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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Thursday 6 June 2019**

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# House of Commons

Thursday 6 June 2019

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### INTERNATIONAL TRADE

*The Secretary of State was asked—*

**Mr Speaker:** I call Vicky Ford—not here.  
**Climate Change**

2. **Deidre Brock** (Edinburgh North and Leith) (SNP):  
What steps his Department is taking to tackle climate  
change through trade policy. [911188]

3. **Martyn Day** (Linlithgow and East Falkirk) (SNP):  
What steps his Department is taking to tackle climate  
change through trade policy. [911189]

**The Minister for Trade Policy (George Hollingbery):**  
The UK has long supported the promotion of our  
values globally, including ambitious global action to  
tackle climate change, and this will continue. We are  
exploring all options in the design of future trade  
policy, including how to tackle climate change. We are  
working to realise the potential for low-carbon exports  
from the UK and supporting UK jobs.

**Deidre Brock:** While the Department for International  
Development has a clear strategy for promoting low-carbon  
development in low-income countries, fossil fuels made  
up a shocking 99.4% of UK Export Finance's energy  
support to low and middle-income countries in the last  
financial year. Does the Secretary of State agree with  
the International Development Committee's finding that  
his Department's spending is

“damaging the coherence of the Government's approach to  
combating climate change”,

and what steps has he taken to ensure a more joined-up  
approach among his Cabinet colleagues?

**George Hollingbery:** The UK has an enviable record  
of success in decarbonisation. A target will be agreed of  
an 80% reduction by 2050; renewable capacity is up four  
times since 2010; and there will be £10 billion in annual  
support by 2021. Expertise is being built in offshore,  
smart energy, sustainable construction, precision agriculture,  
green finance, electric vehicles and so on. As I travel  
around the world, I meet many representatives from  
developing countries who are interested in all these  
technologies. Our trade policy is focused absolutely on  
ensuring that our exporters are set up to spread this  
green technology around the world. UKEF will play its  
part in funding this global revolution. In the short term,  
I have no doubt that some fossil fuel investments will  
be made, but as we progress that will transform into  
low-carbon development.

**Martyn Day:** The Secretary of State has previously  
stated that

“poverty reduction objectives are deemed to outweigh the impact  
on climate change.”

However, his colleague the Secretary of State for  
International Development has previously stated that  
unless we tackle climate change with the urgency it  
requires “100 million more people” will be thrown “into  
poverty”. Can the Minister confirm who is correct and  
what the Government position actually is?

**George Hollingbery:** Certainly from the Department  
for International Trade point of view, our job is to  
promote international trade. We are out there making  
sure that the deals we do internationally suit those  
countries with which we do them. We are bringing in  
the unilateral preferences that are transitioning across  
from a European perspective. We are confident that the  
backing we can give developing countries is suitable for  
their circumstances, and allows them to participate in  
world trade and so bring their people out of poverty.

**Sir Desmond Swayne** (New Forest West) (Con): I  
think we are spending £1.5 billion in the current period  
on climate change for less-developed nations, and the  
same amount—£1.5 billion—on promoting economic  
development and trade, so there is some synergy for us  
to work with, is there not?

**George Hollingbery:** There absolutely is. As we grow  
our capacity in this country, we have more capability of  
exporting and, indeed, advising others on climate change.  
Yes, we can work in countries on poverty reduction at  
the same time as promoting energy sustainability.

**Tom Brake** (Carshalton and Wallington) (LD): Will  
the Minister say a bit more in relation to climate change  
and trade policy, particularly vis-à-vis the US, because  
the President of the United States has said:

“The concept of global warming was created by and for the  
Chinese in order to make U.S. manufacturing non-competitive”?

**George Hollingbery:** The recent chapters in CETA—  
the EU-Canada comprehensive economic and trade  
agreement—and the EU agreements with Japan, Singapore  
and Vietnam include quite clear climate change  
commitments. We are of course signatories to the Paris  
agreement. I recognise that the President of the United  
States has said it is going to withdraw from that; it has  
currently not done so. Where it is possible to have  
chapters in our free trade agreements on climate change  
and on our climate change policies, we will do so; where  
not, we have to understand that we can open doors to  
dialogue through those trade deals. Indeed, we can then  
create flows of exports on untariffed sales at more  
favourable rates into those economies and help the  
transition, even in more developed countries where it is  
difficult to negotiate such chapters in our FTAs.

**Jim Shannon** (Strangford) (DUP): May I congratulate  
the Government on their policies and on what they are  
doing on the way forward? We should set an example to  
the rest of the world when it comes to global policies on  
how we trade. The recent election results have proven  
that there is a wish among all parties for that to happen,  
so we need to set an example. What has been done with

the regional Administrations to ensure that Scotland, Northern Ireland, Wales and England work together to set that example?

**George Hollingbery:** As the hon. Gentleman knows well, the UK has extensive funding for climate change mitigation and for sustainability. I would simply say to him that, as and when we manage to reinstitute the Stormont Assembly in Northern Ireland, we can have discussions between the DIT and other parts of the UK Government to ensure that those issues are taken forward.

**Bill Esterson** (Sefton Central) (Lab): The Secretary of State's damascene conversion to addressing the climate emergency is welcome, but, as we have heard, some of those with whom he wishes to conclude trade agreements are less enlightened. Given what he has just said, will the Minister commit to introducing climate clauses to all future trade agreements? Will he publish specific details of the support his Department offers the fossil fuel sector through export finance, and say how that support conforms with the Equator Principles?

**George Hollingbery:** As I have said, we will consider each and every FTA on its own merits, and in certain circumstances we may find partners who are not prepared to put those sorts of clauses in an FTA. On balance, however, we will look at the advantage to exporters of low-carbon products, and ensure that as and when we proceed with those agreements—if we decide to do so—we facilitate the export of low-carbon products so that economies represented by Governments who do not wish to include an FTA clause on the environment can benefit from the transition that lower input costs produce. I have already made clear the Government's position on publishing the output of UKEF. There will be an element of carbon-based energy generation in UKEF's mix in the short term. The UK has huge and growing expertise that will no doubt come to the forefront of UKEF financing in due course, as that transition happens.

#### UK-Israel Medical Research and Development

4. **Michael Fabricant** (Lichfield) (Con): What steps he is taking to strengthen UK trading relations with Israel in medical research and development; and if he will make a statement. [911190]

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox):** Before I answer that question, on the 75th anniversary of D-day it is worth our reflecting that we in this House are able to ask and answer questions in a free and democratic Parliament because of the sacrifices made by those who went before us.

Our dedicated team at the UK embassy in Tel Aviv actively promotes UK-Israel trade, and there is extensive collaboration on medical research between the UK and Israel. The UK-Israel Tech Hub, which is based at the embassy, helps to create tech and innovation partnerships across several sectors, including healthcare.

**Michael Fabricant:** That is very good to hear. My right hon. Friend knows the state of Israeli technology—for example, all our chips, including the Intel fifth, sixth and seventh core chips, are developed in Israel for Intel

in America. Magen David Adom, the equivalent of the Israeli Red Cross, has an app that provides live streaming, medical history and the location of people who use it, and that sort of innovation could be of great benefit to the UK. When we leave the European Union, what will be the advantages of doing business with Israel for both our nations?

**Dr Fox:** There are huge advantages to our collaboration in or outside the European Union. To enable us to shine a light on the excellence that my hon. Friend mentions, on my recent trip to Israel I agreed with Prime Minister Netanyahu that we will jointly sponsor a Government high-level trade and investment conference that will enable us to show the world the best of what both countries have to offer in the sector mentioned by my hon. Friend.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): I congratulate the Secretary of State on mentioning D-day. My father served in the Royal Engineers throughout the war, and my thoughts are of him and our brave troops today.

The Secretary of State is right to say that global trade can take place only in conditions of peace. Will he back the small group of MPs from across the House who are trying to create close relationships between university research in the UK and university research in Israel?

**Dr Fox:** I thank the hon. Gentleman for his kind words. He is right—where we are able to take advantage of the innovation coming out of universities, we should make every attempt to do so. One reason that international investors give for putting money into the United Kingdom is the access to high-quality innovation that comes from the collaboration between industry and academia. Where we can take full advantage of that, including with bilateral relations elsewhere, we should do so.

**John Howell** (Henley) (Con): The Secretary of State has already mentioned the UK-Israel Tech Hub, which is the first of its kind and has already generated business of £85 million. How does he see that developing over the coming years?

**Dr Fox:** I see it going from strength to strength, and as greater investment goes into both economies we will be able to scale up the innovation and creativity that is clearly shown in the tech sector. That will be of benefit not only to our two countries, but to the wider global economy.

**Judith Cummins** (Bradford South) (Lab): I wish to associate myself fully with the Secretary of State's remarks and pay tribute to the sacrifices of the fallen.

What assessment has the Secretary of State made of Israel's participation in the agreement on pan-Euro-Mediterranean cumulation on the trade in medical products between the UK and the EU? What progress have the Government made in replicating other agreements between the EU and Israel, including the 2013 EU-Israel agreement on conformity assessment and acceptance of industrial products?

**Dr Fox:** As the hon. Lady is aware, we reached a continuity agreement with Israel on 19 February, which will come into effect as we leave the European Union.

The conformity assessment element of that is very important because of the number of generic prescriptions that the NHS takes advantage of that are produced by Israeli pharmaceutical companies. We will want to see as much continuity in all those arrangements as possible.

### Global Free Trade

5. **Mr Mark Prisk** (Hertford and Stortford) (Con): What recent assessment his Department has made of the value of global free trade to developing countries. [R] [911192]

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox):** Free trade is a driver of economic growth that can trigger positive changes in a country's economy, helping to raise incomes, create jobs and lift people out of poverty. The poorest countries have enjoyed some of the benefits of global free trade through receiving preferential access to the UK, the world's fifth-biggest market.

**Mr Prisk:** I thank the Secretary of State for his answer. However, the risk of protectionism is growing and that threatens both free trade and the millions of jobs in developing countries that come with it. May I therefore urge the Secretary of State and his colleagues actively to oppose protectionism, particularly at the WTO and indeed when expressed in this Chamber, so that we can ensure that more of the world's poorer citizens benefit by trading themselves out of poverty?

**Dr Fox:** Those countries that have benefited from free and open trade, and enjoy the prosperity that we do today, have not only a duty economically to ensure the best outcomes but a moral duty to ensure that those in developing countries are able to benefit from the same trading systems that we have. Simply to say that we are more advanced and are pulling up the ladder behind us would be a betrayal of all those who have believed in free trade and practised it in recent years.

**Patrick Grady** (Glasgow North) (SNP): Does the Secretary of State agree that if it is going to end poverty, free trade also has to be fair trade? What steps are the Government taking to ensure that trade deals, whether through the WTO, the European Union or bilaterally, are checked against the sustainable development goals to make sure that they are poverty and development-proofed?

**Dr Fox:** The Government take those elements extremely seriously, which is why we actually seek a closer alignment between our trade and development policies. For example, we are able to invest in countries to give them greater capability to add value to their primary produce, while at the same time potentially being able to take advantage of tariff reduction to increase market access. By bringing the two together, that can be synergistic for this country and for developing countries.

**Mr Philip Hollobone** (Kettering) (Con) *rose*—

**Mr Peter Bone** (Wellingborough) (Con) *rose*—

**Tom Pursglove** (Corby) (Con) *rose*—

**Mr Speaker:** A notable Northamptonshire contest. I call Mr Peter Bone.

**Mr Bone:** Thank you, Mr Speaker. Does the Secretary of State agree that the European Union is an inward-looking protectionist trading bloc that acts to the detriment of developing countries?

**Dr Fox:** I certainly believe that the European Union's common external tariff provides barriers to trade for many developing countries, so they are unable to take advantage of adding value to their primary produce. One of the advantages of leaving the European Union will be that Britain will have the ability to reduce tariffs to enable greater access for some of the poorest countries.

**Mr Bone:** So that's a yes?

**Mr Speaker:** We'll take it as a yes.

### G20 Trade Ministers Meeting

7. **Sir Edward Leigh** (Gainsborough) (Con): What his priorities are for the upcoming G20 Trade Ministers meeting in Japan. [911194]

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox):** At the upcoming G20 trade and digital economy ministerial meeting I will voice the UK's continued support for the multilateral trading system. I will work with other G20 members to reduce trade tensions, support WTO reform, and advocate new rules on e-commerce and services trade liberalisation.

**Sir Edward Leigh:** Relations with Japan matter enormously. Our termination of the Anglo-Japanese treaty 1923 was probably one of the worst geo-strategic mistakes we ever made, propelling that country into autarchy and nationalism. Will the Secretary of State confirm that post Brexit his priority will be to ensure a global free trade world, with us and Japan leading the way?

**Dr Fox:** It is absolutely essential, particularly given the rise of protectionism globally, that we commit ourselves to a rules-based system based on the WTO. Of course, we have abilities to augment that by other regional relationships, which is why we have had the public consultation and the debate in Parliament about the potential accession to the CPTPP—the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. The Japanese Government have been key in encouraging the United Kingdom to seek such a membership.

**Mr Philip Hollobone** (Kettering) (Con) *rose*—

**Mr Speaker:** Oh, very well.

**Mr Hollobone:** Seventy per cent. of the world's poorest people live not in the poorest countries but in the middle-income countries, and the G20 has a vital role to encourage these people to work their way out of poverty by free trade. Does the Secretary of State agree?



**Dr Fox:** I do agree, but if the G20 countries are intent on doing so, they need to reverse the recent trend of increasing non-tariff barriers to trade. The largest number of new barriers to trade introduced since the financial crisis have been in G20 countries, so they do not simply have to do the preaching; they have to do the practising, too.

### International Education Strategy

8. **Mr William Wragg** (Hazel Grove) (Con): What progress the Government has made on the implementation of its international education strategy. [911195]

**The Parliamentary Under-Secretary of State for International Trade (Graham Stuart):** Few do more than my hon. Friend to promote UK education. Since the strategy launch in March, we have established a cross-Government implementation group to turn the strategy's ambitions into reality, including raising exports to £35 billion by 2030 and lifting student numbers coming here to 600,000. We will appoint an international education champion, and I will chair the education sector advisory group later this month as we build on our plans to deliver the strategy in partnership with the sector.

**Mr Wragg:** I am very glad that my hon. Friend will be very busy on that project in the coming weeks. What steps are being taken by his Department to ensure that UK institutions, such as the excellent universities in Manchester, can promote their strong educational brands as world-class centres of teaching and research?

**Graham Stuart:** My hon. Friend is right: the UK education sector is world leading. It has four of the top 10 universities in the world and 18 of the top 100. Institutions such as the universities in Manchester stand out for their multicultural campuses and international collaborations, driving global research into important areas such as childhood leukaemia. We plan to work with them and others in the sector to promote it across the world.

### Inward Foreign Direct Investment

9. **Sir Henry Bellingham** (North West Norfolk) (Con): What recent assessment he has made of trends in the level of inward foreign direct investment. [911196]

**The Parliamentary Under-Secretary of State for International Trade (Graham Stuart):** On almost every measure, the UK has strengthened its position as the most attractive investment destination in Europe since the EU referendum. According to "The fDi Report 2019", published last month on 3 May, last year saw in-year greenfield investment in the UK grow by 19% to 1,278 projects—more, notably, than France and Germany combined. Despite the slowdown in the world economy, the latest figures show that the total stock of FDI in the UK reached a new high of £1.5 trillion, more than Germany, Poland and Spain combined.

**Sir Henry Bellingham:** I thank the Minister for that extremely positive and encouraging reply. Is he aware that much of King's Lynn and west Norfolk's economy is based on foreign direct investment from a number of firms from America and Europe and that we have some

subsidiaries of truly world-class companies? What is his Department doing to liaise with those firms and learn the lessons about why they made that successful decision to come to the UK and Norfolk, in particular?

**Graham Stuart:** We have a supplier relationship management programme, where we have built relationships at ministerial and senior official level with the largest investors into the UK. It is notable that in 2017-18, the 2,072 FDI projects that landed in the UK created 75,968 new jobs. Investors are not put off by Brexit, but they are deterred by the threat of nationalisation by the Labour party. It is the fear that job creators most often express to me, which goes to show that Labour does not even need to be in power to damage British jobs and living standards. The threat of Labour is enough.

**Geraint Davies** (Swansea West) (Lab/Co-op): My father, David Thomas Morgan Davies, was head of economic development at the Welsh Office and got Ford to move to Bridgend in the '70s, yet this week we find that it is announcing its closure at a time when Donald Trump is saying that we are going to have a great trade deal. Does the Minister agree that the people working in Ford who voted in good faith to leave the EU did not vote to leave their jobs and deserve a say on the final deal, so that they can think again and stay in the EU instead of losing their jobs and being decimated by the Americans?

**Graham Stuart:** The hon. Gentleman again wants to frustrate the will of his constituents. The automotive industry is in massive global flux, and trying to link every decision to Brexit leads people astray, just as he and so many of his colleagues do as they come up with these false arguments for a second referendum. The people want the thing they decided to be done and they do not want to hear weasel words from the Labour party, trying to say the opposite.

### Export Strategy

10. **Jeremy Lefroy** (Stafford) (Con): What progress the Government have made on implementing their export strategy. [911197]

**The Parliamentary Under-Secretary of State for International Trade (Graham Stuart):** The export strategy sets out how the Government will encourage, inform, connect and finance UK businesses so that they can take advantage of the international demand for British goods and services. In February we launched the new export champion community, a network of the UK's leading exporters which will encourage their fellow firms to start exporting and will offer practical advice.

**Jeremy Lefroy:** I am thinking very much of the workers at Ford this morning, because my first job was as a foreman at Ford in Bridgend. I hope that a way through can be found.

When it comes to informing and connecting, the Department needs people on the ground, but its budget in Africa, where I am one of the trade envoys, is very small. It has excellent people, but not nearly enough of them. What is the Minister doing to persuade the Treasury to invest more in "feet on the ground" for our trade missions in Africa and across the world?

**Graham Stuart:** One of this Administration's successes is the establishment of the Department for International Trade. For the first time, we have a dedicated, focused international economic Department that seeks to build our global prosperity. Africa, which is expected to double its GDP between 2015 and 2030 and whose population will nearly double in the not too distant future, is an area in which we need to up our engagement. That is why we are organising an African uplift this year, and we will continue to do more.

**Stewart Hosie (Dundee East) (SNP):** Implementing the export strategy also requires us to implement the cyber-security export strategy, which relies heavily on UK Export Finance for direct lending, export refinancing and so on. If cyber-security exports are a genuine strategic priority, what proportion of UK export financing will be committed to its support?

**Graham Stuart:** UK Export Finance responds to the market. It is there to ensure that no viable British export fails for lack of finance. Therefore, predicting, let alone fixing, the percentage that will be put into any particular sector—even if it is a strategic priority for the Government—would, I think, be a mistake.

### Topical Questions

T1. [911200] **Craig Tracey (North Warwickshire) (Con):** If he will make a statement on his departmental responsibilities.

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox):** My Department is responsible for foreign and outward direct investment, establishing an independent trade policy, and export promotion.

Let me take a moment to thank Baroness Fairhead for all her hard work during her time as the Minister for export promotion. She has been an invaluable member of my team: diligent, intelligent and 100% committed, and she will be sorely missed.

**Craig Tracey:** I chair the all-party parliamentary group on women and enterprise. We are about to publish our first report, which draws attention to the huge potential for encouraging more female-owned businesses to export. What support can the Government give in that regard, particularly by identifying market-ready opportunities abroad for our female entrepreneurs?

**Dr Fox:** I pay tribute to my hon. Friend for the work that he does in this area. The Government's export strategy is about breaking down barriers so that everyone can benefit from trade opportunities, but that includes understanding the distinct barriers faced by women. We will ensure that our independent policy is gender-responsive, and will actively seek to increase the role of women in trade and support female exporters in particular.

**Barry Gardiner (Brent North) (Lab):** Today we remember with profound respect the importance of the multilateral alliance, and the sacrifices made 75 years ago today. Did the Secretary of State take the opportunity of the recent state visit involving those commemorations to express his dismay that UK companies might now fall foul of the Helms-Burton Act, which would subject

British businesses and investors to unfair legal challenge in the United States simply because that country has a dispute with the people with whom our companies are doing business?

The extraterritorial jurisdiction that the US claims under the Act was declared unenforceable by the EU under a Council regulation which we have recently replicated in the UK, but does it not send a chill through the Secretary of State that by deciding to activate Title III, the US President is threatening companies based outside the US which are simply going about their legitimate business? Does that not make the Secretary of State question whether the great deal that President Trump says he is already discussing with the UK would be great for the UK, or just for the US?

**Dr Fox:** I agree that there are issues around the whole concept of extra-territorial rules on trade, which is why of course it is fundamental that we get a strengthening of the rules-based system at the WTO in Geneva. That will help us deal with some of those issues, but where the United Kingdom believes we have a unique role to play—for example in upholding the joint comprehensive plan of action—we will continue to do so, and we will resist any attempts to force UK trading entities to behave in a way that we do not believe is legal.

T4. [911205] **Mr William Wragg (Hazel Grove) (Con):** What steps is my right hon. Friend taking to showcase the exports of the Greater Manchester area—and may I take this opportunity to invite him and the Department to host an exporting showcase or roadshow in my constituency?

**The Parliamentary Under-Secretary of State for International Trade (Graham Stuart):** I am delighted to answer that question again. Our team in the north-west works with international trade advisers and partners across Greater Manchester to enable local exporters to showcase their products and services overseas, including through bespoke trade missions, events and the DIT digital platform. I welcome my hon. Friend's invitation. We have an established export hub that travels the length and breadth of the UK to give face-to-face support and guidance to first-time exporters. I will ask our team to contact my hon. Friend's office to explore areas of collaboration and I encourage colleagues from across the House to invite the export hub to their area.

T3 [911204] **Mr Stephen Hepburn (Jarrow) (Lab):** The Minister will be aware of the potential threat to the NHS from any transatlantic trade deal done by the EU. Will he give a cast-iron guarantee that any post-Brexit deal done with the US will maintain the principles of the NHS, free at the point of use?

**Dr Fox:** Of course post-EU it will be the Government and this Parliament that will determine what trade arrangements we have, not the European Union. I understand the hon. Gentleman's passionate defence of the NHS: I trained and worked in the NHS as a doctor. Under this Government the NHS will not be for sale, and I would hope that is something we can agree across the House.

**Damien Moore** (Southport) (Con): What steps are being taken to champion the rules-based system in emerging economies such as Tunisia?

**Dr Fox:** The whole issue of the WTO will be at the centre of what we discuss at the G20. The alternative to a rules-based system is a deals-based system, which would suit only the very biggest and most powerful economies, and we would lose the potential to use trade as a means of getting countries out of poverty. The rules-based system is necessary because it applies to everyone—the richest and the poorest, the strongest and the weakest—and we must give every defence to it that we can.

T5. [911206] **John Grogan** (Keighley) (Lab): Will Ministers say a word of praise for the work of the Yorkshire and Humber international trade team based in Barnsley? Would it not be even more effective if it was accountable not to Whitehall but to a directly elected Yorkshire mayor?

**Graham Stuart:** I am grateful to my hon. Friend from Yorkshire who is right to highlight the outstanding contribution from the team in Barnsley. I will leave it to other Departments and Ministers to reply on whether or not a Yorkshire mayor would be the right thing to have, but what I can say is that we will continue to work together cross-party to promote business and employment across the Humber and Yorkshire region.

**Tom Pursglove** (Corby) (Con): For the benefit of my constituents in Corby and east Northamptonshire will the Secretary of State take the opportunity to knock on the head this nonsense that the NHS will be up for sale in any future free trade agreement?

**Dr Fox:** I am tempted to say “I refer my hon. Friend to the answer I gave some moments ago.” Let me be very clear for the benefit exclusively of his constituents that the NHS is not, and will not be, for sale.

T6. [911207] **Dr Rupa Huq** (Ealing Central and Acton) (Lab): I heard the Secretary of State’s passion as a medic. Will he clarify that he can commit now to excluding the NHS from any future trade deals if the UK leaves the EU, and that no foreign power, no matter how big, will get their hands, no matter how small, on our NHS, no matter who wins the Conservative party’s leadership race?

**Dr Fox:** I refer the hon. Lady to the answer I gave some moments ago.

**Martin Vickers** (Cleethorpes) (Con): Trade with Iceland is of particular importance to my constituency and the ports of Immingham and neighbouring Grimsby. What progress is being made to develop our trading links and investment with Iceland?

**Dr Fox:** I visited Iceland just a couple of weeks ago and had constructive discussions with my counterpart there and with a range of businesses. We have already signed the continuity agreement, which I know will be of enormous benefit to my hon. Friend’s constituency and provide a great deal of comfort to those involved in those industries.

**Nick Smith** (Blaenau Gwent) (Lab): In Blaenau Gwent, we have been working with Fujitsu to encourage our young people to go into cyber-security, but I have learned that there is a real shortage of cyber-security specialists here in the UK. What support can the Government give to training in this key sector so that we can boost our exports for the future?

**Dr Fox:** The hon. Gentleman makes an important point. The value of UK cyber-security exports is set to rise from about £1.8 billion at the moment to £3.2 billion by 2022, and 800 companies are currently involved in the sector. He is right to say that one of the elements we will need to provide is the appropriate education, coming from the sector, to give people the appropriate skills as well as in-house training. The Government, through their wider agenda—the skills agenda, the apprenticeship scheme and what we are doing in the Department—are well aware of the point that he has raised. Without the skills, we will be unable to take advantage of the tech and knowledge that we have.

## INTERNATIONAL DEVELOPMENT

*The Secretary of State was asked—*

### Climate Emergency

1. **Jo Swinson** (East Dunbartonshire) (LD): What assessment he has made of the effect of the climate emergency on his Department’s priorities. [911154]

**The Secretary of State for International Development (Rory Stewart):** There should be no distinction at all between work that we do—

**Mr Speaker:** Order. I believe the Secretary of State is going to group this question with question 3.

**Rory Stewart:** Indeed, Mr Speaker. Thank you very much.

3. **Emma Dent Coad** (Kensington) (Lab): What steps he is taking to prioritise tackling climate change. [911156]

**Rory Stewart:** There should be no distinction at all between the work that we do on international development and the work that we do on climate and the emergency. We face a climate cataclysm, and if we get this wrong, 100 million more people will be in poverty. I would therefore like, as Secretary of State for International Development, to double the amount that our Department spends within our budget on climate and the environment, and to double the effort that the Department puts into that issue.

**Jo Swinson:** I welcome the Minister to the Dispatch Box in his new Cabinet role, and I warmly welcome his clear and genuine commitment to tackling the climate emergency. Does he accept, however, that there is a contradiction between the excellent work that his Department does in helping to mitigate and adapt to the climate emergency in developing countries and the way in which, through UK Export Finance, we continue



to subsidise fossil fuels to the tune of billions of pounds? Will he use his leadership in Government, in whatever form, to ensure that he pushes to stop those fossil fuel subsidies?

**Rory Stewart:** This is of course a very serious challenge. That is fundamentally an issue for the Department for International Trade, but the hon. Lady is absolutely right to say that it is extremely important, when we think about an environment and climate strategy for the Government, to be fully joined up, particularly in relation not only to what the DIT does but to what we do through the Commonwealth and through CDC's investments to ensure that they tie in with our climate and environment priorities.

**Emma Dent Coad:** The \$100 billion climate finance commitment made by developed countries including the UK is separate from the international aid commitment, as climate finance is an additional challenge to development, yet the UK's climate finance currently comes entirely from the aid budget, displacing spending on health, education and life-saving measures. The Minister has just explained that this will come from existing funds, so how are the Government exploring alternative sources of climate finance to take the pressure off the aid budget?

**Rory Stewart:** There is a range of climate finance initiatives that we could pursue, including green bonds here in the United Kingdom, but fundamentally, all the investments we make in health, education and economic development need to be proofed for the environment and climate. The distinction between these two things is often deeply misleading because, as the World Bank has just pointed out, if we do not get the climate and environment right, we will have 100 million more people living in poverty.

**Chris Law (Dundee West) (SNP):** The United Nations framework for combating climate change has three pillars: mitigation; adaptation; and loss and damage. Does the Secretary of State agree with the United Nations framework convention on climate change that loss and damage to property is a huge consequence of climate change? If so, why do the UK Government allocate official development assistance spending only to mitigation and adaptation?

**Rory Stewart:** These are difficult choices that we have to make. We are currently leading in the United Nations on the resilience pillar. It is very important, and I think everybody in this House—indeed, in the country—would want to ensure that the next COP summit is hosted in London next year, so that we can take on the baton from Paris, but in order to do that we need to show a distinctive contribution. It is in resilience that we shall be leading the UN discussions, both in Abu Dhabi and then in the UN in September. I think that is where the UK should position itself.

### Foreign National Offenders

2. **Mr Philip Hollobone (Kettering) (Con):** If he will allocate funding from the international aid budget to build prisons in recipient countries to facilitate the return of foreign national offenders to prisons in their home countries. [911155]

**The Minister for the Middle East (Dr Andrew Murrison):** The UK aid budget is already building the capacity of security and justice institutions in developing countries. That includes support for improved prison conditions, which can facilitate the return of foreign national offenders. Since 2010, we have removed more than 48,000 FNOs from the UK, with over 5,000 removed in 2018-19.

**Mr Hollobone:** We spend almost £1 billion a year on incarcerating more than 9,000 foreign national offenders in our prisons, many from developing countries to which we already give international assistance. Given that it is far cheaper to build a prison to requisite standards in those countries than here, does it not make sense to use our international aid budget to send these people home, using the funds from the Department for International Development?

**Mr Speaker:** I am advised that the Minister of State has just been elevated to the Privy Council. I congratulate him on that and wish him well, and I am sure the House will want to join me in congratulating the right hon. Gentleman.

**Dr Murrison:** Thank you, Mr Speaker. My hon. Friend the Member for Kettering (Mr Hollobone) knows very well that official development assistance is disburseable only in accordance with the rules set out by the OECD. There is a good argument for building prisons, in order to remove prisoners from the UK. However, ODA funds could not be used for such a purpose, since the primary intention of ODA funds is to render assistance. I would suggest very strongly that my hon. Friend speaks to our right hon. and hon. colleagues in the Home Office and the Department of Justice.

**Patrick Grady (Glasgow North) (SNP):** That is quite a helpful answer. Supporting the justice systems in developing countries is hugely important, but we should not make any move towards the notion of tied aid or a quid pro quo, such as was suggested in the substantive question; that would be worrying. Will the Minister make it clear that that is not a policy of the Department for International Development?

**Dr Murrison:** It is not a question of that not being a DFID policy; such a thing would be proscribed by the OECD and its development advisory committee. The proposal by my hon. Friend the Member for Kettering has merit, but it would not be proper for international development funds to be used for such a thing, and if we did so, it would not count towards the 0.7% to which we are committed.

**Sir Desmond Swayne (New Forest West) (Con):** When I was in the Minister's position, I refused Foreign Office requests—indeed, instructions—to build a prison on Pitcairn to accommodate one prisoner. Will he assure me that he will not cave in?

**Dr Murrison:** I think I can reassure my right hon. Friend that I will in no way be caving in.

### Women's Equality

4. **Eddie Hughes (Walsall North) (Con):** What steps his Department is taking to help increase women's equality throughout the world. [911157]

**The Minister of State, Department for International Development (Harriett Baldwin):** Our strategic vision for gender equality focuses on ending violence against women and girls, on girls' education, on promoting sexual and reproductive health and rights, and on women's empowerment.

**Eddie Hughes:** It is vital that girls in developing countries have access to high-quality education, so what progress is the Department making to help ensure that happens?

**Harriett Baldwin:** I am so pleased that my hon. Friend can support the "12 years of quality education" campaign that we are leading around the world, together with France and Canada. It is an incredibly important part of development, because evidence suggests that for every year that a girl spends in school, her lifetime earnings increase by 10%. Hon. Members can see how powerful that is in terms of prosperity for our world.

**Alison Thewliss (Glasgow Central) (SNP):** The Women Deliver conference heard this week from Sawsan Al Refai, a Yemeni development researcher and activist, who said:

"It is important for Yemeni women to be at the table, but we need to make sure Yemeni women's issues are at the table too."

What is the Minister doing to achieve that?

**Harriett Baldwin:** I am pleased to say that my ministerial colleague Baroness Sugg has been at that conference in Vancouver this week. The hon. Lady highlights a very important issue, because the evidence and the research that we have done suggests that involving women in peace processes very significantly increases the chances of their being successful and sustainable.

**Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** Does the Minister agree that if we want to make women more equal worldwide, we have to free them from poverty? And does she agree that a road death or serious injury can plunge a family into long-term poverty? Does she agree that we must act now to stop this greatest epidemic of our times, which kills more women and children worldwide?

**Harriett Baldwin:** May I pay tribute to the hon. Gentleman's tireless work on road safety around the world? He and I have met to discuss this issue, which is one of the biggest killers around the world. Of course, it is a killer of women and girls as well, and often of girls on their way to school. We are thinking about how we can best make sure that, where there is a need to develop growth—where the World Bank is providing finance, for example—the road safety elements are taken into account from the beginning.

**Preet Kaur Gill (Birmingham, Edgbaston) (Lab/Co-op):** In its latest annual review, the CDC claims that, of the jobs it supports, only 32% are for women and 68% are for men. Does the Minister agree it is not acceptable that over twice as many men are being supported with jobs via these investments. Given her Department's commitment to gender equality, will she take this up directly with the CDC?

**Harriett Baldwin:** We should rightly recognise the important work that the CDC does in creating these jobs in the first place. This is a vital way in which the UK can be one of the significant investors in some of the poorest and most difficult to reach economies in the world. The equality that we are almost beginning to enjoy here in our workplace has not yet reached many of these developing countries. The hon. Lady raises a sensible and valid point that I will be happy to take up.

### Trade Promotion

5. **Sir David Amess (Southend West) (Con):** What steps his Department is taking to promote trade for development. [911159]

**The Secretary of State for International Development (Rory Stewart):** As China and other developing countries have proved so much over the last decades, the real key to unlocking people's potential and eliminating poverty is, of course, through economic development, and trade is central to that. The great benefit of trade, and of free trade in particular, is that it unlocks the potential not just for consumers and businesses in developing countries but for countries such as our own, too. That is why our programmes in Ethiopia, Bangladesh and, more recently, Jordan are heavily focused on trade.

