kingdom, and we have more people employed in that work. That is an example of what we are doing right.

One of the keys to unlock global attraction is the ability to connect easily, both globally and UK-wide, and we simply have not yet come close to unlocking that potential. I would like an extension of the city deals, which the Minister will be aware of, although he is not directly responsible for them. Last night, the stronger towns plan was put forward, and those projects will link towns and cities to the markets that are available. This place is where action must be spearheaded, and I look to the Minister to understand how and when that can be done.

3.23 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to serve under your chairmanship, Ms Ryan. I shall be brief. The good news for the Minister is that, on the basis of what I am about to say, he can remind me that all I have said is the responsibility of the Scottish Government. However, I think I am duty-bound to raise the issues, partly on behalf of my constituents, but, secondarily and in a wider context, as a cautionary tale.

Some weeks ago, my wife and I had occasion to catch the ScotRail service from Inverness to Edinburgh. ScotRail has become something of a national sad and bad joke in Scotland. I think I speak for all Scottish Members when I say we are deeply critical of the appalling standard of service—to call it the standard of service that we enjoy would be to use the wrong verb. On that particular train, I happened to notice as we took our seats—by the way, seat reservation does not work on ScotRail for some reason—I noticed that the toilet was marked as out of order. I thought quickly, and I shall explain why in a moment, and went down the train to see whether the other one was working. I discovered that it was also out of order. There were only two toilets on the train, although it was embarking on a long journey.

I kind of threw my weight about, for which I apologise to hon. Members: I got hold of the guard and said, "Really, you cannot leave and go all the way from Inverness to Edinburgh with no toilets working." The staff were helpful and it is not them I blame, not one little bit. They got the toilet working. We hear about

[*Jamie Stone*]

trolleys being cancelled, toilets not working and trains being cancelled. It is a shambles, and that is the cautionary tale for the UK Government. I hope to goodness that our letters to Nicola Sturgeon and Michael Matheson will have some effect. The best thing would be for the contract to be changed—got rid of.

My second point is about the Stagecoach X99 bus service and a letter that appeared in last week's *John O'Groat Journal*:

"I am temporarily disabled following a fall. Last week I took the...bus from Edinburgh with comfortable seats, hot drinks and snacks. There was a 'new bus' from Inverness to Wick. It is the worst-designed vehicle ever. The entrance step did not lower. There were no grab-bars at the door to pull myself up, then a steep and narrow stair, impossible for me. Access to the driver was impeded and awkward. Other folk told me the upstairs seats are most uncomfortable.

For disabled people there were three cramped, narrow seats behind the driver. Access to the toilet was up the impossible stairs, then down again to the loo—and back again. It was too much for the third disabled passenger who soaked the velvet seat.

Stagecoach has a full fleet of these for the X99 service. All of our representatives... I dare you to take a trip on one. Then have them taken off the road.

Nancy Nicolson, Loch Street, Wick".

There is a letter in this week's issue, which I shall not read out in full, but it begins:

"I am in total agreement with Nancy Nicolson who wrote...that these so-called double-decker coaches are not designed for use on public service".

For Stagecoach, a company owned by Sir Brian Souter, to get a fundamental design so badly wrong, particularly for disabled people, appals me. I mentioned the train because my wife is disabled, and when I am not with her in the north of Scotland she has to take the bus, unless she can get a friend to drive her, to go to hospital appointments in Inverness, for example. When I think of her having to scale the stairs to get to the toilet—it is all very well, travelling on a long-distance coach in Europe, but in the highlands, when the bus goes around the twists and bends and up and down hills, it is not funny trying to negotiate that. I thank you for being patient with me, Ms Ryan, but I speak with some passion on the matter.

3.27 pm

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): It is a pleasure to serve under your chairmanship, Ms Ryan, and I congratulate my hon. Friend the Member for Barnsley Central (Dan Jarvis) on securing the debate.

Given that the debate is about investment in regional transport infrastructure, I note that large aspects of transport policy are now within the remit of the Scottish Government. However, the funding issues that are causing serious under-investment in transport infrastructure in other areas of the UK are just as present in Scotland. The Treasury's country and regional analysis document highlights the fact that London had the largest amount of capital expenditure spent on transport in the UK—£6.5 billion in 2017-18. In contrast, Scotland spent £2 billion in 2017-18, placing it behind London, the north-west and the south-east. It is worth reflecting on the fact that the difference in spending between Scotland and London was a staggering £4.5 billion.

I accept that Scotland is not alone in lagging behind in investment in transport infrastructure, which is a problem that other regions and nations of the UK face. Just look at the level of integration and improvement in London's transport system compared with the often disjointed and under-invested transport systems in other areas of the country. That is what a lack of investment means in reality: transport systems in some parts of the country that cannot modernise their infrastructure, integrate their services or meet the needs of communities.

I look at the state of infrastructure in my constituency. We have ongoing problems with the Shawhead flyover, and a lack of proper road markings and filter lights is causing real safety concerns. There is a continued lack of reliable services for passengers on the Stepps to Gartcosh railway line. Other areas in my constituency, such as Chryston and Moodiesburn, are suffering from a reduction in bus services as a result of under-investment, and some areas such as Cardowan have virtually no bus services at all.

In Thorniewood, the ward where I am a councillor, the local bus service linking Viewpark, Tannochside and Birkenshaw with Uddingston town had been running since the days of tram cars, but now it has no service. That has cut off many schools, local factories such as Tunnock's and the local doctors, leaving many people having to walk miles or take taxis, which are unaffordable. I am holding a public meeting on this issue. It does not just affect Scotland; it is present across the country, and we need further investment.

Several hon. Members rose—

Joan Ryan (in the Chair): Order. I will call the Front-Bench spokesperson for the SNP at 3.35 pm.

3.30 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I will be brief, Ms Ryan. For transport, we in the far south-west need four things, plus one wraparound thing, which is to find our voice. I am disappointed that more of the south-west blue team are not here to add their voices to my four asks, because these are cross-party issues and I implore the Minister to take them seriously.

The first ask is to ensure that our railway is fast and resilient. The £80 million for Dawlish is a good start, but it requires £300 million and we need the remaining money. Secondly, we must ensure that we capitalise on growth in cruise travel by having a new cruise terminal at Mill Bay that will bring tourists into Plymouth and create more jobs and investment, especially in the lead-up to Mayflower 2020 and the 400th anniversary of the sailing of the Mayflower from Plymouth.

The third point is the extension of the M5 from Exeter to Plymouth, which will provide a safer road with more capacity. The final point is the reopening of Plymouth airport. It closed in 2010, and we are one of a few cities in the country where aviation capacity has been lost. Huge potential can be realised by reopening Plymouth airport, and I hope that after the planning inspectors have made their decision, the Minister will meet me and representatives from Plymouth City Council to see what we can do together, collectively and on a cross-party basis to restore aviation links to Plymouth so that we get our airport back and address the structural underfunding that we in the far south-west have had for far too long.

3.32 pm

Darren Jones (Bristol North West) (Lab): The west of England is an area of huge success, with more than 1 million people, 42,000 businesses and a £31 billion economy. We are building 100,000 new homes and expecting 80,000 new jobs, along with new retail and an arena in my constituency. That will involve increased travel demand—we are expecting a 25% increase by 2036, yet two in three journeys are still made by car. We have air quality issues, with 300 premature deaths a year, and congestion costs our economy £300 million a year, yet we have a £6 billion shortfall in investment, as estimated by the west of England joint transport study.

Given the short time that we have to speak today, I invite the Minister to meet me to listen to output from my constituents regarding our north Bristol transport plan, and to deal with the intracity and intercity travel that we are expecting. The success of Bristol means that we are becoming more like London, and we therefore need investment to ensure that our city is not gridlocked. We must target deaths from air pollution, and ensure that people are happy and able to get around and enjoy the city that they love and in which they live.

Joan Ryan (in the Chair): Paul Sweeney, may I offer you one and a half minutes?

3.33 pm

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Thank you, Ms Ryan. To compress the municipal transport system of the entire city of Glasgow into that time will be quite a challenge.

As a cautionary tale for some of those embarking on new devolution projects and city region planning, let me say that it is important to get the balance right because it involves devolving not just financial decision making, but the proper integrated planning of transport policy. Consider the history of municipal transport development in Glasgow. We started 40 years ago with the best urban integrated transport system in the UK, but we now have one of the worst and most fragmented. Why did that happen? Municipal transport structures and planning in Glasgow have been fragmented, partly because of privatisation—including of the municipal bus system and the railways—but also because strategic and regional planning powers were inadvertently taken away by devolution, and such issues became merged with the Scottish Parliament and Scottish Government. Indicative regional planning of the transport system has failed miserably over the past 30 years or so, and we need a much more robust and integrated way of doing things.

When considering how to create a devolved regional structure, we need the opportunity to rebalance productivity and investment in our city regions. Those are the things that will change our economic promise across the country, driven by our major city regions. Those are the issues we must address, and perhaps Glasgow can stand as an example. We must redouble our efforts to improve the city's regional planning and transport infrastructure. There has been no major railway expansion in the urban metro railway system over the past 20 years, and there are still no efforts to address that major issue. Bus regulation has not been achieved, and there is a major issue of car dependency, particularly in some of the

poorest communities in the UK and Glasgow, where people do not have the average access to car ownership. That is creating a severe problem of social dislocation.

If we invest properly in our city regions, with the proper integrated planning powers associated with that, we will be in a much better position than we are currently. We must reverse the clock and relearn some of the old lessons.

3.35 pm

David Linden (Glasgow East) (SNP): It is an immense pleasure to serve under your chairmanship, Ms Ryan, and I warmly congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing the debate. As we can tell by the time limit on speeches, there is clearly an appetite for further debate on this issue, and I hope that the hon. Gentleman and other Members will pursue it via the auspices of the Backbench Business Committee. We have heard a number of excellent speeches, but because of the time, and since I have already relinquished some of my speech, I will not sum them up.

Given that at least three Scottish Members have contributed today, it would be remiss of me not to refer to the investment that the Scottish Government have been making, as they have steadfastly invested in transport infrastructure in Scotland. Indeed, as the hon. Member for Coatbridge, Chryston and Bellshill (Hugh Gaffney) will know, since 2007 the SNP has invested £20 billion in transport infrastructure and services, including the largest road investment programme Scotland has ever seen. I am more than happy to have a conversation about where that additional money for transport will come from, and it is regrettable that the Scottish Labour party did not engage in the budget process that we in Scotland have just been through. Perhaps it will next year.

Let me focus on some of the projects that we have invested in. There is the Queensferry crossing over the Forth estuary and the dualling of the A9 all the way from Perth to Inverness—I am sorry that the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) is not in his place to hear that. We are about to dual the A96 from Inverness to Aberdeen, completing the Aberdeen western peripheral route. There is the Borders Railway—Scottish Conservative Members are normally desperate to talk about the SNP Government, but I note that the hon. Member for Berwickshire, Roxburgh and Selkirk (John Lamont) is not here to talk about that wonderful investment by the SNP Government. There is the electrification of the rail link along the central belt, and an extension to the national concessionary travel scheme. I was speaking to my hon. Friend the Member for Edinburgh East (Tommy Sheppard). He turns 60 tomorrow and is very excited to receive his new bus pass, which he will be using. We wish him well with that.

I wish also to reflect on investment in my constituency over the years. The M74 motorway extension was spoken about for many years in Scotland, and it was delivered eight months ahead of schedule and millions of pounds under budget. The extension of the Airdrie to Bathgate railway will benefit my constituents who use Carntyne, Shettleston, Garrowhill or Easterhouse stations, because they can now go directly to Edinburgh, which is great news. There was the upgrading of the A8 to a motorway.

[David Linden]

For those of us who travel to Airdrie—great Airdrie fans that we are—our journey time to go and see the Diamonds is even faster.

In Glasgow, I would like the east end regeneration route to be completed, including from Parkhead Forge to the M8 motorway. I am disappointed that the previous council took that off the city deal plans, but perhaps it will return. On the subject of stalled spaces, alongside my colleague, John Mason, I would like a train station in Parkhead. It has a vibrant retail environment, whether that is the Forge shopping centre, the Forge retail park, the Forge market, or Scotland's largest football stadium, Celtic Park, with its capacity of 64,000 people. Parkhead needs a train station, and my message to Network Rail is that it should consider the successes of Bridgeton and Dalmarnock. My hon. Friend the Member for Glasgow Central (Alison Thewliss) has arrived, and she will have seen the benefits of the high footfall there.