**Sir David Amess:** Is my right hon. Friend aware that a number of local companies in Southend are very keen to be involved in trade and development, including Borough plating and Jota Aviation? Does he see any further business opportunities once we have left the European Union?

**Rory Stewart:** First, I pay tribute to those businesses in my hon. Friend's constituency. It is incredibly important that, through every bit of Government policy, we support small and medium-sized enterprises in Britain. There is huge potential around the world. I would just warn, however, when people start talking about a no-deal Brexit, that we need to be very careful in specifying what kind of tariff levels people are talking about and with whom they are negotiating, because certainly farmers in my constituency, the automotive sector and the aviation sector will suffer terribly if we end up with the wrong arrangements.

**Geraint Davies (Swansea West) (Lab/Co-op):** On that point, we know that Donald Trump favours a no-deal Brexit so that we turn our back on the EU market and sit at his feet—the American economy is seven times the size of ours. We know that Donald Trump does not agree with climate change, but will the Secretary of State ensure that we focus on investing in renewable technologies via overseas development, rather than continuing to subsidise fossil fuels through export credit guarantees, so that we can build a sustainable world together?

**Rory Stewart:** This is a very big challenge. There is huge potential for the British economy and, of course, for the world and the climate emergency in getting involved in new technologies. To take one example, I would very much like to put considerably more money from DFID into research and development in renewable technologies at British universities. If we can develop

the next generation of solar film—light spectrum technology—it can convince China not to build the next generation of coal-fired stations. That will make a huge difference to the climate and the world, but also to British research.

**Tom Pursglove** (Corby) (Con): Will the Secretary of State set out for the House why the customs union is the wrong policy choice when it comes to lifting people out of poverty in the developing world through free trade?

**Rory Stewart:** I strongly disagree; I think it is incredibly important that we have zero-tariff, zero-quota access to European markets, to defend the future of the British economy. We are talking about the climate, which is central to this Department. If Europe needs 300 million electric cars over the next few decades, I would like them to be manufactured in the United Kingdom. We have huge potential in battery technology; we can make the planet a better place; and we can create great jobs for British businesses, and the way to do that is to have the access to those markets.

#### Lesotho: Civil Society

6. **Ian C. Lucas** (Wrexham) (Lab): What steps his Department is taking to support civil society in Lesotho. [911160]

**The Minister of State, Department for International Development (Harriett Baldwin):** There are strong links between the UK and civil society in Lesotho. Our support for civil society includes the volunteering for development programme, through which we are working in Lesotho to support young people's rights, and access to sexual and reproductive health services.

**Ian C. Lucas:** First, may I thank the Minister for the recent meeting we had on the subject of Lesotho and thank the Government for restoring the high commissioner in Lesotho? Will she work with the high commissioner to build links with civil society in Lesotho, because of the difficulties that exist in terms of the Lesotho Government and corruption? Massive links between Wales and Lesotho have been built up over many years, and we want to help the good people of Lesotho to improve their lives and not be impeded by payments to Ministers in Lesotho, which are causing massive problems.

**Harriett Baldwin:** Let me put on record our appreciation of the strong links that exist not only, as the hon. Gentleman says, between Wales and Lesotho, but between Wrexham and Lesotho, and of his commitment to them. He is right to welcome the fact that our new high commissioner, Anne Macro, whom I know he has had the opportunity to meet, has now presented her credentials to the Lesotho Government. This will provide an opportunity for those strengthened links with not only the Government but civil society in Lesotho.

**James Duddridge** (Rochford and Southend East) (Con): At the same time as we were to reopen the new high commission in Maseru, an announcement was made about Eswatini. Will the Minister update the House on the progress being made on the high commission in Eswatini?

**Harriett Baldwin:** I am pleased to tell the House that the progress is on track. Although we are not quite ready to announce the name of the high commissioner in Eswatini, I believe someone has been identified for the post. So good progress is being made, and I am encouraging our Foreign Secretary to go to southern Africa to open these two new high commissions later this year.

#### Antimicrobial Resistance

7. **Kevin Hollinrake** (Thirsk and Malton) (Con): What steps his Department is taking to tackle antimicrobial resistance throughout the world. [911161]

**The Minister of State, Department for International Development (Dr Andrew Murrison):** Antimicrobial resistance is a major global health threat and tackling it is a UK priority. DFID works alongside the Department of Health and Social Care and other Departments to support research on and development of new antimicrobials and diagnostic tools and to reduce the need for antimicrobials by preventing infection and enabling prompt diagnosis and treatment.

**Kevin Hollinrake:** The O'Neill review makes the case that high-income countries should help low-income countries do important mitigation works in this area, with one example being reducing pollution from pharmaceutical production facilities that give rise to superbugs, which can travel round the world, including to the UK. Will my right hon. Friend outline the work we are carrying out in this area?

**Dr Murrison:** Yes, but before doing so, I wish to pay tribute to my hon. Friend's work and interest in this area. He may be familiar with this, but I would like to draw his attention to the Access to Medicine Foundation, which is jointly funded by DFID, the Dutch Government and the Gates Foundation. It focuses on low-income and middle-income countries, and I particularly draw his attention to its antimicrobial resistance benchmark of 30 pharmaceutical companies, which prompts the pharmaceutical industry to do much more to bring AMR under control, including by reducing pharmaceutical pollution from the undertakings it operates.

**Kerry McCarthy** (Bristol East) (Lab): In some countries, 80% of the total consumption of antibiotics is in the animals sector. What are we doing to support the World Health Organisation's recommendations on stopping really important antibiotics being used for growth promotion and disease prevention in animals, rather than for their proper use, which is to treat disease?

**Dr Murrison:** The hon. Lady is absolutely right on that. The use of antimicrobials for food animals in this country is falling, and of course the use of antimicrobials for veterinary purposes features in the Government's strategy "Tackling antimicrobial resistance", which was published in January. She will also be aware that it is important to address this particular aspect of AMR, not least to address our commitments under sustainable development goal 3, which is to do with health and wellbeing.



**Nick Herbert** (Arundel and South Downs) (Con): Drug-resistant tuberculosis kills around a quarter of a million people a year, and there are half a million new cases a year and rising. Do the Government accept that full replenishment of the Global Fund will be essential if this global health threat is to be beaten?

**Dr Murrison:** My right hon. Friend is absolutely right to highlight TB. He will be aware of the various funds to which the UK contributes to address this global scourge, and that includes contributions to the Global Fund's efforts to discover 150 million undiscovered cases of TB worldwide, on which it has made some inroads. My right hon. Friend will not expect me to commit here and now to the sixth replenishment, but he will be aware that we have been at the forefront of encouraging countries to do so. I expect us to be positive—as we were for the fifth replenishment—in Lyon in October.

### Cyclone Idai

8. **Sir Henry Bellingham** (North West Norfolk) (Con): What support his Department is providing to people affected by Cyclone Idai. [911164]

**The Minister of State, Department for International Development (Harriett Baldwin):** The UK was one of the first countries to respond to the crisis, providing up to £36 million. The Disasters Emergency Committee appeal raised another £39 million. That has delivered rapid, life-saving relief, supporting food, emergency shelter, clean water and health equipment for more than 500,000 people across the region affected by the cyclone. We are now focusing on longer-term recovery, and the UK made a further £12.5 million available from existing resources as part of the recent Beira pledging conference.

**Sir Henry Bellingham:** I declare my interests in southern Africa.

Does the Minister agree that one lesson we need to take away from this appalling cyclone is the need to concentrate on longer-term flood and sea defences? Will she elaborate a bit on what her Department is doing in that respect?

**Harriett Baldwin:** Yes. Last time we had exchanges on this subject, I said that I felt it would be impractical to build a sea wall along what is a long and vulnerable coastline, but we are learning that a lot of things do work well. For example, we are making sure that we work on soil erosion and in terms of mangroves, which can provide resistance. There is a lot to do, and I welcome my hon. Friend's commitment to increase our research and commitment in this policy area.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. We are running late. I will accommodate the remaining questioners on the condition that they confine themselves to a single-sentence question, without preamble. No dilation is required.

### Small Charities: Funding

9. **Mr Philip Dunne** (Ludlow) (Con): What steps he is taking to enable small charities in the UK to access funding from his Department. [911165]

**The Secretary of State for International Development (Rory Stewart):** In the end, the Department for International Development is of course spending taxpayers' money. To work out how to spend it in a way that resonates with the British people, we must get much better at focusing on the small charities that British citizens back. The way to do that is to learn, from examples such as the lottery fund, how to provide more support for small charities. We will push ahead with that work to make sure that small charities flourish.

**Mr Speaker:** The Secretary of State is an extraordinarily brilliant and cerebral fellow. He has not quite yet got the hang of the rather more prosaic matter of the announcement of the desire to group, but I shall do it for him. The Secretary of State wishes to group this question with Question 12. I know that these are comparatively footling matters, but in procedural terms, they are not footling. Footling is a very good word, I think.

**Mr Dunne:** Would it form part of a preamble, Mr Speaker?

I am grateful to my right hon. Friend the Secretary of State for the support he already gives through his Department, but many Members will have charities in their constituencies, such as Signal in Shropshire, or will individually promote charities, such as the Hotcourses Foundation. What more can my right hon. Friend do to support British charities that do excellent work in Africa?

**Rory Stewart:** Two quick points: first, we must understand that Signal in Shropshire, which does work on hearing loss, is a really important symbol of the kind of work that small charities can do, and it is an inspiration to all of us in this country to invest more in technology to deal with hearing loss. We are terribly bad with our technology investments on this issue; we could transform it. Secondly, I return to the idea that we need officials from DFID to work much more closely with these charities to make it easier for them to get our support.

12. **Chris Green** (Bolton West) (Con): [911168] Archbishop Warda of Erbil, Iraq, recently highlighted the fact that very little international aid reaches the persecuted Christians locally because of the way that it is distributed. What can my right hon. Friend do to correct that problem?

**Rory Stewart:** First, it is shocking to hear this from the Archbishop of Erbil. We should pay tribute to what the Kurdistan Regional Government have been doing to look after an incredible number of displaced people in Iraq, but it is certainly true that Christians and Yazidis have suffered terribly through the fighting in Syria and Iraq and through persecution led by Daesh in particular. This Department must do more to protect Christians around the world if they are vulnerable, marginalised and abused.

### Prosperity Fund

10. **Bill Esterson** (Sefton Central) (Lab): What steps he is taking to ensure that aid spent through the prosperity fund is focused on poverty reduction. [911166]

**The Minister of State, Department for International Development (Harriett Baldwin):** The primary purpose of the prosperity fund is reducing poverty through



inclusive economic growth. Departments that execute prosperity fund programmes are responsible for ensuring that they meet the requirements of the International Development (Official Development Assistance Target) Act 2015.

**Bill Esterson:** Between 2016 and 2018, the prosperity fund financed 16 fossil fuel projects across the world, including two in fracking. Is not this obsession with fossil fuels, despite the fine words of the Secretary of State, just confirmation that this Government could not care less about addressing the climate emergency, which is, after all, one of the biggest threats to alleviating world poverty?

**Harriett Baldwin:** These funds are obviously administered by other Government Departments in compliance with the wording of the Act, so I am not seized of the specifics of what the hon. Gentleman refers to. He will know that we do need to work together as a world to reduce emissions. One of the ways in which we are doing that is to encourage people to power past coal. Often we can do that by substituting less polluting fossil fuels. It may be in that context that these disbursements were made.

#### Global Fund: AIDS, Tuberculosis and Malaria

11. **Bambos Charalambous** (Enfield, Southgate) (Lab): What assessment he has made of the extent to which the Global Fund to Fight AIDS, Tuberculosis and Malaria is improving access to healthcare for the most vulnerable and marginalised communities. [911167]

**The Minister of State, Department for International Development (Dr Andrew Murrison):** The Global Fund directs its resources to countries with the highest disease burden and the least ability to pay and within countries to key vulnerable and marginalised populations. The UK was the second largest donor to the fund's fifth replenishment, which is currently tackling the three big killers that the hon. Gentleman cites in his question.

**Bambos Charalambous:** Will the Minister tell me what assessment he has made of the work of the Global Fund in co-ordination with Gavi, the Vaccine Alliance, and how his Department is working to foster this collaboration so that the most vulnerable communities receive all the healthcare that they need?

**Dr Murrison:** Given the nature of the conditions that the Global Fund principally deals with, the hon. Gentleman is right to raise Gavi. The UK is the biggest contributor to Gavi for a very good reason—vaccination works. In dealing with those three key killers, it is clearly vital that we focus on prevention. That means not just vaccination, and Gavi does not simply vaccinate people, but dealing with a range of public health issues that are necessary in order to prevent infection happening from the beginning. This Government fully support both Gavi and the Global Fund.

#### Topical Questions

T1. [911177] **Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

**The Secretary of State for International Development (Rory Stewart):** There is one big issue at the centre of everything that we do in development, which is climate and the environment. This is a global problem—it is not just a domestic problem—and it needs a global response, which is why the Department for International Development is central to that response. That is why I would like to double the amount that this Department spends on climate and the environment, and why I would make sure that every policy in our Department is properly assessed for its impact on climate and the environment, and it is on that that we will be judged over the next generation as a Department and as a nation.

**Stephen Doughty:** I welcome the Secretary of State to his role and wholeheartedly agree with what he just said on climate change. Indeed, climate change has affected Somaliland. As he will know, I am secretary to the all-party Parliamentary group on Somaliland and we recently welcomed the Finance Minister. Can he say what steps his Department is taking to support the upcoming parliamentary elections in Somaliland and also the talks between Somaliland and Somalia? Will he meet the all-party parliamentary group to discuss what we can do to support that fantastic country?

**Rory Stewart:** First, I pay huge tribute to the work of the APPG on Somaliland. As all Members of the House will know, Somaliland is a remarkable success story. Somalia itself has been through a very difficult situation, and Somaliland is a small miracle in a sea of difficulty. We worked very closely with Somaliland on the last presidential elections and we will be supporting the new parliamentary elections. On my last visit to Somaliland, I was lucky enough to meet the gentleman who is now President. There is much more we can do and I would be delighted to sit down with the hon. Gentleman to discuss all those issues.

T5. [911183] **Mr William Wragg** (Hazel Grove) (Con): Helping Uganda Schools—known as HUGS—is a small international development charity based in my constituency. Would the Minister meet me and representatives of this wonderful educational and health charity to discuss how DFID can improve access to funding programmes for small charities?

**The Minister of State, Department for International Development (Harriett Baldwin):** It sounds like a wonderful opportunity to meet representatives of HUGS in my hon. Friend's constituency. As the Secretary of State said, we do have a small charities challenge fund, and we need to make it easier for small charities such as HUGS to be able to access some of that funding. I would be more than happy to meet my hon. Friend's constituents.

**Dan Carden** (Liverpool, Walton) (Lab): May I start by saying how much I am enjoying following the Secretary of State's novel approach to his party's leadership contest? He certainly stands out in a field of populists, potty mouths and parliamentary proroguers. I also know that if I do not get satisfactory answers today, I can find him on the high street, at a botanical garden or at #rorywalks. Some of his fellow leadership contenders have called for his Department to be scrapped and the aid budget to be slashed, and his predecessor said that spending 0.7% of

national income was unsustainable. Will he take this opportunity to defend an independent DFID and 0.7%, and perhaps call on his fellow contenders to make their positions clear?

**Rory Stewart:** I thank the shadow Secretary of State for his remarks; his endorsement is probably the nail in the coffin of my campaign. I know that I am meant to be campaigning on being the person who can convince people who do not normally vote Conservative to vote Conservative, but this may be going a little far. The commitment to 0.7% is a Conservative commitment that we put into statute, and we are deeply proud of it. At a time when we are facing a climate emergency, to spend not 7% or 1%, but 0.7% of our GNI, makes entire sense. We are facing an emergency to the climate and to people that could cost trillions of pounds if we get it wrong so this spending is exactly the right thing to do, and I am delighted that both sides of the House are following the Conservative lead on the commitment to 0.7%.

**Dan Carden:** I am grateful for that answer. The growing debt crisis in developing countries, with debt repayment increasing by 85% between 2010 and 2018, is of growing concern, and it is a crisis that diverts money from vital public services. Yesterday Labour announced plans for an overseas loans transparency Act. Will the Secretary of State join us and call on the Chancellor to commit to full transparency on loans to foreign Governments?

**Rory Stewart:** Having gone party political, I will now say that I am very happy to reach out and talk about this matter. Clearly, finance is key for development and the City of London is one of the major players. If we can get the right kind of capital into Africa, for example—where there is a huge amount of labour, with 18 million people a year coming into the labour force—and get that capital connected, we can transform those economies, but we can do so only if these are good loans. The problem at the moment is that too much money has gone in that has not been invested in infrastructure or productivity, but has instead found its way into some rather dubious bank accounts. It is in the interests of Britain, the City, the Government and the whole nation to ensure that the financing we put into development really drives development. I would be delighted to sit down and discuss this with the hon. Gentleman.

**Jeremy Lefroy (Stafford) (Con):** Since the Secretary of State's statement on Ebola just before the recess, has there been any positive progress in tackling this terrible outbreak?

**Rory Stewart:** I feel a little bit cheeky standing up to answer this question because the Minister of State, Department for International Development, my hon. Friend the Member for West Worcestershire (Harriett Baldwin), made a trip to the eastern Democratic Republic of the Congo last week to see the response on the ground. Essentially, there are three issues in relation to Ebola. The first is co-ordination issues for the World Health Organisation. The second is vaccination resources. The third is political issues between communities and the Government of the DRC. We have now put a considerable amount of resources in and we are getting the vaccines in on the ground. We have put more British staff on the ground to ensure that we can work with the UN, and in Kinshasa we are really focusing on ensuring

that we can overcome the political problems that are driving communities away from the vaccination programme. It is a huge crisis, but Britain is stepping up and so, I am glad to say, is the United States.

T2. [911178] **Danielle Rowley (Midlothian) (Lab):** I am pleased to hear the Secretary of State's global approach to climate change, but we know that vulnerable communities in the global south are hit hardest by extreme weather events caused by climate change. How will he use his global influence to work with other funding countries to make sure that vital financial support goes to those countries that have suffered such loss and damage?

**Rory Stewart:** First, we have to leverage our position. We are almost the major donor—proportionally, certainly—to the World Bank, and we need to leverage that kind of support. There is, though, a bigger point: it is not just about money. For example, British scientists are doing something really interesting at Kew Gardens looking at drought-resistant crops, particularly coffee and cocoa. In somewhere such as Ghana, climate change could wipe out a large sector of the economy. We need to get shade trees in. We need new crops and irrigation techniques. This is of course about resources, but it is also a great deal about using British and international research and development and science to solve these problems in, as the hon. Lady said, the global south.

**Mr Peter Bone (Wellingborough) (Con):** Most victims of human trafficking come from developing countries. What is the Secretary of State's Department doing to end the scourge of human trafficking?

**Rory Stewart:** First, I pay huge tribute to my hon. Friend for the passion and commitment that he and many others have put into this issue. We do work on this. We have been particularly focused on the Nepali-Indian border, across which there is terrible trafficking taking place. These are very difficult things to deal with. We are talking about global crime. It involves working with communities in Nepal to educate women and identify instances of trafficking and working with the police and customs and ultimately finding an approach that stops both the misery there and our role in the UK in propagating that misery. I really am delighted that he has taken such a lead on this.

T3. [911180] **Liz Twist (Blyden) (Lab):** For the past 25 years, the UK has rightly been committed to ensuring that aid spending is untied from commercial interests. How does the Secretary of State explain the ONE Campaign's research that found that almost £475 million of UK aid was still effectively tied?

**Rory Stewart:** We are very clear that we do not tie aid spending. There may be situations in which it is beneficial. For example, we have just put £70 million into British universities to find a universal cure for snake bites. That is a very good example of how we can solve a global public health problem through investment in British universities, but that is not tied aid; it is because British research and development, particularly the Liverpool School of Tropical Medicine, is the leader in this area.<sup>1</sup> We can do this in many areas without feeling ashamed of ourselves, benefiting Britain and the world, and without tying our aid.

1. [Official Report, 10 June 2019, Vol. 661, c. 4MC.]

T4. [911182] **Ian C. Lucas** (Wrexham) (Lab): Will the Secretary of State instruct DFID officials to carry out an audit through Members of Parliament to identify organisations in constituencies that are developing links with developing countries?

**Rory Stewart:** Yes. The absolutely greatest example of this is Scotland and Malawi. It has mapped thousands of amazing Scottish voluntary organisations working in Malawi and uncovered work that we had not begun to understand. It is a fantastic idea. I would love to see different regions of the UK taking the lead in partnerships with different countries and my Department understanding much better what British charities are doing. If we can get that right, we can get the enthusiasm and soul of the British people behind international development, which will ultimately be the best guarantee of the 0.7%.

T6. [911184] **Patrick Grady** (Glasgow North) (SNP): I thank the Secretary of State for that very encouraging answer. I hope he will join me in welcoming the peaceful

conclusion of the elections in Malawi, particularly the increased number of women MPs, even if that was slightly counterbalanced by the loss of some very good incumbents, including a friend of mine, Jacqueline Kouwenhoven, who you may remember meeting some years ago, Mr Speaker. The turnover of incumbents seems to be an increasing issue in democracies across Africa. What is his Department doing through the Westminster Foundation and other such organisations to strengthen democratic institutions and empower women in democracies?

**Harriett Baldwin:** Yes. As my right hon. Friend said, the Scotland-Malawi partnership is a very strong one, as the hon. Gentleman has shown with his question. In the recent elections, the results of which we have welcomed, some two thirds of the parliamentary seats in Malawi changed hands. I am not sure if they learned that level of turnover from recent experience in Scotland not so long ago.



## Business of the House

10.45 am

**Valerie Vaz** (Walsall South) (Lab): Will the Leader of the House please give us the forthcoming business?

**The Leader of the House of Commons (Mel Stride):** The business for the week commencing 10 June will include:

**MONDAY 10 JUNE**—Remaining stages of the National Insurance Contributions (Termination Awards and Sporting Testimonials) Bill, followed by a debate on a motion on the mineworkers pension scheme. The subject of this debate was determined by the Backbench Business Committee.

**TUESDAY 11 JUNE**—Motion to approve a statutory instrument relating to the draft Consumer Rights Act 2015 (Enforcement) (Amendment) Order 2019, followed by a motion to approve a statutory instrument relating to the draft Child Support (Miscellaneous Amendments) Regulations 2019, followed by a general debate on the UK voluntary national review on the sustainable development goals.

**WEDNESDAY 12 JUNE**—Opposition day (unallotted day). There will be a debate on inequality and social mobility, followed by a debate on discrimination in sport. Both debates will arise on a motion in the name of the official Opposition.

**THURSDAY 13 JUNE**—Debate on a motion on social housing, followed by a general debate on making Parliament a more modern, family-friendly and accessible workplace. The subjects of these debates were determined by the Backbench Business Committee.

**FRIDAY 14 JUNE**—The House will not be sitting.

May I, on this particular occasion, extend the best wishes and thoughts of the whole House to all who are assembled in Normandy today to reflect on and commemorate the D-day landings?

It has been a very crowded field, with many runners and riders, but here I am as the new Leader of the House, and also as the new Lord President of the Council, which means that I have become a leader without an election and a lord without having to be elevated to the peerage. For having quietly achieved that during these tumultuous times, I think I should be congratulated.

**Chris Bryant** (Rhondda) (Lab): You've already done it.

**Mel Stride:** Indeed I have.

I would like to pay tribute to my right hon. Friend the Member for South Northamptonshire (Andrea Leadsom). In so doing, Mr Speaker, may I say that I hope that we can continue in the warm and familiar spirit that characterised your relationship with my predecessor, and hope that I can benefit from your continued indulgence? My right hon. Friend travelled the length and breadth of our country to press the case for our Parliament. She pressed hard to protect the very fabric of our Parliament with all her work around restoration and renewal. She fought for the piloting of proxy votes to make this place a more family-friendly environment. She worked particularly hard to change the culture in the Palace of Westminster so that there should be no place for bullying or harassment of any kind. We owe her a great debt.

I would also like briefly to pay tribute to my hon. Friend the Member for Sherwood (Mark Spencer), who stood in at such short notice on the previous occasion and performed with such oratorical brilliance and dexterity. His are big shoes to fill, not least because he has very large feet.

For my part, I will strive to be an effective voice for Parliament in Government and to conduct myself in a consensual and inclusive manner. My door will always be open to Members right across this House—especially, of course, to the hon. Member for Walsall South (Valerie Vaz), and all those who speak for their parties and the Committees of this House.

Beyond these walls, I will play my part to defend our democracy, in a world in which the public square has too often become a place of misinformation and abuse. This House is precious, yet sometimes fragile. When it is degraded, we are diminished, but when it is at its best, we are all enriched.

**Valerie Vaz:** I welcome the right hon. Gentleman to his new position and congratulate him on his appointment. Perhaps we can talk later about whether he is going to give a speech every time he announces the business; I am happy to have the extra time too. I thank him for giving the forthcoming business and for restoring our Opposition day. I am pleased that he is starting off in the right way—long may that continue.

Can the Leader of the House confirm the dates for the summer and conference recesses? I ask that not because I do not want to be here—we do want to be here—but because I have heard rumours that the House might rise on 19 July. There is a new timetable for the election of the Conservative leader, and we need to ensure that the House is not in recess when the new leader—effectively the new Prime Minister—takes up his or her post. Does he agree that it is vital for the House to have an immediate opportunity to test whether the new leader of the Conservative party commands the confidence of the House?

I remind the Leader of the House that he holds democracy in his hands, which is a very precious thing. This is a minority Government, and he needs to respect that. Can he confirm the status of the confidence and supply agreement and whether it will have to be renegotiated with the new Prime Minister? I am sure that he has been briefed, but I will give him the figure again: it is 715 days since the Queen's Speech. This is now the longest continuous parliamentary Session since the Acts of Union in 1800.

The Leader of the House is the voice of the House in Government. Can he assure the House that he agrees that Parliament is sovereign, and that Parliament has voted against a no-deal scenario? I say that because there are many candidates up and down the country coming here to have coffee and tea and talk to their colleagues, and they are saying various things. I am sure that he still respects his former colleague at the Treasury, the Chancellor, who said that the Conservative party is at risk of losing its “reputation for fiscal responsibility” as candidates fighting for the top job have made “unfunded” spending and tax-cutting pledges. Are those meaningful or un-meaningful pledges? Are they new policies? We need to know. As a former Treasury Minister, he knows that when someone makes a public spending commitment, they have to honour it. One of them is even talking about repealing the Health and Social Care Act 2012.



Given that they have all been in the Cabinet, why did they not do those things at the time? Does that mean they are not very good at persuading their colleagues?

This Government are failing in their duty to bring forward important legislation. The Financial Services (Implementation of Legislation) Bill, the Immigration and Social Security Co-ordination (EU Withdrawal) Bill, the Agriculture Bill and the Fisheries Bill all need their Report stage, and the Trade Bill is stuck in ping-pong. Can the Leader of the House update us on when those Bills are likely to get their Report stage and when the Trade Bill will return to the House?

The House has resolved that there is a climate and environment emergency. I do not know about other Members, but I am already getting emails from people about the Environment Bill. The Environment Bill is required to put in place a domestic structure of environmental governance, but has yet to be published and is only in draft form. The draft Bill seems to exclude our cultural heritage from future environmental improvement plans. When the Leader of the House is having strategy meetings with his candidate, the Secretary of State for Environment, Food and Rural Affairs, can he ask him when the Environment Bill is likely to come before the House?

All the while, the UK manufacturing sector contracted in May for the first time since July 2016. The justice system is under threat while barristers are considering strike action in a dispute over legal aid rates and prosecution fees; that is about the rule of law. A shortage of qualified staff has become hospitals' most pressing concern. The Royal College of Radiologists recently said that the shortage of cancer doctors "puts care at risk". Also at risk is the community of Scunthorpe and, we learn today, the community of Bridgend.

Also at risk are children in Northamptonshire. Yesterday two Northamptonshire serious case reviews of the murder of two toddlers were published and widely reported, and they said that there was a serious failure, after child protection workers, police and the local authority missed crucial opportunities to intervene. An Ofsted inspection last year said that social workers and staff are inundated and are "drowning in work". When will the Government make a statement on this horrific incident, and what steps are being taken to ensure it never happens again?

Mr Speaker, you can see why we need such debates. Given that the Government do not have much business or refuse to put business before this House, could the Opposition have that time because we could put forward how we see the future of this country? That is important because—and I join the right hon. Gentleman in saying this—on this day more than ever, we want to remember and thank the 22,442 British troops who gave their lives over the summer of 1944. They worked together to ensure, and they still ensure, peace and our freedom, fighting antisemitism, racism, fascism and injustice. Let us get this place and this country working so that we honour their sacrifice.

**Mel Stride:** I thank the hon. Lady for her comments, and particularly for welcoming me to my new role. I very much look forward to the great pleasure of working closely with her in the weeks and months ahead.

The hon. Lady asked several questions. She initially asked about recess and when we will be coming forward with the dates for recess. These matters are being considered

in the normal manner at the moment, and I will come to the Dispatch Box to announce those dates in due course.

The hon. Lady raised an interesting question about a vote of no confidence and whether such a vote would be permissible. I think the desire to put forward such a motion is really something that originates from her side of the House, so I would suggest she speaks to the leader of her own party. I am aware that there is a lack of communication between the Back Benches and the Front Bench, but I did not realise that there is a lack of communication between the Front Bench and the leader of her own side. She would do well to speak to him in that respect.

The hon. Lady also raised the matter of the confidence and supply agreement. It is of course an agreement between the Conservative and Unionist party and the Democratic Unionist party, and I am therefore confident that it will not be affected by any change in the leadership of the Conservative and Unionist party.

The hon. Lady specifically asked whether Parliament is ultimately sovereign. Of course, the answer to that is very simple: it is yes. Parliament is the sovereign body within our constitution.

The hon. Lady raised—rather bravely, I thought—the issue of tax cuts, among other measures. That comes from a party that has pledged unfunded spending commitments approaching £1 trillion in total, and one can only imagine the kind—*[Interruption.]* I am looking at the shadow Chief Secretary to the Treasury, the hon. Member for Bootle (Peter Dowd), who is smirking away at the thought of all those tax cuts, which he knows he will be bringing in in the course of time. Meanwhile, our party has of course reduced tax left, right and centre, including the latest increase in the personal allowance in the last Budget, taking up to 3 million or 4 million of the lowest-paid people out of tax altogether since 2010.

The hon. Lady quite rightly turned to the issue of legislation and the Bills that will come before this House. I would remind her that no less than 44 Bills have received Royal Assent in this Session. To go back to her point about tax, that includes the last Finance Bill, which reduced tax for no less than 32 million hard-working people up and down our country.

Perhaps I should finish by saying that it is our joint desire to get business through the House—it seems we both have such a desire—and I very much look forward to working closely with the hon. Lady to make sure that the views and aspirations of those right across this House are fully met.

**Sir David Amess** (Southend West) (Con): I join others in paying tribute to the outgoing Leader of the House and congratulating my right hon. Friend on his appointment. Will he find time for a debate on future relations between the United Kingdom and the Maldives? The House will be delighted to know that, following the election of the new President, Ibrahim Solih, the warring factions have joined together and the Majlis is now sitting. The Maldives wants to rejoin the Commonwealth, and it would very much like a free trade agreement with the United Kingdom.

**Mel Stride:** I welcome my hon. Friend's question—I know he is a welcome and regular fixture on these occasions, and I look forward to future questions from him.

[Mel Stride]

The Government welcome the growing bilateral relations with the Maldives and President Solih's commencement of steps to rejoin the Commonwealth. My hon. Friend may wish to raise that issue with Foreign Office Ministers during the next Foreign and Commonwealth Office questions on 25 June.

**Pete Wishart** (Perth and North Perthshire) (SNP): I thank the new Leader of the House for announcing next week's business, and I warmly welcome him to his post. He is only the fourth Leader of the House that I have encountered over the past four years, but I have a feeling that he will be about the best yet. In that spirit, given all the unallotted days that are kicking about, and the lack of business, how about giving the SNP a debate one of these days? Perhaps that could be a starting gift for him to offer the Scottish National party.

The post of Leader of the House is usually offered to those in government who are firmly on their way up, or decidedly on their way down. I will leave it up to the right hon. Gentleman to decide which category he falls into. However, looking at this poor excuse for business, it is not a new Leader of the House that is required—it's the sandman. We do not need a business statement; we need a cup of Horlicks laced with Mogadon. This business purgatory is where zombies go to die. We have only another six or so weeks of this nonsense to go before we can all go away and do something much more interesting.

May I fully associate myself with what has been said about D-day? This 75th anniversary has caught the whole nation's imagination, and we pay tribute to all those engaged in providing the freedom that we enjoy in this House today.

I bet Government Members are delighted to be back—that was a good and productive week off! Absolutely and totally gubbed in the euro elections, their Brexit going nowhere, and Farage pulling all the strings once again in their dilapidated party. May we have a debate about beauty contests—specifically, no-deal Brexiteer beauty contests? SNP Members are enjoying watching those Tory beauties strutting their stuff, with their mad plans about the degree of just how disastrous their Brexit will be. One thing that has come out of their hustings thus far, however, is the suggestion that this Parliament could be prorogued to facilitate their no-deal Brexit. The first thing that the new Leader of the House must say this morning is that that subversion of democracy will never be considered or entertained, and that he has no intention of suspending democracy in this country to facilitate that no-deal Brexit.

Lastly, may we have a debate about anything—something with some meaning? We have all this to look forward to when we come back again to hear another business statement that says exactly the same thing next week. Welcome to your new life, Leader of the House.

**Mel Stride:** I thank the hon. Gentleman for his contribution. I have observed him from a distance over many weeks performing as he has done—he normally has a tightly knit script of prose that he rattles through at great speed, and we were not disappointed in that respect this morning. With his comments about zombies and other references there was something more of the

Rab C. Nesbitt than the Rabbie Burns about it on this occasion—[*Interruption.*] I do have a soft spot for the hon. Gentleman, so he will make good headway with me on a general basis.

On SNP Opposition days, the hon. Gentleman will know that the Standing Orders are clear that there should be 20 Opposition day debates in any one Session, with 17 for the largest Opposition party, and three for the second largest, which is the Scottish National party. Those days have already been allocated and occurred, but in the spirit of the hon. Gentleman's generous opening remarks, I would be happy to sit down with him, at a time of his convenience, to discuss that matter, and perhaps even the vexed issue that he raised about whether I am on my way up or on my way down. Only time will tell.

The hon. Gentleman raised a specific point about Prorogation, which of course is ultimately in the gift of the Queen. I think Her Majesty should be kept out of the politics of our Parliament, and I am sure that matter will be in the forefront for those who toy with such decisions in the future. He also mentioned the Bills being introduced, and I think many fine Bills are coming forward in this House, as well as many important debates. It should be borne in mind that debate does not just take place on the Floor of the House, and important work is also carried out in many important Committees.

**Sir John Hayes** (South Holland and The Deepings) (Con): It is good to see another one of my protégés climb the greasy pole.

Martin Luther King said that law and order exist for the purposes of justice, but the injustice of disorder hurts people and spoils places as too many jobs and crooks penalise, torment, terrorise and taunt their innocent and vulnerable neighbours. Small shops are targeted in particular. The Federation of Independent Retailers said recently that the cost of crimes against the convenience sector alone is £246 million. Will the Leader of the House arrange for a debate on retail crime, which does so much harm in all our constituencies? Then, perhaps, as well as being a Leader, as well as being a President, as well as being a Lord, he will, like me, become a champion of the shopkeepers.

**Mr Speaker:** Order. The right hon. Gentleman was legendarily eloquent and mellifluous, but it is extremely important that the proceedings of this House are intelligible to all those observing them. Therefore, for the purposes of clarification and the avoidance of doubt, I inform people that before the Leader of the House attained the giddy heights in the political stratosphere, which is he proud to announce today he has done, he did serve as Parliamentary Private Secretary to the right hon. Member for South Holland and The Deepings (Sir John Hayes). I fancy that the right hon. Member thinks that that was the apogee of the career achievements of the right hon. Member for Central Devon (Mel Stride).

**Mel Stride:** Thank you, Mr Speaker. I think it is very important to put that important matter clearly on the record. May I say what a privilege and honour it was to have served as my right hon. and gallant Friend's PPS? I always found him to be visionary, wise, and just occasionally present in the 21st century. [*Laughter.*] I did stress the word "occasionally", Mr Speaker, in that context.

My right hon. Friend is absolutely right in his important point about crime and our local communities. We tend to see local communities and high streets through the prism of taxation and, in particular, business rates, but he is right to raise the other issues that impinge on the health of our high streets and communities. If he were to suggest this issue for a Backbench Business debate to the Chair of the Backbench Business Committee, it might well find favour.

**Ian Mearns** (Gateshead) (Lab): I welcome the right hon. Gentleman to his new role and look forward to working with him as we try to sort out parliamentary business over the coming weeks and months.

I very much echo the comments about D-day and remember the terrible sacrifice that was made as the liberation of Europe began on 6 June 1944. I wonder whether we could also spare a moment to remember those, like my dad, who were anxiously waiting to be liberated in prisoner of war camps across Germany and other parts of Europe. They had done their bit, but were captured in doing so. They could not perform any further heroics during the war, but they were still serving their country in prisoner of war camps.

The likelihood is that there will be two days of estimates day debates in early July. The Backbench Business Committee is anxiously waiting for applications for estimates day debates by Friday 14 June. The Committee will make its deliberations on Tuesday 18 June and we will then have an idea of what four estimates day debates will take place on those two days in early July.

Finally, last night I attended a function to celebrate the Open University's 50th birthday. The OU is still a real chance for those already in work or those who missed out on studying for higher level qualifications after school, and for many to requalify in the fast-moving and ever-changing world of work. There is, however, a sting in the tail, which is that we have witnessed a massive reduction in the number of students from the UK signing up to courses because of tuition fees for adult learners. May we have a debate in Government time, so we can highlight the ever-growing need for lifelong learning and the great potential the OU still offers to people across this country?

**Mel Stride:** I thank the hon. Gentleman for his comments and very much look forward to working closely with him in the coming period. I echo his sentiments regarding D-day and the reference he made to his family and prisoners of war at the time of the second world war. It is important to reflect not only on those who made the ultimate sacrifice and the men and women who fought in the war on our behalf, but on all those who were damaged in many different ways by it: men, women and children not just in our country, but in many countries around the world.

The hon. Gentleman said that he seeks applications for estimates days by his deadline of Friday 14 June, so that the Backbench Business Committee can deliberate on 18 June and decide the four debates. If he requires any assistance from me as Leader of the House in ensuring that that process is followed through efficiently, I am entirely at his disposal.

The hon. Gentleman makes important points about the Open University, which has been a great success for our country, and I pay tribute to the Labour party,

because the commitment of the former Prime Minister, Harold Wilson, saw the birth of that important institution. I believe that my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) is an alumnus of the Open University, and it is good to see her on the Front Bench today.

As for a debate on the matter, perhaps the hon. Member for Gateshead (Ian Mearns) can consider that as a Backbench Business debate. He can ask himself that important question, deliberate and wrestle with the pros and cons and perhaps even come up with the answer that it would indeed be appropriate for a Backbench Business Committee debate.

**Mr Peter Bone** (Wellingborough) (Con): Parliament matters, and it seems to me entirely proper that a new Prime Minister should face the House before any recess. If the Government fall on a vote of confidence in a newly elected Conservative Prime Minister, I would expect that Prime Minister to take us to the country and return with a substantial majority. We should not be afraid of Parliament; we should encourage it. Will the Leader of the House confirm that the new Prime Minister will be in place to face Parliament before the recess?

**Mel Stride:** The answer to that question is an interplay between when the contest within the Conservative party for the new leader is due to conclude and when the recess is announced to fall. As we certainly do not know the answer to the latter, and I am not sure that we entirely know the answer to the former, I think that the answer, unfortunately, is no, not necessarily.

**Nick Smith** (Blaenau Gwent) (Lab): There are reports today that Ford is planning to close its plant in south Wales. This would be a devastating blow to the 1,700 people who work there and for supply chains across Wales. May we have a statement from the Government on this dreadful situation and a programme of practical support for manufacturing in south Wales?

**Mel Stride:** I echo the hon. Gentleman's concerns. Clearly, discussions are taking place, and I believe that senior executives from Ford America are taking part in them. We do not yet know the outcome of the discussions. No announcement has been made, although I am led to believe it is possible that one will be made later today. What I can assure him of is that this Government and the Department for Business, Energy and Industrial Strategy, in particular, will keep a very close eye on developments and respond appropriately.

**Mrs Pauline Latham** (Mid Derbyshire) (Con): I welcome my right hon. Friend to his position and pay tribute to his predecessor, my right hon. Friend the Member for South Northamptonshire (Andrea Leadsom), who was in her place for a long time and did a lot of valuable work for the House.

May we have a statement or a debate on the Leader of the Opposition leading a student-type protest in Trafalgar Square against the leader of the free world when he purports to become the next Prime Minister? Is this appropriate?

**Mel Stride:** I respect the question, but I do not think it is for me to comment one way or the other on the decisions made by the Leader of the Opposition about which events or demonstrations he chooses to attend or



[*Mel Stride*]

not to attend—other than to say that I am sure the public will have noticed, and I am sure the electorate will draw their own conclusions.

**Christine Jardine** (Edinburgh West) (LD): Yesterday we had an excellent debate on hidden disabilities, but there are still several areas in which those with disabilities are being badly let down over accessibility. One of my constituents, Shirley Todd, has launched a campaign on that very issue. A particular problem is boarding aircraft. At most airports—including Edinburgh airport in my constituency, which has won several awards relating to accessibility—once passengers are beyond the gate they come up against a completely different set of circumstances, and are often literally manhandled on to the plane by baggage handlers. May we have a debate on the issue, and discuss how airlines and air transport services could be encouraged to tackle it a bit more sensitively?

**Mel Stride**: The hon. Lady raises a very important matter, particularly in the context of her constituent. The Government fund support for those with disabilities and long-term health conditions extensively, to the tune of some £55 billion a year. However, the specific issue of getting on and off aeroplanes might lend itself to an Adjournment debate, which would give the hon. Lady an opportunity to question a Minister in detail. I also refer her to Transport Questions, which will take place on Thursday 13 June.

**Bob Blackman** (Harrow East) (Con): In a week in which Muslims across the world have celebrated the end of Ramadan, the crisis in Sri Lanka seems to be increasing still further, with the resignation of all the Muslim Ministers and officials in the Sri Lankan and state Governments. Today, in the other place, Lord Naseby is putting a question about travel advice given to UK citizens. I note that there has been no statement from the Government about either travel advice or the crisis. May we have a debate in Government time on the situation in Sri Lanka, so that Members of this House can put their views on record and challenge the Government on what they are doing to assist UK nationals?

**Mel Stride**: I believe I am right in saying that the Foreign and Commonwealth Office provides travel advice online, so that those who are considering travelling to certain parts of the world can be properly informed. This might well be an appropriate subject for an Adjournment debate, and my hon. Friend may wish to consider that.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): As I told the House earlier today, my thoughts are with those commemorating the 75th anniversary of the D-day landings. As a small child I saw very little of my father in the first five years of my life, because he was overseas serving in the Royal Engineers. I think that the House should think very profoundly about those young men and women who fought and lost their lives.

As a fitting tribute, could we seriously consider something that I am passionate about—the planting of trees to remember people and their contribution? Is the new Leader of the House aware that there is to be a new

northern forest stretching all the way from Hull to Liverpool, containing 50 million trees? Could we expand that across the United Kingdom, as a real tribute to the people who fought for us in the war and many of whom died fighting for the freedom of this country?

**Mel Stride**: The hon. Gentleman is absolutely right: we should seek whatever means we can to pay tribute to those who fought on our behalf in the second world war. He mentioned the planting of trees. I remember that when I was a young boy, we were urged to “Plant a tree in ’73”, and I assume that there are forests of giant trees today as a consequence of that initiative. The planting of the great northern forest is an excellent and imaginative approach; I think that the Government intend to plant about 15 million trees. As for the hon. Gentleman’s specific point, Environment questions, on Thursday week, will provide an excellent opportunity for him to raise it with Ministers.

**Douglas Ross** (Moray) (Con): May we have a debate about the Queen’s award for voluntary service? This year Forres in Bloom received the honour. Diane McGregor, the chairwoman, Sandra McLennan, the secretary, and all the volunteers do outstanding work throughout the year in Grant park and across Forres with their flowers and displays. This is appreciated by not just locals but the thousands of visitors to the town. Will the Leader of the House also join me in congratulating them on all these efforts, ahead of their 30th anniversary next year, in their three decades of work and agree that their motto is very fitting: “We love where we live”?

**Mel Stride**: My hon. Friend raises an excellent point, and I do of course join him in paying tribute to Diane McGregor, Sandra McLennan and the amazing band of volunteers for their outstanding work and for receiving the Queen’s award for voluntary service. The Government recognise the huge importance of volunteering and it would be an excellent subject for an Adjournment debate.

**Chris Bryant** (Rhondda) (Lab): I warmly congratulate the new Leader of the House, although I will not do your trick, Mr Speaker, of reminding him of where we first met as it would be far too embarrassing for me. May I just say that I think his answers on Prorogation and whether a new Prime Minister will address the House swiftly after being elected have been wholly inadequate so far? It would surely be on a Venezuelan scale of outrage if we were to prorogue Parliament simply to force through a no-deal Brexit against the will of Parliament. Even Winston Churchill—during the midst of war when the British Expeditionary Force was in danger of complete collapse in France and we were trying to get people out of Dunkirk—when he was made Prime Minister in May 1940 addressed the House of Commons just three days later. Even the Marquess of Salisbury in 1885 knew he had to come to Parliament the next day. So surely to God the new Leader of the House should be able to say to us today, “Yes, a new Prime Minister will address the House of Commons within a week of being appointed.”

**Mel Stride**: I thank the hon. Gentleman for his question, and I am not quite as shy as him about revealing to the House where we first met: I was very proud to meet the hon. Gentleman I think for the first



time as a fully signed up member of the Conservative party at Oxford University. Quite where it all went wrong after that I have no idea, but if the hon. Gentleman wants to come and talk to me about the error of his ways at any point I will be happy to try to enlighten him on those matters.

The hon. Gentleman raises once again the issue of Prorogation, and he will know that these matters and others are all going to be decisions that the future Prime Minister will take and that it is not for me to speculate about what they might be.

**Mr Speaker:** One thing we all know, because I have said it myself several times—and I think the hon. Member for Rhondda (Chris Bryant) believes this—is that Parliament will not be evacuated from the centre stage of the decision-making process on this important matter. That is simply not going to happen; it is so blindingly obvious that it almost does not need to be stated—but apparently it does and therefore I have done.

**Nigel Huddleston** (Mid Worcestershire) (Con): May I also welcome the very modern-minded Leader of the House to his role? With that in mind, he may be aware that in 1989 when cameras were first allowed in this place they were brought in with restrictions: footage can be used on news programmes and so on, but not on satirical or light entertainment programmes, presumably to maintain the dignity of this place. Given that so much of this content, in particular the more light-hearted moments—a lot of it including you, Mr Speaker—is currently available online on YouTube and so on does the Leader of the House believe it is about time to update the rules and bring them into the 21st century?

**Mel Stride:** I am sure there are many light-hearted and satirical moments in the House—too many for any producer of any film to get their head around, I would imagine. However, whether we should permit this might be the subject of a future debate, rather than my opining on it at the Dispatch Box.

**Joanna Cherry** (Edinburgh South West) (SNP): Unfortunately, many foreign-born citizens and others with the right to live and work in the UK are being made to feel like second-class citizens. This happened a couple of weeks ago to EU citizens who were turned away from polling stations, and last week at my surgery, Firas Ibrahim, the regional director for the middle east at the University of Edinburgh, came to tell me that, despite the fact that he loves living and working in Scotland, he feels that the UK Government are making him feel like a second-class citizen. Despite holding a British passport and fulfilling an important role at a Russell Group university, he has been repeatedly questioned by border officials on returning from business trips abroad, and as a dual Syrian national, he was very upset by the Home Secretary's suggestion about banning travel to Syria. As the architect of the hostile environment—the Prime Minister—vacates her role, may we have a debate on how the hostile environment has made our friends, colleagues and family members who are foreign-born British citizens and EU nationals living here feel like second-class citizens, and on what we can do to remedy that?

**Mel Stride:** I think it is fair to say that our Prime Minister has done a huge amount to ensure that we reassure those EU nationals who live in our country that they are not only entirely welcome but an essential part of our communities and our society. The hon. and learned Lady raised a specific point about voting, and my comment would be that the Government ensured that we provided all the legal requirements and funding to facilitate that, and that the returning officers had the tools at their disposal to enable them to take the appropriate decisions. We will have Home Office questions on Monday, and she might wish to raise that issue with Ministers at that time.

**Nick Herbert** (Arundel and South Downs) (Con): I warmly congratulate my right hon. Friend on assuming his position. May we have a debate on the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria? It is absolutely essential that the UK not only maintains its generous commitment but increases it, as a congressional appropriations sub-committee has just recommended that the United States should do. We need a proportionate increase to ensure that those deadly diseases can be tackled, and an early decision by the Government is now necessary so that they can continue to show the global leadership on this issue that they have shown in the past.

**Mel Stride:** I congratulate my right hon. Friend on his work in this area and on his chairmanship of the Global TB Caucus. The Government recognise the importance of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and we are in fact the world's third-largest contributor to it. We are currently considering a further commitment to the fund's replenishment this year, and I will ensure that my right hon. Friend's points are noted.

**Ian Paisley** (North Antrim) (DUP): I was under the impression that the new Leader of the House's most important previous role was his position on the Northern Ireland Affairs Committee in 2010. That position has allowed him to speak with accuracy and clarity on the state of the confidence and supply agreement, and I hope that he will continue to develop his relationship with the people on the Ulster Bench. Will he take this opportunity today to commend the work of the education and engagement team in Parliament and to support them as they try to fill the gap to ensure that their brilliant work in reaching 11,000 children every year is extended to Northern Ireland, where only 37 children were reached last year?

**Mel Stride:** I echo my hon. Friend's warm comments about our time together on the Northern Ireland Affairs Committee. I remember that time with fondness, when he and I worked on a lot of important matters. His point about education and engagement and the relatively low number of children coming from Northern Ireland seems to me—although I have not looked into this in great detail—to be something that might need to be addressed. I would therefore be happy to meet him to look at this more carefully.

**Martin Vickers** (Cleethorpes) (Con): I should like to add my congratulations to the new Leader of the House. Earlier, my right hon. Friend the Member for South

[*Martin Vickers*]

Holland and The Deepings (Sir John Hayes) referred to the problems faced by small shopkeepers. He and I attended an event yesterday that was organised by the National Federation of Retail Newsagents. As well as the issue of retail crime, they drew our attention to the anomalies in the business rates system that are having a damaging impact on them. Could the Leader of the House find time for a debate on that issue?

**Mel Stride:** I thank my hon. Friend for his question, and for mentioning my right hon. Friend the Member for South Holland and The Deepings (Sir John Hayes) again; may I say once again what a deep honour it was to serve as his PPS?

On business rates and high streets, this Thursday there will be BEIS questions, and that would be an opportune moment for my hon. Friend the Member for Cleethorpes (Martin Vickers) to raise the point that he has made.

**Paula Sherriff** (Dewsbury) (Lab): A constituent of mine is in the process of applying for a visa, but she has experienced technical problems online and is attempting to resolve the issue by phone. It would appear that the helpline—I use that term in the broadest sense—has been outsourced, and the company being used is charging £2.50 per minute for calls. She has already spent over £100 and is absolutely no nearer to getting the problem resolved. I thought the Government had told us that the hostile environment was over; it clearly is not. May we have a statement urgently on what the Government will do about that helpline?

**Mel Stride:** I am pleased that the hon. Lady has raised that matter, because there are a number of companies out there who purport to do things which, apparently, are too complicated to do for nothing, and make profits as a consequence. I personally believe in general terms that that is not right, and I would be happy to facilitate a conversation perhaps between the hon. Lady and the appropriate Minister.

**Jeremy Lefroy** (Stafford) (Con): I very much support what my right hon. Friend the Member for Arundel and South Downs (Nick Herbert) said about the global health fund.

May we have a debate on the importance of smaller accident and emergency units up and down the country? Yet again, County Hospital, Stafford has come into the limelight. It is actually performing excellently at the moment. However, there is no way that the local health system—indeed, the regional health system—could survive without the A&E there and, indeed, the one a few miles away in Telford. May we have a debate so that we can highlight that, and ask for a different model for funding those vital smaller general hospitals up and down our country?

**Mel Stride:** My hon. Friend, who is a great champion for his local hospital, raises the issue of smaller A&E units in general. We are, of course, investing the largest cash amount in the national health service in its history—some £85 billion over the next five years—and we are fully committed to the NHS. The point that he raised

might make a good BackBench Business Committee debate, or perhaps even a Westminster Hall debate when it is the Department for Health's turn to respond.

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): From an early age I have been a real champion of, and been fascinated by, Glasgow's built heritage. In particular, most people would associate Glasgow's iconic tenements with the city. Indeed, 76,000 tenements were built in Glasgow before 1919, of which over 60% are in need of urgent repair. Would the Leader of the House consider congratulating pupils at Whitehill Secondary School who developed a Go4SET engineering project to look at future-proofing and greening Glasgow's tenements, and surpassed 91 other secondary schools by winning the Go4SET national competition? Would he consider building on their excellent achievements and work by holding a debate in the House, in Government time, on the need to provide practical support for improving our historic built environment—particularly looking at measures such as VAT relief for historic buildings?

**Mel Stride:** I thank the hon. Gentleman for drawing attention to the schools that he referred to, particularly Whitehill Secondary School, and the competition that was won around the greening of buildings. He is right to raise our historic buildings and our heritage; they are extremely important, especially in local communities. He referenced some tax measures that may assist in that area. I would be very happy to write on his behalf to the Treasury, or facilitate a meeting with the Treasury to discuss those matters.

**Ben Lake** (Ceredigion) (PC): Will the Leader of the House make time for a debate on the support that the Government can provide to industry at this deeply challenging time? As my hon. Friend the Member for Blaenau Gwent (Nick Smith) mentioned earlier, there are deeply worrying reports this morning about the future of car manufacturing at Bridgend, which faces the pressures of reduced demand for conventional combustion engines and Brexit uncertainty. It is imperative that industry is given the support to transition to new technology and a more sustainable footing, so a debate on the role that Government can play in that endeavour is urgently needed.

**Mel Stride:** The hon. Gentleman will no doubt be aware of the extensive industrial strategy that the Government have committed to. He will be aware of the reduction in corporation tax rates that we have been bringing in, and the reliefs around research and development—all the things that are important in ensuring that our businesses are sustainable, growing and strong. I think the subject might make quite an interesting debate, so perhaps it is one to propose to the Backbench Business Committee.

**Lilian Greenwood** (Nottingham South) (Lab): Last Thursday I joined local residents of all ages at "Jumpers for Goalposts," a community football event organised by my constituent Pete Bell, alongside students from Farnborough Academy, and supported by the police, the armed forces, the Prison Service, the city council, Nottingham Forest and many others. Pete is using his experience of delivering "Step Out, Stay Out," a prison football programme, to strengthen community cohesion

on the Clifton estate, where he lives. Will the new Leader of the House congratulate Pete and the students on the event, and will the Government make time to debate the vital role that sport-based education and mentoring can play in both helping offenders to turn their lives around and preventing young people from getting involved in crime and antisocial behaviour in the first place?

**Mel Stride:** That may be an excellent subject for an Adjournment debate and, therefore, for a close discussion with the responsible Minister. I will certainly join the hon. Lady in congratulating Pete Bell and the “Jumpers for Goalposts” initiative.

**Mr Speaker:** In joining those congratulations, it seems opportune to point out that the women’s parliamentary football team scored a great victory last night—2-1, I am advised—at a match in Battersea Park.

**Valerie Vaz:** They lost.

**Mr Speaker:** I was told they had won 2-1. By all accounts it was a splendid performance, and I think colleagues will wish to congratulate all members of the team. *[Interruption.]* I note the sedentary chunter of the hon. Member for Rhondda (Chris Bryant), which probably would bear repetition, but I will spare the House at this time.

**John Grogan** (Keighley) (Lab): Will the Leader of the House consider scheduling a debate on early-day motion 2455, on the theme of sport and free-to-air TV?

*[That this House celebrates a successful start to the summer of sport but regrets that a lot of sport is broadcast on subscription TV which is unavailable live to most people in the UK; notes that the European Nations Football League finals is available free to air in three of the four participating countries: the Netherlands, Portugal and Switzerland, but not England; regrets the fact that BT Sport tried to fulfil its promise to make the European Champions League final available to all viewers by offering it on a flickering YouTube channel rather than through a main public service broadcaster; further regrets that no cricket world cup matches have been available live on free to air to inspire future generations; welcomes the fact that the 2019 FIFA Women’s World Cup and Netball World Cup will be broadcast live on the BBC but notes that no female team sport has been accorded the status of a listed event which must be offered to broadcasters with reach across the population; calls on Sky TV to allow the final of the Cricket World Cup to be simulcast on Channel 4; and calls on the Government to undertake a review of the listed events with a view to extending such events.]*

The early-day motion argues the case for extending the list of events that must be offered live to free-to-air TV, given that much of our glorious summer of sport—the cricket World Cup; the UEFA Nations League finals, which England are involved in tonight; and the Open golf championship at Portrush—is hidden away behind subscription TV. Even the Champions League final was available to many only on a grainy YouTube channel.

**Mel Stride:** These arrangements are clearly subject to a variety of commercial contracts and arrangements between businesses. As to the suggestion of our having

a debate, I invite the hon. Gentleman to write to me setting out precisely the arguments he is putting forward and what he wishes to be debated. I would then be very happy to have a much closer look.

**Kevin Brennan** (Cardiff West) (Lab): I did not agree with my hon. Friend the Member for Rhondda (Chris Bryant) when he was a member of the Oxford University Conservative association, but I agree with him when he challenges the new Leader of the House to be much clearer about his constitutional position in relation to proroguing Parliament. Will the Leader of the House now make it absolutely clear from the Dispatch Box that he would oppose any future Prime Minister who proposes Prorogation in order to avoid this House being able to express its view on a difficult constitutional matter such as Brexit? As Leader of the House, he needs to be clear that that is his position.

**Mel Stride:** If I may say so, Mr Speaker, both your interjection on this matter and my previous answers cover the hon. Gentleman’s point.

**Douglas Chapman** (Dunfermline and West Fife) (SNP): Today the oil company Hurricane Energy has started production in a giant oilfield west of Shetland—the output is expected to be 20,000 barrels a day. Will the Leader of the House agree to a debate in Government time on how we transition to a much greener economy and transfer all current oil and gas revenues to the Scottish Exchequer so that they can be used much more productively and wisely in future, and not be frittered away by the UK Government?

**Mel Stride:** That is probably best a question for Scotland questions, which are on Wednesday 19 June.

**Nick Thomas-Symonds** (Torfaen) (Lab): I welcome the Leader of the House to his new role. We urgently need a national debate on social care. As a first step, can we at least have a statement indicating when the Green Paper in respect of England will be published and offering proper resources for immediate social care needs all around the United Kingdom?

**Mel Stride:** The Government have made a number of announcements about additional funding for adult social care in particular. There will be a Green Paper, as the hon. Gentleman has identified, and it will come forward at the earliest opportunity.

**Mr Speaker:** The last thing the Speaker wants to do is to mislead the House. I have just been shown what appears to be conclusive evidence that the team eventually lost 3-2. I had been advised of a 2-1 victory, but perhaps it was a 2-1 lead. Apparently, the team lost, but they had a great time. There are magnificent players in that team, and I think we should celebrate the merits, commitment and passion of the women’s parliamentary football team. They may have lost the battle, but they will win the war.

**Paul Blomfield** (Sheffield Central) (Lab): It is almost three years since I reassured students at Sheffield Park Academy, in my constituency, that the Government were acting to introduce sharia-compliant student loans. That was on the basis of a pledge made in the higher



[Paul Blomfield]

education White Paper, which had just been published at that time, but nothing followed. In May this year, the universities Minister implied that the issue would be addressed by Philip Augar, but his report, published last week, barely mentions it. May we therefore have a statement from the Education Secretary on when the Government intend to fulfil their promise to Muslim students?

**Mel Stride:** I thank the hon. Gentleman for raising that issue of sharia-compliant loans on behalf of pupils at Sheffield Park Academy. Within the Treasury, that comes under the responsibilities of the Economic Secretary. As the hon. Gentleman has suggested, the Department for Education also has important input on it. If he would like to contact me, I would be happy to make sure I facilitate appropriate contacts with the Treasury—if that is appropriate—and certainly with the DFE.

**Peter Grant** (Glenrothes) (SNP): May I say that an ability to make glory out of a football defeat qualifies you for honorary membership of the tartan army, Mr Speaker.

On 1 May, a constituent of mine and his colleagues received an email from the subcontracting firm they worked for telling them that the company was being placed into administration, leaving them out of pocket by £1,000 each. They were successfully taken on by the main contractor, but in the five weeks since then the employer has refused all attempts to communicate with him. He has failed to give his employees notification of who the administrator is—if indeed an administrator has been appointed. *The Gazette* has no notice of liquidation, and Companies House records, as of this morning, do not record the fact that the company is in the process of closing down. So may we have a debate, in Government time, on not only the protection of workers' rights when a company genuinely does go into administration, but what protections there might be where a company claims to be in administration incorrectly in order to avoid paying its workers their due wages?

**Mel Stride:** The hon. Gentleman raises a specific point about the experience that one of his constituents is having with a particular business, and on that aspect of his question I would be happy to facilitate contact, perhaps with an appropriate Minister at the Department for Business, Energy and Industrial Strategy, to see what possibilities there are. On the more general point he makes on policy on administration, we have BEIS questions on Tuesday coming and he may wish to raise the issue then. Equally, he may wish to consider it for a Westminster Hall debate, perhaps when BEIS is the Department due to answer those debates.

**Kerry McCarthy** (Bristol East) (Lab): I recently introduced a ten-minute rule Bill on animal sentience. When I asked the relevant Minister about it before the Select Committee, he said that the Government were just looking for a “vehicle” and parliamentary time in order to bring forward such a proposal, which I believe was promised back in 2017. Clearly, I can provide the vehicle; I have been working with animal welfare groups on draft legislation. When we look at next week's business, we think, “Why can't we just crack on with it?”

**Mel Stride:** First, I congratulate the hon. Lady on the huge amount of effort she puts into the very important area of animal welfare, something to which this Government are totally committed; she will be aware of the many measures we have brought in during this Parliament. She asks what legislative vehicle there might be to further the issue of animal sentience that she has raised. I would like to give that some thought, and if she would like to have a conversation with me after questions, I would be happy to talk to her specifically about it.

**Alison Thewliss** (Glasgow Central) (SNP): The Leader of the House's predecessor was a keen supporter of breastfeeding, so I am sure he will be keen to congratulate all volunteers in Volunteers' Week and all those in Scotland who are involved in Scottish Breastfeeding Week, which happens to coincide with Volunteers' Week. May we have a debate on the “Becoming Breastfeeding Friendly Scotland” recommendations, which are part of a global project in which England is also involved, in conjunction with Yale University and other countries around the world?

**Mel Stride:** I thank the hon. Lady for raising the issue. She is absolutely right that breastfeeding was very important to the previous Leader of the House, and I recognise its importance, too. The extent of breastfeeding in the United Kingdom is below that in many other countries, most notably Sweden, where a high proportion of babies are breastfed. I recognise that it does matter and that it does make a difference. Perhaps a debate in Westminster Hall at the appropriate moment might be the right approach.

**Mr Jim Cunningham** (Coventry South) (Lab): I welcome the Leader of the House to his new job. He and I have done business together over a period of time, so I wish him well in the job.

May I also associate myself with his remarks and those of my hon. Friend the Member for Walsall South (Valerie Vaz) about the D-day landings and the sacrifices that those men made? The Leader of the House will probably know that Coventry suffered as a result of the bombing. There are lots of services in Coventry today because the people of Coventry, like those in the rest of Britain, appreciate the sacrifices of those men.

May we have a debate or statement on the national school breakfast programme? I am told that it has been a great success, but there is concern about future funding. Bearing in mind the fact that 20,000 people in Coventry used food banks last year, and that we still have the working poor, I am sure the Leader of the House will be sympathetic to getting us a statement or a debate, because he is a humane person and understands that the longer it takes to get a decision, the longer children will suffer from anxiety.

**Mel Stride:** I associate myself entirely with the hon. Gentleman's comments about the D-day landings, and I recognise the enormous damage and destruction that was caused to Coventry by the bombing in the second world war. May I congratulate him on securing an Adjournment debate on his local hospital next Thursday? I look forward either to being present at that debate or to reading *Hansard* after it.



The school breakfasts programme might be a good subject for an Adjournment debate, so that the hon. Gentleman can have a discussion with a Minister across the Dispatch Box.

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): Sacred Heart and St Lucy's in Cumbernauld are among the churches up and down the country that have close and long-standing links with priests, ministers and other religious leaders from overseas—people who come to lead and support worship while regular pastors are on vacation. May we have an urgent debate on the changes to the immigration rules that are set to destroy those links and make that recruitment impossible?

**Mel Stride:** The best forum for furthering the hon. Gentleman's point would be Home Office questions on Monday.

**Mr Speaker:** I thank the Leader of the House for his debut performance at the Dispatch Box. It has been a stimulating occasion with the airing of many important topics. I can say to him without fear of contradiction that any warmth from him to me will be duly reciprocated.

## Point of Order

11.48 am

**Pete Wishart** (Perth and North Perthshire) (SNP): On a point of order, Mr Speaker. The new Leader of the House was asked three times about the prospect of Prorogation being used to facilitate a no-deal Brexit. I listened carefully to his responses, and I do not think I heard him rule out such a prospect. We know that it is a live prospect because several of the candidates to become the new Prime Minister have said that it is something they intend to do. Will you, Mr Speaker, lay out for the House what the seeking of such a Prorogation would involve and what the responsibilities, duties and rights of the House would be in the matter?

**Mr Speaker:** I am extremely grateful to the hon. Gentleman for his point of order. I hope that he will understand if I decline to do that today, here and now. If I were minded to make further comments beyond those that I have made, I would do so at a future time and on a prepared basis. Suffice it to say that I have said what I have said and have nothing to add to or to subtract from what I have said on a number of recent occasions, including this morning. However, the hon. Gentleman is a perspicacious and adroit parliamentarian. He was that before he became his party's shadow Leader of the House, and he has demonstrated clearly that he remains that in his current role. The issue has been aired by him and by the hon. Member for Rhondda (Chris Bryant), and of course by the shadow Leader of the House in the first instance—her lead has been followed—and I feel that the matter will continue to be aired for as long as colleagues feel that it has to be. We will leave it there for now, but the way was led by the shadow Leader of the House and others of us have followed.

## Backbench Business

### Grenfell Tower Fire

11.50 am

**Emma Dent Coad** (Kensington) (Lab): I beg to move,

That this House has considered the response to the Grenfell Tower fire.

I wish to thank the Backbench Business Committee, the Minister, the Government Members who agreed to support the debate, my colleagues here today and those who have given me strength and help over the past two years, but who are, I hope, on the battlefield of the Peterborough by-election today. I also thank those in the Public Gallery who are watching the debate. I want to reassure them that this debate is just one step and that we will return to this subject over and again until all our demands are met.

I asked for briefings on all aspects of the response to the Grenfell Tower fire from organisations and groups that I have met. I was inundated. I received enough information for a two-hour lecture with slides, but I have just 15 minutes in which to speak today. To preserve this invaluable response, all the briefings will be available online very soon in the Grenfell archive that I am compiling—it will be factual information. In the short time available, I will speak on areas close to my heart and leave comments on the detailed issues to my hon. Friends and other Members.