Alison Thewliss (Glasgow Central) (SNP): The investment in Dalmarnock railway station has been marked. It went from being the lowest used station on the Strathclyde Partnership for Transport network, to a brand new, state-of-the-art station built for the Commonwealth games. Does my hon. Friend agree that there are still challenges for stations such as Bridgeton, which need lift access so that people can get in and out more easily?

Joan Ryan (in the Chair): Order. This has been a very busy debate with huge pressure on time. I do not think it is acceptable to come in so close to the end of the debate and be given an intervention. It is not fair on other Members.

David Linden: Thank you, Ms Ryan. It is always a pleasure to have an intervention from my hon. Friend the Member for Glasgow Central (Alison Thewliss), who is an assiduous campaigner for her constituents. She is absolutely right to place on the record the need to ensure that our train stations are accessible for those constituents who have a disability. I hope that the funding that has been made available from the UK Government can be extended. There are far too many train stations, not only in Glasgow but across the country, where it is frankly abysmal for people.

On the issue of passenger figures, I am grateful to Clyde Gateway for furnishing me with information. Because of investment in Dalmarnock and Bridgeton in my hon. Friend's constituency, passenger numbers have risen by 157%, which is obviously a good thing for the local economy. We have seen a lot of investment in the Clyde Gateway area, which I want to see continue, but I would also like to see a bit of investment around the Parkhead area, which would bring huge benefits to my constituents. I unashamedly make that case to Network Rail.

3.40 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under you in the Chair, Ms Ryan.

We have had fantastic contributions from the north, south, east and west of the country, with hon. Members making representations and airing grievances. I am sure that the Minister will respond to all of those. I want to start by thanking my hon. Friend the Member for

Barnsley Central (Dan Jarvis), who has brought forward a really exciting, multi-modal approach to transport in south Yorkshire. He proposes a transport system connecting people and places, taking the Sheffield city region through to 2040 with his ambition for transport there, and ensuring that transport is the servant and not the master of the local economy.

We know that we need to develop housing and industry around our transport system, so that transport can be sown into a modern, sustainable and accessible process, in order to move people around. This is about productivity and social inclusion. We have heard what a stimulus that can be for our modern economy.

We have seen the power of devolution in places such as Manchester and London. We want to see that across the whole of Yorkshire. However, devolution has to mean a real emphasis on moving resources, power and decision making, and not just lip service, so that regions can determine their own destiny.

The transport brief is about clear, strategic objectives. However, there are some really important things missing and areas where greater focus is needed from the Government. I want to highlight the decarbonisation of our transport system. We have a carbon crisis at the moment. Transport comprises between 29% and 32% of all carbon emissions in the UK, and we have to reduce our carbon emissions by 15% year on year.

The catastrophic road building project and the cancellation of rail electrification show that the Government are moving in the wrong direction. They are adding to the carbon footprint, rather than reducing it. In my city, 50,000 people each year lose their lives due to poor air quality. That is a national crisis and it must be addressed as such.

Chris Green: Will the hon. Lady give way?

Rachael Maskell: I am sorry, I do not have time.

I want to see a focus on decarbonisation and decongestion as a priority for my city of York. Over the next 12 months, Labour's citizens and transport commission will achieve that.

We have heard about inequality of spending across the country. The north-east has the worst levels of investment. That must change. It was also interesting to hear about the need for greater investment on the Isle of Wight, which shows that our infrastructure needs to be brought up to the modern era.

When we are making these investments, we have to plan for our railway system over a 30 to 40 year period—the length of time our infrastructure is sustained. Therefore, we need to ensure not only that the infrastructure is right, but that we have the skills to serve the infrastructure. While the Government have issued great plans around energy, construction and the transport system for future engineering projects, I say to the Minister—I am sure he has had similar conversations himself—that we are facing a skills cliff edge at the moment, given our ageing demographic and Brexit. The industry is doubtful that the infrastructure projects mentioned will be delivered. At the same time, there is a draw-down into the south-east, which means that we may not see the development across the country that we want.

We are seriously concerned about the emphasis on road building as opposed to moving forward into modern transport systems, bringing about modal shift, and

ensuring that people are moving from their cars to public transport and to active travel for local journeys, which constitute 80% of journeys. We need to focus on a modern system, such as exists in Strasbourg, Copenhagen and much of the Netherlands. That is the kind of ambition that Labour has, and why we believe that we will deliver strongly in the transport brief.

We also recognise that there have been some good initiatives. The tram-train project in Sheffield has taken forward a mechanism of good, clean energy for the future. Importantly, it serves not only the city, but the more rural areas. As has been mentioned, this is about drawing in people from the towns and wider conurbations, so that people can get to work and travel for leisure. That is so important.

Opposition Members spoke about bus services. The Government's profit-driven bus plan—I use the word “plan” lightly—does not deliver for the public. We believe that buses should be brought under public control. When we look at places such as Reading, where we see an increase in patronage and a service that meets the needs of residents, day and night, we can see what is possible when bus services are integrated into economic development. There are powerful testimonies to that from elsewhere. Coaches never get a mention, but I want to mention them, because they can also form part of a modal shift and bring rapid change. I believe that we must explore all options.

The trans-Pennine route was mentioned yet again. I say to the Minister that it is really important at this stage to scope out the work for the full electrification project, and to ensure that the scope includes opportunity for future freight. Labour will electrify that line and ensure that freight is deliverable on it. Speaking of freight—which, again, has not been mentioned yet—it is important that we build a freight system for the future, putting as much freight as we can on to rail and ensuring that all long-distance journeys are accessible, reliable and timely for freight. Therefore, we need to see a real move in that direction, as well as investment in urban consolidation centres, which will enable us to stop heavy goods vehicles travelling into town centres.

Finally, I want to touch on inter-modal connectivity. Joining everything up is really important. We have been quite startled by the fact that HS2 is being placed at Curzon Street, as opposed to New Street, meaning that people will have to trundle through the middle of Birmingham. I am sure that might be an advantage to Birmingham, but it does not really address the connectivity that is needed. We need to ensure that there is good connectivity across all transport modes. We expect the Government to look again at the way that they have put transport into siloes. Labour believes that inter-modal connectivity and moving people more on to public transport is the way forward, and that is what we will deliver in government.

3.48 pm

The Minister of State, Department for Transport (Jesse Norman): It is an absolute pleasure to see you in the Chair, Ms Ryan. I am not a huge reader of Tom Clancy, but I think that Jack Ryan could take your correspondence course when it comes to bravery in public office, so thank you very much indeed. I congratulate my friend the hon. Member for Barnsley Central (Dan Jarvis) on

securing the debate, and all hon. Members who participated in the wide-ranging conversation.

I know that the hon. Member for Barnsley Central, with his mayoral hat on, will hope, as do the Department and I, that he will be able to complete the devolution deal that he has in mind for the Sheffield city region, releasing powers and funding. Although I know that is not always the position held on the Government Benches, we have been working closely with him on that. As he said, transport is essential for prosperity, growth and wellbeing across the whole country. We recognise that good transport infrastructure is absolutely essential to productivity. That point was well made by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), who highlighted the productivity gap in this country. That means delivering new infrastructure, from strategic and regional priorities all the way down to the local level. I will touch on all of those levels, while addressing as many of the points that have been raised by hon. Members as I can.

As hon. Members will know, in 2017 the Government published a very ambitious transport investment strategy, setting out our ambition to build a stronger and more balanced economy within the industrial strategy more widely, and responding to local growth priorities. That has conditioned the investments we have made ever since.

On the road side—hon. Members know that I am the roads Minister—we have invested heavily in existing transport infrastructure and new schemes, with some £15 billion being spent through road investment strategy 1 between 2015 and 2020. In the 2018 Budget the Government published objectives for road investment strategy 2, which will run from 2020 to 2025 and include £25.3 billion to be made available to further develop and improve the strategic road network. We are developing an affordable and deliverable investment plan for RIS2, which will be published later this year.

I could not help noticing that the hon. Member for York Central (Rachael Maskell) was extremely rude about road building and called it catastrophic. Does that constitute a change of policy on the part of the whole Labour party? I encourage her not to think of it in that way, because road investment strategy 2 not only includes hundreds of millions of pounds for cycling and walking schemes and an enormous investment in skills, which she cares very much about, but paves the ways for autonomous and electric vehicles, which will be the vehicle—if I may use the pun—for the decarbonisation and greening of our economy in the longer term.

Kevin Hollinrake: Will the Minister give way?

Jesse Norman: I do not have time; I apologise.

In the 2018 Budget we also provided a top-up of £420 million for local roads, particularly to repair potholes. A share of £3.5 billion of the national roads fund over five years from 2020-21 will fund improvements in the middle tier of the country's busiest and most economically important local authority A roads, such as the A66, which connects Cumbria to the north-east. I have made no secret of the fact that, in the spending review, I am pressing for a local roads settlement that follows a similar five-year pattern so that local authorities have

[*Jesse Norman*]

more visibility and more capacity to make strategic decisions at a level that is, hopefully, at least as good as the present one.

Of course, we are not just investing in the strategic road network; we are continually investing in upgrades and improvements to rail, including £1 billion that has been invested so far in the great north rail project and £3 billion that will be spent over the next few years to improve rail journeys between Manchester, Huddersfield, Leeds and York. Every train on the Northern and TransPennine networks will be new or modernised by 2020.

On Northern Powerhouse Rail, the strategic outline business case has been received and is under review. We expect to develop a response to it in close co-operation with partners across the north. It has been suggested that scrapping HS2 is the best way to secure Northern Powerhouse Rail, but that is naive, if I may say so. The Government's commitment remains unchanged. HS2 is one of the keys to developing Northern Powerhouse Rail, not least because Northern Powerhouse Rail trains will use HS2 infrastructure, including on the approach to Manchester and between Sheffield and Leeds. That may mean that HS2 infrastructure will have to be built first, as a priority, before NPR can be implemented on those stretches.

Rightly, active travel has been mentioned and has been a focus of the debate. The hon. Member for York Central spoke about mode shift, and I could not agree more—I spoke at the Modeshift awards earlier today. It involves investment in air quality, cycling and walking schemes, our new road to zero strategy and the future of mobility. We are heavily involved in all those things.

We have published a cycling and walking investment strategy, which sets out ambitions for 2040. So far we have made £1 billion available to local bodies over the next five years to invest in local cycling and walking schemes. We have supported 46 local authorities on specific schemes that they have in mind. I share the view of the hon. Member for Barnsley Central and am delighted that he is appointing an active travel commissioner. I take my hat off to Chris Boardman and to the other highly engaged local teams at mayoral authorities that are making transformative differences.

There is a question about the city versus town balance. Recent Government initiatives, such as the future high streets fund and the stronger towns fund, which was just announced, have tried to recognise that. That city focus has been well picked up by mayoral authorities, however, and in Manchester we have invested £250 million through the transforming cities fund, of which £160 million is going on cycling and walking schemes through the transformative Beelines project.

Hon. Members on both sides of the Chamber have expressed concerns about regional investment. There cannot be much doubt that successive Governments have under-invested in the north, which we recognise. However, we are investing in the north not just because of that, but because it is the right thing to do and it is essential to our future productivity as a nation.

The hon. Member for Easington (Grahame Morris) rightly mentioned perceptions of unfairness. He is probably more sophisticated than I am in looking at the specific regional differences, but he ought to know that new figures from the Infrastructure and Projects Authority show

that central Government's planned transport capital investment spend will be higher in the north-west, north-east, and Yorkshire and Humber than for London, the south-east and the south-west as a whole. That conceals regional variations, as he will be aware, but it is a highly encouraging sign overall.

I will crack on in the few minutes I have left, because I want to leave some time for the hon. Member for Barnsley Central to reply. At a regional level, we have supported sub-national transport bodies, which are important from our point of view, particularly in the production of a regional evidence base for our major road network. Hon. Members will know about the transformative move that took place on 1 April 2018, when Transport for the North became a statutory body. It is not just about the north; the Government have been clear that investment in the south-west is also important to that region's economy, as the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) touched on. That is why we have just published "Investing in the South West", building on ambitious plans to grow the region's economy.