Just four days after my election two years ago, a horrific and an entirely avoidable atrocity took place in my neighbourhood. Shock and disbelief resonated around the world. Pledges, commitments and guarantees were made in this House in the aftermath. Many of these commitments have been broken, and my community has been failed horribly. A year ago, a debate was held in Westminster Hall about the response to the disaster. The briefing from members of Grenfell United and the inquest was clear: they wanted the Government to demand that the Royal Borough of Kensington and Chelsea Council rehouse those people made homeless by the fire within a certain timeframe and that if the council continued to fail, the Government would send in commissioners to take it over. They also demanded that the Government appoint two independent panel members from diverse backgrounds to advise the public inquiry. It took a further year to appoint the panel members, and their very late arrival after phase 1 had ended will surely reduce their effectiveness.

I commend the work of Grenfell United in its tireless campaign to hold the council and the Government to account, often in very difficult circumstances. I also commend the work of the countless campaign and community groups fighting against the odds for Grenfell-affected people, including Humanity for Grenfell, the Grenfell Trust, Justice4 Grenfell, the Latimer arts project, Kids on the Green, Hope for Grenfell, Grenfell Speaks, Cornwall Hugs Grenfell and all those other groups that I may have forgotten. I thank the community centres, religious centres and the vast number of outside campaigns and individuals whose breadth of expertise and support is evidence of the depth and breadth of the failure of the statutory services that we have paid for to care for the people to whom they have a duty of care.

Let us look for a moment at rehousing. I must declare an interest as a current member of the council—I will remain a member of that council until every single person has been housed and cared for in the way that they deserve. The Government have failed to make the demands of the council that were made a year ago, and the council has failed to rehouse many people who were made homeless. The official figure is 19 tenants, but a tenant can comprise a household of many people with disparate needs. Only those made homeless from the tower and the facing Grenfell Walk are counted in those official statistics. In the walkways attached to the tower, there are a further 109 homeless households as of last month, making a total of 128 homeless households. Some remain in their homes, which re-traumatises them every day. The council has removed those households from the wider Grenfell rehousing scheme, and they will now languish on the council waiting list, some for many, many years.

While desperate families struggle to keep going, there is frustration and impatience within the council. Although there are good and empathic officers, this impatience is demonstrated by outbursts from some people because they are overstretched, and from certain senior councillors who should know better, while they persuade, cajole and sometimes, I am sorry to say, bully people into homes that are not suitable. While these 128 homeless households—around 250 people, in my estimation—are still awaiting rehousing, the rank incompetence of Kensington and Chelsea Tenant Management Organisation to have an up-to-date list of tenants at the time of the fire means that fraudsters have sneaked into the system and pillaged funds meant for the genuinely homeless and desperate.

During my tenure on the TMO board from 2008 to 2012, along with the now leader of the council, the TMO was so dysfunctional that I had to call in an independent adjudicator. There followed a change of director, but clearly not of culture or of staff. Meanwhile, the attitude of some people at the council is questionable, and I have noted that for years some people have found it almost feudal.

In the early days after the fire, my predecessor as MP wrote to the council to air her concern about the numbers of people roaming around the streets “like gangs”. A senior council officer was told to go down to the site but refused, saying, “It’s like little Africa down there.” Another said that the area was full of people “from the tropics”. A senior officer regularly, in front of others, referred to my neighbours as “muzzies”. A recent visitor to the walkways was congratulated by a senior councillor for entering the “lion’s den”. I say “vulnerable”; they say “volatile”. This attitude is hardly surprising. About two years ago during a debate on refugee children, a senior councillor said:

“if we let these people in, we will have an Islamic Caliphate in Kensington and Chelsea.”

Racism or snobbery—take your pick.

What I see is people who have been utterly failed by the system subsequently being punished for it. Is it right to off-roll a child from school because they cannot cope with the pressure of trauma and schoolwork, and send them to a pupil referral unit or alternative provision located in a council-owned building, which is then closed because it is in such a poor state of repair that it is judged to be dangerous? According to parents who

confide in me, these children have been left to roam the streets. Who is responsible for safeguarding these fragile children? Is it another case of accountability pass the parcel?

Is it right to punish a bereaved man beside himself with grief and anger—someone who has been a good friend to many people—who in a moment of blind fury on behalf of others used threatening words? Is it right to punish this moment of fury with imprisonment? Should we imprison someone who has been so dramatically failed? I say, “Free Mr Latimer,” so he can at least join the memorial event on Friday week for those he lost on 14 June 2017. Why are my neighbours being punished, excluded from school and imprisoned when the perpetrators of their misery, who continue to view us with disdain, walk the streets of Chelsea free?

I am reliably informed that a senior councillor recently complained, “I don’t know why they are wasting so much time on mental health. They all seem fine to me.” I declare an interest as a recipient of mental health services, although they have not helped me. We have 11,000 people affected to various degrees by the Grenfell atrocity in our neighbourhood. Some have been helped; many have not. The type of trauma we have does not go away. There have been several suicides. While it is always difficult to ascertain causes, the five people I know of who lost their lives in the past seven months were affected by what happened to various degrees. This heavy toll includes young teenagers.

I am still meeting people who are not getting any help and some who are refusing help because of the perceived shame of mental illness. I suffer from post-traumatic stress disorder myself, but I am able to function. However, I know so many who cannot. On their behalf, I will wear the scars of my own mental ill health with pride. The shame is not for those whose mental health has been damaged. The shame lies with those who neglected our homes—those whose first reaction to the fire was that of damage limitation and passing the buck of blame, rather than accepting failure.

Local people and specialists have also been discredited over the controversial soil testing exercises. Members of the community concerned about toxicity of soil in the area around the tower contacted a university professor of fire chemistry and toxicity, who took samples and was so alarmed that she reported it to the council, Public Health England and the NHS. For some reason, they sat on these interim findings, and then six months later, the council leader denied in public that she had seen them, even though we have seen the minutes of the meeting at which she was informed of them.

After a long and failed campaign by the council and from other quarters to discredit the professor, they are now finally—after two long years—starting to test the soil for carcinogens and other toxic materials that can seriously affect people’s health. We are calling for full health screening, including blood and DNA testing; they are offering lung capacity tests. It is another fight that has sapped the energy of so many unnecessarily.

I turn briefly to the wealth of information we have had from the fire services, building regulators, the Royal Institute of British Architects and the Association of British Insurers, which all have an interest, from various perspectives, in the safety of buildings and those who live and work within them. All this will be available in the Grenfell archive. I have worked closely with the fire

brigade and the Fire Brigades Union for many years. The cuts to services have been devastating, and I pay tribute to the fire services for their extraordinary dedication. They often work long hours and double shifts to keep the service functioning. I well remember the previous Mayor of London, when challenged at a public Greater London Assembly meeting, uttering a foul expletive that I shall not repeat. The Minister may have witnessed it.

The independent review of building regulations and fire safety, the Hackitt review, includes many recommendations that fire services have put forward, including improving skills in the sector, defining who is responsible for what under fire safety legislation and increasing the role of the fire service in the safety of buildings, which, owing to deregulation, is currently open to all comers. The demand for the inclusion of sprinklers to all new buildings and for the retrofitting of residential buildings is consistent from many quarters. It costs money but not a lot, and not having them can have a terrible human cost that I have no wish to see imposed on anyone. Today, my hon. Friends will speak in more detail about improved regulation for fire doors, about responsibility for fire safety within the trained professional setting of fire services themselves and about regulating for safer electrical goods.

As many here will know, I spent most of my career writing about design and architecture. I know how buildings are constructed and what went wrong at Grenfell during the refurbishment. During my time on the TMO, work was done on digital cabling to Trellick Tower, which has the same concrete frame construction. During this work, firebreaks had not been reinstated. Fortunately, I was alerted to this by tenants, and after a row, these defects were corrected. Since that time, there have been several fires in Trellick Tower, all of which have been contained within a single flat.

The RIBA has specific demands that are more extensive than the recommendations in the Hackitt report. Its demands for non-combustible cladding, the use of sprinklers and alternative means of escape in new buildings would add just a few percentage points to the cost of buildings and keep people safe.

**Sandy Martin (Ipswich) (Lab):** Does my hon. Friend agree that, however good building regulations might be, if developers can get away with not having them signed off, they are of no use? In St Francis Tower in Ipswich, in my constituency, a developer completely refurbished a tower block with flammable cladding without ever getting the building regulations signed off, because it did not have to do so through the local council.

**Emma Dent Coad:** I agree entirely with my hon. Friend.

I will move now to the question of insurance, which might have been relevant in this case. The ABI has been working closely with the Fire Protection Association to reform building regulations, including on its review of Approved Document B. This relates not only to saving life; saving property is also paramount. If someone escapes a catastrophic fire in their home, they will have lost all their possessions and documents, and this can set them back years. They may never recover. A catastrophic fire in an office or warehouse not only destroys the contents and building; it can destroy a business, the jobs of all those who work there and the future of their work and family life, as well as all the organisations that depend on the business.



[Emma Dent Coad]

The ABI is demanding that sprinklers be fitted to homes, student accommodation, schools, care homes and warehouses. It is also concerned—as am I, with my background in architecture—with the implications of modern methods of construction, many of which have not been fire tested to destruction and do not perform well under more stringent tests. The results of tests I have seen argue against the wholesale embrace in the architectural profession of cross-laminated timber, particularly in the production of the next generation of social housing, which we so desperately need. I know that colleagues will discuss that later. The Shelter report on social housing has been a welcome piece of research whose recommendations I hope, in time, will be adopted. We need more homes for social rent, but they must be the right homes in the right places.

**Mary Creagh** (Wakefield) (Lab): My hon. Friend is making a very powerful and important speech. My Committee heard from Professor Anna Stec about her concerns about the way that these combustible panels are being used in warehouse, school and hospital constructions that are exempt from the Government's review of the new regulations post the Hackitt review. Does my hon. Friend agree that the Government need to look more widely at the use of flame retardants in these panels and the way in which these buildings are being constructed, to avoid tragedies in the future?

**Emma Dent Coad:** I thank my hon. Friend for that hugely helpful intervention. That work is ongoing and we must reach conclusions soon. We cannot put toxic chemicals in mattresses, foam furniture and so on too near people, including babies. There is a wealth of information out there, and we must listen and learn.

The public inquiry has been subject to criticism and a lot of delays. While we wait for the interim report, now expected in October, there are serious concerns whether it will make any recommendations at all and stop the merry-go-round of speculation about whether meaningful change will come from this detailed and forensic process. We believe that phase 2 will now begin in the new year, prolonging the pain and anxiety of those who have to give evidence, plus those awaiting justice for the perpetrators of what some have called “social murder”.

The police investigation is struggling for funds, having asked for a further £2 million from the Government and been refused. The timeline for criminal charges is slipping and, along with it, the hope for justice. As far as most local people are concerned, the police are one of the few trusted bodies, which is gratifying in an area where previously there was very little trust. I commend the police for their sensitivity in dealing with most of us, at least, in the past two years.

The campaign group Inquest recently published “No voice left unheard”—the results of a family consultation day for the bereaved and survivors when a large proportion of affected families were asked about their experience of being heard in the inquiry. It was pretty devastating. Many of them stated what I have witnessed—that they have had to fight for every single one of their rights: to be housed, to be compensated, to receive legal advice and mental health support and to understand what they are entitled to. Many of them feel that they have been punished for the failings of others.

On that note, I will hand over to my hon. Friends and other Members. I look forward to hearing their opinions and perspectives on these terrible matters that affect all of us across the country and worldwide.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. We have about 14 speakers and a couple of hours, so I hope that Members will limit their remarks and be careful in how long they take. If that does not work, then I will impose a time limit, but I hope, as this is a good-natured debate and everyone is aiming in the same direction, we should not need it.

12.8 pm

**Paul Scully** (Sutton and Cheam) (Con): I shall take your advice, Madam Deputy Speaker, and be as brief as I can.

I welcome this debate and congratulate the hon. Member for Kensington (Emma Dent Coad) on securing it on what is nearly the second anniversary of this terrible, terrible tragedy. If we look back to 14 June 2017, we will all remember waking up to those terrible pictures of the building on fire and the horrendous human tragedy that we saw unfolding in front of our very eyes, with the outpouring of grief and the solidarity that was shown in this place and, more importantly, in that community at the time.

The hon. Lady talked about the fact that there are a number of people still to be housed. I believe that the last figure mentioned by Lord Bourne in the other place was that about 196 out of 211 households had been rehoused, so that still leaves some to be rehoused. We need to look into exactly what expectations they have and what barriers are stopping those last few families getting into a property that they can call home; I hope the Minister will outline some of those in his summing up. It is important that people are not just pulled from pillar to post and moved around the area. They need to rebuild their roots. Their children will be at school and they will have local community roots, and they need to know that there is surety for them in that part of North Kensington.

I am glad to see that the Government have committed £80 million to a number of things over the past two years, including not only rehousing but mental health services. The hon. Lady talked about PTSD and mental health. It was one thing watching it on television, but if someone has lived through that—if they sat and watched it unfold in front of them, able to see and smell the flames and hear the sounds, which would undoubtedly have been terrible—that will stay with them. It is so important to look at the ongoing human costs, not only the bereavements. I am pleased that some money has gone into community spaces and support for the bereaved and survivors.

I was interested to read that the Bishop of Kensington has done a wider piece of work. I have not had time to go through all his conclusions, but the areas that he looked at, following conversations with survivors and people in the area, are really worth exploring. Those areas are wider than just the fire. He talks about renewing democracy, to ensure that people in those kinds of buildings and communities are listened to and that when there are warning signs and people are crying out for change, there are people—regardless of party politics—who are listening and, more importantly, responding.



**Jim Shannon** (Strangford) (DUP): I thank the hon. Gentleman for giving way, and I commend the hon. Member for Kensington for her speech. She has been a stalwart MP for her constituents in this matter, and I congratulate her on that.

It is important that out of this terrible tragedy, with the lives that were lost and those that were changed, comes recommendations from the inquiry. Does the hon. Gentleman agree that it is important that lessons are learned and then shared with other parts of the United Kingdom? Across Northern Ireland, Scotland and Wales, we all have areas in our constituencies where there are high-rise flats, and these changes need to happen everywhere else. Does he agree that the recommendations that come out of the inquiry and this debate need to be shared with the regional Administrations in Scotland, Northern Ireland and Wales?

**Paul Scully:** I thank the hon. Gentleman for his intervention, and I totally agree. It is disappointing that the report from the first part of the review has been delayed, but I hope that when it comes out in October, we will get some decent answers. I would rather it be slightly delayed, but with a decent set of answers that we can share across the UK, than rushed through to hit an arbitrary deadline. People want answers, and we want to be able to share those in all areas of the UK.

In July last year, a flat in a tower block in my area, Chaucer House, caught fire. Fortunately, there were many firemen, and I pay tribute to Sutton fire services, which I visited recently, and the neighbouring fire services. Because of the fear and worry following Grenfell, they were on top of it and controlled the fire very quickly. Some lessons have already been learned, but there are plenty more. Whether it is about the response of the fire services, the cladding or the building regulations, we need to learn these lessons to ensure that this can never happen again. Whether it is Lakamal House or other fires, how many times have we said in this place, “This must never happen again” and then similar things have happened again? We need a comprehensive response that we can all learn from.

The Bishop of Kensington talks about humanising welfare. It is a controversial issue in this place, but I would argue that universal credit seeks to do that, because it is tailoring benefits that were a blunt instrument. We always need to review these things, but in Sutton, which was a digital pilot area for universal credit, things have started to improve. Unfortunately, because of the political rhetoric about universal credit, there are people who are not claiming as much as they could, because they are still on the legacy programme. We need to smooth out the bureaucracy and technology as much as we can, to ensure that we have a humanised welfare system.

The Bishop of Kensington talks about becoming neighbours. When I led the e-petition debate last year, I read the names of the 72 victims of Grenfell into *Hansard*. I saw how Grenfell United and the other advocate organisations had mobilised so many people. The area had its own community, but that community has come so much closer together as a result. That is another lesson we need to learn. It should not take a tragedy to bring people together in communities. We talk about social isolation and loneliness. Many of the people in those flats knew each other and their stories. The more we have to do with our neighbours, the better,

and if such a tragedy should occur or if there is a risk, we will find out about it by getting to know our neighbours better.

The bishop also talks about providing homes and noticing faiths. It was disappointing to hear the hon. Member for Kensington say that people had used the words “Islamic Caliphate” and other disparaging terms. We just had Eid al-Fitr on Tuesday, and I wish everyone celebrating that Eid Mubarak. John Cleese said on Twitter recently that London is not an English city. How do we define Englishness? It is a set of values, and it is a community. When I was doing my research for the e-petition debate, I looked at the stories of the 72 people who died. Many of them travelled across the world to make London their home. Some of them were fleeing persecution and conflict, and others were looking for a better life. I cannot use the word “community” enough. My friend Shaun Bailey, our London mayoral candidate, comes from that area. He was working in charities for young disadvantaged people in North Kensington, living under the shadow of Grenfell Tower himself.

It is clear that Grenfell Tower, with the white hoarding and the green heart on it, remains a symbol of community. You can see it from far away. I go down the westway on the A40 quite a lot, and the tower dominates the skyline. When you are walking past the posh houses in Holland Park, you only need to look down the road to see Grenfell Tower dominating the skyline. I hope that for as long as it is there, local people in Kensington, Chelsea and Westminster, which borders the area, reflect on what has happened there, to ensure that this never happens again.

I welcome the two new appointees to the panel, who I hope, with their experience, can add value to the findings. Perhaps the Minister could say a few words about the fact that some private leaseholders who have bought their properties may get caught out with the extra cost of re-cladding their buildings. Some developers have said that they will protect leaseholders from exorbitant fees, but we see from restoration of other buildings and blocks around the country how leaseholders can suddenly end up with a sky-high bill, and have to re-mortgage or sell their home. That is totally inappropriate, when these should be basic fire safety measures.

12.18 pm

**Mr Clive Betts** (Sheffield South East) (Lab): I will speak in particular about the work of the Housing, Communities and Local Government Committee. First, I congratulate my hon. Friend the Member for Kensington (Emma Dent Coad). I say in a heartfelt way that I do not think her constituents—particularly those most directly affected by this disaster—could have a better champion. She has the respect of Members across the House for what she has done to represent her constituents forcefully, with emotion and with detailed knowledge of these matters. She certainly has my respect for what she has done.

In looking at a disaster and a tragedy such as Grenfell, we can occasionally look at what can come out of it that will help others—in this case, what will help other people to be safer in their homes as a result. As a Committee, we have not looked at the causes of the disaster and the reasons for it, because that is a job for the inquiry to do. It was not our job to go into that area and second-guess its findings, but we have tried to

[Mr Clive Betts]

follow up particularly on the work of the Hackitt report. We have looked at what improvements can be made to regulations and rules on buildings and building safety to make other people safer in their homes and other buildings they are in in the future.

We produced a report last July after taking evidence. Prior to that, we had had a session with Dame Judith after both her interim report and her final report. We have had Ministers before us on a number of occasions. I see the Minister for Housing in his place. He came most recently in January, and he is coming again in a few weeks' time. Dame Judith came in January, and she is coming again at a session before the Minister. We have tried to follow through not merely on what the promises were, but on how far they have been implemented and what more needs to be done. We have had a very detailed exchange of correspondence with Ministers. Indeed, I am still waiting for some answers on the most recent questions we have asked. As I say, we tried to concentrate in our inquiry on the issues of cladding, building safety and building regulations.

In the end, this is a story of a response by the Government with a recognition that dangerous or potentially dangerous material on high-rise and high-risk buildings needs to be removed. However, it is also a story of probably quite a slow response in some respects, and of a response that is still completely inadequate in others and one that has not been finalised. I hope it has not been finalised because I hope that the Government will go further. It is a story about ACM cladding—the cladding on Grenfell—and clearly a requirement for that to be removed, and it is a story of other materials that may be just as dangerous as ACM cladding. It is a story of materials generally that are not of limited combustibility and what should happen to them. It is a story not merely of high-rise residential buildings, but of other high-risk buildings such as hospitals and old people's homes. Very importantly, it is a story not merely about new building, but about existing buildings, and I will make particular reference to that in a few moments.

It was immediately agreed that the ACM cladding—the cladding on Grenfell—on other high-rise residential buildings should be removed. However, the Government initially produced no funding to go with that. It took till 16 May 2018—roughly a year after the disaster—for the Government to come forward with £400 million, which was welcome. It has generally meant quite a lot of progress on taking the cladding off high-rise social housing, and that progress is welcome. It is not quite complete, but it is welcome progress.

Alongside that, there has been a real problem in relation to private sector buildings and the refusal of the freeholders to accept responsibility. The Government's reasoned response was that leaseholders should not have to pay for the responsibility. However, for a year after the announcement of the funding for social housing, there was virtually no progress at all on private high-rise buildings, except where some developers decided that they would accept responsibility for the material they had put on. We have to recognise that, in some cases, developers were no longer responsible for the buildings—they may have been bought out by other companies, which were often freehold companies with limited assets—

while there were leaseholders who could not pay. It really was a situation that was never going to be resolved. Ministers kept saying—I think this was the famous phrase—“We rule nothing out”, but for the most part nothing actually got done for a long period of time. That was even though the Committee, when it did its report last July, recommended that an immediate fund be established, initially at a very low rate of interest, at least to provide the wherewithal to get this work done, and we could argue about who would pay for it afterwards. We are still very much in that position.

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): Does the Chairman of the Select Committee accept that there was not only a financial impact on the leaseholders exposed to this pressure, but an emotional one on their mental health from the anxiety of living in what they thought was not a safe home and of worrying about where they were going to find the money to pay for the remedial work and other fire costs?

**Mr Betts:** I entirely accept my hon. Friend's point. I suppose I am trying to take a practical and financial approach to this issue. I recognise that that is all right for me sitting in here as a Member of Parliament, but for the people who actually live in these properties it is a very different experience, given the impact on their daily lives and their mental health, as my hon. Friend has rightly highlighted.

The Government then gave additional powers to local authorities. I am not sure that a single local authority has used any of those powers yet. Indeed, when the permanent secretary came to see the Committee, she said there was a risk to local authorities if they used the powers in relation to whether they could actually make them hold and make them effective, and whether local authorities could actually get any money back if they went in and spent the money themselves.

Now we at least have the £200 million fund that the Government have announced for private sector properties, but there are a lot of questions about it. First, who applies for the fund? Who ensures the work is carried out? Is there a timeline by which all this work has to be carried out? What happens if no one applies and the building is still there with this cladding on it? What happens to the local authority if it goes in and does the work in default: does it get the money back? What happens where a developer has already, rightly, paid for the work themselves: can that developer claim the money back from the fund, or does it apply only to work that currently has not been carried out? In the end, who is responsible for the work being signed off as satisfactory? There are a lot of questions that need addressing, and I have written to Ministers about them on behalf of the Committee.

**Mary Creagh:** The Chairman of the Select Committee has proved very tenacious in following up on these issues. Does he agree with me that the Grenfell Tower fire was a systems failure—a whole-system failure—at various points, and that it is now imperative for the Government to put in whatever money is required to rebuild that system from the bottom up, so that in dealing with the consequences and the aftermath of that fire we do not recreate problems or create new ones in the systems for homes, inspections or fire regulations?

**Mr Betts:** I thank my hon. Friend for taking away from me my final, winding-up comments. She is absolutely right, and that is at the heart of Dame Judith's report. This is about making sure that materials are right and are properly tested. In the end, it is not even about the building regulations in relation to fire; it is about the building industry as a whole and how it operates. There is a race to the bottom, and the industry is taking the cheapest on board all the time as the way forward. This is about making sure not merely that the materials are right, but that the materials specified are actually used, that the buildings are properly signed off and that they are properly maintained and managed. This is a whole-system issue.

**Sandy Martin:** Does my hon. Friend agree with me that the correct way of doing that is for local authorities, not private companies, to police the building regulations system?

**Mr Betts:** That is a really important point. In our report in July 2018, one of the things we highlighted was the conflict of interests in the building industry, which go right the way through. Fire authorities can actually be testing their own work and recommendations, which is wrong. This is also about the whole testing regime for products. We had evidence of producers going around different testing organisations until they found the one that actually approved their material, and there was no record of the failures from other organisations. Fundamentally, this is about building inspectors being appointed by developers and then signing off the work of the people that have appointed them. That cannot be right. This is not necessarily about local authority or private sector building inspectors, but about who appoints them to a particular job and whom they are accountable to, which is absolutely key. Dame Judith's recommendations on that need to be followed through, because they are really an important part of the changes we need.

On other issues, when the Minister came to the Select Committee in January, we asked him about other forms of material. Rockwool had drawn to the Committee's attention about 1,600 properties on which the material was not ACM, but could be as dangerous. The Minister was very open and direct about it, and he did say that all those properties would now be tested—I think there has been a delay in the testing, which is unfortunate, but it has started—but that if those tests showed that the material on those properties was as dangerous or as risky as ACM, the same rules would apply about taking it off and about having a requirement to take it off. That is what he said. There is, of course, disagreement about the testing arrangements, which have been a matter of contention right the way through our work. We must come to a conclusion whereby the industry in general is satisfied that the tests are fit for purpose, but nevertheless that testing is happening, and if any material is as dangerous as ACM, it must be removed. Will the Government pay for that as well as for taking ACM off homes in both the social and private sectors? That is a fundamental question. There is no point in banning the stuff if we then return to the same problems that we had with ACM.

The Government introduced a ban on materials that are not of limited combustibility immediately after Dame Judith's report—on reflection she probably feels that she might have recommended that herself, and she

is certainly comfortable with that recommendation, which was right. But there is a problem—the elephant in the room—how can we possibly say that it is too risky to put materials that are not of limited combustibility on new buildings, if we are happy for such materials to remain on existing buildings? How can we say to people, “You are safe in your homes, but we wouldn't put that material on a new home because we don't think it's safe”? That is a fundamental problem.

I am sure that sums are going round in the heads of people in the Treasury, who will be counting the cost of taking material that is not of limited combustibility off all existing buildings. That cost will be considerable and probably far larger than the budget for dealing with ACM to which the Government had to commit, but is the Minister really comfortable with saying to people, “You're going to live in a home that has material on it that we would not consider safe to put on a new building”?

I know that if building regulations are changed, we cannot always go back and retrospectively apply them to all existing buildings, but we are talking about a fundamental issue of safety and fire prevention that the Government must consider. Importantly, we must also think about non-residential buildings. Many hospitals, schools, student accommodations and residential homes are not covered by the current ban, although they are high-risk buildings. In 2018 the Committee said that this is about not just high-rise but high-risk buildings, and that provision must be applied.

Some progress has been made on many issues, but we have a lot more to do. Dame Judith recommended a whole review of building regulations, which is key, and we must get proper tests agreed. There is the conflict of interest to resolve, and the issue of existing buildings. Fundamentally, however, as my hon. Friend the Member for Wakefield (Mary Creagh) prompted me to say, this is about the whole construction industry not being fit for purpose. We need a fundamental review of how it operates, considering not just specifications, but including the management of projects and ensuring that people have homes and other buildings that are safe to live in.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. I am happy to have given some latitude to the Chair of the Select Committee, which is perfectly reasonable, but we must now introduce a time limit of seven minutes.

12.33 pm

**Sir David Amess** (Southend West) (Con): Grenfell should not have happened and it is a stain on this place that it did, but my words will be of no comfort to the victims and relatives of those left behind. I think I was sitting in the Chair where you are now, Madam Deputy Speaker, when I listened to the maiden speech by the hon. Member for Kensington (Emma Dent Coad). She has spent two years of her time here fighting tirelessly on behalf of her constituents. Those who report on these matters are fixated with Brexit and with who is or is not visiting our country, but in eight days it will be the second anniversary of the nightmare, and I pay tribute to the ways that the hon. Lady has ensured that Grenfell is not forgotten in this place. She has become vice-chair of the all-party parliamentary fire safety rescue group. A number of other colleagues in the Chamber also bring their expertise to that group, whether that is a



[Sir David Amess]

former fire Minister who leads on fire safety in leasehold properties, a colleague with expertise in white goods, or another who brings with him 31 years of service in the fire brigade. It is probably the best all-party group with which I am involved.

The world was horrified when we saw a tower block ablaze in the fourth or fifth wealthiest country in the world, and it should never, never, have happened. Over the past six years, the all-party group has met resistance when seeking improvements to fire safety, despite compelling evidence that such measures should be introduced. In the 13 years since regulations were last reviewed, nothing has happened. It is perhaps rather easier for a Conservative Member to make those points than it would be for other Members, because we should never have got to the position of the Grenfell Tower fire tragedy, especially after the warnings and recommendations from the coroner after the Lakanal House fire and the 2013 inquest, the rule 43 letter to the Secretary of State—I am glad to see the Home Secretary in his place—the large number of letters exchanged between me and numerous Ministers, and meetings with successive Ministers.

It brings no comfort to the victims of Grenfell if we blame. It is the fault of the Conservative Government, the coalition Government, the Labour Government—it is the fault of every Member of Parliament that our voice was not heard and the recommendations were not listened to. Speaking at the Local Government Association fire safety conference on 4 July, the Minister for Policing and the Fire Service said that

“we may have to confront an awkward truth...that over many years and perhaps against the backdrop of, as data shows, a reduced risk in terms of fire, in terms of number of incidents and deaths, that maybe as a system some complacency has crept in.”

The questions to which we need an answer are: has enough been done? What has changed? What difference has been made? The official answer is that immediately after the fire, the Government announced a public inquiry under Sir Martin Moore-Bick. They appointed Dame Judith Hackitt to undertake an independent review of building regulations. They established an independent expert panel, chaired by Sir Ken Knight, and set up a comprehensive website at the Ministry of Housing, Communities and Local Government that lists all actions then taken and proposed. It is therefore not true to say that nothing has been done, but not enough has been done. The Secretary of State for Housing, Communities and Local Government, and the Home Office, would retain overall joint responsibility for the measures to be taken, and as the hon. Member for Kensington said, it is for others to talk about how the housing situation has been dealt with.

Whether enough has been done during these two years depends on what perspective we take. The Government have established a public inquiry, an independent panel of experts, and a building regulations review. There have been calls for evidence, working groups, and Committees have been pointed in a direction of travel, with instructions to those who were guilty of a “race to the bottom” to fix things. There are Departments full of people and a website stacked with volumes of literature and guidance, but there is little by way of prescriptive action and that is the frustration of the all-party group.

To his credit, the Secretary of State has banned combustible materials from high-risk buildings over

18 metres and desktop studies, and he has extended the removal of dangerous materials on private sector flats. But why not all high-risk buildings, not just those over 18 metres? Why are we still building single staircase high-rise flats? This is crazy! Why are we still building new schools without making it mandatory for them to contain sprinklers? It is six years since the Lakanal House fire and disaster, and the coroner’s letter to the former Secretary of State has still not been properly acted on. The classic example is the encouragement for retrofitting sprinklers in all tall flats, which was recommended by the coroner after the Lakanal House fire.

**The Minister for Housing (Kit Malthouse):** The Chair of the Housing, Communities and Local Government Committee and my hon. Friend have raised this issue, and so that the House is fully informed, it is worth pointing out that this morning we laid a written ministerial statement with our response to the Hackitt report and our proposals for consultation, including calls for evidence. One of those proposals is about the scope of buildings that should be looked at as part of the Hackitt inquiry. I understand my hon. Friend’s desire for urgency, but we have today published that statement and launched a large exercise to gather evidence, consult on proposals, and put in place some of the measures that have been mentioned.

**Sir David Amess:** I apologise to my hon. Friend and the Home Secretary. I was not aware that that action had been taken and I have not had time to look at it. I will read it with great interest and hopefully it will be of some encouragement to our group.

The formal review of building regulations promised by the Secretary of State in 2013, to be completed by 2016-17, still has not started. They were last looked at in 2006 and it will take at least a year and a half before anything comes from it.

In conclusion, the building regulations must be reviewed. We have to stop messing about. We want a proper audit, so there is retrospective fitting of sprinklers in all high-rise buildings. We need urgent action on all these matters. There are a number of Scottish and Welsh Members here. Wales and Scotland are further ahead than England in regulating for automatic fire sprinklers and the built environment. I ask my hon. Friend the Minister: why is England so far behind, given that it is coming up to two years since Grenfell and 10 years since Lakanal? The hon. Member for Kensington is doing a splendid job, but I really hope it is not necessary to have another debate in a year’s time and to be again frustrated by a lack of action.

12.41 pm

**Ms Karen Buck (Westminster North) (Lab):** I congratulate my hon. Friend the Member for Kensington (Emma Dent Coad) on securing the debate and on the work she has championed since she was elected. She was plunged into this catastrophe just days after being elected—probably one of the biggest challenges any Member of Parliament has had to face. She knows how much it matters to me, too. My previous constituency boundary included Grenfell Tower. As the neighbouring constituency, many residents in my constituency watched in horror from tower blocks around Harrow Road as the fire claimed those lives. The trauma affects my constituents, too.



The night that Grenfell burned and 72 people died in a modern, refurbished tower block, at the heart of one of the wealthiest communities in one of the most prosperous cities the world has ever known, is seared into our national consciousness. It is a defining moment of modern British politics. It should have been the event that changed everything. It should have brought about a wholly new attitude to housing, social housing and meeting housing need, the duty of care we have to people in high-rise accommodation, risk and deregulation in housing. I let myself believe that that would be true. It should have been a defining moment and it has not been.

Of course, some action has been taken, as my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Select Committee, said: the inquiry is under way; we have had the interim report from the Hackitt review; and the Government have today launched a consultation. I am grateful for the fact that the Government backed my private Member's Bill, the Homes (Fitness for Human Habitation) Act 2018, which allows tenants legal recourse when their homes, including the common parts of flats, are unfit and threaten their health and safety. That includes fire risk. We have also had the £200 million fund for cladding removal in private blocks.

What has not happened, however, is a seismic shift in attitude and action from the Government. That falls into two parts and I will briefly refer to both of them.

The first is the meeting of housing need relating specifically to Grenfell. On the day after the fire, we convened in Westminster Hall—Parliament was still prorogued; it was just after the election—and a number of us spoke to Ministers about the aftermath. I recall saying to Ministers that one of the things that needed to be understood was how many of the residents in Grenfell Tower and around Grenfell had direct or close experience of homelessness, and how critically important it was that immediate action was taken to provide permanent accommodation for them. In addition to the trauma of the fire, the dislocation of moving from one home to another and the experience of being in emergency or temporary accommodation would only compound what they had experienced. I remember placing that in the context of rising homelessness across London and the importance of not making other vulnerable families in housing need wait longer for a home because of the demands posed by Grenfell. Heads nodded.

We know now, two years later, that not all those housing needs have been met. Of the 202 households from Grenfell, 14 remain in temporary accommodation. Of the 129 evacuated from the wider area, 41 are still in temporary accommodation. That is unacceptable. It sits in the wider context of homelessness across London, which is detailed, as my hon. Friend the Member for Kensington said, by the Shelter commission. That should also have been a wake-up call and a demand for immediate action to tackle housing need.

We have seen very little action. There has been a collapse in social housebuilding under this Government. It was inadequate beforehand—I am happy to say that—but there has been a collapse since then, with record lows in housing delivery and an acute homelessness crisis. The needs of the Kensington and Grenfell families should be seen in that context. In a new era for social housing that Grenfell should have generated, we have not seen action from the Government.

The second legacy, as we have heard, is the Government's commitment that such a catastrophe should never happen again and that people should not fear that it will happen again. They should not live under the shadow of safety concerns in their own blocks, yet two years on that is exactly where we are. We know that 60,000 people live today in blocks with potentially dangerous cladding. We know that eight out of 10 of the blocks that had cladding have yet to have it removed. We know that 16,400 private apartments are wrapped in potentially dangerous cladding. In a question to the Mayor of London two weeks ago, Assembly Member Andrew Dismore found that London Fire Brigade paid 1,200 visits to high-rise premises with suspected flammable cladding, of which 316 confirmed flammable cladding. That is at its most acute in three boroughs: Tower Hamlets, where there are 65; Greenwich, where there are 45; and my own borough of Westminster, where there are 26.

The £200 million the Government recently announced is welcome—it came just under the wire for the second anniversary—but it is clearly not enough to ensure that either the ACM cladding blocks or those in potentially non-ACM flammable cladding can be dealt with.

We have heard from the Select Committee about the generally deregulatory attitude of the building industry. It was very, very concerning to see a survey in *Building*, which showed how little the business industry had risen to the challenge of safety concerns and how little change there has been in the way it works.

**Andy Slaughter** (Hammersmith) (Lab): My hon. Friend is absolutely right that the industry has not taken responsibility. It is a shame that past Ministers are on record as putting the onus on industry, saying it is not for the Government to regulate but for the industry to self-regulate. Does she agree that we have to end that, and that if industry will not take responsibility the Government will have to act?

**Ms Buck:** I totally agree. People living in high-rise blocks wrapped in cladding find it inexplicable that the Government still have such a deregulatory approach and expect the industry to take responsibility.

**Mary Creagh:** Does my hon. Friend share my concerns about the Department for Business, Energy and Industrial Strategy's review of fire retardants in foam on the back of fridges and in furnishings, cots and mattresses? This issue has been ongoing since 2004, following warnings from officials that the flame retardants were no longer fit for purpose and could, paradoxically, cause more injury through smoke inhalation than they prevent through stopping fire. Three years after the 2016 consultation, the Government still have not published the responses.

**Ms Buck:** It is completely inexplicable. The public expect the Government to act quickly and firmly to ensure that products and building standards are safe, but that has not been done. As the *Building* survey showed, nearly half those operating in the industry had yet to change the way they carried out competency checks on their supply chain partners; nearly half had not been swayed by the Hackitt report's recommendations to change the way they shared building safety information with their supply chains; nearly a third reported no change in product specification and performance checks;

[Ms Buck]

and more than a third reported no change in checking on the quality of work being undertaken. We have an industry that is effectively in crisis in meeting safety standards. As we approach the second anniversary, it is time that the Government recognise that the deregulatory approach does not work.

We heard a great deal in the early days after the fire about retrofitting sprinklers, but in my constituency, where the local authority—to its credit—was prepared to make that investment, that has faltered, as it has in many other places, because the Government have yet to get to grips with the reality of mixed tenure in high-rise properties and the fact that it is impossible, under the current law, for local authorities to require the owners of private flats in local authority blocks to give them access and comply with the requirement to fit sprinklers. As a result, everybody else in those blocks is potentially suffering.

We are, two years later, in an unsatisfactory position. We have failed to rise to the challenge of Grenfell and this distracted, exhausted and fractured Government have not done enough to honour the memories of the dead and support the survivors—nowhere near.

2.51 pm

**Bill Grant** (Ayr, Carrick and Cumnock) (Con): It is a privilege to follow the hon. Member for Westminster North (Ms Buck).

I congratulate the hon. Member for Kensington (Emma Dent Coad) on securing the debate and commend her for the tenacity and dignity she has shown over the past two years, which must have been an immensely difficult journey. I thank her for that.

This is an intensely emotional subject, and I am aware that some in the House have strong views on what the royal borough or the Government might, or should, have done differently in their immediate response to the aftermath of what we all know as “Grenfell”. Likewise, the former residents, who have all been through the most traumatic event—some having lost family and all having lost their home—have every right to expect clarity going forward. I hope that this debate will go some way towards providing a bit of clarity, because it has been lacking to date.

There have been well-publicised cases of families still waiting to be offered permanent accommodation, seemingly for reasons that are not swiftly resolved. Given the magnitude of the tragedy, I suspect that the response was reasonable in the circumstances and accepting the constraints of a single London borough, particularly considering that those working within Royal Borough of Kensington would have been just as devastated—and probably more devastated—as the rest of us in the UK when we first learned of the tragedy that summer morning, as the facts unfolded. This includes people working in the housing department, in adult social care and in family and children’s services, as well as local councillors and, not least of all, the MP, all of whom will have liaised with the residents of Grenfell Tower over the two-year period and will have been deeply affected by the fire and its aftermath and consequences.

Whatever some of us might feel or think about the response, we must commend those workers for their efforts in the most extreme and distressing circumstances.

They worked tirelessly and efficiently to find temporary accommodation and support, and they should be proud of their efforts. I note, however, that there have been failures in that journey—not by all, but by some—and the failures that I have heard about in the Chamber today are totally unacceptable. A number of emotional support schemes were set up to assist former residents of the tower after the fire, but I hope that those working within the borough have also had all the support necessary to help with their emotional wellbeing in dealing with the aftermath of the tragedy and the personal contact that they had with individuals.

Former residents have rightly and reasonably expressed concerns about the speed at which the Grenfell Tower inquiry is progressing, or, as might be the case, not progressing. They are understandably keen for closure to an extremely traumatic episode in their lives—an episode that someone can only imagine unless they experienced it themselves. It must be borne in mind that by all accounts there is a remarkable weight of written evidence and verbal testimony, and giving that testimony would have been a challenge for those individuals. That is all to be worked through and properly considered and the response will take time. Nevertheless, will the Minister update the House on the progress of the inquiry? I am sure that it would bring some comfort to the residents to know that progress is hopefully being made on the journey towards securing the truth and justice that they so richly deserve.

There are few adjectives sufficient to describe the bravery of the fire officers and other emergency responders on the night of the Grenfell fire—and a very dark night it was in London. We owe those individuals a great debt and I thank them. I am aware that the review of the fitting of sprinklers is ongoing. It is a natural move from the effectiveness of the home smoke detector. It is a natural move for the system where we live to have sprinklers, irrespective of the cost, which should not come into it. It will be only a small fraction of the new-build cost of a house, and retrofitting can be achieved. In my time in the fire service, as a fire officer of 31 years’ standing, I have seen the effectiveness of sprinklers. They work—that is not in any doubt.

The key issue is cladding, and how the fire spread so rapidly is of particular interest to me. Pending the release of the inquiry report, I would be grateful to know from the Minister what progress has been made in remediating social, public and private buildings with regard to the high-risk cladding that is attached as we speak. There are unsafe homes in the United Kingdom. We need to speed up addressing, resolving and mitigating or removing that risk—mitigating is an option, but the final thing is to remove the risk entirely. I know that there has been difficulty in persuading the owners of some private dwellings to do the right thing for their leaseholders and tenants. An update on that matter would be most welcome from the Minister.

For those who have been through an ordeal such as this, there is seldom enough that can be done to restore personal confidence or relieve long-term anxiety. I am hopeful, however, that with the right support and with post-inquiry progress on building and construction standards, we will—and must—do everything possible to ensure that this tragedy can never be repeated, as I have said before. That thought, I hope, will bring a little comfort to those who survived this tragedy. I am fearful

that they and others will remain troubled and traumatised for years to come. The loss of 72 innocent lives at Grenfell must focus the minds of legislators. Their loss must not be in vain.

12.57 pm

**Mr Steve Reed** (Croydon North) (Lab/Co-op): I add my congratulations to those given to my hon. Friend the Member for Kensington (Emma Dent Coad) for her phenomenal leadership on this issue. She represents a constituency where many people feel disenfranchised and voiceless. In this place, she has become their voice and we thank her very much for that.

Days after Grenfell Tower went up in flames and 72 lives were lost, the Prime Minister promised to do everything in her power to keep people safe. That was two years ago and the Government's record since then has been one of denial, dither and delay, as they failed to act on words that now ring very hollow indeed. Some years before Grenfell, in 2009, there was a fire at Lakanal House in south London that led to the death of six people, including a baby. The inquest reported in 2013 with very clear recommendations. The coroner said that the fire safety regulations and, specifically, part B of the building regulations that cover fire safety, were unclear. That was why unsafe and combustible cladding was being strapped on residential buildings inappropriately. The coroner warned, sadly prophetically, that if the confusion was not put right, more deaths would follow.

The Government were given that warning in 2013, but they did nothing, so three years later, flammable ACM cladding was strapped to the outside of Grenfell Tower. A year after that, it went up in flames and 72 people lost their lives. It could not be more horrific, and I am afraid that Ministers' responsibility could not be clearer. We are now two years further on and yet the fire safety regulations remain unaltered. The Government could have acted on those regulations after Lakanal House 10 years ago, but they did not. They could have introduced a complete ban on flammable cladding after Grenfell, but they did not. They could have taken immediate action to strip Grenfell-style flammable cladding from every housing block where it existed, but they did not. Why not? Because if they had belatedly acted on the Lakanal House recommendations after the deaths at Grenfell Tower, they would have had to accept that their failure to act earlier had contributed directly to that disaster. Rather than do that, they chose to cover up their earlier inaction with more inaction. If the leaders of a private company had acted in the way that Ministers did, they would find themselves in the dock charged with corporate manslaughter. Ministers should reflect on that.

Last December the Government finally, and belatedly, announced a partial ban on flammable cladding, but a partial ban is not enough. They have proposed a ban on flammable cladding on new buildings over six storeys or 18 metres high, but have excluded hotels and office blocks. I simply cannot understand why. I have written to the Minister asking for the evidence that a hotel or an office block is safer than a block of flats, but he has not provided anything convincing, and I doubt whether he will be able to. Surely people in a hotel where they have never stayed before are less likely to know the fire safety escape routes than they would be at home, in a block of

flats with which they are familiar; and if flammable cladding is not safe above six storeys, why would anyone on the fifth or the fourth floor want flammable cladding strapped outside their home?

The Government propose to continue to permit the use of flammable cladding on the majority of schools, care homes and hospitals, because most of them are under 18 metres high. How do the Government think parents will feel, knowing that flammable cladding is still allowed on the outside walls of the school that their child attends every day? No parent I know would tolerate that.

Right now, there are still 60,000 people living in 272 blocks with Grenfell-style cladding. The Government refused all demands to act for nearly two years. They finally performed a welcome U-turn last month and found £200 million to remove and replace flammable ACM cladding on residential blocks, but even that is not enough to pay for the work to be carried out fully. It includes nothing to deal with other types of flammable cladding which could be just as dangerous as ACM, nothing to deal with failing fire safety doors, and nothing to enable sprinklers to be installed in the blocks where they are required. Even after all this time—even after two years—Ministers continue to evade their responsibility to keep people safe.

The best way in which to meet the Lakanal House coroner's demand for clarity on fire safety rules is to introduce a complete ban on flammable cladding on all buildings where people live or work, and that ban should not only cover new buildings. We must take down flammable cladding wherever it exists, because it is an unacceptable danger to people's lives. Many European countries have already introduced a complete ban; Scotland is introducing one, and we need one here in England as well.

**Rushanara Ali** (Bethnal Green and Bow) (Lab): Does my hon. Friend agree that it is completely insane for the Government not to introduce a complete ban? If they are not going to do so, Ministers should guarantee today that there will be no further fatalities. Otherwise they should call for a complete ban, through legislation if necessary.

**Mr Reed:** I completely agree with my hon. Friend. It strikes me as incredibly and frighteningly contradictory to say that flammable cladding cannot be allowed on new buildings, but is fine on buildings where it already exists. If I lived in a block like that, I would be living in fear, and I know that thousands of people are living in those circumstances.

There is still an average of one fire a month in buildings with flammable cladding, and it is only a matter of time before one of those fires is not put out. Let us mark the anniversary of the Grenfell Tower disaster next week, and honour the memory of those who died by making sure that what happened at Grenfell can never happen anywhere ever again.

1.4 pm

**Rushanara Ali** (Bethnal Green and Bow) (Lab): I thank the Backbench Business Committee for securing this important debate. Like others who have spoken, I pay tribute to my hon. Friend the Member for Kensington (Emma Dent Coad) for her powerful speech, and for all the work that she has been doing to support her community



[*Rushanara Ali*]

and, in particular, the victims of the Grenfell fire. I also wish to commemorate the 72 people who needlessly lost their lives, and all those who were injured and traumatised by that terrible fire. The grieving and suffering, the trauma and anguish, have not diminished since that dreadful night, and our thoughts remain with those who are having to live the nightmare again and again—an experience that is worsened by the fact that the Government have still failed to tackle the underlying problems that are leaving people at risk.

Like Hillsborough, the Grenfell Tower fire was an avoidable man-made disaster. It is a story of warnings ignored and official neglect: the stuff of nightmares, which could have been prevented. Shockingly, it has emerged since the disaster that ACM cladding, and similar flammable cladding, are present on hundreds of buildings across the country. Many blocks in my constituency have ACM cladding. In the immediate aftermath of the Grenfell fire, Ministers promised swift action to replace such cladding, but, as we have already heard, that action has not featured the urgency that is so desperately required.

Members on both sides of the House, as well as many campaign groups including Grenfell United, had to fight tooth and nail to secure £400 million for the removal of ACM cladding from social housing blocks. More recently, after much campaigning by, for instance, “Inside Housing” and Members here—especially Opposition Members—the Government finally, grudgingly, agreed to provide £200 million to remove dangerous ACM cladding from private blocks. I am grateful to them for that, but people should not have had to wait a year for the social housing funding and two years for the funding for private blocks—and it is still not enough, because 1,700 high-rise blocks in the UK have non-ACM cladding that is also dangerous.

The Government need to act. We should not have to keep coming back and begging Ministers to address this appalling failure. They should be using their own initiative. If the risk of further deaths is not scary enough for them, what is? How will they be able to live with themselves if the Grenfell fatalities are repeated in the future? I know that they do not wish that to happen, but we need to see cross-Government work to ensure that the necessary resources are available, and we need to see legislation to back up the work that is so urgently required for all buildings that are at risk.

As we heard from my hon. Friend the Member for Croydon North (Mr Reed), after Grenfell the Government banned the use of combustible cladding on some high-rise buildings measuring more than 18 metres, but that does not go far enough, because people will remain unsafe in cladded buildings less than 18 metres high. A ban that is limited to hospitals, student accommodation and care homes is also not enough. The ban must be comprehensive, applying to any block with ACM cladding or other forms of dangerous material that needs to be removed.

Dangerous cladding is a risk on all buildings, irrespective of their height or purpose. A fire does not discriminate between buildings of different use: it does not discriminate between student accommodation and an office block, or between a private homeowner and a social housing tenant. It is not acceptable that the Government continue to permit the use of combustible materials of any kind

on our buildings, for reasons that Ministers have already heard. It is a dereliction of duty to carry on like this. It is vital for Ministers to take the situation seriously and act, rather than constantly having to face pressure to do so.

As others have pointed out, the Prime Minister said:

“My Government will do whatever it takes...to... keep our people safe.”

The Government have done nothing of the sort. They have taken some action, but it is frankly not acceptable. The Minister is raising an eyebrow; he should try living in one of those blocks, perhaps for a few nights, and see what it feels like. He should experience the insecurity and anguish that families have to live through, with their children, fearing that their homes might burn down and there might be further fatalities. That is why this is so important; that is why action is needed.

The regulatory system has failed to protect our residents. In 2016 I raised in the House concerns about the inability of residents to complain to the local government ombudsman about major disrepair issues which could lead to further fatalities. Grenfell tenants raised some of those issues. They complained about problems they were facing and risks long before the fire. That is well documented in programmes including the “Panorama” documentary. One of the major issues for residents is that under the Localism Act 2011 they have to wait a few weeks and then contact a Member of Parliament to submit their complaints to the ombudsman. Those things delay attention being paid to major issues, particularly around the safety of the blocks people live in.

The Government could improve the regulation to ensure residents have a strong voice. They could ensure that there is better accountability and transparency about the kind of blocks people live in and the kind of safety issues those blocks face, so that people can hold the management of those buildings—whether freeholders, registered social landlords or arm’s length bodies—to account. We must never allow fatalities like those at Grenfell to happen again, and that is why the Government must act quickly.

1.11 pm

**Grahame Morris** (Easington) (Lab): I am very pleased to be able to speak in this important debate and declare an interest as a member and co-chair of the Fire Brigades Union parliamentary group. Like other Members I pay tribute to my good and hon. Friend the Member for Kensington (Emma Dent Coad) for her work and congratulate her on securing this debate and on her remarkable personal courage in the work she has done in the wake of the Grenfell tragedy. I think every Member has acknowledged that and is touched by her commitment to the issue. I want to pay respect too to the victims of Grenfell—those who lost their lives and all who were touched by the terrible tragedy—and acknowledge the contribution of the fire and rescue services in their valuable and valiant work on the day and subsequently.

I know we want to go forward together in a positive fashion with some positive ideas about how we can ensure that this never happens again, but I want to touch on a couple of points. I was surprised that in her resignation speech the Prime Minister referred to Grenfell as part her positive legacy, because in my humble opinion that shows a complete lack of self-awareness and suggests

that everything has been resolved and the issues have been addressed when, frankly, they have not. As we approach the second anniversary of Grenfell, it is an absolute scandal that no one has been held accountable for the deaths of 72 innocent people.

A flawed inquiry with narrow terms of reference is proceeding at a glacial pace. The inquiry was expected to produce a phase 1 report and urgent recommendations to the Prime Minister by this spring, but the Minister has just told us from the Dispatch Box that this has now been delayed until October, and that the second phase of the inquiry, due to commence this year, is now being delayed until 2020. The public inquiry, rather than securing answers, is delaying justice. The Metropolitan police warn that there will be no changes arising from its criminal investigation until at least 2021 as they wait for the inquiry to publish its findings.

In my opinion, the inquiry's decision to focus phase 1 on the night of the fire provided a reprieve to the companies and public bodies for their decisions. These things do not happen by chance; they are the consequence of decisions, often political decisions, and this has given those companies and bodies an opportunity to shift the blame and emphasis as to who should be held to account.

From reading Dame Judith Hackitt's report it is plain to me that our fire safety regime is simply not fit for purpose when it allows—and continues to allow, as we have heard from a number of Members—people to live in buildings that can burn at the speed and ferocity we saw at Grenfell. The decline in fire safety and building standards is such that a leaked report by the Building Research Establishment found that had Grenfell Tower been built today under modern, less stringent safety standards, it is likely that the building would have collapsed either fully or partially as a result of the fire. That shows how far regulation has regressed by not improving standards but allowing them to fall.

The magnitude of what happened at Grenfell, which should have been a wake-up call or watershed moment, seems to have passed Ministers by. After decades of deregulation, the scrapping of professional standards and the fragmentation of fire and rescue services, we need nothing short of a complete overhaul of our fire safety regime. We need to reverse a decade of austerity and under-resourcing that has led to the loss of one in five firefighter posts and one in four fire safety officers since 2010. Interestingly, one message to come out of this is that it is vital that we understand that fire safety officers are critical in preventing fires. The Government need to commit to the ban and removal of all combustible cladding on buildings, irrespective of height, and deliver safe homes for all.

We need a national review of the “stay put” policy when compartmentation fails. I say this without any disrespect to firefighters, as I hold them in the very highest regard. They are trained according to national guidance on the “stay put” policy and they train according to set procedures, but this is about managing risk and the uncertainties of firefighting. When confronted, as they were on that night, with a most appalling blaze they were put in an impossible position, in extreme conditions that would be beyond the comprehension of most of us. All their training focused on the “stay put” policy, and I will quote from an article by Tony Sullivan, a retired London firefighter with 31 years of experience in the service. He wrote that

“the “stay put” policy is the only thing that can work routinely in a residential high-rise building, and here is why.

The building is designed to contain fire in each individual flat and for the stairways especially to remain clear of smoke and heat. This is why it is vital all doors are fire doors and closed in the event of fire...If everyone were to evacuate around the same time, opening doors...would immediately compromise the fire safety of the building...This could create a chimney effect, spreading fire, and result in loss of life...When a “stay put” policy begins to be compromised, we can't immediately advise people to leave their flats and enter several floors of several hundred degrees centigrade.

If you know crews in full fire gear and breathing apparatus are struggling to get through several floors of heat and smoke, how will residents get down?”

So perhaps we need a review of the policy if compartmentation fails and a situation such as that at Grenfell arises. But what we certainly need is a complete overhaul of building regulations and fire safety.

1.18 pm

**Karen Lee** (Lincoln) (Lab): I too congratulate my hon. Friend the Member for Kensington (Emma Dent Coad) on securing today's debate and commend her for all her hard work over the past two years on behalf of her constituents.

It is a shame that we are here today. This debate should not be happening or should at least be happening on better terms. Two years ago on 14 June 72 people died and the Grenfell community still do not have justice. It is simply outrageous that nearly two years on from the disaster we have the outgoing Prime Minister referencing the Government's response to Grenfell as a proud element of her legacy. This is the same Prime Minister who has failed to deliver her far-reaching promises such as rehoming survivors within three weeks and ensuring a similar disaster could never happen again. The Prime Minister did not even meet the community, the people she is supposed to represent, to show solidarity in their time of need.

It is therefore unsurprising that, two years down the line, the Prime Minister's initial display of apathy has been sustained through the Government's overarching indifferent approach to an issue that required urgency. There are still 128 households that have not been rehomed, and the area surrounding the tower is still contaminated with toxic chemicals. The community were, and still are, vulnerable, and they need the state's help. Instead, they have been woefully let down.

The threat of another disaster like Grenfell has not been addressed. Grenfell was not the first catastrophic tower block fire to be caused by the failure of fire regulations, and lessons should have been learned from the fires at Harrow Court, Lakanal House and Shirley Towers, but they were not, and due to action since Grenfell being restricted to weak tinkering, many communities are still living in constant fear. The Government know that there are 338 residential buildings wrapped in the same combustible aluminium composite material—ACM—cladding that was used on Grenfell Tower, but they have not identified all the buildings at risk and there are potentially hundreds, if not thousands, of ticking time bombs across the UK.

The restrictive building safety programme has displayed no urgency to identify all the current threats, and I hope that the Secretary of State can explain to the House why the Government have restricted the search to buildings

[Karen Lee]

with ACM cladding and are only just beginning to search for high-pressure laminate cladding when there are countless other types of combustible cladding. The scope of the search must be expanded to all combustible cladding below Euro class A1. I understand that the Government are constrained by financial considerations, but public safety must be the prevailing priority, and it is important that we understand the total risk.

Combustible cladding is not the only threat. It is important that we understand how building compartmentation is failing and multiplying the risk of fire by combustible materials interacting with one another. There needs to be a mechanism for holistic assessments that include all the materials installed on a building. As a result of years of cutting red tape and deregulation, the current state of fire safety has created this dangerous mess, and I urge the Government to acknowledge the threat caused by deregulation and to conduct a review of what is necessary to ensure effective compartmentation.

Meanwhile, it is firefighters who are expected to respond to the increased risk, but although the threat remains, the fire and rescue services' capacity to respond has been progressively degraded over the past nine years of austerity and each firefighter's workload has increased dramatically. As research by the Fire Brigades Union has shown, fire services across the UK are not sufficiently prepared for a disaster on the scale of Grenfell. The Home Office has suggested that fire services are prepared, even though it did not contact the services directly before making that claim. The Government do not grasp the severity of the threat, and research shows that regional inequalities represent a difference between 40 fire engines attending a disaster like Grenfell and only two attending.

I hope that Government Departments realise they are not doing enough, and that they will take considerable action to safeguard vulnerable communities and support the Grenfell survivors. Simply banning combustible materials but not seeking out the full scale of the threat is not good enough, and neither is failing to recognise that a review of the fire and rescue service is desperately needed after nine years of destructive austerity. The threat is still very real and the emergency services cannot keep the public safe on a shoestring budget. The time for talking is over. We know that people are suffering and that the same threats remain, so it is time for the Government to take this seriously and to act. All of us in this House represent communities across the country, and I believe that we come into politics for sincere and positive reasons, but we must surely understand that what has happened in the past two years with regard to Grenfell is just not good enough. It is long past the time for warm words; it is time for positive action to rehome those people and to deal with the future threats. Let's just get on with it. No more words; let's see some positive action, please.

1.23 pm

**Andy Slaughter** (Hammersmith) (Lab): The horrific image of Grenfell is still very fresh in all our minds, almost as if it happened yesterday. I am sure that is true for every Member here, but it is particularly true for those of us who represent neighbouring constituencies. In many ways, the community across north Kensington, north Westminster, White City and Shepherd's Bush is

one community, and people there feel this very deeply. I would like to add my thanks and praise to my hon. Friend the Member for Kensington (Emma Dent Coad), who has had the difficult and traumatic job of trying to represent that community. She has done that brilliantly over the past two years, and indeed for many years before that. I would also like to thank the shadow Housing Minister, my right hon. Friend the Member for Wentworth and Dearne (John Healey), who has doggedly pursued this issue and tried to ensure that there is action on the subject.

The truth is that Grenfell did not happen yesterday. It happened two years ago and, as we have heard from many Members today on both sides, there has been dragging of feet. Let me say a few words about the concerns being expressed about the inquiry. There are concerns about the order of issues and the fact that the inquiry has not even got on to looking at the building material, among other aspects, and will not do so until next year. The tone of the inquiry has also raised concern. We have other major inquiries, such as the contaminated blood inquiry, going on at the moment, which might have got that better. There is also the issue of cost. I have heard—I do not know whether this is absolutely right; I ask the Minister confirm or deny it—that the police costs for the Grenfell inquiry are not being covered by the Government and that up to £30 million may be coming out of the Metropolitan police budgets. If that is true, it is a disgrace that adds insult to injury.

**Kit Malthouse:** I am happy to provide some clarity. As I understand it, on costs, the Metropolitan police service was awarded £11.4 million in 2018-19, of which it has spent £5.9 million. The expected costs in 2019-20 will be around £6 million, which will be provided from the special grant budget. So there is no intention that there should be any shortfall on investigatory costs.

**Andy Slaughter:** I am grateful to the Minister for intervening, but I would like to feel absolutely certain on that. I would be grateful if he could write to me to guarantee that any additional costs for the police will be covered from central funds and not from their own budget.

The key point I want to make on the inquiry relates to its longevity. The fact that it will take time means that it is being used as an excuse. We are not short of good advice from people at the Royal Institute of British Architects, the Fire Brigades Union and the London fire brigade about what needs to be done now, but actually things are not being done now. An example is the fact that a consultation has just been published in the middle of this debate. In fact, I was tipped off by the fire brigade about five minutes before the debate started that there was a 200-page document to be read. Why could that document not have been published yesterday, or even the day before, to inform the debate? The terrible suspicion is that this has been done in order to capture a headline, so that, rather than the Government's inaction on this subject being highlighted, they appear to be doing something.

I had a chance to read the written statement and the Government's press release, which contained the welcome comment that

"too many in the building industry were taking short cuts that could endanger residents in the very place they were supposed to feel safest—their own home."



I could not agree more, but who is responsible for this? Within the last five years, Ministers have said in relation to the important issue of sprinklers:

“We believe that it is the responsibility of the fire industry, rather than the Government, to market fire sprinkler systems effectively and to encourage their wider installation.”—[*Official Report*, 6 February 2014; Vol. 575, c. 188WH.]

The right hon. Member for Great Yarmouth (Brandon Lewis) has stated:

“The industry itself has an opportunity to make a case. I am not convinced at the moment it is for the Government to make a case for private industry”.

That is typical of the Government. The right hon. Gentleman said that when he was the Housing and Planning Minister, but I am sure I could have quoted many others. We have to get rid of this ideology, and the Government have to face up to their responsibility on this matter.

In the short time I have, I will cover a number of topics, although necessarily very briefly. Individual Grenfell survivors are not being well served. I am not going to name her for reasons of privacy, but I have a constituent who escaped with her daughter from a high floor in Grenfell Tower on the night. She then spent a year in hotel accommodation and a year in temporary accommodation in my constituency. She appears to be no nearer to getting rehoused. I may pass that case to the Minister, because he may want to intervene himself, because this clearly is not working. It is not working generally for survivors. I would like to see an open book approach to how the rehousing has been dealt with. It happens that Kensington and Chelsea was the richest council in the country; I wonder what would have happened in Northamptonshire or somewhere of that kind. To some extent, the Government have been let off the hook there. We still hear reports that people are not in permanent or suitable housing, or that housing has been purchased but is in such a state that it still needs to be got ready. People have gone into permanent housing because they felt pressurised to do so and have then had to come out of it because it turned out to be unsuitable. That is entirely unfair.

Issues of causation have not been addressed, such as that of the fridge-freezer—the plastic back is still legal, despite the fact that it is prone to fire—the fridge-freezer, manufactured by the Whirlpool company, who have a terrible reputation for white goods of this kind. We will not find out until the end of this year exactly what the cause of the fire was. Everyone suspects that the cladding was the major form of spread, but we are no further forward in knowing the exact sequence of events in relation to that. On all the other fire safety issues around regulation, means of escape, fire doors, and building security—fire alarms and matters of that kind—we are really as in the dark now as we were two years ago.

There were issues around what happened on the night, and the fact that clearly—not just Kensington and Chelsea, although they were utterly, utterly abysmal, to the extent that they could not even accept offers of help from other authorities, but generally speaking—we were not in a state to deal with a major emergency of this kind. If it happened again tomorrow, would we be any better off? I would like to know the answer.

I am grateful that the Chair of the Select Committee and others have dealt with some of the complex issues of fire safety; I do not have time to do so. I am glad to

hear from the chair of the all-party group that they are pursuing this matter as well. To have dealt with ACM cladding only, and not with high-pressure laminate cladding—which can be twice as combustible as ACM cladding—over the last two years is negligent. Not to have heeded the advice of the fire brigade and others in relation to sprinkler systems is negligent. Not to have looked at the testing processes, and the combination of materials—not just cladding but insulation, and how they work in situ, not just in test circumstances—is equally negligent. I am afraid there is still a terrible stench of complacency from the Government, even after two years.

**Mr Reed:** My hon. Friend is making some important points about the inadequacy of what the Government are proposing, but in the written ministerial statement that they have issued—during the debate rather than before it—they are proposing not to consult on whether 18 metres or six storeys is the appropriate height, and therefore they are not even going to consider whether a ban on flammable cladding below that height should be looked at. Does he think that is acceptable?

**Andy Slaughter:** It is absolutely not acceptable, and my hon. Friend has made some points in his excellent speech about the lacunae—all the missed opportunities to deal with existing buildings, including other types of high-risk and high buildings, which are not even within the Government’s purview here, despite many experts’ having pointed out the necessity of that.

Let me say a few words about housing. In the decades following the second world war, we were building an average of about 125,000 social homes a year. In the past year, we built 6,000. I would like to know what will happen on the site of Grenfell. The sooner the building goes, the better. Yes, we can have a consultation on what should be on the spot. It is a sensitive matter. Why are we not specifically replacing the hundreds—it is not just the tower itself—of social homes that have been wrecked by the fire?

The year before the Grenfell fire there was a serious fire in Shepherd’s Court, a tower block in Shepherd’s Bush, in my constituency, and the fire spread; so I am only too aware just how traumatic fire can be for residents. Thankfully, there were no injuries. But incidents like that should have been warning signals; they were not heeded. Grenfell is a nightmare. I can think of no worse way to die—waiting for rescue, hoping for hours that it was going to come, and then the slow realisation that it was not going to, and that you were going to have the most horrific death. If that is not a wake-up call to this Government, I do not know what is. I would like to see much, much more action to ensure that this never happens again.

1.33 pm

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): I appreciate the opportunity to make a brief contribution to this very important debate. I commend my hon. Friend the Member for Kensington (Emma Dent Coad) for securing it, and for the role that she has played over the past two years as Member of Parliament for the constituency containing the Grenfell Tower. I am very pleased to follow my hon. Friend the Member for Hammersmith (Andy Slaughter), a fellow officer of the all-party parliamentary fire rescue group.

[*Jim Fitzpatrick*]

I will not refer to the housing, rehousing and social issues because they were ably covered by my hon. Friend the Member for Kensington and others much closer to the events than I. I want to focus on the response in terms of the fire aspects. I thank the London fire brigade, the Mayor of London, the Business Sprinkler Alliance, the Fire Brigades Union and the Local Government Association for their briefings and continued interest and continued pressing of Government on this issue—and, of course, the Library for its papers for the debate.

All those bodies agree, I believe, that there was not, and was never going to be, a quick fix. There were and are some things that the Government could do, some of which they have done, and others that they should be doing, but I suspect that until the public inquiry concludes, the full story will not be out, and I am sure that even then there will be disagreements about the inquiry's conclusions and recommendations. There have been some interim actions from the Government via the Hackitt review and pressures from elsewhere, but as Dame Judith pronounced, we need a comprehensive cultural change, including the revision of fire guidance and regulations, and the updating of building design, construction, inspection and approval.