The hon. Member for Barnsley Central rightly said that there has been a lot of focus on cities. I have mentioned three obvious ways in which we have tried to address that head-on: first, through devolution deals and wider city regions; secondly, through the £2.5 billion transforming cities fund; and thirdly, through the new stronger towns fund and the future high streets fund, which comprise nearly £1.3 billion.

The future of mobility is of great importance. We are thinking hard about how to improve mobility, which does not just mean the autonomous and electric vehicles that will require higher quality road surfaces and that underpin the need for continued road investment. It also involves the £150 million that we have invested in Transport for the North for smart and integrated ticketing and the investment we have made in future mobility zones across the west midlands.

In the minute remaining, I will quickly pick up on some of the points raised by hon. Members. The hon. Member for Slough (Mr Dhesi), who is no longer here, which is a pity, asked whether we were dragging our feet on western rail links to Heathrow. The answer is absolutely not. The consultation concluded in June 2018 and Network Rail intends to submit proposals for planning powers later this year.

My hon. Friend the Member for Isle of Wight (Mr Seely) asked a whole host of questions—I wish I could respond to all of them. I have looked closely at the Green Book and think there is still work to be done on it. Frankly, in many ways the Treasury takes a Department for Transport lead on it, precisely to get away from an overly financialised or economic view. We have a five-case model, which includes environmental impacts and others. If hon. Members would like to come and discuss with officials how that works in specific cases, I would be happy to curate a roundtable or something of that kind.

A question was asked about the fragmentation of transport, which is always a concern and something that the Williams reviews is looking at. The hon. Member for Strangford (Jim Shannon), who is no longer here, made a point about connectivity. I could not agree with him more. The hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) expressed her gratitude.

I remind her of the definition of gratitude in “Yes Minister”, which is, “a lively expectation of favours to come”.

3.58 pm

Dan Jarvis: It has been a wide-ranging debate and I am grateful to all hon. Members who have contributed. There has been general agreement on the importance of active travel. Perhaps the Minister might consider appointing a country-wide active travel commissioner.

Jesse Norman: Already in progress.

Dan Jarvis: I am delighted to hear that, because it will provide an important opportunity to join up the good work that is taking place across the country.

The point about the Green Book criteria might sound niche, but it is vital. I am pleased that the Minister has made a commitment to meet hon. Members to discuss the detail of those criteria. I look forward to that opportunity.

The point I want to end on is that the architecture and governance around the decisions that underpin transport infrastructure is a crowded field; lots of different organisations and stakeholders are involved, from national Government and the Department to Network Rail, combined mayoral authorities and local authorities. In the north, however, the landscape has changed recently with Transport for the North, which is doing an important job well and is well led. It has successfully established a consensus among leaders. Northern Powerhouse Rail’s strategic outline business case and the strategic transport plan show us that we can do it. We just need the Government to allocate the resources to underpin the plans that have been agreed in the north.

Motion lapsed (Standing Order No. 10(6)).

Solar Industry

[MR PHILIP HOLLOBONE *in the Chair*]

4 pm

Antoinette Sandbach (Eddisbury) (Con): I beg to move,

That this House has considered the effect on the solar industry of the replacement of the feed-in tariff.

It is a pleasure to serve under your chairmanship, Mr Hollobone. I am pleased to have secured this important debate. The Minister knows that I have been focused on this issue for a number of months now. The solar industry is reeling from the announcement that the feed-in tariff scheme is to close. The scheme was a huge success, with solar panels installed on nearly 1 million homes since it was launched in 2010. However, the loss of such a successful programme has led to a substantial loss of confidence in the sector. Between 30% and 40% of firms are contemplating closure, and international figures are considering pulling out of the UK market.

The news about the scheme came on top of a business rates rise and caused a huge degree of apprehension in the sector. If that apprehension turns into something more substantial, the loss of firms on the scale suggested would be hugely damaging to the sector, the wider economy and our efforts to tackle climate change.

Darren Jones (Bristol North West) (Lab): I thank the hon. Lady for securing this important debate. Does she recognise that this sector is not just about profit-making firms; it is also about charitable and community organisations? In my constituency, for example, they make money from solar farms to help fund youth centre services and other community outreach activities. This is also an issue for their funding sustainability.

Antoinette Sandbach: I absolutely agree, and I hope the Minister will say something about community schemes in her response, because there are many different ways of installing and making the best of solar power, as the hon. Gentleman has just indicated, and its flexibility has been one of the reasons why it has been taken up so quickly.

I was talking about the damage to the solar industry. One firm in my constituency, near the village of Malpas, closed once the restrictions on the existing feed-in tariff schemes were imposed. I hope that was a one-off and not a sign of things to come.

Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): The hon. Lady is making a powerful speech about the benefits of the feed-in tariff scheme and why it ought to be maintained. However, does she recognise that there are flaws in the way it has been applied, particularly in relation to the green deal scheme, such that many people were mis-sold feed-in tariffs and have been severely financially affected by the issue, including many of my constituents and others across the UK? The Department for Business, Energy and Industrial Strategy still has to address that through the Green Deal Finance Company.

Antoinette Sandbach: I am aware of the issue. I think those people were misled at the point of signing, and then were trapped in contracts that they found very difficult to execute. I know there have been some very detailed radio programmes that have covered the position of the hon. Gentleman’s constituents and others.

[Antoinette Sandbach]

In my area, however, solar has been a success and people are keen to get involved in solar projects. In fact, that is true not only of solar. In Church Minshull in my constituency we have a wonderful Archimedes screw. That is not a cocktail or anything salacious, but a hydropower project that produces enough electricity to power the equivalent of 77 homes. Nevertheless, despite the success of such projects locally, the prospects for solar power nationally are rather bleak. The UK was recently rated 20th out of 20 for global solar photovoltaics prospects between 2018 and 2022 by SolarPower Europe's global market outlook.

John Howell (Henley) (Con): When the scheme was closed down, there was a lot of talk about alternative technology. My hon. Friend just mentioned the Archimedes screw, and there are other alternative technologies such as batteries. Have they come to fruition at all?

Antoinette Sandbach: There are huge changes coming forward in battery technology. Of course, battery technology will be the key not only to solar energy, but to small-scale wind projects, particularly in relation to how we harness and store such power. There are a number of new and exciting technologies in renewable power. As someone who is keen to see as much of our power as possible coming from renewable sources, I know that the Government are committed to looking at how we can encourage those kinds of projects to go forward, and in the battery sector there is the Government's Faraday battery challenge.

Given the prospects outlined by SolarPower Europe's global market outlook, it is clear that the sector needs some positive news, and I hope that the Minister can deliver that today. However, businesses need reassurance more than anything. The Government have been consulting on the replacement to the feed-in tariff regime: the smart export guarantee. The consultation on that measure closed just over four hours ago. However, the export tariff, which is a key part of the FIT, ends on 31 March, which leaves just 18 days to resolve the questions surrounding a replacement before we risk falling into the void that will be created between the old policy closing and the new one beginning.

I welcomed the Minister's reassurance last November that

"solar power should not be provided to the grid for free".—[*Official Report*, 20 November 2018; Vol. 649, c. 701.]

However, there is a risk that that is exactly what will happen if there is a gap between the two schemes, so I would like her to give some reassurance that the replacement scheme will be fully operational in time. This should be a baseline to build upon, not a standard to live up to. What the sector really needs is a minimum floor price.

Catherine West (Hornsey and Wood Green) (Lab): I thank the hon. Lady for her excellent speech. Does she agree that some schools and voluntary sector organisations are really getting involved in this kind of green initiative, and that small businesses in particular could be affected adversely if the scheme should fail and the recommendations are not taken up fully by the Government?

Antoinette Sandbach: The Minister will have heard the hon. Lady's comments, and I hope that she takes account of them, because a minimum floor price would

put the sector on the same footing as the offshore wind industry, which benefits from the certainty that contracts for difference provide, and fossil fuel investors, who benefit from the capacity market.

Kevin Hollinrake (Thirsk and Malton) (Con): I congratulate my hon. Friend on securing this important debate. I note that the Renewable Energy Association has lobbied for a market-based solution, which this clearly is. However, I share some of her concerns that, without certainty on pricing, some people will be deterred from investing here in the first place, unless we can get the matter right.

Antoinette Sandbach: I agree with that assessment, which is why I argue that a minimum floor is needed. I am afraid that failure to extend that kind of certainty to small-scale prosumers will give the impression that the Government are more comfortable with big business than with small producer-consumers.

A fair minimum export price will ensure that consumers are not ripped off while the industry and the new regulation sort themselves out. It will also encourage suppliers to get their systems in place in readiness for market-wide, half-hourly settlement, which will help accelerate the smart energy transition. If a minimum floor price was to be informed by the system imbalance price, it would ensure that all other generators and prosumers could be treated equally, as required by article 21 of the renewable energy directive, without inhibiting innovative smart offerings.

Additionally, the commitment to a zero floor price, while welcome, is insufficient. No country in Europe asks prosumers to pay to put electricity into the grid. Likewise, in 2018 just 0.4% of daylight hours were a negative pricing period. Therefore, given the rarity of such an occasion, this is not what prosumers need. What is needed is the minimum floor price, which would have a transformative impact on the prospects for the sector, not simply a zero floor price.

Alex Sobel (Leeds North West) (Lab/Co-op): I thank the hon. Lady for securing the debate and for her eloquence in introducing it. I completely agree about the need for a minimum floor price. Before I entered this place, I was the lead on this issue at Leeds City Council, and we put 2,003 solar roofs on council properties. Without being a prosumer, we could not have a FIT reduction, which would allow us to fit more roofs. This is therefore not only about individual consumers; it is about social housing and housing associations, which cannot afford not to have a repayment scheme. The minimum floor price would enable such schemes to be brought forward.

Antoinette Sandbach: I completely agree. I know that councils and housing associations have certainly taken advantage of the ability to install solar power, which is a great development.

The decision needs to be made quickly, to meet the tight deadlines, but it would be a shot in the arm for a sector that has faced a series of difficulties. It would also help to deliver our climate change targets. Yesterday's Carbon Brief analysis shows that the UK's CO₂ emissions fell in 2018 for the sixth consecutive year—something

we should celebrate—and if we are to continue that record-breaking trend, we must double down on investment in renewables.

Matt Rodda (Reading East) (Lab): I would like to show my support for the hon. Lady's initiative on this important matter, and to reinforce her point. Surely the issue is not that our carbon emissions are dropping, but how quickly they are dropping, and the need to accelerate that rapidly. I wholeheartedly support her very worthwhile potential initiative to help accelerate the speed of reduction. I have some experience in our local authority of the benefits, which she mentioned, of local authorities and charities working together to help install solar panels.

Antoinette Sandbach: I am grateful to the hon. Gentleman for that intervention.

Beyond the need to make the decision, there is a concern that the roll-out of the smart meter programme could have an impact on the deliverability of necessary infrastructure to facilitate the smart export guarantee. SMETS 1 meters, which are in 17 million homes, cannot yet relay export data to the Data Communications Company. What happens to those homes if they install solar? Not a single supplier has trialled export metering through the DCC. Does the Minister know how long the trials take? Will individual homeowners be the testing ground? What reassurance can she give?

The value of the renewables sector, and of solar specifically, is huge to the future of both our economy and our planet. All the sector asks for is to be treated fairly and to be given the reassurance that exists in other parts of the energy market.

Douglas Ross (Moray) (Con): My hon. Friend makes a compelling argument on a subject that is important to many constituencies, including mine, where we have an extremely successful company, AES Solar. Does she agree that certainty is absolutely needed, because the deployment of solar photovoltaics fell by 94% in 2018 compared with 2015, which is a worrying statistic?

Antoinette Sandbach I agree that is worrying. I would argue that small-scale renewables encourage our constituents to get involved in a whole green agenda and to look at their homes and their energy use in a completely different way. If we combined that with energy efficiency measures, we would start to get some dramatic change in the sector. There is a big opportunity for the Minister regarding energy efficiency, as well as in combination with renewables.