Fire protection through suppression systems like fire sprinklers has become a main focus for many, and that is the one area where the Government ought not to await the conclusion of the public inquiry. There is a consensus across the fire sector that the protection offered, the lives that can be saved, the reductions in systems costs and the understanding of what can be achieved ought to persuade Government to do more on this, and to do it sooner rather than later. That includes for new and refurbished schools. That is one area that the all-party group has been focusing on since the coalition Government reversed the Labour Government's 2008 guidance to local authorities, which had stated that schools should be fitted with fire sprinkler systems. That reversal has cut the number of schools being protected by fire sprinklers by over half in the past six years.

The all-party parliamentary group, chaired so ably by the hon. Member for Southend West (Sir David Amess), has been pressing on that, and for a revision of Approved Document B, for some years. Government should act now. I was very pleased to read the written ministerial statement issued this morning—a little bit late, but at least it is out. It has some very important elements, especially on the first page in respect of a comprehensive duty holder regime, and the list on page 2 of the things that the Government have done so far, which at least demonstrates that they have been doing something. I acknowledge that another consultation will be necessary, but a brief one—to the end of July—so hopefully, given how much work has been done, and ought to have been done, by the Department so far, conclusions will be quickly reached at the end of the consultation and we can see further progress in respect of protection for people in their homes.

On removal and replacement of defective cladding, the Government moved to support the social sector more quickly than they did the private sector. It took a year—it was two years for the private sector—but at least there is £600 million out there and most council and housing association properties have been addressed,

or are completed, or at least the process is under way. The much slower response of the private sector obviously meant that similar progress was not possible there, but to his credit, the Secretary of State's decision to come forward with the £200 million, and to instruct the Department and give a directive that that money should be made available, is very welcome. As my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Select Committee, said, any more information in respect of application for and circulation of the £200 million will be extremely useful, because there is still great concern about who can apply, how to apply, when the money will be available and who can get it.

There emerged from evidence sessions at the public inquiry some very unhappy and unfair criticisms of individuals, particularly of London fire brigade personnel, who unfortunately, in terms of timing, were among the early witnesses before the inquiry. As we all know, the media are merciless when they have anyone in their crosshairs as a target. No one is individually to blame for Grenfell. Some will be more guilty than others, some more culpable than others, but that will only come out through the public inquiry in due course. This was a comprehensive and catastrophic failure of Government, local government architects, engineers, construction, building control, inspectors, fire authorities, fire brigades and, no doubt, others. Apportioning responsibility is important, and I am sure it will happen. What is more important, what is critical and what is life and death, however, is to make sure that we construct and maintain safe buildings for people to live in. We are not there yet, and we will not be there for some time, but the responsibility for progress lies with the Government. They have to recognise what needs to be done—I know they have recognised that to a degree—what can be done and how to do it before the public inquiry concludes. The House's impatience is clear from today's debate. The Government need to recognise that and move on with this as quickly as possible.

1.40 pm

**Alison Thewliss** (Glasgow Central) (SNP): I thank all hon. Members who have contributed to this debate. Few of us here will ever forget the awful scenes of summer 2017. I pay tribute to all the families who lost loved ones and to the beautiful community spirit of all the residents who have campaigned tirelessly for justice. I thank Grenfell United and all who have provided support and solidarity. We saw earlier this month the community iftar commemorating those who were lost two years ago.

The organisation and activism in this community has been exemplary, but let us be clear that they should never have had to be activists. They should not have had to fight for justice—the hon. Member for Bethnal Green and Bow (Rushanara Ali) outlined some of that fight—and they should be living their lives, playing with their kids and spending time with family and friends in safe and appropriate housing.

I thank the hon. Member for Kensington (Emma Dent Coad) for securing this debate and for her personal commitment to this cause. It touched my heart to hear of all she has been through and of all she has done on behalf of her constituents. I am sure she would agree that we do not want to have another debate six months down the line, although I acknowledge her desire to see this through, whatever it takes.

There have been too many debates already, and too little action. Speaking to Katherine Sladden from Grenfell United, it is clear to me that survivors need more than another debate; they need clear and decisive action from this UK Government. It is shocking to hear that they are still waiting to be rehoused in the area.

In her resignation speech the Prime Minister cited the UK Government's response in calling an inquiry into Grenfell, as the hon. Members for Lincoln (Karen Lee) and for Easington (Grahame Morris) mentioned, as if this were some kind of achievement. I am afraid that history will not judge the Prime Minister kindly on this. Indeed, even the Secretary of State for Housing, Communities and Local Government has told the House that the Government's initial response to the Grenfell tragedy was not good enough, and it is beset by delays even now.

It is equally disappointing that the timescale for the public inquiry has slipped and that phase 2 will not now begin until next year and, further, that Scotland Yard has stated that there will be no criminal charges until 2021. I appreciate that there are complexities, but there is a desperate need for justice. The Grenfell fire was a tragedy, but that does not mean it was unavoidable. The people of Grenfell were systematically failed, and a catalogue of errors led to the fire. They tried time and again to raise their concerns about fire risk and other issues, and it should not have taken this fire to get notice taken of those concerns.

The Grenfell residents are not alone, and we know there are still too many people living in high rises with ACM cladding and other issues. They are living with no certainty and a great deal of anxiety about their safety. That is unacceptable, and I ask the Minister for an update on the progress on all building types.

**Joanna Cherry** (Edinburgh South West) (SNP): Does my hon. Friend agree that Grenfell United, the Grenfell community and their wonderful MP, the hon. Member for Kensington (Emma Dent Coad), are fighting for basic human rights? The Edinburgh Trade Union Council and Living Rent are jointly organising a demonstration next week to show their support for the Grenfell community, to pay homage to those who died and to show support for the ongoing fight. Does my hon. Friend agree that it is appropriate for all rights campaigners and trade unionists across the UK to stand with the people of Grenfell?

**Alison Thewliss**: I absolutely agree, and I thank my hon. and learned Friend for what she says. The solidarity across the UK and across the world has been moving. Again, it is a fight that should not have to be fought. The right to safe housing should not be a fight that we are still fighting in 2019.

The Equality and Human Rights Commission's report on Grenfell makes for difficult reading, and it says: that the housing was inadequate to begin with; that the right to life of particular groups, such as disabled people, elderly people and children, was not properly considered; that safety notices were published only in English, a language that some people in the tower did not speak; and that, after the fire, people who had suffered inhumane and degrading treatment were continually let down when trying to access support and basic services.

There has been a lack of investment in social rented housing and a lack of value placed on the lives of those who live in such housing. Grenfell United's briefing says that residents feel short-changed by Kensington and Chelsea Council, with corners cut and concerns ignored. What it calls a "culture of institutional indifference" is chilling, but not as chilling as what the hon. Member for Kensington outlined about the racism and the comments made by people in that institution.

It struck me at the time that some representatives of Kensington and Chelsea Council had never been inside Grenfell. It quickly emerged that other tower blocks in London had no fire doors or safety procedures, and had been like that for some time. I have been inside every block of flats in my constituency, not least because they are great places to leaflet in the rain—it rains a lot in Glasgow—and I cannot imagine going in and finding no fire doors or finding them in such condition. Most have an on-site concierge who wants to know why a visitor wants to get into the building, and there is maintenance.

In the past, some blocks that, thankfully, have now been demolished were not great but, as a councillor at the time, I had a relationship with housing officers so I could challenge such things. I listened to constituents' concerns, as I still do, and I acted on those concerns. I find it hard to understand this fundamental disconnect, and I hope it is not too late to mend that disconnect between those who live in such blocks and those who represent them.

I urge Ministers to consider the calls from Grenfell United for an independent tenant protection regulator that can put power back into the hands of tenants to ensure that they have full recourse to means of resolving complaints and bringing all properties up to a safe standard. The Scottish Housing Regulator was established in 2011 under the Housing (Scotland) Act 2010, and its statutory objective is to

"safeguard and promote the interests of current and future tenants of social landlords, people who are or may become homeless, and people who use housing services provided by registered social landlords (RSLs) and local authorities."

That is a means of recourse.

I urge the Minister to look at the Scottish model, which includes a process for reporting significant performance failures. That is defined as

"something your landlord does or fails to do, which puts the interests of the tenants at risk. This does, or could, affect all your landlord's tenants."

Such a system would certainly have caught the concerns of Grenfell residents and prompted an investigation.

What is most disturbing, however, is the Government's approach to fire safety. It has been nearly two years since the events at Grenfell and, as the hon. Member for Croydon North (Mr Reed) reminded us, nearly 10 years since Lakanal House. The response in England has lagged behind the response in the other nations of the UK. The National Fire Chiefs Council and the Royal Institute of British Architects have called for fire safety regulations in England to be brought in line with those in Scotland and Wales, particularly in requiring sprinklers and a second means of escape.

The Scottish Parliament set up a ministerial working group in the wake of the Grenfell fire, and legislation will be introduced this year to fulfil those recommendations, which include extending the mandatory installation of



[Alison Thewliss]

sprinklers in new builds to cover buildings that provide care and to larger multi-occupancy flats. A change in building standards will reduce the height of high rises from 18 metres to 11 metres—I note that the UK Government are still talking about 18 metres, but 11 metres is much better because 18 metres is very high—and will extend the range of new buildings that require non-combustible cladding.

New measures have also been proposed to improve evacuation by using sound alerts and requiring two escape stairs in all new high-rise residential buildings. That will go alongside the development of a database of safety-critical information for existing high-rise residential buildings. The Scottish Government will also issue fire-safety risk assessment guidance to the residents of high rises, the lack of which was a contributing factor at Grenfell.

For private companies, a positive step from the UK Government would be to zero-rate cladding and sprinkler systems. I have repeatedly called for that, as has the Scottish Government's Minister for housing, Kevin Stewart MSP. It is in the Government's gift to incentivise private companies to act responsibly and to relieve some of the burden of costs, and I sincerely hope they will take that small step.

Some private developers have taken a responsible route and met the costs, but there is still no statutory obligation on them to do so. I call on the Minister to make a move in that direction. As the hon. Member for Sheffield South East (Mr Betts) and others have said, the Minister must also provide revenue funding for ongoing building maintenance—not just for the one-off capital works—because that will keep people safe for years to come.

I also urge the Minister to look at more advanced testing across various materials, as the hon. Gentleman also said, and to consider the wider context. It has been suggested to me by some in the industry that materials may pass the tests when taken out of context, but they act in quite a different manner once in situ and installed on a building, as the hon. Member for Hammersmith (Andy Slaughter) mentioned. This requires serious investment and testing, with discussions with all involved in building design and manufacture, and I urge the Minister to take that on board.

The impact on those who endured trauma at Grenfell will continue for some time, and I appreciate that a wellbeing service has been set up to last five years, but we must not assume that this will be the end of the need of some residents or that they will all access such support when it is first offered. The support needs to be there for the long run. I ask the Minister for further consideration of what the needs of residents will be in future years, and an assurance of how those will be met. I also note that although the soil testing that the Minister announced last October has shown low risk, people are still anxious. He must be mindful that some harms, due to the chemicals involved, may take longer to emerge, and I ask him what the plan will be to ensure that everybody is looked after in the years ahead. As the hon. Member for Kensington mentioned, the mental health and social needs of the whole community must also be taken into account; the definition must be as wide as possible.

I also understand that there has been a period in which rent and bills have been frozen for some residents who were displaced and rehomed, but that it is due to come to an end relatively soon. I ask the Minister to give more detail on what is going to happen, because I am concerned that for those who have lost everything, a sudden hike, with no gradual transition, could leave some residents struggling. Although I believe sessions have been arranged with Citizens Advice, as much assistance as possible should be offered by the whole of government to those residents who require it.

Grenfell was a tragedy. It was scandalous. It was avoidable. It was symptomatic of a wider problem with this UK Government's attitude to social rented housing and to the people and communities who live there. But this is not irredeemable. The residents of Grenfell want to ensure that nobody else will lose their life or the life of a loved one in such an awful way. They will always remember the 72 who died, but they want to create lasting change in their memory. I call on the UK Government and the Minister to honour the survivors and the lost by taking action, and to do it now.

1.51 pm

**John Healey** (Wentworth and Dearne) (Lab): Today in this debate and over the next week, above all else we remember the 72 men, women and children who lost their lives that night in the terrible Grenfell Tower fire. We recognise the continued suffering of the survivors and bereaved families. We rededicate ourselves to seeing the survivors get the homes and other help they need; to bringing all those culpable to justice; and to putting in place every measure needed to make sure we can with confidence say that Grenfell can never happen again.

May I therefore congratulate my hon. Friend the Member for Kensington (Emma Dent Coad) not only on securing today's important Back-Bench debate but on the extraordinary way in which she has fought for her community over the past two years? She has done so again today, setting out the way in which the trauma and problems of that night continue for the survivors and for the community of north Kensington. Let us also pay tribute to that community—to the churches, faith groups, advice centres and residents associations—for their compassion and commitment to each other, not just in the immediate aftermath of the fire but in the two years since. We especially pay tribute to the Grenfell survivors and families, who, like Grenfell United, have turned their grief into their fight for justice and for wider change.

It is precisely the wider policy, procurement and political decisions of those in power that the residents and the communities affected by this tragedy want us to tackle. This was not a natural disaster; it was man-made. The hon. Member for Southend West (Sir David Amess) said:

“Grenfell should not have happened and it is a stain on this place that it did”.

May I add to that by saying that all of us in this House have a deep responsibility to make sure that it never happens again? Members on both sides in this debate caught the human side of the tragedy and of the aftermath. My hon. Friends the Members for Westminster North (Ms Buck) and for Hammersmith (Andy Slaughter), both of whom have constituents who were caught and lived in the tower did so, as did the hon. Member for

Sutton and Cheam (Paul Scully), although I have to say that he lost Opposition Members when he started lauding the merits of universal credit as a humanised welfare system.

A series of powerful points made by Members on both sides of the House require action and answers from the Government, and we look to the Minister to provide them. The Chair of the extremely important Housing, Communities and Local Government Committee, my hon. Friend the Member for Sheffield South East (Mr Betts), rightly said that the real problem concerns private block owners, where he said almost no progress has been made. He asked a series of important questions about the new £200 million fund for block owners and freeholders, which of course is not yet open for business. The hon. Member for Ayr, Carrick and Cumnock (Bill Grant), whom I was interested to hear spoke as an ex-fire officer, said that sprinklers should become a “natural” thing in all our high-risk buildings. I say to him that it is not a lack of clarity that has led to the fact that they are not, but a lack of will and commitment from the Government to make sure that that happened. My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), who also has experience as a serving fire officer, made the same strong argument about the value of fire sprinkler systems.

My hon. Friend the Member for Croydon North (Mr Reed) asked why hotels have been excluded from the Government’s new ban on inflammable cladding and why action has been so slow on testing non-ACM cladding. That was echoed by my hon. Friend the Member for Hammersmith, who rightly described the failure to do this systematically as negligent. He also called for an open-book approach to get to the root of what the problems really are in rehousing the Grenfell survivors.

My hon. Friend the Member for Bethnal Green and Bow (Rushanara Ali) talked about the need for residents to have the right to complain about problems in their building and, in particular, about safety concerns—the hon. Member for Glasgow Central (Alison Thewliss) picked up on that.

My hon. Friend the Member for Easington (Grahame Morris), speaking with the backing of the Fire Brigades Union, rightly reminded the House of the vital role and bravery of firefighters. He made the important point about the impact of the past nine years of austerity, the cut in the number of frontline firefighters and the loss of one in four fire safety officers.

My hon. Friend the Member for Lincoln (Karen Lee) also cited FBU research, which concludes that at present our fire services are now unprepared for and potentially unable to tackle a fire on a similar scale—that really should worry the Minister.

We do not underestimate the Government’s challenge in responding to Grenfell. Some progress has certainly been made over these long two years, which we welcome and for which Ministers, including the current Secretary of State, deserve credit. There has been some Government procurement of new housing for survivors, and there is now a ban on combustible materials for new high-rise homes and funding for the cladding remediation on existing blocks. However, a national disaster on the scale of Grenfell Tower requires a national response from the Government—that has not happened. Ministers have been like rabbits in the headlights. For two years, the action they have taken has been too slow and too

weak on every front. My hon. Friend the Member for Westminster North rightly set out for the House the background to this fire: the collapse in social housing building, and rapidly rising homelessness. This wider context of the night, after seven years of a Conservative Government, is important, because it helps to explain why action from Ministers has fallen so far short.

Since 2010, Ministers have abolished the tenants’ regulator for social housing and National Tenant Voice; they funded just 1,000 new social homes in the year of the fire, when they also became the first Government since the second world war to stop all national funding to help build new social housing; and they have pursued a regulation policy of “one in, two out”, with the then housing Minister saying after the coroner’s report on the Lakanal House fire that on fire safety measures such as sprinklers it was

“not...for the Government to make a case for private industry around what they should be doing.”

When the far-reaching changes that are demanded in this country by the Grenfell tragedy must mean tougher safety regulations, stronger enforcement powers for councils, clearer legal duties for private block owners, and greater rights for tenants and for leaseholders, it is clear that the fundamental problem lies not in slow administrative decision making or in the lack of compassion from individual Ministers; it lies in the basic beliefs of the Conservative party in government about hands-off government, light-touch regulation and private sector market solutions.

So let me set out for the Minister where the Government are still failing and must do more, and I hope that he will be able to respond to these points.

First, there has been a failure to rehouse the survivors. Two years on, one in 12 of the families from the tower are still living in emergency or temporary accommodation, even though Ministers promised that every victim of the fire would be rehoused in a new home within one year. Will the Minister now give the House and those families his cast-iron assurance that every survivor will be in a permanent home by the two-year anniversary at the end of next week?

Secondly, there has been a failure to give the Grenfell community justice. Two years on, the public inquiry is moving too slow and its remit is too narrow. The first phase was due to report at Easter 2018, but it has still not been published. Will the Minister now confirm when it will report, when the crucial second phase of the inquiry will start, and when the inquiry will finish?

Thirdly, there has been a failure to re-clad blocks that have been confirmed to have the same dangerous Grenfell-style ACM cladding. Two years on, eight in 10—that is 272—of those high-rise blocks that are known to be clad in the same dangerous material have not had it removed and replaced. Seventy private block owners do not even have in place a plan to do the work. Will the Minister set a deadline by which all blocks that are known to have this dangerous cladding will be made safe?

Fourthly, there has been a failure to identify unsafe non-ACM cladding. Two years on, tests on hundreds of blocks with other types of potentially dangerous cladding are still not done, despite the Government’s testing contract having set a deadline for the work to have been completed by November 2018. Will the Minister now

[John Healey]

confirm, for thousands of high-rise residents, when he will publish the results, and that the tests will be comprehensive pass/fail tests and will cover all, not just some, types of non-ACM cladding?

Finally, there has been a failure to overhaul the building safety system, as many Members mentioned. The Hackitt review published its final report in May 2018, yet two years on the legislation is still not in place. Following the publication today of the post-Hackitt consultation paper, will the Minister now tell us when he will publish the legislation itself and when the Government will take the steps needed to keep buildings safe? Most importantly, when will the Government retrofit sprinklers in all social housing blocks, as Labour, the fire chiefs and the chairman of the all-party group on fire safety, the hon. Member for Southend West, have all long argued?

The Government have been too slow to grasp the depth and breadth of the problems that they need to fix, and then too slow to act. A few weeks after that terrible fire in June 2017, a leading housing chief executive said to me, “Grenfell changes everything.” It should have done, but it has not. I desperately want this to be the last anniversary of that terrible fire when the basic duties of Government are unfulfilled and when the necessary fundamental changes to our system are incomplete. Until then, as my hon. Friend the Member for Kensington said, we will return to this issue again. We will continue to press, with the Grenfell community, for justice and for the far-reaching changes that can guarantee that a tragedy like Grenfell can never happen again in our country.

2.3 pm

**The Minister for Housing (Kit Malthouse):** I commend the hon. Member for Kensington (Emma Dent Coad) for securing this important debate at a time when, as the right hon. Member for Wentworth and Dearne (John Healey) pointed out, we are all reflecting on the terrible tragedy of Grenfell Tower and remembering the 72 people who tragically died at that time. Since I took up this role last year, doing right by the victims and survivors of the Grenfell Tower has been central to my work as Housing Minister. It has also been part of a personal mission, not least because the tower stands in what was my London Assembly constituency, with which I obviously have a personal connection. I recognise the strength of feeling on this issue from Members from all parties, and I am grateful for all their contributions. A number of complex questions have been raised, and I will attempt to address most of them in my remarks, but we will respond in writing to each Member whose questions are not covered.

I am quite happy to be held to account for our work on this issue. As the right hon. Member for Wentworth and Dearne said, Grenfell does change everything, and I have made commitments, in private and in public, on the need for fundamental change as a fitting legacy to those who died. I am held to account in meetings with Grenfell United and with individual residents, and by the Select Committee, and I have been held to account by the House on a number of occasions. It is quite right that I am, because we need fundamental and swift change.

Questions from Members have fallen broadly into four areas, which I shall address specifically. First, several Members expressed concerns about the speed of the rehousing and resettlement of the bereaved survivors. The right hon. Member for Wentworth and Dearne wishes to hold me to a guarantee on rehousing; I hope he appreciates that such are the complexities of the circumstances of some of the individuals concerned and of rehousing, that our ability to move swiftly for them is reliant on their own circumstances, wishes and desires. I have taken specific interest in individual cases, particularly those in emergency accommodation in hotels and serviced apartments, and reviewed them regularly with the council to satisfy myself that not only are those people being catered for but that we are being sensitive to their particular state and their own desires and requirements.

The fact remains that for the 201 households that needed rehousing, the council acquired more than 300 homes in and around the borough. Of those 201 households, I am pleased that they have all accepted offers of permanent or temporary homes, with 184 households now living in their new permanent accommodation and 14 households in good-quality temporary homes. We have had cases in which those in temporary accommodation have sought to have that accommodation converted into their permanent homes. I do, though, share Members’ concerns about the three households that remain in emergency accommodation, including the one household that remains in a hotel. As I said, it is essential that people move on only when the time is right for them. To make sure that an independent eye is kept on those particular circumstances, I requested that the independent Grenfell recovery taskforce continues to keep us apprised of the evolving situation and looks specifically at those three cases to satisfy itself that the council’s actions are proportionate and that those individuals are catered for appropriately.

It is fair to point out that it would be a mistake to think that people who are in emergency accommodation in a hotel or serviced apartment have been there throughout the whole two years. Such have been the circumstances of individuals and the trauma and difficulties that they have been coping with that some individuals have moved in and out of temporary accommodation. As I said, I hope that Members appreciate the complexity of the situation with which we are dealing. We are working in partnership with the community, the council and local health partners, and we remain determined to ensure that all the families who are recovering from this tragedy have the long-term support that they need to move on with their lives.

The hon. Member for Kensington raised the issue of the residents on the walkways. I remind her that all those residents were awarded an extra 900 points to push their priority upwards. Nevertheless, I recognise the situation they are in.

The second area of questions raised by several Members was on the environmental and health impacts. Public Health England has been monitoring air quality in the area since 2017. We have not taken the community’s concerns lightly and have carried out extensive testing to assess whether there is any ongoing risk to health. We will take all appropriate action to ensure that no risk is posed to residents. Of course, Professor Stec now serves on the Government’s scientific advisory group, to make



sure that we all work together to find some kind of resolution or, indeed, to reassure the community that they have nothing to fear.

The NHS has stepped up health services and checks for the local community, committing more than £50 million over the next five years, including for increased trauma screening, fast-track referrals and long-term follow-up, if required. I thank the NHS for all its incredible work to support the long-term physical and mental health needs of the Grenfell community.

The third area that has been raised is, quite rightly, the speed of remediation. I can understand the anxiety, fear and insecurity that many people feel on this issue, not least because I have met, on a number of occasions, people who live in these buildings and representatives of the UK Cladding Action Group. In the time since the fire, this Government have acted with the utmost urgency to address the most serious fire and public safety risks that the tragedy so ruthlessly exposed. With the support of local authorities and fire and rescue services, we identified a total of 433 high-rise residential buildings, hotels, hospitals and schools with unsafe ACM cladding. These buildings were assessed by fire and rescue services, and interim safety measures were put in place.

We have amended the law explicitly to ban combustible materials from use in the exterior walls of all high-rise residential buildings, but I recognise that residents across the country will truly have peace of mind only when unsafe cladding has been removed and replaced with safe materials. We have made £400 million available to pay for the remediation of ACM cladding for those buildings owned by local authorities and housing associations, and that work is almost complete, with 87% of buildings done. We have allocated £259 million of that £400 million to 140 buildings. We do not anticipate that there will be any further claims, but if there are, they will be honoured. We gave owners of buildings in the private sector enough time to step up and meet their responsibilities, and many did, but I regret that some did not. Last month, the Government acted decisively, providing a fund to unblock progress and ensure that remediation takes place on all buildings that need it. That fund stands at £200 million. We estimate that 153 blocks will be eligible. I was quite rightly pressed about detailed criteria, and we will be issuing the application process and what those criteria will be as soon as possible. There was a question from a Member whom I cannot recall about whether buildings that have already been remediated in the sector could seek to recover costs.

**John Healey:** It was my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Select Committee.

**Kit Malthouse:** Yes, indeed, and that is the case.

Although I understand the concerns about the speed of the remediation, I hope that Members will be aware that this work requires significant amounts of engineering and construction work, which will necessarily take time. On numbers, at the end of April, of the 175 residential buildings, 15%, or 27, have finished or started their remediation, and a further 116, or 66%, have plans in place. I have asked the Department to report to me as soon as possible on what a timetable might look like to ensure that we can reach completion of that programme within a reasonable length of time. I hope that Members will appreciate that, while there is a requirement or a

desire to press me for an end point, it is more complicated than just fixing a date and time, because there are obviously capacity issues. There are planning and engineering issues that need to be taken into account, but I would like to get to that place in pretty short order. The money has only just been provided, and what I would like to get to in pretty short order is a sense of what the industry is capable of achieving and some benchmarks for performance that we can hold it to.

A number of Members also asked about the testing regime for other materials and that work is now under way. We hope that that will be completed before the summer, and that we can publish the results shortly thereafter. As I have said in previous debates in this House, we have a commitment and a strong imperative to investigate the materials that are being used in these circumstances in a systematic and methodical way. Although there is a range of cladding products, they are used in a range of circumstances and in combination with a range of other materials. That matrix of possibilities creates many dozens of combinations that will need to be assessed over time. We have to start with the cladding itself, and, as I have said, that testing is under way at the Building Research Establishment, and we should be able to publish results soon.

The fourth area of work is obviously the building safety programme itself. After the tragedy at Grenfell, it became obvious that things had to change around building safety and change very significantly. The Government responded quickly with the Hackitt review, and it has given us an important root and branch look at building safety. We have been vociferous in calling for a culture change across the industry and backed it with serious action. We have consulted on a clarified version of Approved Document B and issued a call for evidence as the first step towards a technical review. As part of that review—a number of Members raised the issue of sprinklers—we obviously can review the requirement for sprinklers in buildings.

We have also established an industry early adopters group made up of key players in the construction and housing sector who have just this morning launched a new building safety charter calling for all of industry to commit to putting safety first.

**Andy Slaughter:** Will the Minister also tell us what the Government will do about the “stay put” policy? According to Inside Housing and the FBU briefing for this debate, 209 residential buildings in London alone have changed from “stay put” to evacuation, which has all sorts of implications for guidance, alarm systems and so forth. What are the Government doing to make sure that these matters are addressed and are clear to everyone?

**Kit Malthouse:** As I am sure the hon. Gentleman understands, fire safety policy does not fall within my remit and is effectively a Home Office issue. I did recently meet representatives of the fire service, who said that this policy is under constant review but remains valid. However, I am happy to write to him with details of what the Government are doing with regard to “stay put”. I understand the concern that that policy has produced in the light of the Grenfell disaster and it is important that we are transparent about it. As I have said, I am more than happy to write to him with some details.

[Kit Malthouse]

On building safety, we are determined to bring forward meaningful legislative reform. Just today, we launched a consultation on the new building safety regulatory system. The written ministerial statement was not actually laid, as the hon. Member for Croydon North (Mr Reed) said during the debate. It was raised at 10.30. I asked Doorkeepers to distribute it if they could, and it is now available for Members to read if they wish. In that review, we have accepted all 53 of Dame Judith Hackitt's recommendations and in some areas we intend to go further. What we are proposing is a radically new building and fire safety system—a system that puts residents' safety at its very heart. It will be a challenging but essential step to help drive the long-term culture change that we need and restore confidence in our country's building safety system.

**Mr Betts:** I thank the Minister for giving way. I had not seen the details of the statement until I spoke earlier in the debate, but I welcome the Government laying it. I know that the Minister has made arrangements to speak to me later about it and to come to the Select Committee where I am sure we can ask further questions. May I just draw his attention to one interesting phrase where he says that we have proposed that the new regime should apply from the beginning to all new and existing multi-occupied residential buildings? Does that mean that the Government are having a careful think about whether the ban on materials not of limited combustibility should apply to existing buildings as well as new buildings? It says that the regime will apply to all buildings, including existing buildings.

**Kit Malthouse:** I am grateful to the Chair of the Select Committee for raising this issue. The hon. Member for Croydon North also implied that we were not willing to look at other buildings retrospectively or indeed at buildings below 18 metres, or at hospital or schools or whatever it might be. What we are trying to do is fix a starting point, but then design a system that allows for flexibility in response to evidence and research in the future. One lesson is that, obviously, as building technology develops and new issues emerge, the system must have the ability to respond. That is what we are seeking to do in the consultation. Certainly, we are open to representations as part of the consultation about whether the scope should be widened. I hope that the Committee will respond.

**Mr Betts:** Was that a yes? I was trying to work out whether the Minister would be willing to look again at this matter.

**Kit Malthouse:** The issue of retrospection is obviously a difficult one from a regulatory point of view. One of the things that we have said is that all building owners have a duty to ensure that the buildings that they own are safe. If that means that they have to take remedial action retrospectively to comply, to make it safe, then they should do so. The question of liability, as the hon. Gentleman knows, is also a difficult one. Nevertheless, in the light of the reformed building regulations, it will be for building owners to review whether the buildings that they are maintaining and owning are safe and to take appropriate action.

As I said, we have accepted all 53 of Dame Judith Hackitt's recommendations and we will be going further. Indeed, we may well go further in scope in the light of the issues that are brought forward.

The final matter raised by a number of Members, particularly the hon. Member for Westminster North (Ms Buck), was the issue of the residents' voice, the social housing Green Paper and, indeed, the place of social housing in our society. One of the most important legacies of Grenfell must be the rebalancing of the relationship between residents in social housing and their landlords. After the tragedy, we spoke to almost 1,000 people, including the bereaved and survivors of Grenfell Tower. It came through in those conversations, time after time, that residents feel excluded from the discussion about their homes; they feel that their voices are not being heard. I reject the idea that people in social housing can expect only a second-class system. This has been and is fundamentally wrong. Last August, we published our Green Paper, "A new deal for social housing", and our response and action plan will be published in due course. I have given commitments in the various meetings that I have had around the country that there will be change on that too.

Nothing can undo the pain and devastation caused by the fire at Grenfell Tower. We remain determined to do right by the victims and survivors of the tragedy, and to provide a legacy of real change for them—to deliver fundamental reform, to end the stigma attached to social housing and to honour the memories of those who lost their lives. I thank everybody who has participated in the debate, and share the determination across the House to ensure that nothing like Grenfell can ever happen again.

2.21 pm

**Emma Dent Coad:** I thank the Minister and all hon. Members for their insightful and detailed comments. I particularly pay tribute to the work that has come out of the all-party parliamentary groups and Select Committees, including the all-party parliamentary fire safety rescue group, of which I am vice-chair. But when will all these recommendations and all this good work be implemented? I just see more delay.

**John Healey:** In due course.

**Emma Dent Coad:** Yes, in due course.

As we have seen recently in the press, Kensington and Chelsea Council behaved like a property developer instead of looking after the residential buildings it already owned. With no governmental oversight, it used our money for its own purposes, building a property portfolio to squeeze out social tenants in Kensington and Chelsea—that was actually openly admitted in council. I am sad to say that, despite protestations, the council continues with much of this agenda under a guise of improvement. For example, part of its new council house building programme includes fully private luxury flats. I really hope that the taskforce, which I have been working with quite closely, will report on that in its first report, and I hope we get a really robust response because the council is still failing people. It seems that the council is also determined to end the Grenfell recovery scrutiny committee when it is doing very good work and there is still a great deal of recovery left to be done.

There are various other issues that I hope the taskforce will look at. Our beloved Wornington College is still under threat. The council bought it without any reference to council taxpayers, let alone local councillors. Some £28 million of taxpayers' money was thrown at a business venture intended for private housing. Where do we expect our young people to get education and training to get them into work, off the streets and out of trouble—something that this damaged community needs now more than ever?

I have said many times, and I will say it again, that if and when the Government regulate, and the council steps up and treats our people with compassion and justice as they would their own family, I will gladly shout it from the rooftops. It is not too late to bring in commissioners to take over the council. We all know very well that if it had been a Labour council that had failed so catastrophically, that would have happened a long time ago, and I would have applauded the Government for that. Until we see that progress, I will continue to berate the council for the duplicity and at times blatant lies—provable—of those who should be held accountable, for the perpetrators of ongoing failure and for those who deny the failure of the system after two years. I will berate those who are complicit through inaction for the incompetence, cover-ups and refusal to make the clear decisions we need to keep people safe in their beds.

We in this House need to view this issue as a far higher priority and with more urgency. I would not wish the horror of Grenfell to happen to anybody else. I plead with the Minister not to wait for another anniversary to announce any kind of progress. We need action, not further consultations.

*Question put and agreed to.*

*Resolved,*

That this House has considered the response to the Grenfell Tower fire.

## Mortgage Prisoners

**Mr Deputy Speaker (Sir Lindsay Hoyle):** The hon. Member for Dover (Charlie Elphicke), who will move the motion, may speak for up to 15 minutes. I advise other Members that I expect their speeches to last for around eight minutes.