Matt Western (Warwick and Leamington) (Lab): Will the hon. Lady give way?

Antoinette Sandbach: This will have to be the last intervention.

Matt Western: The hon. Lady is being very generous, and I commend her for bringing the matter before us. From 2012 to 2018 we saw an 80% reduction in installations. We were democratising energy; a powerful thing was going on in this country. It is so important that the sector has some certainty—such as a 10-year plan—to ensure that we deliver.

Antoinette Sandbach: The hon. Gentleman will have heard in my speech that I have been arguing for that certainty. The consultation closed four hours ago, so the Minister will not yet have had time to consider the responses, but I think that, from the debate, she will

appreciate the urgency of doing so. I hope that she can offer answers to my questions and reassurance to those who have backed renewables. We are rightly proud of our position as a world leader in renewables technology and climate change, and I hope that the Government will take concrete steps to keep us in that positive position.

4.14 pm

The Minister for Energy and Clean Growth (Claire Perry): It is a pleasure to serve under your chairmanship, Mr Hollobone. I know that you take a strong interest in these matters on behalf of your constituents in Kettering. I warmly congratulate my hon. Friend the Member for Eddisbury (Antoinette Sandbach) on securing the debate and putting forward, as always, an excellent, well-informed set of points, which have been responded to and added to by the knowledgeable group we have here today.

I will not do the usual context setting, which is that we are doing well on the whole agenda. Renewable energy is now up to more than 32%, and emissions continue to fall rapidly. In fact, the last time our CO₂ emissions were this low was in 1888, when Queen Victoria was on the throne. That is absolutely worth celebrating.

Catherine West: Will the Minister give way?

Claire Perry: I want to respond to the points made by my hon. Friend the Member for Eddisbury, but of course I will accept the intervention.

Catherine West: I thank the Minister for being so generous with her time. Will she also congratulate the Greater London Authority and the Mayor of London on the London community energy fund, which helps to promote this sort of initiative?

Claire Perry: I will touch on that good point about community. Many good schemes operate across various local authorities.

The feed-in tariff scheme has been an effective part of our great decarbonisation journey. Since 2010, the scheme has supported more than 830,000 installations, 99% of which are solar and are currently generating about 3% of total electricity consumption. Also, a few things have changed since that time, as the hon. Member for Hornsey and Wood Green (Catherine West) will know. We have seen a dramatic fall in the cost of solar installation—up to 80% in some cases—which is to be welcomed, as it makes that more accessible to many people. We have also seen a dramatic fall in the cost of other renewable energies.

I like the phrase the hon. Member for Warwick and Leamington (Matt Western) used: the democratisation of energy. We are all participating, and one of the great benefits is that the hugely important technology that is offshore wind now costs the same, effectively, as building a new gas-fired power plant. That is a benefit to us all and to all our bills.

The feed-in tariff scheme has cost us almost £6 billion to date, and over its lifetime it will continue to cost us all about £30 billion, on many of our bills. It was absolutely right, therefore, that the decision was taken—before my time—to close the scheme. As we move to a lower-cost solar environment, and to a world in which we are

[*Claire Perry*]

rapidly seeing price parity between renewables and non-renewables technology, it is important to think about the impact on bills.

Matt Western: With all the new build housing that is going up, does the Minister think the Government could be a lot more ambitious? There are hundreds of thousands of houses, which is terrific, but we are so unambitious in enabling people to have that democratisation of energy from within their own properties.

Claire Perry: The hon. Gentleman will be aware that we have some of the tightest energy efficiency standards for new homes, but I totally agree that we need to go further, and my right hon. and hon. Friends in the Ministry of Housing, Communities and Local Government are looking at that right now. Under this Government, we will build millions of homes; that is absolutely part of our ambition, and it is right that we make them as energy efficient as possible and that they contribute as much as possible to this revolution.

I want to focus on a couple of the challenges that my hon. Friend the Member for Eddisbury emphasised, one of which is the concern about jobs. We have seen a healthy supply chain build up and it is exciting that we are already seeing subsidy-free solar projects at scale being brought forward. One consultant's estimates tell us that 2.3 GW of solar projects already in the system in the UK with, or awaiting, planning permission could be delivered without subsidy. Lightsource, which has just been bought by BP, says that it is developing 300 MW of subsidy-free projects backed by power purchase agreements, some of which will be delivered during 2019. So we are starting to see solar being delivered at scale without subsidy—indeed, I opened the country's first subsidy-free solar farm in my first few weeks in the job. That is incredibly exciting, and I am very ambitious for the jobs that will be created over the next few years.

Dr Dan Poulter (Central Suffolk and North Ipswich) (Con): The Minister is making a very fair point: as the technology has moved forward, the cost of solar has dropped. That is certainly true for the businesses that are taking this agenda forward at scale, but for many individual householders, the cost of investing in panels is still prohibitive. Will she address the question of how the Government could support householders to invest in that technology?

Claire Perry: I am coming to that point. We have not said that the feed-in tariff is no more, and that there is essentially no value out there; there is huge value in having decentralised energy generation. My hon. Friend the Member for Eddisbury and others made some powerful points about the role of community energy, which I am passionate about. As she mentioned, it is often a way in which people drink the green Kool-Aid and realise that they can be part of this transformation; zero-carbon faith groups, for instance, are amazing movements. That is why we have continued to support communities.

I was pleased to extract from the Department for Environment, Food and Rural Affairs a commitment to the rural community energy fund, which will be reopening for bids later this year; it is an important part of delivering

community schemes in many of our constituencies. We have invested £8 million in local energy hubs, which are helping some of the local authority-led schemes that the hon. Member for Hornsey and Wood Green mentioned, both in London and across the country. We have a local energy contact group, and we are working closely with communities through investments in energy efficiency, local energy schemes, and combined heat and power plants through the £350 million heat network scheme. There is a lot of support for communities that want to move forward.

The smart export guarantee is not just to provide a route to market for those who have installed, or will be installing, decentralised installations; it is intended to do a couple of things. My hon. Friend the Member for Eddisbury is quite right to say that this energy should not be provided for free, or indeed at negative prices, as is sometimes the case in other countries. She will be pleased to know that the consultation has not yet closed, although it closes at a quarter to midnight tonight, so hon. Members can make their representations.

The plan is essentially for this scheme—which, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) pointed out, is a market-based approach—to help move us towards the smart energy system of the future that we all talk about, in which we have decentralised energy and people are able to do the energy balancing for their home or their community, plugging in their electric vehicles and doing peer-to-peer energy trading. The scheme is designed to support all those exciting things that are out there. I had a very effective meeting with suppliers of products and services who really support this, and who want to get to that decentralised energy future. They accept the points about tariffs needing to be fair and reasonable, and needing to provide an incentive, but they support creating those prosumers, as my hon. Friend the Member for Eddisbury has said. They support creating that aggregated demand side, meaning that all of us who install solar panels will have some power and some value in the system.

Bill Grant (Ayr, Carrick and Cumnock) (Con): Is the Minister minded to ensure a fair minimum market rate for small-scale generators of exported electricity, to give them some incentive and some degree of confidence?

Claire Perry: That is an important question that will come out in the consultation. Frankly, I would ensure that the market rate was always greater than zero, but that it varied at different times of day, because many of us may have excess energy that we wanted to sell into the grid at a particular time. I want to see what proposals come forward for setting that market rate. There are ideas out there, including that the rate should be wholesale price minus, or that it should be entirely market led.

I take the point made by my hon. Friend the Member for Eddisbury about speed being of the essence when coming forward with a response, but I really want to get this right. I do not want this to be a scheme that we are debating in three years' time because it has suddenly become unaffordable and has not delivered. My hon. Friend will be aware that installers are already scrutinising with care what we are saying and doing. We do not want to create a hiatus, but we want to produce a set of incentives that works for the future.

Catherine West *rose—*

Claire Perry: I will come to the hon. Lady's point in a second.

I talked about jobs and the opportunity for skilled workers to pursue careers in this sector. Not only is there ongoing growth in solar, but so many other opportunities are emerging: electric vehicles, charging infrastructure, smart appliances and battery technology are all working to decarbonise our buildings and our transport systems. The opportunity for green-collar jobs is enormous; we already have almost 400,000 people in the UK working directly in the low-carbon economy or in its supply chain, making it a bigger sector than aerospace. Those jobs exist in the here and now.

Catherine West *rose—*

Claire Perry: I am going to take an intervention from the hon. Member for Ceredigion (Ben Lake), who has not spoken yet.

Ben Lake (Ceredigion) (PC): Does the Minister also recognise the potential for the energy company obligation scheme to support innovation, particularly in renewable energy? Often, the challenges to securing a return on investment that developers face can be overcome through the certainty that some sort of support mechanism can offer.

Claire Perry: Indeed I do, and I am proud to have secured one of the largest increases in innovation research and development spending in the clean energy space. Of course, the ECO scheme, which we have recently pivoted to focus on fuel poverty in its entirety, includes an increase in the amount spent on innovation.

Catherine West: Will the Minister reassure us that when her officers are looking at the responses to the consultation, they will take into account the fact that for small schemes, such as the one that is putting solar panels on schools in my constituency, the overheads tend to be greater?

Claire Perry: That is a valuable point, and the hon. Lady is right to make it.

The consultation is closing in a few hours' time. I know that it has been welcomed, including by the industry, which sees it as a bridge to a renewable, subsidy-free future. The comments that have been made today will be valuable in ensuring the details of the scheme are acceptable.

Mr Philip Hollobone (in the Chair): The Minister may be under the misapprehension that she has to allow the mover of the motion time to sum up, but that does not apply in half-hour debates, so she has another four minutes if she wants to use them.

Claire Perry: Well, Mr Hollobone, you learn something every day in Parliament. It would perhaps be only courteous to allow my hon. Friend to sum up; is that permissible?

Mr Philip Hollobone (in the Chair): It is impermissible.

Claire Perry: I will just keep going, then! If anyone else would like to intervene, the Floor is theirs.

Antoinette Sandbach: One of my concerns is the gap that has been spoken about. I understand the Minister's desire to get things right, but will she consider extending the FIT scheme to cover that gap, bearing in mind that, given her efficient work in her Department, it is likely to be a short delay?

Claire Perry: Sadly, in all honesty, probably not. We have been clearly signalling the closing of the FIT scheme for several years now, and the response from the industry has been, "We understand that. We understand that some schemes may be on hold, but we welcome the smart export guarantee, because our main ask was to ensure that the energy that was being generated had some value."

My hon. Friend the Member for Eddisbury asked me another question about an issue that I was not fully aware of—namely, the concerns about testing the smart metering equipment technical specification 2 programme to ensure it interacts effectively with solar generation. I have instructed my officials to ensure that that testing is actioned, because that is an important point.

Catherine West: Will the Minister give a brief account of what is happening with Government buildings? They are clearly low-hanging fruit, as it were; there should be more and more solar installations on Government buildings.

Claire Perry: I am sure that the hon. Lady will have read the clean growth strategy from cover to cover, and will have seen in there that we have set out ambitious targets for the central Government estate and the wider estate. As we have so many former representatives of local authorities here, I encourage all Members to look at the Salix scheme, which allows local authorities to green up their own activities and rely on an interest-free revolving loan. It has been a great success story, and one that we must do a lot more on.

I will mention another issue—briefly, as I only have two minutes. A question was asked about encouraging housing associations and others to be involved, and I have been encouraging housing associations and local authorities to think about issuing green financial instruments. There is a huge appetite for green bonds, either individually or collectively, and using that funding for some of the excellent energy efficiency work that is available.

Matt Rodda: On a related matter, will the Minister also consider the issue of the private rented sector, which in some parts of our towns and cities makes up a substantial amount of the homes in those local authority areas? In my experience as a former councillor, there is a serious issue with both fuel poverty—people living in poverty in private rented homes—and poor insulation linked to a lack of take-up of solar.

Claire Perry: I thank the hon. Gentleman for his intervention. I am pleased to tell him that one of the pieces of legislation we have introduced ensures that the least efficient homes in the private rented sector will no longer be allowed to be re-rented until those improvements have been made.

I thank my hon. Friend the Member for Eddisbury for an excellent and timely debate. I will just say something that is a tiny bit political: would it not be lovely if we

[Claire Perry]

could get through Brexit and vote for the deal so that we could bring all this collective knowledge together to solve these problems, which are about not the next three years but the next 30? If we do that, will my hon. Friend promise us that she will mix us an Archimedes' screw cocktail, so that we can celebrate and focus on saving the planet, rather than saving our sanity in the Brexit negotiations?

Question put and agreed to.

Mr Philip Hollobone (in the Chair): Will those Members not staying for the next debate please be kind enough to leave quickly and, importantly, quietly?

No-deal EU Exit: Public Sector Catering

4.30 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I beg to move,

That this House has considered the effect of leaving the EU without a deal on public sector catering.

It is a pleasure to serve under your chairmanship, Mr Hollobone. I start by thanking all the public sector catering providers, users and campaigners who have been in touch with me over the past week to raise their concerns about this issue. I can see a number of them in the Public Gallery today. I am extremely grateful and pleased that they have made the journey here today.

Although a no-deal Brexit in general is deeply concerning to me and many others up and down the country, I tabled this debate because the quality, quantity and safety of the food provided to some of the most vulnerable in our society is often overlooked in the debates around a no-deal Brexit. I therefore wanted to speak up today for the estimated 10.5 million people in the UK who rely on public sector institutions for at least some of their food. Some are completely reliant on such institutions for all their meals. I want to say clearly to the Government that no deal should not mean no meal.

The Soil Association brief sent to me yesterday reads clearly:

"It is very likely that a No deal Brexit would be disastrous for public sector catering."

Institutions including schools, universities, hospitals, care homes, meals on wheels and prisons will be adversely affected by a no-deal Brexit. They feed some of the most vulnerable in our society. Without those services, many would simply not eat. High quality public sector catering is so important to the health and wellbeing of millions of people across the country. A drop in standards or the availability of nutritious food because of a no-deal Brexit would be extremely detrimental to service users.

I want to focus on three main concerns today, which I will address in turn: the cost and availability of meals; the quality, quantity and safety of food available to public sector providers; and, finally, workforce retention.

At the end of last year, the Governor of the Bank of England, Mark Carney, told the Treasury Committee that in the most "extreme" no-deal Brexit, food prices would rise by 10%, but that in a less severe scenario, the increase would be about 6%. Either scenario is concerning to suppliers of public sector catering, which are already struggling to cover the cost of nutritious meals.

For example, the allowance for universal infant free school meals is £2.30. That goes directly to schools and is not ring-fenced. It has not been increased since the start of universal infant free school meals in September 2014. In many cases, the caterers do not receive the full amount. Bidfood has calculated that with 13% inflationary costs and the potential increase in costs following no deal, the meal allowance would need to be increased by 69p to bring the allowance back to where we are now. There are serious concerns about the impact Brexit could have on the provision of school meals in some schools, particularly small rural schools, that no longer receive the small school allowance of £2,000, which ceased about two years ago.

Due to Brexit uncertainty, caterers have reported an overall increase in costs of up to 20% for some ingredients over the past 12 months, with the cost of eggs reported to be up by 14%.

Alex Sobel (Leeds North West) (Lab/Co-op): I thank my hon. Friend for securing this debate and making the case about food price rises. Is she not also concerned that a no-deal Brexit might lead to trade deals that lower standards, particularly with the US? The National Farmers Union has said that it is concerned about US practices and that trade deals should

“not allow imports of food produced to lower standards than those required of British farmers”,

such as chlorine-washed chicken or hormone-fed beef. We might be pushed to lower standards for cheaper food. That is a huge health and safety issue for our children.

Mrs Hodgson: I totally agree with my hon. Friend, and I will touch on the issue he raises later in my contribution. This morning, I sat on a no-deal Delegated Legislation Committee with my shadow Public Health Minister hat on. In that Committee Room, we were talking about the very issues my hon. Friend raises in respect of a no-deal Brexit. The Under-Secretary of State for Health and Social Care, the hon. Member for Winchester (Steve Brine), assured me that our chicken will still be washed in drinking water and not in any form of chlorine. However, my hon. Friend’s worry is very much taken on board, given that the money will not be there and costs will be cut to the bone—no pun intended.

In the event of a no-deal Brexit, the prices of raw materials and commodities will go up, but who will absorb the price increases? Social care providers, particularly those with a majority of local authority-funded residents, will not have the capability to accept increased catering costs. Will the Government therefore increase the budgets for public sector catering to cover the shortfall?

Diana Johnson (Kingston upon Hull North) (Lab): I apologise for being slightly late for the beginning of the debate, and I congratulate my hon. Friend on securing it. In my city of Hull, there has been an attempt to keep school meal prices as low as possible—50p, rather than the normal £2-odd. What concerns me is that there is already pressure on that budget. It has already gone up to £1 because of school budget pressures. What does she think about the fact that there is a public health initiative to try to ensure that children are eating healthily and well, yet the cost may go up even more due to what she has described in her contribution?

Mrs Hodgson: That is the worry. As Bidfood worked out, the cost will have to go up by 69p a child just to stand still. In areas that are trying to keep the price as low as possible, that initiative disappears, but in other areas that are already paying £2.30 or £2.40, what will happen? Parents cannot afford to pay much more than that, so the quality of the food, children’s health and the health of the 10.5 million people who rely on this food every day will suffer as a consequence.

If the Government do not cover the shortfall, menus may have to be reduced so that providers do not overspend. As my hon. Friend has just said, that will compromise the nutritional value of the meals given to service users.

An increase in the costs of public sector meals could therefore see an increase in poverty, childhood obesity and malnutrition in hospitals and care homes, which could have serious implications for the health and wellbeing of service users.

The affordability of food post Brexit, especially in the event of no deal, is an incredibly alarming issue. That is the case for all our constituents, but even more so for those who rely on public sector catering for their food. General food shortages due to panic buying or an impact on deliveries due to fuel shortages are of particular concern, especially for public sector catering in hospitals and care homes. The Government should communicate openly and factually about the food challenges ahead and encourage the food industry, caterers, institutions and organisations to do so too.

One person wrote to me to say that the Government had given them

“no real guidance, other than to stockpile food”.

One local authority caterer told Food for Life that it had invested more than £1 million in stockpiling ingredients, including 250 tonnes of meat. However, the caterer is concerned, as that food will only last for a short period. Not every caterer has the capacity to stockpile food. What advice have the Government given to suppliers and caterers? Is advice being updated clearly and regularly?

The Federation of Wholesale Distributors has expressed concern about the continuity of food supplies to schools and hospitals in the event of a no-deal Brexit. It has suggested that food supplies should be triaged and prioritised for those most in need, but that could happen only with Government intervention. Is that something the Minister has considered? Concerns have also been raised with me about products being diverted to more lucrative customers, rather than being prioritised for vulnerable people. Will the Minister address that point too?

The Civil Contingencies Act 2004 does not deal directly with food—probably nobody ever thought that we would be in this position—and nor does it identify responsible agencies with a food remit. Has the Minister had any conversations with his Government colleagues about including food in the 2004 Act, particularly for vulnerable people?

The meals distributed in schools, universities, hospitals, care homes and prisons each day are crucial to those who eat them. Caterers are already beginning to remove higher quality produce from menus, with some school caterers considering a move from hot food to cold meals. That could result in a reduction in the nutritional value of meals, which would be detrimental to children or to service users in the case of the other provisions.

Kerry McCarthy (Bristol East) (Lab): My hon. Friend does amazing work on schools through the all-party parliamentary group, and through the children’s future food inquiry, which I am pleased to be involved in. She will know that there is real concern about children living in food poverty. Indeed, the Food Foundation assessed towards the end of last year that around 3.7 million children are living in households that would have to spend 42% of their annual income to meet the guidance of the “eatwell plate”. That is simply unaffordable and if food prices rocket because of Brexit, it will become even more so. Does she share my concern that we are reaching crisis point?

Mrs Hodgson: I am really grateful that my hon. Friend has made that point. The average person spends 17% to 18% of their income on food, but people living on benefits and in poverty spend around 42% of their money on food, and that is at today's prices. We do not need a mathematician to work out what a vulnerable position people will be in if food prices go up. Even the 6% increase would have a detrimental effect.

Liz Twist (Blaydon) (Lab): Does my hon. Friend agree that there must also be a concern about food banks, and especially about schemes such as FareShare and organisations such as the Pickle Palace in my constituency that provide low-cost meals and “pay-what-you-can” food for people on low incomes.

Mrs Hodgson: That is another very good point. Often, those who supply local authority caterers are some of the best for supplying food banks and FareShare. When they have to trim and trim again, that will be one of the charitable aspects of their operations that will sadly have to go. Again, that will have a knock-on effect on the poorest and most vulnerable in our society.

Kerry McCarthy: My hon. Friend is being very generous. I am involved in something called Feeding Bristol, which is an offshoot of Feeding Britain—an organisation that aims to eradicate food poverty. We were discussing this matter at a meeting last week. Food prices going up will create an affordability issue, and if people stockpile and panic-buy food and the supermarkets run dry, donated food to hostels and food banks will dry up completely. Not only will people be more likely to have to go to food banks because they will be unable to afford food—and they might not be getting such good quality food through public sector catering—but food banks will run out as well.

Mrs Hodgson: I hope that the Minister acknowledges the picture being painted of the potential knock-on effects. I appreciate that this is the worst-case scenario—a no-deal, catastrophe scenario—but, given that there is no deal on the table that the majority of the House can vote for, a responsible Parliament has to prepare for it. These doomsday scenarios could become the reality for many people's lives, despite none of us in this room wanting that to happen.

Does the Minister share my concern about a reduction in the safety and nutritional quality of food served to those using public sector catering, especially given that those meals are, as we have heard, the main source of nutrition for millions of people—10.5 million people, day in and day out, up and down the country? Equally, public sector caterers must provide food that meets specific health or cultural needs, such as kosher, gluten-free, vegetarian or allergy-specific food. There are many other examples. For some, it could be a matter of life or death. For others, a failure to provide nutritionally complete meals would slow down their recovery and increase the risk of malnutrition, or result in a deficiency in other nutritional values.

I received a message from the National Association of Care Catering that reads:

“We have 60 plus residents in our home, so have to provide 60 meals three times a day, with the average age of 86, how do we ensure regular supply?”

That is of great concern across the industry. Even where contingencies can be made, it may involve people eating very bland or repetitive menus, which I know goes against the entire ethos of public sector catering.

Finally, the workforce are crucial to public sector catering. Have the Government engaged with the catering sector to understand the challenges that a disorderly Brexit might pose to its workforce and services? The public sector employs a considerable number of EU nationals, and I am told that some are already returning home. The threat of a no-deal Brexit will only make the situation worse, thereby posing a threat to the services that the sector provides, and having an impact on safety.

Although new members of staff can, of course, be recruited, it takes time and money to train them. A workforce gap in the event of a no-deal Brexit would limit the effectiveness of public sector catering, which is already facing all the challenges that I have highlighted. What steps are the Government taking to ensure that the public sector catering workforce are trained, equipped and funded to provide vital services in the event of no deal?

Public sector catering is fundamental to the care provided in schools, universities, hospitals, care homes and prisons. A delay in food deliveries, an increase in the cost of food and a decrease in nutritional standards or safety could be detrimental to service users and, in some cases, a matter of life or death. When we talk about the impact of no deal on our health and wellbeing, we must also consider the availability of food to the most vulnerable in our society, which a number of my hon. Friends have spoken about.

What about those who cannot afford to stockpile or lack the capacity to do so? What about those who are in hospitals, care homes or prisons? They cannot stockpile food in their little bedside cabinet. I do not have time to discuss this issue fully now—thankfully others have mentioned it—but we must remember that a surge in food prices could mean a reduction in donations to food banks from public sector caterers, some of whom are very generous to not only food banks but to holiday provision. I know that Bidfood supports holiday clubs. My hon. Friend the Member for Swansea East (Carolyn Harris) spoke in glowing terms about Bidfood's support for her holiday clubs at the last APPG meeting. All of that will have implications for families already living in poverty.

Brexit should not be the reason that millions of people go hungry, and I hope that after the debate the Minister will have considered another aspect of a no-deal Brexit that perhaps the Government had not already considered. I hope that he will urgently relay what I have said back to his Government colleagues. In closing, I reiterate that no deal should not mean no meal. I look forward to the Minister's response.