2.24 pm

**Charlie Elphicke (Dover) (Con):** I beg to move,

That this House notes that the practice of selling mortgages and unregulated commercial loans to unregulated funds has been creating mortgage prisoners, exposes businesses to asset stripping and threatens to continue to create further mortgage prisoners and risks to businesses; is concerned that mortgage prisoners are being exploited by such unregulated funds by being kept on high standard variable interest rates and therefore denied the opportunity to take advantage of historically low interest rates or fix their mortgage interest payments to gain certainty over their mortgage payments; is further concerned that businesses continue to be exposed to asset stripping; further notes that many of those unregulated funds pay little or no UK tax while depriving citizens of opportunities and in many cases their homes; believes that HM Treasury should immediately require UK Asset Resolution to cease selling mortgages to any unregulated entity; considers that HM Treasury and the Bank of England should take all possible measures to ensure that mortgage prisoners are given access to new deals and fixed interest rates, and that banks cease discriminating against mortgage prisoners by offering them less favourable mortgage terms; further considers that the Government should expand the scope of FCA regulation to include all mortgages and all unregulated purchasers of mortgages; and calls on HM Treasury and the Bank of England to hold an urgent inquiry into the sale of mortgage and commercial debt by any financial institution to any unregulated entity, with the findings of such inquiry to be published.

I thank the Backbench Business Committee for agreeing to list this important debate. A number of Members have been unable to attend because they have been detained elsewhere, and that includes the hon. Members for Feltham and Heston (Seema Malhotra) and for Burnley (Julie Cooper), the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and my hon. Friend the Member for Worthing West (Sir Peter Bottomley).

The reason for bringing this debate to the Chamber is that it is time for a new covenant to deliver fairness for borrowers—a deal that will set mortgage prisoners free. Who are the mortgage prisoners? They are the people who are trapped by changes in mortgage regulation. They are trapped in expensive mortgages, unable to remortgage to get a better deal. The rules say that they cannot afford payments on a mortgage of, say, 2% so they are forced to continue with a mortgage of 5% or more. It makes no sense at all. It is estimated that there are up to 200,000 mortgage prisoners in the United Kingdom today. Every one of those 200,000 families has a story to tell about how they struggle to get by, forced to keep up payments to keep a roof over their heads, often going without.

One of those is Charlotte's family. Charlotte is 39 years old, and lives in the west midlands with her family. They took out a Northern Rock mortgage in 2007. In 2010, she had twins who suffer from a serious disability; both are wheelchair bound. The family have never missed a single mortgage payment, but they cannot remortgage



[*Charlie Elphicke*]

due to the regulators' affordability test—a test that came into effect after the financial crash and after she got her mortgage. She says,

“How can we not afford to pay less?”

Why does this matter to Charlotte and her family? If Charlotte had a better mortgage at a lower interest rate, she would be able to afford more therapies for her disabled children, rather than having to spend so much time crowdfunding from people whose good hearts help to provide the cash she needs to help her kids.

Charlotte is far from alone. Mr and Mrs Adams live in Bournemouth. They took out a Northern Rock mortgage in 2007 that is now owned by TSB's Whistletree fund, to which the Treasury sold off their mortgage. Mr and Mrs Adams are trapped at a rate of 5%. TSB will not allow them to switch because it says that they are not TSB customers, but they cannot go elsewhere. They failed the regulators' affordability tests for lower payments on their mortgage, even though they have made all their mortgage payments and their loan to value is just 62%. This has put terrible pressure on the family, causing them to suffer real illness from all the stress.

Mortgage prisoners live in fear of interest rates rising. The whole House knows that we have been living in a period during which interest rates have been very low for a very long time. That might change in the next couple of years. The whole House knows that we have seen an extended economic growth cycle—much longer than is normal—but that could also change in the next few years. That concerns Jayne, who is 50 years old.

Jayne took out a mortgage in 2007. She is on a five-year tracker at 0.5% above base rate, and her mortgage was sold to Cerberus by the Treasury. Cerberus is described in the popular press as a “hound from hell” vulture fund. Jayne is now paying nearly 5% interest on a variable rate and worries about what will happen if rates go up. She cannot go elsewhere because she is self-employed. Her income fluctuates, meaning that she fails the so-called affordability test to be able to have a new mortgage with lower payments, even though she has made all her mortgage payments and the loan to value in her case is just 50%. She is basically paying £4,000 a year more than she would be if she was not a mortgage prisoner.

These cases highlight the plight of Britain's 200,000 mortgage prisoners, but what about the people who got them into this mess? All those I have referenced are Northern Rock customers. What has happened to Northern Rock's old boss, Adam Applegarth? Has he been made to atone for his role in blighting the lives of thousands of people? No—not a bit of it. In fact, he got a £760,000 payoff in 2008 and is set to enjoy a £304,000 a year pension.

As I said, there are 200,000 mortgage prisoners. That number is incredibly high and threatens to become even higher. Despite the recent sales, the Treasury still holds £5.5 billion of mortgages for 35,000 customers. If these, too, are sold to unregulated funds, it could mean tens of thousands more mortgage borrowers stuck without hope of escape. On top of that, Tesco has been looking at what the Treasury has been doing and has now announced plans to sell its £3.7 million mortgage book, which

would affect 23,000 customers, and it is understood that Metro Bank is considering following suit. If these books also go to unregulated funds, yet more borrowers could struggle to escape.

That is why it is important the Government now lend a helping hand, not a tin ear. The Treasury should not be selling mortgages to Cerberus or any other vulture fund without proper protection, and the regulators should be doing their bit to help free the mortgage prisoners.

**Rushanara Ali** (Bethnal Green and Bow) (Lab): I congratulate the hon. Gentleman on securing this debate. As he knows, those of us on the Treasury Committee have been working to get Ministers and the FCA to commit to reviewing the affordability test and changing it from an absolute test to a relative test. As he sets out very clearly, however, this is a much bigger problem that is going to affect thousands more mortgage holders, because the terms of operating for these companies is changing. The Government and the Minister should consider whether new legislation will be required to prevent these problems happening to many thousands more people under those changes.

**Charlie Elphicke:** I thank the hon. Lady for that powerful point. Like me, she is a member the Treasury Select Committee and has been pressing for us to explore this matter on the Committee in greater depth. She has been a true champion on behalf of mortgage prisoners. As the House can see, it is a subject that has crossed the political partisan divide to become an issue on which we need to work together collaboratively to provide a solution and resolution.

**Joanna Cherry** (Edinburgh South West) (SNP): I congratulate the hon. Gentleman on securing this important debate. We do not always agree on issues, but we certainly agree on this one. He mentioned Cerberus. Constituents of mine, Mr and Mrs Neave, were subject to pretty appalling treatment at the hands of the Clydesdale Bank, which converted their loan into a totally inappropriate overdraft facility without their agreement or signing off on any papers. Then the Clydesdale Bank flogged it off to a Cerberus subsidiary, which has effectively bankrupted my constituents. Does he agree that when banks package up these debts without any permission from the debtors and then flog them off to vulture funds, they are effectively packaging up people's lives and flogging them off, as they have done to my constituents, Mr and Mrs Neave?

**Charlie Elphicke:** The hon. and learned Lady makes a powerful point, and a slightly separate point, if I understand her correctly. I have been talking so far about mortgage prisoners. I think she is referencing small business borrowers, which is a separate issue on which I shall also be touching in this debate. It is a very important issue, because they, too, are vulnerable customers, in many cases, and need very similar protections to mortgage prisoners.

There has been some change on the matter of mortgage prisoners. The FCA launched a consultation in March and proposed changing the mortgage affordability rules for customers who are up to date with payments, but there is a shortcoming. Its proposals only give lenders the option to apply the modified assessment. It does not propose to introduce an obligation.

It is also welcome that in July last year UK Finance, the banks' trade association, launched a voluntary agreement under which lenders committed to supporting existing mortgage prisoners to switch to an alternative product with their present lender, but that does not help people to switch from the vulture funds, and it does not seem to help Mr and Mrs Adams escape TSB's Whistletree fund, even though they are with the same lender. I hope that the FCA consultation will address and enforce that and make sure that people are not left in that difficult position.

How can we free the mortgage prisoners? These mortgages were taken out many years ago, back in 2007—some even before that—well before the post-crash rules came in. These borrowers have proven their ability to pay for over a decade in making their payments. Why do we have a computer-driven affordability test that ignores the reality of the real world? We have to move beyond “computer says no” to “reality says yes”. These borrowers should be treated as grandfathered as regards the regulatory rules that came in later. Banks should be obliged by the FCA to take people on and treat them as grandfathered, be they existing customers or not, and the new mortgages should be permitted without any regulatory penalty for the bank they move to.

The Treasury needs to take responsibility too. The Treasury's UK asset resolution division has been selling off Northern Rock's loan book to funds such as Cerberus. The instruction seems to have been to get the highest price at any price. Indeed, the head of UKAR, who is paid more than £650,000, recently boasted in *The Times* about how much it had managed to get for its loan books. His pay will rise to £823,000 next year if he completes the loan book sell-off. He is incentivised to achieve value for money not to consider the wider circumstances and necessary protections. I hope the Minister will address that in his remarks. There is real concern that the Government could be facilitating the creation of more mortgage prisoners.

When selling these books, the Treasury should be making sure there are the proper protections so that borrowers do not unfairly lose out. It claimed it did that in the case of Cerberus, but that turned out to have certain shortcomings—something I think the Treasury Select Committee should look into. It is wrong for the Treasury to pursue the highest amount of cash at the expense of vulnerable borrowers who have been placed in a worse position than otherwise would have been the case.

Moreover, if the Treasury is willing to sell mortgage books to vulture funds, what is to stop the likes of Tesco, Metro Bank and many others following that example? That is why we need to consider a wholesale ban on selling these mortgages to unregulated firms—full stop. The best way to achieve that is through the regulation of the whole industry. Regulating mortgages—all mortgages—will ensure that all customers are treated more fairly by mandating best practice in each and every case. That might mean that when books are sold off a little less is achieved because they cannot enjoy the fruits of regulatory arbitrage, but it will mean that vulnerable people get better protections and are more safely and carefully looked after.

There needs to be a better deal for business borrowers as well. The hon. and learned Member for Edinburgh South West (Joanna Cherry) rightly mentioned that

issue just now. Business loans above £25,000 are unregulated. Time and again, we have seen the results of this—the Royal Bank of Scotland's Global Restructuring Group, the Lloyds business support unit, and others. Small businesses are the lifeblood of our economy. We must treat them fairly so that they can focus on what they do best, which is creating jobs and making our country more successful.

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): The hon. Gentleman is making an excellent and forensic speech. He mentions Tesco Bank seeking to sell off its mortgage book. It is encouraging that since Members wrote to the bank—I understand that we have both written, as well as other colleagues—it has indicated it will look to sell it to a good lending bank, but is it not absurd that it is dependent on the good will of the bank selling the mortgage assets, rather than being copper-bottomed through regulation? We want that to be the norm, not just dependent on the bank itself.

**Charlie Elphicke:** The hon. Gentleman is absolutely right. He has long been deeply concerned about this issue, and he is right that it is better for the banks to sell to other regulated entities and that there ought to be an element of compulsion, which is why regulation needs to be considered.

The all-party group on fair business banking and finance has been looking at what can be done to protect small business borrowers. I hope that my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), the chair of the APPG, will address that point in greater detail because it is important. We need to make sure that there are protections against foreclosures and covenant-hunting through a financial services tribunal.

Capitalism is vital to the success of our economy and a cornerstone of our way of life, but it must be tempered by responsibility and fairness. We want people to work hard and enjoy success, but we will not tolerate people being taken advantage of. The purpose of this motion is to set the mortgage prisoners free, to protect small businesses from needless foreclosures, to ensure that we deliver fairness for all borrowers and recognise the massive contribution that they make to our economy, and to ensure that this country always puts the consumer interest before the corporate interest.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Sir Lindsay Hoyle):** I call Gordon Marsden with around eight minutes.

2.40 pm

**Gordon Marsden** (Blackpool South) (Lab): Thank you very much, Mr Deputy Speaker.

It is a great pleasure and privilege to follow the hon. Member for Dover (Charlie Elphicke). I congratulate him not only on his speech here today but on the ten-minute rule Bill that he brought forward, which has given oxygen to this situation. I also pay tribute to the work of my hon. Friend the Member for Feltham and Heston (Seema Malhotra), who is unable to be here today, and of the hon. Member for Thirsk and Malton (Kevin Hollinrake), who is in his place and who, with his all-party parliamentary group, has done a great deal to take this matter forward.

[Gordon Marsden]

This is a situation where Members are drawn into a little-known and complex subject—certainly, as far as I was concerned it was a complex subject—by the real-life experiences of constituents, and that was how I got involved. One of my constituents—I shall refer to her situation shortly—wrote to me about this. In February we had the first mortgage prisoners roundtable, if I can put it that way, in the Jubilee Room; I was there, as were other hon. Members present. They were a very mixed group of people whose lives had been shattered by the process of being mortgage prisoners for anything up to six, seven, eight or nine years. It was clear from that occasion that what the Government, and indeed the FCA, had done so far was inadequate. I subsequently met my constituent and other mortgage customers from in and around the north-west and heard their stories as well. As a result, we now have an all-party parliamentary group specifically dedicated to this issue. The hon. Member for Thirsk and Malton has also been taking it forward with his fair business banking APPG.

I also pay tribute to and thank—we do not often do this, but we should when it is required—individuals in the media. Cat McShane brought this matter to people's attention in a "Panorama" programme. Hilary Osborne has written about it in *The Guardian*. William Turvill did a very lively and forensic assessment of Cerberus in *The Mail on Sunday*. In the other place, my right hon. Friend Lord McFall has taken a very distinct interest, given his previous honourable role in this House as Chair of the Treasury Committee.

Everything that the hon. Member for Dover said about the way in which this process has gone forward without proper due diligence is true. An estimated £9 billion of Northern Rock mortgages remain with the Treasury, and any decision on their future will inevitably affect tens of thousands of customers. In my view, taken from whatever I have been able to glean from the numerous written questions that I have put to the Treasury, there has not been proper due diligence throughout this process. I will explain later why I think that has been the case.

The proposals by the FCA that have been discussed, and will no doubt be touched on by the Minister, only give lenders the option to apply the modified assessment; they will not introduce an obligation. That is the point that we have heard regarding the situation with Tesco. There is the freedom to dine at the Ritz—to dine with responsible lenders—but this will not affect the cowboys and the vulture funds. As the figures show, they will still represent the main problem for the Government and for all the people who are involved with this matter. Other borrowers who had borrowed from now-defunct lenders found that their mortgage had been sold off to unregulated private equity firms that did not offer mortgages and so could not provide affordable deals.

Right from the beginning, this process was flawed and took little account of the position of the people we are talking about. Mortgagees with active lenders have been paying thousands of pounds more due to the ever-increasing gap between the standard value rate and the more competitive market rate. Those who now have a mortgage with an unregulated vulture fund are often forced to pay an even higher rate. This is a double whammy for constituents in places like Blackpool where

there are lots of small businesses affected in the way the hon. Member for Dover mentioned, as well as ordinary residents.

Those are some of the issues that the Government need to get a handle on very urgently. A separate issue has been raised with Members of the House by the ME Group about people who were mis-sold their mortgages in the first place. It may well have a point, but that matter will have to go down the compensation route with the Financial Ombudsman Service or the FCA.

I did my best to try to get some further information out of the Government through a number of questions. One question that I posed to the Minister on 13 May was to ask

"what discussions...he and...Ministers...have had with the Financial Conduct Authority on whether Cerberus Capital Management is a fit and proper organisation to purchase mortgage loans from UK banks and his Department via UKAR."

I must pay tribute to the industry of the person who drafted the reply, because it had eight paragraphs, but all I got was obfuscation of a very high order. The actual question was never responded to. I am afraid that the other questions that I and other hon. Members have asked have also shed more heat than light. Some of the replies that I have had seem to have a standard template that starts off by saying:

"Customers have always been protected in UKAR asset sales."

It is fairly obvious that that is for the birds. This is another example:

"Whether to offer customers new mortgage products is a commercial decision for lenders and government does not intervene in individual cases."

If there was ever a better definition of laissez-faire arrogance in a parliamentary question, I would like to see it. This shows that there is a clear and present danger, in market terms, that without intervention UKAR will carry on selling off NR loans to unregulated providers, and that will simply perpetuate the problem that we are all concerned about.

**Kevin Hollinrake** (Thirsk and Malton) (Con): In the Minister's response to the hon. Gentleman's question about why the loans were sold to an inactive lender, or a non-regulated entity, he said that no bids were received from an active lender. Would another option have been not to sell that debt at all, rather than to sell it to an inactive, unregulated lender that could not provide a service to the people who are subject to these loans?

**Mr Deputy Speaker (Sir Lindsay Hoyle)**: Order. I suggest that Members stick to around eight minutes, because the people who will be punished will be those like your good self, Mr Hollinrake.

**Gordon Marsden**: I absolutely agree with the hon. Gentleman, and I pay tribute to what he has done.

Many of my constituents are affected by this and have come forward with heartbreaking stories. The person I mentioned at the beginning of my speech said:

"I have worked hard to pay off just under 6k over the last few years but it is heart breaking to think I have paid over 20k more had I been able to access other products."

Another constituent said:

"We got a Northern Rock Together mortgage literally weeks before the banking crash... The mortgage is now with... NRAM. No arrears, making the repayments has been a struggle... but



we've always managed... we borrowed over the equity in the house and since the decline in the housing market we are in negative equity."

This is particularly problematic in northern and midlands areas where the property market has not recovered since the crash in the way it has elsewhere.

There is a moral duty for the Government to act. It was George Osborne's "flog it" approach to Northern Rock loans in the first place that failed to provide the safeguards for people who were then put into a transfer lottery, with horrendous results. We need to have proper movement. We need to have a formal inquiry, now that we realise the extent of this cover-up. Why were Ministers not prepared to take that forward? The contrast between the way in which the Treasury has dealt with this and how other Departments have dealt with scandals such as the Primodos scandal is deafening. The FCA's behaviour is as much use as a chocolate fireguard, and it is time that this Government and this Minister came clean about what they are going to do in practical terms.

2.50 pm

**George Eustice** (Camborne and Redruth) (Con): I congratulate my hon. Friend the Member for Dover (Charlie Elphicke) on securing this debate and commend the work of the APPG on fair business banking, and in particular the work of my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake).

I have always had an interest in modernising the regulation of our banks. Indeed, in 2010 I introduced a private Member's Bill—the Secured Lending Reform Bill—that sought to rectify a major deficiency in the law, which is that banks can currently repossess commercial property without even having to go to court to get a possession order. The power that our law grants lenders to repossess property is a rather extraordinary power that should be used lightly, and we should put in place protections for those who offer a lender a charge over their home or other property as a result of that lending. This debate also affects a type of secured lending: mortgages where the home is offered as security. I believe that people who offer their home as security should enjoy special privileges and rights.

I recently had a very sad case in my constituency that is relevant to the issue of mortgage prisoners. My constituent had taken out a mortgage in 2007 with North Yorkshire Mortgages. The circumstances behind that were not altogether happy. This gentleman needed to buy a new bungalow because his son had tragically suffered a sporting accident, and they needed a new property that he could access. His father was also ill, so there were many pressures on the family at that time. Tragically, his son passed away three years later. We all know that bereavement can be difficult, especially the loss of a child, and that affected my constituent's ability to work at the same level, which affected the household income.

After the first five years, the promotional rate on this interest-only mortgage expired, and it reverted to the standard variable rate of 5.5%. That put pressure on the household finances even further, but when he approached North Yorkshire Mortgages about a switch to a more affordable product, he was told that he could not switch to an affordable product because his income was too low. As my hon. Friend the Member for Dover pointed out, as perverse outcomes of such regulations go, it does not get much worse than this. We are saying to

people, "Your income is too low to be able to pay less, so instead we are going to sting you on the standard variable rate."

My conclusion from all this is that we should revisit the regulations issued by the FCA and reconsider the approach. In particular, the voluntary agreement proposed by UK Finance last year should be placed on a statutory footing. It should not just be a voluntary thing that lenders can opt into. There should be a statutory obligation on them to offer their existing customers a switch to a more affordable product.

If that is something the Government are unwilling to consider, I have a second proposal, with which I will conclude. It is that the Government should, at the very least, issue new guidance to the courts or put in place new regulations under the Administration of Justice Acts to make it clear to the courts that, when assessing any application for a possession order from a lender, there should be a powerful presumption against granting any repossession order where a customer has been refused the ability to switch to a more affordable product. The reality is this: there will be instances where people have fallen into arrears and ended up facing repossession of their home where the lender itself has been culpable in that default and in the repossession proceedings. In my view, our law should have a powerful presumption against granting any repossession order where a switch to a different product has been refused, and I think that would focus the minds of lenders.

2.55 pm

**Rushanara Ali** (Bethnal Green and Bow) (Lab): I congratulate the hon. Member for Dover (Charlie Elphicke), who sits on the Treasury Committee with me, and other hon. Members on securing this important debate.

There is something especially cruel about the way people have found themselves trapped in these mortgages—these much more expensive mortgages—that have already been described. They took mortgages out before the financial crisis—banks lent them the amount they borrowed—but following changes to the affordability tests they are now no longer eligible for mortgage rates that are a lot cheaper. As others have said, they are therefore trapped in more expensive mortgages that are costing them thousands of pounds a year.

These are not the super-rich or the privileged; they are decent, hard-working customers who cannot switch to a more affordable mortgage, even though they have mostly been able to pay. People who have struggled and whose homes are under the threat of repossession are those whose circumstances have changed, but despite what has been happening they have largely kept up with their mortgages, even though that is costing them tens of thousands of pounds. However, that has led to enormous hardship, as the Minister has already heard both here and in various Committees, while other representations have also been made to him and his colleagues.

As I have said, many young people who took out mortgages before the crisis are being punished because the regulations have changed. Understandably, those changes to regulations were about sorting out and learning the lessons from the financial crisis, but they have found themselves caught in the middle, unfairly and unjustly, with the unintended consequence of leaving them trapped in this situation.

[Rushanara Ali]

As the hon. Gentleman has said, in 2016 the Government sold off £13 billion of Northern Rock mortgages to Landmark Mortgages, which is owned by the US equity company Cerberus. This represents a huge error in public policy and, as others have said, it should form part of an inquiry into what went wrong, what we need to learn from this and how we prevent these errors from affecting many thousands more people in the future.

According to a “Panorama” programme, the US firm misled Ministers and officials on mortgages. Our Government believed in the undertaking that these people would have access to mortgages and competitive rates of interest, and that that would be honoured, but it has not been. Inactive lenders, such as Cerberus and even the Government firm UK Asset Resolution, are not authorised to offer mortgage products to their customers who are stuck with high interest rates.

As has already been said, the FCA estimates that between 120,000 and 150,000 people are stuck in this predicament. Only about 10,000 people may be supported, leaving many tens of thousands more stuck. Some people have paid £40,000 more—or more—in interest than they would have done if they were on a cheaper mortgage interest rate of, say, 2%. This is desperately unfair.

There are many heart-breaking stories, and we have already heard some of them today. One of the widely reported cases was that of Lisa and Mark Elkins. They have had to pay £2,500 a month on their mortgage because their interest rate is now nearly 5%, which is three times the best rate available in the market at the time the report was provided. Lisa and Mark had to borrow tens of thousands of pounds that they would not have had to borrow had they had access to alternative, cheaper, rates. It is not acceptable for people to have to live like that when, through no fault of their own, they find themselves in that predicament.

It is concerning that the Government’s latest sell-off of NRAM mortgages was to the inactive lender Citi because—as colleagues have highlighted—they were unable to find an active lender for the deal. It is frankly irresponsible of the Government to pursue such sales, and it sets a dangerous precedent. The Government must consider this issue comprehensively and protect other consumers, as well as addressing the issues affecting current mortgage prisoners.

With other colleagues, I have raised in the Treasury Committee the plight of mortgage prisoners. The Minister probably thinks that I sound like a broken record when he appears before that Committee, but this has gone on for more than a decade. The reality is that the FCA has not acted—it has been too slow. Thanks to pressure from Members across the House, the FCA has finally stepped in to address the affordability test, and the Minister has responded reluctantly, grudgingly, gradually and in a piecemeal way that seems indicative of a number of Ministries at the moment. Perhaps Ministers are distracted by a talent show that is currently going on, but I hope this Minister will carry on working and build on what he has done so far.

I appeal to the Minister to ensure that the change in the affordability test from an absolute one to a relative one is meaningful. The danger is that the FCA will wriggle out of this—frankly, the FCA has been utterly

complacent, and it should not have taken so long. The danger is that the FCA will advise banks to provide for these mortgage prisoners, but that there will be no teeth to that advice and banks will not be required to apply the affordability test as a relative test. We will still be stuck in the same position, and very little will change. Will the Minister assure the House that he will instruct the FCA to take this issue seriously and ensure that the affordability test is meaningful, rather than trying to push aside MPs who have been campaigning on this issue by giving them something that looks mildly satisfactory but does not change anything for our constituents who are suffering?

As others have said, the bigger issue at stake is the regulation of mortgage providers. The Government must look thoroughly at how thousands of people are protected, because mortgages are long-term loans. If the rules change in the middle of a long-term loan agreement, those retrospective changes make things very difficult for people and inevitably lead to a trap, and that must be understood and addressed. I hope the Minister will take this issue seriously and protect those who are currently trapped in high-cost mortgages, and that he will also look to the future and be proactive in protecting thousands of others who may find themselves at risk because of decisions that his Department and Government might have made. The Government were warned, but those warnings were not heeded. I hope they will be today.

3.3 pm

**Bill Grant** (Ayr, Carrick and Cumnock) (Con): It is a pleasure to follow the hon. Member for Bethnal Green and Bow (Rushanara Ali), and I congratulate my hon. Friend the Member for Dover (Charlie Elphicke) on securing this important debate. I know he feels strongly about this issue, and I understand that his ten-minute rule Bill has been taken up by the Government. This is an emotive topic for nearly 200,000 of our constituents who find themselves trapped with an unaffordable mortgage, in many cases simply because they happened to be mortgaged to a financial institution that foundered during the financial crisis. The majority, although not all, were with Northern Rock or Bradford & Bingley.

For the most part, those families did everything correctly. They saved for their future and made every mortgage payment on time, yet they remain trapped with interest rates of around 5%. They are unable to transfer their mortgage to a more reasonable and current percentage rate of 2% because that is, bizarrely, deemed unaffordable by lenders as a result of responsible lending rules brought about by that same financial crisis—an unhappy and unfortunate irony.

I was very surprised to learn that regulated mortgages could be sold on to unregulated funds overseas, such as Cerberus, which we heard about earlier and is based in the United States. In addition to mortgage prisoners, the issue also affects those who have loans. A family in my constituency had two tailored business loans with the Clydesdale Bank, a reputable name with a sense of security, which they took out in 2011. The Clydesdale subsequently sold the loans, which involved significant sums, to Cerberus. If I may, I would like to quote from my constituent:

“Communications received from Cerberus and those responsible for managing our loan on their behalf, were very confusing, with letters being received from various sources: Henrico Ltd, Engage

Commercial, Pepper UK Ltd and Cerberus European Servicing Ltd. There was a complex web of names and numbers and it was impossible to get anyone to answer any queries. Emails were not replied to. One letter intimated our interest was to be a staggering 29%, causing us considerable alarm. It was unclear whether, legally, we needed to pay interest or repayments to Cerberus. We calculated monthly interest payments and paid them to”—

wait for it—

“Thames Collections Ltd. There was considerable anxiety on our part as to whether even a few pence short payment might be used as an excuse to put us into administration.”

**Joanna Cherry:** The hon. Gentleman’s constituents’ experience with Cerberus reflects the experience of my constituents, the Neaves. They had a friend’s accountant look at the papers. That person identified overcharging in the region of £75,000 in interest and charges, but they have just not been able to do anything about that. As I say, they have been bankrupted.

**Bill Grant:** I thank the hon. and learned Lady for that intervention. I regret the journey her constituents had. Fortunately, while it was a very dark journey for my constituents, the result was not as catastrophic, but these are serious matters. As has been said in this Chamber, small business people are the backbone of Britain and they need our support.

The family’s fear was about putting the company into administration to gain access to their assets—assets that were greater than the value of the loan. As I said, there was a reasonable outcome. Eventually, the family, through their own diligence, were fortunate enough to be able to escape and move to another bank. The effect that dealing with this company had on their business and day-to-day lives is still very raw. Yet for more mortgage prisoners, it remains an ongoing concern.

I welcome to a degree the fact that the Financial Conduct Authority is taking this issue seriously—not before time. In March, it launched a consultation on rule changes that would allow mortgage prisoners to move to a better deal. I understand that the consultation closes on 26 June and I encourage anybody in this situation to respond to it. It is also clear that the Treasury is in agreement with the FCA’s stance, with the Economic Secretary to the Treasury, my hon. Friend the Member for Salisbury (John Glen), confirming in a written question earlier this year:

“HM Treasury welcomes the FCA’s announcement that it intends to change its mortgage lending rules to move to an affordability assessment for customers seeking to switch to a cheaper mortgage without borrowing more”.

That is encouraging, but sadly it does not include an obligation for it to do so.

With a consensus in Parliament, positive action from the regulator and indeed Government support, one might wonder why there is even a need for this debate. It is simply that the issue has gone on for far too long, has caused too much stress, grief and misery for our constituents throughout the UK, and can be so obviously resolved that it must not be allowed to persist much longer.

I urge the FCA and the Government to act swiftly and provide a binding solution that will extricate our constituents from this unsatisfactory situation. We can free the mortgage prisoners. If I may, I would like to borrow a small phrase from the British Transport police, “See it, say it, sorted”. We have seen it and we have said it. Sort it.

3.9 pm

**Martin Whitfield** (East Lothian) (Lab): It is always a great pleasure to follow the hon. Member for Ayr, Carrick and Cumnock (Bill Grant). I thank the hon. Member for Dover (Charlie Elphicke) for co-sponsoring the motion, the all-party groups for their work and the Backbench Business Committee for facilitating a very important, timely debate for the mortgage prisoners.

To own our own home is one of the aspirations of this society, but to have safe, secure accommodation is a basic need within the hierarchy of needs. Without that, nothing else can happen in a family or for an individual, so how has this country, which ranks home ownership so highly, found itself in a position where we are debating the situation of citizens who are trapped in a contract to make repayments to stay in their property, but who are unable to exercise the right to pay off that mortgage debt against their property so that they can benefit from lower interest rates and make lower monthly payments?

Most people’s understanding of home ownership is that they find a property, approach a lender and suggest the amount that they can put forward by way of deposit. The lender then lends them the difference so that they can purchase the property, and they repay the lender the principal sum and an additional sum by way of interest. They have the property, they are repaying the principal and they pay the interest. When someone wants to move, they sell their home, repay the amount owed, acquire their new property and borrow again. Alternatively, if they can find someone who will lend to them more cheaply, they use the money that person lends to repay the original lender and they move forward, freeing up some of the equity in their house or taking the benefit of lower payments.

Some of us are old enough to remember the silly idea of saving with the building society. We would pay in money month after month, building up a track record of financial stability so that when we found a property we would be lent other people’s money so that we could buy our property. That would be decided on the basis of our financial history. At this stage, I would like to cue the music from “It’s a Wonderful Life” with James Stewart, who acted as George Bailey, who chose to whom he would and would not lend other people’s money from the town. If only we could go back to that and say no to the algorithms and the committees that have led to the bundling of what are called “risky loans” that are sold on. The people who are trapped in their mortgages find that they owe money not even to the original lender, but to someone else who might be abroad and for whom there is just an email address and no regulation, and who controls their mortgage, the interest rates and the payment periods. There is nothing that the borrower can do.

That might be an oversimplification, but it is a reality for constituents. As the hon. Member for Dover pointed out, it works out as between 300 and 400 people in every constituency in the United Kingdom. They are our friends, neighbours and families. These are not risky mortgages. These are individuals who, in many cases, have never missed a payment in their lives. These are people who understood that when they took out the mortgage they would go to the ends of the earth and cut other things so that they made the mortgage payments at the end of the month, because they wanted their house.



[*Martin Whitfield*]

They made that honourable contract and unfortunately today, it is with another party that, I will say, is less than honourable.

A blame game is developing. There are arguments between the interested parties over the fact that this is all the fault of the EU and the legislation that was tightened around the lending market. There is the almost nonsensical situation that if someone remortgages with an existing lender, which admits that it is the lender, that person can bypass the requirements for the payments but cannot do so with a new lender.

The reality is that the UK Government, in seeking to do right, as they believed they were with Northern Rock and Bradford & Bingley, bundled up and sold mortgages to companies—these vulture funds—such as Cerberus, which we have heard about. They have trapped individuals and families as mortgage prisoners. The action of the UK Government and industry led to the selling of loans that the borrower had no say over to an unregulated, overseas vulture fund. The job of such a fund is not to lend money; it is a financial model to exploit and make profit. It would appear that following the successful stamping out of “poor lending”, a new practice—a new fertile field of exploitative profiteering—has been created, and the UK Government are partly responsible for that.

In my short time in the House, I have sparred with the Economic Secretary possibly more than with any other Front Bencher. It has been a great pleasure, and I know him to be an honourable man. Let me take him back to what he said in a letter, because I genuinely believe it to be the case:

“I can commit to a determined effort to resolve this. There is no reason why these individuals should be left in this very difficult position.”

I hope that today is the day on which he will be able to set out a way to resolve this problem.

3.15 pm

**Mr William Wragg** (Hazel Grove) (Con): I start by paying tribute to all those involved in the D-day landings 75 years ago today, especially remembering those who gave their lives. We and our allies will forever owe them a debt of gratitude. My constituent Alfred Barlow sadly passed away a few weeks ago, but he had hoped to be in Normandy with other veterans. I mention him particularly following the excellent speech from the hon. Member for Blackpool South (Gordon Marsden), who was a family friend of his.

Let me now turn from a debt of deep gratitude to a kind of debt that is causing harm to families across the country who are locked into uncompetitive and expensive mortgages and unable to move to other more affordable products. That may be because they are trapped by large and expensive exit fees, or—as we have heard this afternoon—because they have been told, quite perversely, that they cannot afford to move to a cheaper deal, owing to an over-rigorous application of credit-scoring or affordability checks. Many are customers with excellent track records of keeping up repayments, but they are trapped by the rigidity of the new lending criteria. Being locked into those expensive products means that they pay more than they ought to pay. That, in turn, can force them into financial hardship, and in extreme cases

can lead to the loss of their homes and other assets, especially when the loan is transferred to vulture funds which seek aggressively to recover the debts.