4.49 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship again, Mr Hollobone. I congratulate the hon. Member for Washington and Sunderland West (Mrs Hodgson). She is a hard act to follow, and I have had to do so twice today—I was on the Delegated Legislation Committee with her this morning.

To be perfectly honest, I had not really thought about this subject in any great depth until I was asked to sum up for the SNP in this debate. I have learned so much

listening to the hon. Lady, and I congratulate her on her speech. Having now considered the issue, I realise that a worrying, appalling impact may result for the most vulnerable people in our society.

The hon. Lady talked about three main areas—cost and availability, quantity and quality of food, and workforce retention. They are all points that the Minister must take on board. I hope he will be able to reassure all of us, and the wider public, about these issues in the event of a no-deal Brexit.

I have some wonderful organisations in my constituency of Motherwell and Wishaw. My office and I run a poverty action group, which meets quarterly. The next meeting, due in the next month or so, is sure to have this issue very high on the agenda. We deal with carers and people who work in the public sector, and mainly with organisations that help the most vulnerable. It is really important to consider the point that was made about how, at present, 40% of some household budgets is spent on food. If there are food shortages, which are a possibility with a no-deal Brexit, that percentage is going to rise, and could rise significantly. That will also affect the nutritional value of what can be done in the home and in public sector catering.

North Lanarkshire is a Labour-controlled council, and I frequently comment on whether it does well or badly, according to my lights. In this case, it does a wonderful job through its running of an organisation called Club 365 that provides nutritious meals for those children in primaries 1 to 7, aged 5 to 12, who receive free school meals during the school week, at weekends and in school holidays, with the aim of ending holiday hunger. I know many Members across the Chamber have been working hard to prevent that for quite a long time.

Although there are fewer public sector care homes than there used to be—that has been forced on many local authorities—it is appalling to think that, in the event of a no-deal Brexit, many older people could finish up with poorer quality meals, at a time when for many of them a hot meal is the main part of their day, especially if it is provided through meals on wheels or other similar organisations. The hon. Member for Bristol East (Kerry McCarthy) made a good point about food banks and other organisations that rely on donations also being affected in the event of a no-deal Brexit.

The knock-on effect of a no-deal Brexit on food is quite appalling to consider. I am sure the Minister is going to reassure us that it will all be all right on the night and that there are contingency plans already prepared and that no one will go hungry, but I do not think the United Kingdom is ready to dig for victory, as it had to do in the second world war. We need to know that people will still be able to access nutritious, fresh food. Perishable food being held up at channel ports does not bear thinking about.

Kerry McCarthy: The point about perishable food being held up at ports is really important. I am vice-chair of the all-party parliamentary group for fruit and vegetable farmers. We have heard such scare stories, but they are not scare stories, because they are rooted in reality. This is a combination of two things. About 90% of our mushrooms now come from Poland because it is cheaper to grow them there, and those products will be held up at ports, and, obviously, they go off very quickly. There is also a real shortage of workers to pick the fresh fruit

and veg in this country now. A crisis is looming—the fruit and veg farmers have been warning of it for a long time. We may find that even though food might be growing in plentiful quantities, it will still be rotting in the fields.

Marion Fellows: I thank the hon. Lady for that intervention. Only last summer in Angus in Scotland, many fruit farms could not recruit the workers who traditionally came from EU countries and a lot of the fruit lay rotting in the fields. This is a really serious issue.

This is perhaps slightly off key—I apologise, Mr Hollobone. I was thinking of EU nationals and public service catering, and I like to think that I provide a public service in being a Member of Parliament! I started to look around at the number of people who were serving me. So many of them are EU nationals, but because of the almost hostile environment—there is a current story in Scotland of a woman who has been here for 47 years and does not understand why she has to register because this is her home; what else is she going to do?—there are real difficulties for the many EU nationals who are here and who might stay and register. In Scotland, they are very welcome. There will also be many who are completely put off even thinking about coming to work here.

For example, so many EU nationals work in care homes. It is all very well for the Government to say that those jobs could be done by UK citizens, but they are not being done by UK citizens. I do not think that anyone is going to suddenly change their mind and make a career in catering or in care homes, just because there is a job available.

I hope the Minister is able to answer some of the fears that have been expressed here today. Leaving with no deal is a serious and worrying prospect. The SNP is against the United Kingdom exiting the EU, but nevertheless we put forward suggestions on how compromises could be made so that there would not be such a brutal disruption to life in this country after we leave the European Union.

4.57 pm

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a pleasure to make the winding-up speech for the Opposition with you in the Chair, Mr Hollobone. I congratulate my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) on securing this important debate. As other hon. Friends have said, she does a huge amount of work in this area, not least through her chairpersonship of the all-party parliamentary group on school food. She has done the House a real service by focusing our attention on the likely impact of a no-deal exit from the EU on public sector catering, and on all those who are looked after by public sector institutions. Her warnings were all the more powerful for being delivered with her customary frankness and thoughtfulness.

This is not the first debate in which hon. and right hon. Members have raised concerns about the implications of a no-deal exit from the EU and it is obvious why that is so. An exit from the EU on 29 March or any date thereafter without agreement would be nothing short of a national disaster, affecting every facet of our national life and every region and nation of the UK. It would

[Matthew Pennycook]

end, at a stroke, the whole body of legal arrangements we have with the EU, built up over many decades. Its effects would extend far beyond the absence of a trade deal, leaving the UK without rules to govern trade in a range of crucial areas, from financial contract clearing to medicines regulation. It would threaten the complex law enforcement and judicial co-operation arrangements that keep Britain safe. It would almost inevitably result in infrastructure being placed on the Irish border, place untold strain on the Good Friday agreement and Anglo-Irish relations more generally, and exacerbate the political instability in Northern Ireland.

In short, such an exit is the hardest and most chaotic of departures possible. To be honest, no one knows for sure how extensive the negative impact would be, yet among Brexiters, brimming with the misplaced confidence that has defined their approach to this process, the fantasy of a cost-free, no-deal exit lives on.

The most cavalier among the Brexiters dismiss any concerns out of hand as the latest round of “Project Fear” alarmism; others concede that there will be disruption, but insist it would be only temporary and would be outweighed by the new legal freedoms and opportunities arising from being completely outside the EU’s orbit. In debates in the House, they exhort us to have faith that the British people would make the best of it. I have no doubt that they would make the best of it, but why would any Government force the British people to cope with an entirely avoidable act of self-harm, which opinion polling suggests only a minority of the public support?

No Government in their right mind should countenance a no-deal exit from the EU, especially when the other party to the negotiations knows full well that that is an empty threat. The tragedy is that instead of simply announcing that under no circumstances will the UK leave the EU without a deal, this Government have adopted such an outcome as their official plan B, endlessly repeating over many months the mantra that no deal is better than a bad deal. They have spent significant sums of public money trying—I emphasise that word—to ensure they are prepared for it.

The Government have kept alive the possibility of a no-deal exit in spite of the stark conclusions of their internal assessments of the implications. From the no-deal impact assessment summary, which was forced out of the Government two weeks ago, we now have a clearer idea of what a no-deal Brexit would entail in specific sectors and for different regions and nations of the UK. The impact summary makes it absolutely clear that the UK is simply not prepared for a no-deal exit on 29 March, with Departments on track for just over two thirds of the most critical projects. The summary is honest about the fact that in the event of a no-deal exit the UK would be at the mercy of the actions of the European Commission, EU member states and EU businesses. In other words, the Government would not be in control of the situation. The summary admits that there is little evidence that businesses are preparing in earnest for a no-deal scenario, and the readiness of small and medium-size enterprises is particularly low.

The impact summary plainly restates the UK Government’s estimate that, compared with today’s arrangements, the economy would be 6.3% to 9% smaller over a 15-year period, which brings me to the subject of

this debate. The summary makes it clear that the anticipated effects of a no-deal scenario across a range of areas would include the UK’s food supply being affected by delays in goods crossing the channel and a likely rise in food prices, and many businesses in the food supply industry are simply unprepared.

Disruption to food supplies and an increase in food prices would affect every single one of us. My hon. Friend the Member for Washington and Sunderland West is absolutely right to draw attention, by way of this debate, to the significant implications of a no-deal exit for people who rely on public sector catering for their meals, especially if the UK exits without a deal on 29 March—a time of year when we import a large proportion of our fresh food from Europe, and in the run-up to the Easter weekend.

My hon. Friend is right to make it clear that we are talking about 10.5 million people potentially affected—hospital patients, care home residents, prisoners and school pupils—of whom I think she said 1.5 million are children who are eligible for free school meals. I want to emphasise concerns about the impact of a no-deal exit from the EU with regard to the cost and availability of meals; the quality, quantity and safety of food available to public sector providers; and the issue of how we ensure that we recruit and retain a workforce to deliver the service. In saying that, I very much echo the comments made by the SNP spokesperson, the hon. Member for Motherwell and Wishaw (Marion Fellows).

I was particularly struck by the revelation that many caterers have been advised by Government to stockpile food, and that one local authority has already spent £1 million on doing so. My hon. Friend the Member for Washington and Sunderland West is right to point out that most schools and hospitals lack the money and the necessary storage space to stockpile food. She set out in painstaking detail how tight the margins are on the meals these institutions supply, and how sensitive they are to price increases. She rightly drew our attention to the fact that the implications of any food disruption, particularly with fresh fruit and vegetables, and an increase in food prices would be especially stark for the 1.5 million children in this country who are eligible for free school meals, and, in a wider sense, for people who rely on the social security system and find themselves in deprivation.

My hon. Friend also raised a series of important points, not least the deficiencies of the Civil Contingencies Act 2004 with regard to food. I will not go over all of them. However, in the light of the concerns she raised, may I press the Minister to set out in detail what specific contingency planning the Government have undertaken, or are currently undertaking, to ensure that public sector caterers can cope with food disruption and/or food price increases? Will he explain precisely what his Department is doing to ensure that public sector institutions of the kind we have discussed do not find themselves in competition with the private sector or private consumers for food essentials in the event of a no-deal exit?

I expect the Minister to ignore the following question, as his colleagues in the Department for Exiting the European Union have done repeatedly in the past week, but it would be fantastic if gave me an answer. Will he tell us whether the Government intend on 13 March to whip against a no-deal exit, should the House once again vote down the deal on the preceding day? It is

simply not good enough to dismiss the question on the basis that it is a hypothetical decision on a hypothetical vote. There is a high likelihood that next week we will confront this issue and that of extending article 50, and the country really deserves to know the Government's intentions on whipping their Members of Parliament on that vote.

There are now only 25 days until 29 March. By my calculation, there are 16 sitting days. Although an extension to the article 50 process is now almost certain, it is not guaranteed. Even if the House votes for an extension on 14 March, we could simply end up facing a much sharper cliff edge if the Government insist only on a short, one-off extension and recklessly continue to run down the clock in the hope that the failed strategy to which they have adhered for the 49 days since 15 January will pay off.

The possibility of a no-deal exit—whether by accident or design—is still very real. On 29 January, a clear majority in the House voted against a no-deal exit by backing the amendment tabled by my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) and the right hon. Member for Meriden (Dame Caroline Spelman). I have no doubt that the House will do so again on 13 March if the Government's deal goes down to a second defeat.

It is time that the Government responded to the will of Parliament and announced that under no circumstances will the UK leave the EU without a deal. To do otherwise risks the Government finding themselves responsible for a disastrous outcome that, as we have heard today, would endanger the health and wellbeing of people who can least afford it.

5.6 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (David Rutley): It is an honour to serve under your chairmanship once again, Mr Hollobone. I thank the hon. Member for Washington and Sunderland West (Mrs Hodgson) for securing the debate, for her contribution and for all the hard work she does in Parliament on these and related matters.

Let me reassure hon. Members that the continued provision of nutritious, high-quality and safe food in the public sector is a top priority for Departments across Government and for the devolved Administrations. I shall go on to explain the steps that are being taken to ensure that is the case. The best way to avoid a no-deal exit is to secure a deal, and hon. Members will have an opportunity to have our say on that next week. Securing a deal with the EU remains the Government's top priority. However, as a responsible Government we have a responsibility to actively prepare for the possibility of a no-deal exit and to look at other scenarios as well, as has been recognised by Members of different parties in this debate.

We have a highly resilient food supply chain in the UK, with access to a range of sources of food. That will continue whether we leave the EU with or without a deal. There would continue to be an adequate supply of food to ensure people continue to have a balanced diet. The food industry in the UK is highly diverse, competitive and well versed in dealing with scenarios that can affect food supply, from adverse weather damaging crops in other countries to transport issues abroad. It is a resilient sector.

Prior to this life, I used to run Asda's home shopping business. As a Minister, I work with the industry and attend high-level meetings with representatives every week—I will do so after this debate—to ensure that we

are prepared for any eventuality. The Department for Environment, Food and Rural Affairs has been contributing to cross-Government contingency planning, which has involved working with the food industry to understand the potential impacts of a no-deal scenario and to support such planning by the industry.

The hon. Member for Greenwich and Woolwich (Matthew Pennycook) asked about contingency planning, and I can assure him that there is a lot of it going on. We are working very closely with industry, which has led most of the contingency planning—we are providing support and direction. The industry has the expertise and capacity to help ensure that we minimise any potential disruption to supply.

We have been working through various forums, including DEFRA's long-standing food chain emergency liaison group, which has been through many experiences in the past. As a result of extensive engagement with the food industry and cross-Government discussions, as previously stated, in a worst-case no-deal scenario consumers and businesses will continue to have access to a wide range of food products. We are working to mitigate possible disruption in availability and choice of certain seasonal products in that case, which I think it is fair to say would indeed be a worst-case scenario.

DEFRA is working with the Department for Transport and with industry to ensure that, in the event of a no-deal scenario, goods can continue to be transported on existing trade routes, including across the Dover straits, as quickly as possible. That includes securing extra freight capacity across the English channel, and ensuring a functioning customs, VAT and excise system from day one, to facilitate the flow of goods. To have that consistent supply is vital.

We are working closely with the industry and across Government through the border delivery group—a co-ordinated effort across Government to tackle that vital issue. We have also been working with the Cabinet Office and lead Departments in their work to ensure the resilience of food supply in public sector settings, including schools, hospitals and social care settings, as well as prisons and the military. Some of those have been mentioned in the debate. The lead Departments include the Department of Health and Social Care, the Department for Education, the Ministry of Justice and the Ministry of Defence. We have been working flat out to ensure that we have robust contingency plans in place for public sector food provision. We are reviewing catering services and contracts and have engaged with providers of food, such as hospital trusts and schools, to identify the risks and contingency measures for their sectors.

That has included working closely with catering suppliers to ensure that contingency plans are in place. Suppliers have been looking at a variety of contingency measures to ensure the continued provision of food that meets standards—for example, looking at alternative suppliers and adjusting menus in line with product availability while continuing to meet school and hospital food standards. It is vital to continue to meet the requirements of those standards. Lead Departments are confident that the public will continue to receive nutritious meals in public sector settings. If time permits, I will go into some more detail about the various sectors.

The hon. Member for Greenwich and Woolwich asked about prioritising between public and private sectors. In the contingency plan, we want to ensure that food is

[David Rutley]

available to all sectors but, as he rightly stated, for many public sector services and vulnerable groups we need to ensure food provision. We believe that, even in a worst case scenario, customers will continue to have access to a broad range of food, and that will extend to those services as well. Different choices of food types might be necessary, but there will be enough food to ensure the balanced diet that people need.

Another question was about food prices. Clearly the best way to ensure against any impact on food prices is to get the deal, but in a no-deal scenario it is again to minimise the disruption to food supply. We therefore need to work across Government to find ways of ensuring that the food supply is available. DEFRA officials are working with the DFT to find ways over potential hurdles and challenges to ensure that continuity of supply. As we do that, we will ensure that any potential price rises are kept to a minimum, and of course we have mechanisms in place to help those who are most needy if prices were to rise significantly. Her Majesty's Treasury and the Department for Work and Pensions are aware of the potential impacts, and we are working with them on that. I hope that addresses some of the concerns expressed today.

Moving on to the Department for Education and schools in particular, a number of points were made about schools. The DFE is confident that schools will continue to be able to provide pupils with nutritious school meals no matter what the outcome of EU exit is. It expects schools still to meet the school food standards in a no-deal scenario. Schools have a great deal of flexibility in the foods that they can deliver under those standards. If a particular product is not readily available for any reason, the standards allow schools a wide range of freedoms to substitute similar foods that are available.

In January, the Department for Education published a technical notice on no-deal preparations for schools in England, including information on food supplies. The DFE is also engaging with leading school food suppliers, local authorities and schools as part of its preparations. We will continue to monitor that and work with the Department.

The hon. Member for Kingston upon Hull North (Diana Johnson) asked about school meals. Schools and their suppliers have considerable freedom to source food that offers the best value for money. When considering the potential for any price rises, it is important to note that the UK has a high level of food security built into a diverse range of sources, including strong domestic production and imports from other countries, as I said before. We do not envisage a scenario in which the Government would need to provide additional funding to support schools with rising food costs, for the reason I set out earlier: the UK has a high level of food security. We are confident that schools, colleges and other settings will continue to be able to provide pupils with nutritious school meals whatever the outcome of Brexit.

Another hon. Member asked about the Civil Contingencies Act. It does cover food supply, but it is designed for a national emergency. In a worst case Brexit scenario, we do not believe that overall food shortages would be such that it is necessary to invoke the Act. In the scenarios that we are working to, that

would not be required. None the less, as I have said several times, we are working with and speaking to colleagues across Government to minimise disruption and to consider the possible impacts on vulnerable groups.

The hon. Member for Blaydon (Liz Twist), who is no longer in her place, and the hon. Member for Motherwell and Wishaw (Marion Fellows) mentioned the potential impact on food banks. Again, we do not expect overall shortages of food, but we speak regularly to retailers—in fact, I will be speaking with a group of them after the debate, so I can re-emphasise concerns expressed in this Chamber—and our aim is to ensure that we can continue the food supply so that consumers do not need to alter their shopping patterns.

The hon. Members for Bristol East (Kerry McCarthy) and for Leeds North West (Alex Sobel) mentioned watering down standards. The hon. Member for Bristol East holds my feet to the fire on this issue regularly, and she has a consistent record on it across Government. We respect her views—no question—and she knows that, but it is important to recognise that, no matter the future challenges, there are also opportunities. However, we do not want to see the watering down of food standards in any way. I think she is aware that protections are in place as far as chlorinated chicken or hormone-treated beef are concerned—I cannot resist mentioning that.

Kerry McCarthy: The Minister is appearing before the Environment, Food and Rural Affairs Committee tomorrow afternoon, so he can expect a little more of that treatment then.

David Rutley: I look forward to it with glee. I am sure that I will get more of that treatment. We can talk in more detail then, but I hope the hon. Lady understands the reassurances given consistently in various settings in the House.

I will move on to health and social care. The DHSC is confident that its contingency plans for ensuring the seamless supply of products and services after we leave the EU are comprehensive and robust, and that food supply for patients will be protected in a no-deal scenario. The Department is working with food providers and suppliers to understand their contingency planning and mitigation activities. That work covers both social care and NHS providers.

The DHSC is working closely with Public Health England and nutritional specialists to ensure that nutritional standards are maintained in hospitals and care homes. Standard guidelines are being finalised for health and adult social care providers to support the continued provision of a balanced diet, in line with the Government's "eatwell" guide. The DHSC is also working to ensure that it has the necessary resources and contingencies in place to continue to protect patients and to have uninterrupted supplies of any specialist nutritional products, including infant formula. It is important to note that, because a lot of the focus has been on ensuring the continued supply of vital medicines—or vet meds, for that matter—but we will also protect key nutritional products such as infant formula.

We are working very closely with the Ministry of Housing, Communities and Local Government to ensure that local authorities are able to support vulnerable people such as the elderly and vulnerable families. Hon.

Members are probably aware that we are working very actively with local resilience forums. Local authorities need to work with their local resilience forums to plan and prepare for localised incidents, identify potential risks and produce emergency plans to prevent or mitigate the impact of any incident on their local communities. We are doing that at a local level. We meet regularly with key contacts in LRFs to share intelligence on the impacts that a no-deal EU exit would have on local areas. DEFRA and MHCLG have provided advice to LRFs on food supply impacts, to support their preparedness for a no-deal exit, and particularly to consider any impacts on vulnerable groups if they should arise. We are working closely to mitigate issues with vulnerable groups at a local level.

The hon. Member for Washington and Sunderland West was assiduous in mentioning workforce retention, which is vital across Government. We rely very heavily on those citizens in many public services, and in services that are provided in the public sector for the public. I share her concern; we want to continue to make them feel welcome, whatever the scenario might be.

The Government have been clear that we will protect EU citizens' rights, including in a no-deal scenario. All EU citizens resident in the UK by 29 March will be able to stay. They will have until 31 December 2020 to apply for settled status. We want them to feel welcome and we recognise the contribution they make. DEFRA will continue to work with the Home Office as the future immigration system is fully developed, to ensure that we have a clear strategy for those who work so hard in the food supply chain, often in critical sectors—slaughterhouses, meat processing and vets. It is uppermost in our mind.

As we leave the EU, the Government are committed to securing the best possible deal for Britain that works for farmers, food producers and consumers, and ensures strong public services. Although we do not want or expect a no deal, the Government are taking sensible measures to prepare for all scenarios.

Matthew Pennycook: The Minister will know from the no-deal impact assessment summary that one particular concern is that, despite communications from the Government, there is little evidence that businesses are preparing in earnest for a no-deal scenario. Does the Minister have a sense of whether the public catering industry suppliers and providers are responding to the Government's call to prepare themselves, or whether the industry is lagging behind, as others clearly are?

David Rutley: The hon. Gentleman asks a good question. I meet the National Farmers Union, the Food and Drink Federation, UK Hospitality and the British Retail Consortium every week to review their concerns and considerations. We have established a good dialogue at a senior level with those trade bodies and their members, but it is fair to say there is still more work required with small and medium-sized enterprises, particularly our smaller and microbusinesses. Some are prepared and some need further information. I hope that he recognises that across Government a far greater weight of activity is being put out to encourage people to find out more about what is going on and to engage in the processes. We are working very hard on that but there is more work to do.

The UK has a high degree of overall food security, and that will remain the case, deal or no deal. As well as DEFRA's work to support contingency planning by the food industry, and the industry's proven capability to respond to supply chain disruptions, steps are being taken by my colleagues across other Government Departments. We are all working to ensure the resilience of food supplies in the public sector. Across Government, Departments are putting into place the necessary steps to ensure that patients, school children and others who are reliant on the public sector will be supplied with nutritious, high-quality and safe food in all exit scenarios.

5.24 pm

Mrs Hodgson: I thank everyone who has attended the debate. I am sure that if there was not so much other business, not least the no-deal statutory instruments in almost every room in the House, many more Members would have taken part. It was definitely a case of quality over quantity.

I thank my hon. Friends the Members for Blaydon (Liz Twist), for Kingston upon Hull North (Diana Johnson), for Bristol East (Kerry McCarthy) and for Leeds North West (Alex Sobel), as well as the hon. Member for Motherwell and Wishaw (Marion Fellows). I hope it does not come to a situation where we have to dig for victory. I was not around then and I do not think the hon. Lady or any of us have dug for victory—I would definitely have to give up false nails if it came to that.

I thank my hon. Friend the Member for Greenwich and Woolwich (Matthew Pennycook) for his excellent contribution. I used the figure of 24 or 25 days, but he has worked out that there are 16 sitting days before we could crash out without a deal. We all hope that it will not come to that, and that next week we can get a deal through the House that everyone can vote for, but the subject of this debate was no-deal preparation for public sector catering. We sincerely hope that if it comes to that, public sector catering providers will be prioritised if there are any food shortages, as they cater to some of the most vulnerable people in our society who are least able to prepare, stockpile or go in search of food.

The Minister said that he believed there will be no need for the Government to help to fund any shortfall or costs for schools or other public sector catering, as the Government feel that the food supply is secure enough to withstand a no-deal Brexit. I do not have access to all the research he has access to in the Government but, following my research, I do not share his optimism. I hope that the Government will commit to revisiting the decision if that situation arose. I thank everyone once again. Let us hope that we will not be in the position that we have all been talking about.

Question put and agreed to.

Resolved,

That this House has considered the effect of leaving the EU without a deal on public sector catering.

5.27 pm

Sitting adjourned.

Written Statements

Tuesday 5 March 2019

NORTHERN IRELAND

Administration of Justice: Impact of Social Media

The Solicitor General (Robert Buckland): Today I am publishing the Government's response to the call for evidence on the impact of social media on the administration of justice. The response is available at: <https://www.gov.uk/government/publications/response-to-call-for-evidence-on-the-impact-of-social-media-on-the-administration-of-justice>, and a copy has also been deposited in the Libraries of both Houses.

The focus of the call for evidence was to look at the impact of social media on the criminal justice system, with particular attention paid to the issues of active proceedings and breaches of reporting restrictions and anonymity orders.

The evidence was varied and I am grateful to everyone who contributed. We can conclude that, for the moment, social media is not having a widespread impact on the trial process. This, however, may not remain the case if the issues identified are not addressed. The response sets out a number of ways that the Government will respond to the variety of issues raised. This includes improving links with social media companies, which will enable easier removal of harmful posts, and working with cross-Government partners, including the Department for Digital, Culture, Media and Sport and the Home Office, on the White Paper on online harms to tackle related issues. Further, I will work with my Public Legal Education Committee to raise awareness of the risks and implications of using social media to comment on criminal trials. As a part of this work, the Government have created a dedicated webpage to support public understanding of contempt of court and anonymity orders, which can be accessed here: <https://www.gov.uk/contempt-of-court>. In addition to working on guidance for the public, work is also underway to develop comprehensive guidance on contempt led by the Judicial Office. I am grateful to the judiciary for their support in understanding and dealing with this issue.

I am confident that these measures will contribute to ensuring safer use of social media in accordance with the law and will support the Government's efforts to make the internet a safer place.

[HCWS1377]

HOME DEPARTMENT

Right to Rent Scheme

The Minister for Immigration (Caroline Nokes): The right to rent scheme was launched to prevent illegal migrants from accessing the private rental sector, and to tackle unscrupulous landlords who exploit vulnerable migrants, sometimes in very poor conditions.

In 2016, a requirement was introduced for landlords and lettings agents in England to take reasonable steps to check that they are renting only to someone who has a right to do so.

These checks apply equally to everyone seeking to rent property and there are penalties for landlords who fail to complete them and who are later found to have rented to someone without a right to be in the UK.

The law was and remains absolutely clear that discriminatory treatment on the part of anyone carrying out these checks is unlawful. And the right to rent legislation provides for a code of practice which sets out what landlords are expected to do.

The scheme was trialled in the west midlands. This trial was evaluated in full, with the results published in October 2015. They included 539 responses to online surveys, 12 focus groups, 36 one-to-one interviews, and a mystery shopping exercise involving 332 encounters.

The Home Office evaluation found there was no systemic discrimination on the basis of race.

It is therefore disappointing that, on Friday last week, the right to rent scheme was declared incompatible with the European convention on human rights. The High Court ruled that Parliament's decision to impose right to rent checks is outweighed by the potential for race discrimination by those with the duty to perform the required checks.

We disagree with this finding and the Home Office has been granted permission to appeal all aspects of the judgment.

In the meantime, the provisions passed by this House in 2014 remain in force. There are no immediate changes to the operation of the policy. Landlords and letting agents are still obliged to conduct right to rent checks as required in legislation. They must not discriminate against anyone on the basis of their colour or where they come from.

As my right hon. Friend the Home Secretary has previously said, we are looking at options for a further evaluation of the operation of the scheme. As part of this, we will look to develop further mechanisms to monitor the operation of the scheme to provide ongoing assurance about its impact.

The Home Secretary has written to the independent adviser on lessons learned from Windrush, Wendy Williams, to draw her attention to the High Court's findings.

The review is identifying the key legislative, policy and operational failures which resulted in members of the Windrush generation becoming entangled in measures designed for illegal immigrants.

The Right to Rent Consultative Panel will meet again next month to look at the operation of the scheme and the guidance provided to landlords and lettings agents.

The Government are committed to tackling discrimination in all its forms and to having an immigration system which provides control, but which is also fair, humane and fully compliant with the law. This includes ensuring illegal migrants, with no right to be in the UK, are not able to access work, benefits and public services.

[HCWS1379]

INTERNATIONAL TRADE

Trade Remedies Authority

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): This Government are committed to ensuring the UK has our own trade remedies function in place by the time we leave the EU.

The Trade Bill contains provisions establishing the Trade Remedies Authority (TRA), while the Taxation (Cross-border Trade) Act 2018 (TCBTA) confers trade remedy functions on it. The Trade Bill has completed Committee stage in the House of Lords, and it will begin Report stage on 6 March.

I am pleased to announce that we have today commenced the relevant provisions in the TCBTA and laid secondary legislation giving more detail to the measures set out in the TCBTA, with regards to the trade remedies system. Taken together, these provisions will ensure that the UK has the ability to protect UK industry against injury from unfair trade practices, and unforeseen surges in imports.

The regulations draw from both the relevant WTO agreements (i.e. the general agreement on tariffs and trade, anti-dumping agreement, the agreement on subsidies and countervailing measures and the agreement on safeguards) and are similar in many regards to the EU regulations which have applied throughout our membership of the EU. It therefore follows that the process provided for in these regulations will not be wholly unfamiliar to UK industry, and it will have the certainty of a full suite of legislation in place before we leave the EU; it has previously stressed the importance of having regulations in place sooner rather than later.

In the unlikely scenario that we leave the EU without a deal, it is in the national interest to ensure that the UK has the ability to protect UK industry against injury caused by unfair trade practices or unforeseen surges in imports. To provide this certainty, I have put in place contingency arrangements that will temporarily bring the power in-house, allowing the Department to operate trade remedy functions until the Trade Remedies Authority is legally established via the Trade Bill. The use of transitional powers in the Taxation (Cross-border Trade) Act 2018 will modify that Act to ensure the trade remedies investigations directorate (TRID) will temporarily deliver these functions. The modifications will expire automatically when the TRA is legally established.

The new function will follow the procedures set out in the legislation. In practical terms, the main difference between the operation of TRID and the TRA relates to the decision-making process. When the TRA is established, it will investigate applications to determine whether there is dumping and/or subsidies or unforeseen surges, and whether UK industry has suffered injury as a consequence. If so, it will apply the economic interest test to determine whether measures are in the wider economic interest of the UK. Where the test is met, the TRA will recommend that measures should be applied, and the Secretary of State will then consider whether to

accept or reject that recommendation. In doing so, the Secretary of State can only reject the recommendation on public interest grounds, and this includes a limited assessment of the TRA's consideration of the economic interest test. While the system is operated in-house, these distinct roles will not exist and legally the Secretary of State will take on responsibility for all of these decisions. However, the intention is to keep this two-stage process as far as possible and for the TRID to carry out objective and evidence-based investigations, while the Secretary of State will take the final decision on whether to apply measures. Where the Secretary of State decides not to apply measures on public interest grounds, a statement will be laid before the House of Commons explaining the reasons, to ensure transparency.

The contingency provisions rely on transitional powers in section 56 of the TCBTA. These provisions to modify section 13 and schedules 4 and 5 of the TCBTA, together with the secondary legislation (the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 and the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019) made under those powers, bring trade remedy functions that would otherwise be carried out by the TRA in-house until the Trade Bill receives Royal Assent. This will legally establish the TRA, at which point the modifications will fall away and the TRA will assume responsibility for investigating cases and making recommendations to the Secretary of State as it considers appropriate.

To minimise disruption, the policies and procedures align to the future function of the TRA as much as possible. The main difference lies in the decision-making process.

When the TRA is established, it will carry out investigations to determine whether there is dumping, subsidy or an unforeseen surge in imports, and whether UK industry has suffered injury as a consequence. If it finds this is the case, it will then consider whether the economic interest test is met before making a recommendation to the Secretary of State to apply a trade remedy measure. The Secretary of State must then consider whether to accept or reject that recommendation. The Secretary of State may only reject the recommendation on public interest grounds, which includes a limited assessment of the TRA's consideration of the economic interest test.

While the system is operated in-house, these distinct roles will not exist. However, in order to provide continuity for business, we have sought to keep this two-stage process as far as possible. Under the temporary modifications, those staff already recruited to the shadow TRA, including those who have been trained as investigators, will form the trade remedies investigations directorate within the Department and will carry investigations using the same guidelines, as far as possible, as those that would apply if the TRA were established. Measures will still only be imposed if they satisfy the economic interest test (where there is a starting presumption in favour of anti-dumping and anti-subsidy measures), and there are not wider public interest considerations as to why measures should not be imposed.

WORK AND PENSIONS

Health and Disability

The Secretary of State for Work and Pensions (Amber Rudd): I would like to update hon. Members on the speech I will be delivering at Scope this afternoon.

This Government have a clear ambition to support people with health conditions and disabilities into work, where they can, and to live independently. We have already made significant progress but we need to continue to make improvements to better support people with health conditions and disabled people. I am pleased to set out today a number of measures we will implement to make improvements now and in the future to support disabled people and those with health conditions to achieve their aspirations.

We will improve and simplify the customer experience by no longer undertaking regular reviews of personal independence payment (PIP) awards for claimants at or above state pension age unless they tell us their needs have changed.

We will also be transforming the delivery of assessment services. I have established the health transformation programme to undertake the significant task of transitioning the currently separate work capability assessment (WCA) for employment and support allowance and universal credit (UC), and the PIP assessment services into one unified, integrated service from 2021. To support this, we are developing a single digital platform. An integrated approach will allow for a more joined-up claimant experience across these benefits, which takes account of the multiple interactions an individual may have with DWP. We hope that developing our own digital platform will also enable a greater range of assessment providers to compete to help us deliver this important service in the future.

To enable an integrated service, we are extending the contract for the health and disability assessment service (HDAS), which includes the delivery of the WCA, and aligning it to the duration of the extended PIP contracts. This will allow for a safe and stable service now, and as we transition to the new integrated service.

This strategic transformation will also open up new opportunities to improve our functional assessments in the future. For example, we will test whether it is beneficial to claimants requiring face-to-face assessments to offer a single assessment for UC and PIP to capture all the information required for both claims in one appointment, reducing the need for claimants of both benefits to attend multiple appointments.

My Department will be testing how we increase engagement and build a trusted and strong relationship between work coaches and claimants awaiting an assessment in universal credit, and those found to have limited capability for work. Last month, in response to the Work and Pensions Select Committee report on benefits sanctions, the Department agreed to carry out a small test where work coaches start from a point of no conditionality and scale up where appropriate, focusing on what claimants can do. This contrasts with the current approach, which starts at full conditionality and then tailors down accordingly. The Minister for Employment is taking this forward.

We will also be exploring whether we can enhance the mandatory reconsideration process to gather further evidence from claimants and make more accurate decisions sooner.

These improvements will make significant progress in better supporting those with health conditions and disabilities, but this is only the start, and we can, and should, go further.

My ambition is to continue this important conversation around the future of support and I will, alongside the Minister for Disabled People, Health and Work, be regularly engaging with stakeholders to enable ongoing conversations on the future of the health and disability agenda. This includes exploring how the welfare system can better meet the needs of claimants with disabilities and health conditions.

I am also committing to looking at whether the incentives we provide for and the expectations we have of employers are right. We will consult on proposals to encourage and support employers to play their part in helping disabled people and people with health conditions get into work and remain in work, and to improve access to occupational health. We will be seeking stakeholder input, and that of employers and other partners, in to how we make a real difference to the working lives of people with health conditions and disabilities.

In 2017 we made a manifesto commitment to see 1 million more disabled people in work by 2027. In the coming months I want to review this commitment to see if we can make it even more ambitious.

We constantly reflect on how we can improve and know that improvements come from listening to people and adapting. As such, we plan to commission independent research to understand the needs of disabled people to live independent lives and how health and disability benefits can better support them.

[HCWS1376]

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