Colleagues may have hoped that on a Back-Bench Thursday we might avoid even a mention of the European Union, but the hon. Member for East Lothian (Martin Whitfield) beat me to it. I mention the EU not with any reference to the current overarching debate, but to refer to a matter of fact. The EU mortgage credit directive is a code of conduct for mortgage firms, which we implemented in the UK in 2016. In an attempt to learn lessons from the 2008 mortgage credit crunch, rules on lenders were tightened to prevent consumers from taking out loans that they might later not be able to afford by stress-testing their ability to make repayments, even in the hypothetical event of large hikes in interest rates. In contrast to the relatively laissez-faire attitude to mortgage lending that had gone before, this was supposed to protect consumers from placing themselves in potentially precarious financial situations. However, its implementation has shown that the rules have been over-tightened, which has resulted in the creation of tens of thousands of mortgage prisoners.

As with everything, there is a general lack of agreement on whether the current rules stem inherently from the EU directive or from the UK’s implementation of it. There is also a question mark over whether the situation of mortgage prisoners is merely an unfortunate and unintended consequence which the industry is keen to rectify, or whether lenders indeed benefit from the position of customers who find themselves trapped, and may therefore have a limited appetite for reform. We have seen in other areas of financial service regulation that when debtors face distress there is always someone around to profit, and that is exactly where vulture funds come in, to pick at the remains. It is a trend that we have seen in the business banking sector too, when lenders have abused small and medium-sized enterprises to extract the maximum profit.

Like many other Members, I was contacted by several constituents before the debate, and was asked to give examples from their cases. I hope that by doing so I will highlight the human side of the story, which is often lost when we talk about market reviews and regulatory consultations. Important as those processes are to reforming the system, we must remember that behind each broken product or recalled asset is a home, and an individual or a family.

I want to mention two cases but this issue affects many more in my constituency. One gentleman from Offerton contacted me. He has a mortgage with Landmark Mortgages following the collapse of Northern Rock and was paying a fixed rate of 6% for two years, which was subsequently reduced to a variable rate of 4.7%. That is clearly quite high in the current market and he was paying a lot in mortgage repayments. I wrote to Landmark Mortgages on his behalf to ask if it would consider offering him a lower interest rate now his fixed product had ended. It declined.

Another constituent, from Hazel Grove, took out a 15-year fixed 1.25% above base rate loan secured against a portfolio of properties with the Yorkshire Bank. He placed his trust in the security of a 15-year loan. However despite his excellent credit ratings and payments being made on time and never in default he soon found himself subject to aggressive sales of further loans on

higher interest rates which he felt bullied into accepting. This meant he was paying considerably more interest each month for many years until he started to struggle with the repayments. He therefore made arrangements on a number of occasions to try to refinance, but each time it was denied.

Then the bank appointed Cerberus Capital Management, a US-based private equity firm specialising in “distressed investing” to take over the loan and act in receivership. I know that some Members make more classical allusions in this Chamber than I do, but I will on this occasion indulge the House with such a reference, because Cerberus is a multi-headed dog that guards the gates of the underworld to prevent the dead from leaving; what an apt description of that company. As my constituent found to his cost, it is not in the agent’s interest to help customers, as it will lose fees, so it undermined any attempts made to resolve matters. Now my constituent has all rents from his property portfolio paid directly to the administrators and lives in constant fear that his family home—or even that of his 84-year-old mother—may be repossessed at any moment.

This is all rather similar to another issue: the treatment of small businesses by banks and the aggressive recall of loans and assets. This is an issue with which many of us are well-acquainted through the excellent work of the all-party group on fair business banking and finance, which has spent many years looking at this issue, most notably at Lloyds and the Global Restructuring Group, but it was a practice endemic across the industry.

I want to highlight a few of the similarities that are critical to this debate. The first is the apparent toothlessness of the FCA and its seeming inability or unwillingness to respond to poor practices in the market. As we saw with the business banking scandal, the FCA is slow to instigate reform, and it is not until consumer victims start piling up at its door that it takes note. It is for the Government to ensure that the FCA shows more appetite and greater urgency to protect the consumer. I welcome the current consultation on responsible lending rules and guidance, but if past experience is anything to go by I am not holding my breath that it will provide the kind of solution that customers need and deserve.

Moreover, the FCA often suggests that consumers seek redress from the ombudsmen or the courts, but that is rarely a viable option. The Financial Ombudsman Service is limited in the size of redress it can offer. For larger claims, litigation is an extremely fraught option due to the inequalities in access to justice between an individual customer and huge, often multinational, financial institutions with their armies of lawyers.

As my constituent from Hazel Grove told me:

“The bank squeezes every penny from you so you’re unable to support your family or fight for justice. The court costs of litigation are too high, therefore you’re unable to make a claim or file to protect your rights. I am unable to get legal aid as it’s a civil matter. If you try to bring a claim the banks just say to the court that they will want a cost order, and proof that you can pay the bank’s costs if you lose, which of course I can’t.”

**Bob Stewart** (Beckenham) (Con): The FCA seems to be an organisation that either ignores people, puts us in a pending tray forever, tells us to go away or suggests we go to an ombudsman, but very rarely does it actually do its job. It is time it was sorted out.

**Mr Wragg:** I need elaborate no further on that excellent intervention from my hon. and gallant Friend.

The scenario I have just described is nearly a carbon copy of that of another constituent, from Romiley, who was told by the FCA to take RBS to court over his business loans. Sadly, in both instances, it is very much is a case of David versus Goliath, but without the ability to afford the slingshot.

Finally, and most crucially, I want to highlight to the House the impact that such financial struggles can have on individuals and their families, and especially on their mental health and wellbeing. The material impact of financial hardship on both mental and physical health must not be underestimated. I have to ask the Minister how we can condone parts of the financial system having such disastrous effects on people.

In conclusion, the move to reduce barriers to switching to a more affordable mortgage for consumers who are up to date with payments and not looking to borrow more, which the FCA is consulting on, is certainly a good thing. However, to my mind the issue is bigger than that. UK financial services, particularly the consumer lending sector, urgently need to start working more in the interests of the customer. We of course accept and welcome the fact that banks and lenders need to make a responsible profit in order to be sustainable as businesses, to continue to provide services, and to continue as an important cornerstone of the economy. However, with the ongoing SME business banking scandal, and with the mortgage prisoners issue now gaining profile, this profiteering to the point of greed is rapidly creating the impression that the banks are going beyond what is responsible. *[Interruption.]* With that, Mr Deputy Speaker, I shall heed your indications and conclude.

3.26 pm

**Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): It is a real pleasure to be called to speak in this debate, although it is one that we regret having to have. I commend the hon. Member for Dover (Charlie Elphicke) for securing it. This is a crucial issue that must be gripped with urgency and tenacity by the Government.

Reflecting on the past decade or so, I left school at the time of the financial crash and it has been a feature of my formative years through university and in my career, but it is amazing to think that, a decade on, we are still seeing the toxic legacy of that financial banking crash playing out and blighting the lives of thousands of people across the United Kingdom. The banking system de-leveraged and tried to de-risk its structures, but there was clearly a big revenue gap for lenders, and the number of people who were taking out mortgages fell significantly. As a result, the banks sought to profit as best they could by introducing dubious programmes of selling off mortgages, moving mortgages and spreading between lender borrowing costs and the rates charged to borrowers. So it was impossible for those with standard variable rate mortgages to adjust, even though the market rate reduced substantially below it, and as a result they have been trapped in financial purgatory where they are detrimented to the tune of thousands and thousands of pounds.

It is particularly alarming to see the number of people who have worked hard, and done everything they thought was right in their lives by investing in property to build for their retirement, being faced with

[Mr Paul Sweeney]

this significant situation. They are trying to enter a period of their lives where they can relax and enjoy their retirement, but they still face a huge burden. I am thinking in particular of one of my constituents, Diane Anderson. She retired two years ago from being a trade union official with Unison. She is now 71 years old. She re-mortgaged in 2003 with Northern Rock, but then the financial crash hit and her mortgage was repackaged and sent off to Northern Rock Asset Management—NRAM—which was in turn packaged up by the UK Government and sold to Cerberus, an American vulture fund, in 2013. She was on a 4.5% standard variable rate. As we know, people can easily buy a mortgage now for 2%—I think my mortgage rate is around 2%—so it is extraordinary that she is trapped in this situation with an interest-only repayment element of about £80,000. It expires in three years' time, and there will still be an overhang after that. She is retired, wants to enjoy her retirement, and is still facing that huge burden, when she has been paying that mortgage for 20 years. Surely, any modicum of common sense, any appeal to sanity, would say that is a supreme injustice, which brings the regulatory environment of this country into disrepute.

I urge the Minister to take note of that case. It is representative of many thousands across the UK. It is estimated that 200,000 people in the UK are mortgage prisoners in some shape or form. It is crucial that the Government respond urgently to the situation. It is simply inappropriate for people to be found on that level of hardship. They have done everything right. The Government must provide redress. First, they should ensure that further mortgages are not sold to predatory firms that will trap people in such a way. Secondly, they should provide redress to those who are or have been trapped in this situation, which they find it extremely difficult to extract themselves from, and who have suffered a resulting detriment.

This problem has resulted from a legacy of failure of appropriate regulation in the banking system in this country. It is a monstrous evolution, or deformation, that unfurled from the financial crash, and it needs to be addressed urgently. We should be doing everything we can in this House to reduce harms in our society—in this House, we should adhere to that as a governing principle. When we identify harm brought to us by our constituents, we should immediately and forensically identify practical ways to minimise if not eliminate it. This harm has been brought to all of us, regardless of political colour, and any appeal to common sense would dictate that robust processes must be put in place to redress it.

The APPG's recommendations are very sensible—to legislate to prevent regulated mortgage contracts in a commercial loan from being transferred to a non-regulated environment, so that in future such decisions are not left in the gift of those such as Tesco, and their sense of moral certainty, to do that in moral righteousness. We cannot be at the mercy of such boardroom decisions; it must be an overarching principle in our country, backed by legislation and by regulation.

We must introduce a new ability-to-pay system, to allow those that can to return to high-street market rates. My constituent was never in arrears; she was managing her mortgage, her mortgage was performing perfectly adequately, yet she has found herself in this situation.

It is not good enough, I am afraid. There must be a better way to do this, and a better way for people to escape the clutches of Cerberus and other vulture funds. It is abominable that the Government actually sold those loans off to that sort of company without sufficient due diligence. In that situation, the Government bear liability to compensate people who have been affected. The equivalent loss of the SVR to the market rate that they could have recouped should be compensated by the Government; I would say that is a perfectly reasonable redress for those who have been trapped for so many years, and faced so much hardship and uncertainty—particularly mature people, who are looking to retire and enjoy their retirement. It is a great shame that in their later years they have been faced with such a stressful situation.

I urge the Minister to act robustly and listen to the points raised by the APPG and colleagues, who have presented their constituency cases and their broader understanding of the issue.

3.32 pm

**Paul Scully** (Sutton and Cheam) (Con): There have been some differences of opinion on how to pronounce Cerberus. I am going to go with Cerberus, the hound of Hades, but of course that will be a moot point by the time people read this in *Hansard*.

I congratulate my hon. Friend the Member for Dover (Charlie Elphicke) on securing this debate from the Backbench Business Committee, and on the fantastic work that he has been doing with colleagues, and with the Opposition Member, the hon. Member for Feltham and Heston (Seema Malhotra). This has been a truly cross-party initiative, to raise the issue of the some 200,000 people affected by this problem across the country. I know that the Minister is listening, and I know that, judging by our past discussions and debates, he has been open to solutions—and looking for solutions—to tackle the difficult banking issues that he has to cover within his remit.

In the Gallery today there are several mortgage prisoners, including my constituent Juliet Peddle. Juliet and her husband took out her mortgage back in 2002 with Northern Rock, and every two years she was able to transfer automatically on to the lowest two-year rate; so she was always going to have that automatic review, ensuring that she had as affordable a mortgage as possible. When Northern Rock failed, she ended up, after the various exchanges, with Cerberus. I am not sure that Juliet knows—I certainly do not—how it was decided which mortgages went down which route, so that some ended up with Cerberus. It seemed to be a bit of a lottery. It means that she and her husband, like many other self-employed people—her husband is a self-employed black cab driver—are locked into the affordability rules, mainly because Cerberus does not have any alternative products. There is nowhere else for her to go within the company.

The BBC alleged in a 2018 “Panorama” programme that Cerberus had told the Government, before it made its bid for the Northern Rock loan book, that it intended to offer better mortgage deals and evolve into a challenger bank. I am interested to know whether the Minister has any insight into whether that offer was actually made. If it was, it clearly has not been adhered to some three years later.



We have heard why this has happened. The Government reforms back in 2014 allowed lenders to waive the affordability requirements for new and existing customers who were remortgaging but not increasing the size of their debt. Unfortunately, as we have also heard, the EU mortgage credit directive, which came into force in 2016 and with which we have to comply until at least 31 October—this is not my leadership bid—prevents lenders from waiving the requirements when a borrower moves to a new lender. That undermines the Government's reforms by further restricting how mortgage prisoners can or cannot move in terms of their future mortgage. We know that, at present, lenders are able to waive affordability requirements only for existing customers, which does not help Juliet.

We have talked about the voluntary agreement that the FCA has built up and to which 67 lenders have signed up, but again, because Cerberus does not have alternative products for her and her husband to move to, it will not help Juliet. I am interested to hear what the Minister can say to Juliet and all the other mortgage prisoners here today and across the country who are desperate for help. Many of them can afford to keep up their payments, but why should they be paying three times the rate that the rest of us can pay on the open market? It needs to be fair, and it needs to be a level playing field. I hope the Minister will have some answers for Juliet and the Members who have raised this issue today.

3.37 pm

**Jim Shannon** (Strangford) (DUP): It is always a pleasure to speak in these debates on the banks, and I have spoken in every one. I am sure that my constituents are more than glad to know that, on banking issues, I am here to bring their cases to the attention of Ministers. The Minister has always been responsive to my queries and questions on behalf of my constituents, and I look forward to his response not just to me but to everyone else. That is why we are here.

I congratulate the hon. Members for Dover (Charlie Elphicke) and for East Lothian (Martin Whitfield) on securing this debate. They have been engaging on this subject, and they and the Treasury Committee are to be congratulated on sustaining their interest and effort here. We all appreciate their considerable efforts on behalf of all our constituents across the whole United Kingdom of Great Britain and Northern Ireland. I believe that the solution requires a collective and collaborative effort by the regulators, Parliament and the Government. As others have, I call on the Government and the regulators to hold an urgent inquiry into the sale of debt to unregulated entities.

It is a pleasure to follow the hon. Member for Sutton and Cheam (Paul Scully). He makes a valuable contribution to every debate he speaks in, but his contribution to this debate is especially valuable. It is always a special privilege to follow him. A number of Members have spoken on behalf of the mortgage prisoners, and I add my and my party's support to the House's calls for Her Majesty's Treasury and the FCA to redouble their efforts to address this serious subject properly.

I will mostly speak about the sale of debt by banks, through private equity investors, to third-party funds such as those described as vulture funds. Put simply, these banks generally made judgments to lend and then

decided to change their business strategy—every Member who has spoken has given such examples—away from these customers whom they had previously regarded as credit-worthy, often for 10 to 15-year loans. They were often happy to make supernormal profits or bonuses, and then abandon their customers through a form of grooming process, turning these long-term loans into on-demand overdraft facilities; they were basically screwing these people as much as they could. It seems obvious that private equity can make the returns they want only through buying or collecting the debt through substantive write-downs of debt and/or at the expense of those customers who trusted their bank—and they do trust their banks, or at least they used to. They do not trust them any longer. From what I have seen, these former customers are the real losers. The hon. Member for East Lothian estimated that there are some 400 of these customers per constituency, and I know some of the ones in my constituency and am well aware of the problems they have had in trying to get beyond where the banks and the companies that took on their overdrafts and mortgages were.

From the Minister's response to an urgent question in March 2019 about the hunger striker in Scotland, it seems that some lending bank standards are now in place. However, the evidence we have looked at suggests that the banks have little or no control in respect of, or interest in, those customers once there has been a sale to a third party; it seems that they are impotent, or unable or unwilling to help. As the House and the Minister know, we in the Democratic Unionist party have taken an active interest in pressing for the banks to bring forward a dispute resolution scheme—DRS—for historical banking cases. We are keen to have those matters addressed. To my knowledge, none of the seven participating banks in the current UK finance scheme believes that cases sold on to third party vulture funds are eligible for the past or future DRS. What is the Minister's understanding about this specific area in relation to, first, eligibility and, secondly, any retroactivity in relation to the lending standards he mentioned in March?

After the Minister's remarks then, I wrote to Richard Donnan, head of Ulster bank, which is RBS in Northern Ireland and our state-owned bank, saying:

"Secondly I enclose a part of the Urgent Question information from Hansard in relation to a moratorium for current cases from Cerberus whilst the DRS scheme comes in to effect.

Can I have your confirmation that the Ulster (and indeed RBS) are ensuring that Cerberus are staying all legal proceedings (such as those within project Aran?) as set in that exchange with the EST."

I left my office on Monday night to come here, but on Tuesday my constituency office received a call from Mr Donnan's office in response to my original letter to him back in March/April. I look forward to his written reply, especially as the bank is largely owned by us as taxpayers. It is always good to remind the banks that the taxpayers—we in this House and everyone else across the nation—are ultimately the people they should be responsive to.

In particular, we have been watching and involved in how the Clydesdale and Yorkshire bank, which was formerly owned by National Australia Bank—it also owned the Northern bank in Northern Ireland, now Danske, until 2004—has been addressing the mediation/remediation efforts on a number of cases involving Cerberus. From my most recent briefing, it seems that

[Jim Shannon]

those mediation efforts in working with the victims group CYBGCSG, and CYBG top management on 14 cases have been futile, as there appears to have been no active follow-up process. We have asked for the process and it seems that they have not got off their backsides—it is disgraceful that they have not done so. I understand that our involvement in those informal mediation efforts will lapse imminently, as I have learned that in addition to the legal claim filed by RGL Management last month, an additional legal group claim will be filed for an initial 50-plus cases centred on the CYBGCSG victims group this month. It is unfortunate that no resolution was found to any of those 14 cases, with further peaceful yellow vest protests and potentially hunger strikes across the country now seemingly inevitable.

I will, however, provide some potentially good news, as it is always good to give a bit of good news in a debate that can save us from a bit of doom and gloom. The Minister may recall that I first raised the Danske bank case of the Armstrongs a year ago. He knows about this because I have written to him about it, and he has seen the case paper with the all-party group on fair business banking and finance analysis. I understand that following their yellow vest protests from December 2018 to April 2019 at Danske banks in Northern Ireland and at Danske bank Northern Ireland-sponsored events, and with the upcoming DRS, the bank solicitors have now asked to engage with them. It has taken a long time, but hallelujah for that! At least they are answering and some correspondence is now taking place. I hope and pray that this proves to be a useful process with a positive conclusion, and that my constituents, the Armstrongs, do not feel that they need to resume their peaceful “yellow vest” protest from July, with the attendant publicity, at a time when Danske bank just happens to have won the top award in Northern Ireland this week, as a responsible company.

Following correspondence, I am aware that other banks, such as Santander, have agreed to look into some cases prior to the DRS process for SME Alliance members, and that is to be commended. As a party, in the past year we have raised in the House two other cases in which Danske opposed the Financial Ombudsman Service’s considering the complaints on a time-bar basis. Danske can quite easily allow the FOS to consider those complaints now, as I understand that those customers are willing to have their complaints considered by the new FOS team, which was effective from April 2019.

I hope that Danske and the other participating banks will collectively allow those 396 and 447 complaints from 2008 to November 2018, from across the United Kingdom of Great Britain and Northern Ireland, to be considered by the FOS, as part of the overall recognition of the need to deal with historical complaints, which it is important we do, and that the Minister will today add his support for their inclusion in the FOS or DRS processes, as a matter of fairness and equality across the historical scheme from January 2000. I understand that both the DRS chair, Lewis Shand Smith, and Mr Andrew Bailey at the FCA believe that to be appropriate, and I know that the matter was raised earlier this week with UK Finance, so there is endorsement and support from very responsible people. Hopefully, a positive response is imminent from all the stakeholders and participating banks.

Finally, the subject of third-party debt is not solely a UK matter; in our neighbouring jurisdiction, the Republic of Ireland, there was a debate on a private Member’s Bill on vulture funds in the Dáil on 28 May, and the Republic of Ireland Parliament also took useful evidence on accounting and auditing in a Select Committee in the same week. Perhaps the Minister can look into what happened there.

I finish by supporting the motion, and call on Her Majesty’s Treasury and the FCA to follow up with a proper inquiry on debt transfer to third parties and to actively consider changes to the law and regulation in this crucial policy area. Most mortgage prisoners and SMEs deserve better from us all. I thank every Member for their contribution and look forward to the Minister’s response.

3.47 pm

**Bob Stewart (Beckenham) (Con):** As an old soldier, I am conscious, as is the House, that at this time 75 years ago, our troops had gained a foothold on Gold and Sword beaches, the Canadians were on Juno and troops were on Utah, but on bloody Omaha, where 2,500 men’s lives were taken on this day 75 years ago, people were still trying to get on to the beach. The sea was red with blood, troops were drowning as they got off the landing craft, and when they did get a foothold on the sand under the water, they had to push bodies away before they were massacred on the beach. In the first waves, 90% of those incredibly brave American soldiers were casualties. We are talking today about something that matters very much to our constituents, but we should also—I have a right to say this, I think—bear in mind the absolute fear and worry of our troops at this moment 75 years ago.

My speech will be short, because Mr Deputy Speaker has told me that it has to be—

**Mr Deputy Speaker (Sir Lindsay Hoyle):** I assure the hon. Gentleman that he can take up to 10 minutes. How is that? I will be as generous as that.

**Bob Stewart:** Mr Deputy Speaker is such a great man. I thought I was being told off earlier.

My comments will be short because I have spoken about this matter and the associated problems many times in the nine years for which I have been a Member of Parliament. Colleagues on both sides of the House are nodding. Why the heck has this matter not been sorted out? We are meant to sort these matters out—we are meant to be the people who legislate to get such injustices sorted and done. We have failed collectively to do that.

In particular, I want to raise the matter of the injustice done to my constituents—to the D’Eye family. Dean, my friend, is somewhere around, but I am not allowed to point him out. An injustice was done to him and his family by these banks. I am referring to Dunbar Bank, part of the Zurich group, and also the Royal Bank of Scotland’s Global Restructuring Group. I just cannot understand it. Decent people run these associations and they are actually—dare I use the word—screwing people utterly and completely, and it is immoral.

**Kevin Hollinrake** *indicated assent.*

**Stephen Kerr (Stirling) (Con)** *indicated assent.*

**Bob Stewart:** I am glad to say that my colleagues agree with me.

It seems to me that it is also far too easy for banks to get rid of their problem by selling on their loan accounts to unscrupulous debt recovery firms—vulture firms—that entangle decent, hard-working people, such as the D’Eye family, in a web. That is utterly wrong. These people cannot get out of it because they just do not have the money, and that is utterly wrong. Originators of loans should not be able to get rid of their responsibilities in this way. It is wrong, colleagues! It is wrong!

I want to end my remarks by talking about the Financial Conduct Authority, which does not seem to have the will or the authority to sort out this matter—to force the banks to investigate and deal with these legacy issues. The Economic Secretary to the Treasury, who is a good friend of mine, is looking at me with a scowl, but in a nice way. He is a great friend and an utterly decent man who would really like to sort out this matter—he has to now after I have said such nice things about him. I am now expecting that to happen.

I truly believe that, somehow or other, we people in this House must get this matter resolved. It is wrong that we have not sorted it for the people whom we represent. I have been here for nine years and feel ashamed that we have not resolved the matter. I thank you, Mr Deputy Speaker—oh, it is Madam Deputy Speaker. I thought that Mr Deputy Speaker had got far more attractive while I was speaking. Thank you, Madam Deputy Speaker, I will now shut up.

3.52 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): I thank you, Madam Deputy Speaker, for calling me to speak in this debate. May I first draw the House’s attention to an interest that I have in this matter, in respect of the head office of our business? The debt is owned by Promontaria, which is a division of Cerberus. It is less happy about that than I am, because it is a very low rate. Our business is not under pressure as the rate is half a per cent over base. We are suffering no financial detriment for that, but I think that it is right that I point out that connection.

It is a pleasure to follow my gallant and hon. Friend the Member for Beckenham (Bob Stewart). I was very touched by his moving words, particularly at the start of his speech. He has done a lot of fine work on this subject, and has spoken in just about every debate on it. I have spoken on this matter, too. My hon. Friend the Member for Dover (Charlie Elphicke) has also done a lot of work in bringing forward these really important issues. He has done a lot of work on the Treasury Committee and has been a great supporter of the all-party group, as has the hon. Member for Feltham and Heston (Seema Malhotra).

After listening to all the excellent contributions today, I have to ask why on earth we let them get away with it. There was unsustainable lending prior to the great financial crash—irresponsible lending to businesses and consumers. I am talking about 120% loan to value and non-status mortgages. These bankers were chasing businesses around, and upping the ante in terms of the deals that they were trying to do, particularly in commercial property. They created the conditions for the crash that followed. They started to bundle up subprime debt and selling it on. They caused the financial crash. Then they

went back to these consumers and these businesses and say, “I’m sorry but your business is no longer sustainable.” But that was due to the recession—the recession that they created. They created the situation with mortgage prisoners. There are 140,000 mortgage prisoners, including tens of thousands of small and medium-sized businesses. And it is not just about the businesses themselves; it is about the lives behind those businesses. As other hon. Members have said, it is about the families and the jobs that rely on those businesses. Imagine being a business owner, as I have been for 27 years, and one day having to go back to your wife and children to explain that your business no longer exists—all you have worked for all your life. Can anybody imagine having to have that conversation? These are the conversations that the people represented by all-party parliamentary group are having to have.

McKinsey came along and said, “Here is a great idea. We’ll solve this problem by having bad banks.” But this means that the bankers are incentivised yet again—once to over-lend to businesses and consumers, and again to put these businesses inside the “bad banks”. Of course, that is all funded by the taxpayer. But there is no incentive for the banks to look after the businesses or consumers, or to nurture them through a difficult time. The incentive is simply to push them into these bad banks, and that is when we—the taxpayers—have to take over. The situation is driven purely by the banks themselves.

Andrew Bailey said himself in a letter to the Treasury Committee:

“The UK’s unique mortgage market coupled with the impact of the financial crisis has created the conditions for mortgage prisoners.”

The bankers did this from start to finish.

Not all bankers are bad, but people should be held to account when this kind of malpractice and mistreatment occurs. Yet, as far as I am aware only one bank has been fined and banned from the sector. Nobody else has been sanctioned for these issues, despite the fact that many people who are responsible are earning millions of pounds in jobs—still within the financial sector. Of course, we pay; the taxpayer pays. Mortgage prisoners and small businesses pay millions as taxpayers, and they are the people who pick up the tab.

The Treasury does fine work in many different areas and I have great regard for the Minister, but I cannot understand how we can suddenly decide to make things worse by selling the debts taken from the banks, putting them into a bad bank, putting them into UKAR and then selling that off to a vulture fund. These vulture funds really should be renamed vampire funds because vultures pick at the carcasses of dead animals whereas vampires suck the blood out of things. These funds are sucking the blood out of mortgage prisoners and small businesses. Many of these mortgage prisoners are not even behind with their payments. They are still managing to keep going, despite the fact that they are paying higher interest rates, yet these vampire funds are sucking the blood out of them. These are unregulated and inactive lenders, meaning that the borrower has nowhere to go.

My constituent Mr Pearson wrote to me to say that he was with Northern Rock. He borrowed the money in good faith, and was persuaded to take out an interest-only loan. That debt was later sold on to what is now



[Kevin Hollinrake]

Landmark. He has moved into my constituency but his property is in Dewsbury, and Landmark says, “No, you can’t rent that property out now.” He cannot go on a repayment mortgage, so his loan will expire in 10 years and he will have £98,000 of debts, but he has no way of dealing with the issue. He is totally locked in. How can we countenance a situation where we would allow his debt to be sold on to an unregulated entity on that basis? It is not just about money for the people in this situation. As Mr Pearson says, it is about his mental health and the stress of the situation. It is also about his life chances, because he cannot move on with his life as a consequence of the action of that institution.

We look at this stuff in such a short-term way. Okay, we might have moved a problem out of the Treasury, off the taxpayers’ books and got some money back from it, but surely the problems will return in other areas of the economy, putting pressure on public services—mental health pressures, housing benefit or other things. We take a short-term view of how we should deal with these things.

It is similar with businesses. In 2008, yes many businesses were struggling, but had we supported them through a patient capital approach over the next few years, many of those businesses would have got through the recession and would still be trading today, and jobs would have been created off the back of them. It seems we cannot take the patient capital approach we need.

Why do we not tackle our banks and hold them responsible for what they do? I have asked the Treasury and the Minister about a simple requirement on business lending for banks to treat customers fairly and reasonably in that lending relationship. No such requirement exists at the moment. Business lending is not regulated to any extent. When I ask for a simple requirement for a “fair and reasonable” test in contracts between business borrowers and banks, I am told, “No, because it might stem the flow of lending”. I simply do not accept that in any shape or form. Other countries have a better relationship between their consumers and their banks and their businesses, and their banks and their economies seem to grow fine and their business lending seems to prosper. The Government are a champion for the consumer in many areas. I would like us to be a champion for the consumer in these areas too.

We must find solutions, but whatever solutions we adopt, the banks must pay for them. Yes, there should be an obligation on lenders to provide mortgage prisoners with an alternative option. Perhaps, as the Co-operative Bank has suggested, central Government should become a lender: a centralised lender in a flexible lending environment in which mortgage prisoners can move to a better deal paid for by the banks. We should surely ban the sale of debt to unregulated and inactive lenders. I cannot imagine why we would not do that. If we think it is right to regulate mortgage lending, why would we allow that debt to be sold to an unregulated lender?

Perhaps we could regulate the interest rate that companies such as Cerberus and other entities charge consumers. That is all within our capability. The FCA has said quite clearly that these changes to the relationship are a matter for Parliament, so it is down to us to deal with it. Of course, we have moved forward in terms of a resolution scheme between banks and businesses—with the dispute

resolution service—and much of that I attribute to the hard work of the Minister, but there are limitations with that. Ultimately, we believe a financial services tribunal is a much better solution, but the all-party group is engaging with that process.

Sooner or later, as has happened in Australia, we have got to push for a royal commission or public inquiry. I know the Minister thinks it would cost hundreds of millions of pounds and take years, but the royal commission in Australia took 15 months, cost £40 million and resulted in eight resignations of chief executives and chairs of big banks. The problems here are no less than the problems in Australia. We have to get to the bottom of what happened and hold people to account, but we cannot do that without a proper overarching investigation into what happened.

I will close with the regulator. As many others have said, the FCA is far too timid. It let the Royal Bank of Scotland off the hook. Phase 2 of its inquiry into RBS’s conduct was supposed to name names, but it has backed off from doing that, which is inexcusable. It is a similar story with Lloyds Bank and its disgraceful treatment of whistleblower Sally Masterton. She was discredited, constructively dismissed and prevented from working with the police in a fraud inquiry, despite being vital to that investigation. Five years later, it admits that it mistreated Sally Masterton, yet the FCA does nothing. It has not investigated that disgraceful mistreatment, and that cannot be right. I am afraid it starts with us. We must change our approach. That will change the culture of the regulator, and then we will see a change in culture in our banks.

4.4 pm

**Stephen Kerr** (Stirling) (Con): I pay tribute to my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for all the hard, unstinting work he has put into highlighting this issue and bringing light to what is, I fear, a grave injustice that must be put right.

I also pay tribute to my hon. and gallant Friend the Member for Beckenham (Bob Stewart) for—[*Interruption.*] He says that he does not think I should, but I think so, because the opening lines of his speech will be etched in many of our memories on this day of all days. I would like also to pay a compliment to the Prime Minister, who spoke movingly, and inspirationally for all of us, this morning.

I congratulate my hon. Friend the Member for Dover (Charlie Elphicke) and the hon. Member for East Lothian (Martin Whitfield) on securing this debate. In my capacity as vice-chair of the APPG on fair business banking, I have seen at first hand the damage done by vulture funds. Reference has been made to the impact on mental health, which is absolutely an issue that damages families and, as my hon. Friend the Member for Thirsk and Malton said, the life chances of the people affected.

In the commercial lending space, RBS, Lloyds, Ulster Bank and AIB have sold off tranches of their books to vulture funds. Most notoriously, Clydesdale and Yorkshire Bank sold off its entire commercial real estate book to the vulture fund Cerberus, leaving thousands of businesses with unregulated contracts at the mercy of an unregulated fund with a rapacious appetite. I doubt that many business people realised that when they walked into

their high street branch asking for a loan to build their dream or grow their business, they could be moved, without their permission and at the stroke of a pen, completely outside the regulatory perimeter to become no more than fodder for the vultures. Asset-stripping of companies is startlingly easy in the face of one-sided contracts and no regulatory protection. The FCA, UKAR and the Treasury will argue that they have insisted that the company sitting between the investors and the customer is regulated and that that has guaranteed that customers will be treated fairly, but this is no better than putting a wolf in sheep's clothing. The APPG can say with certainty that the experience of businesses from constituencies all over the UK is that these funds certainly have the appetite and character of a wolf.

I would like to say at this point how much confidence I have in the Economic Secretary to the Treasury, who is, in my own experience, a very fair and good man. I enjoyed a visit he paid to Stirling not so long ago, when I discovered through first-hand contact his commitment to principles of justice. He has integrity. That is why, when I raise these issues with him this afternoon, I feel confident that he is facing in the right direction and will wish to do something about the specific cases that have been mentioned and the overall issue that needs to be rectified.

I want to refer to something that has particular relevance to Scotland. CYBG has recently acquired Virgin Money and is rebranding itself as a fresh-faced challenger bank while its former customers battle for their homes and livelihoods in the clutches of Cerberus. Let us be in no doubt: CYBG's "clean start" and "fresh face" is at the expense of the thousands of hard-working, ordinary citizens who are battling, to this day, because of what has happened to them on account of the actions of Clydesdale and Yorkshire Bank.

I am frankly astounded that Clydesdale is evading its responsibility for the customers whom it sold down the river because it, as a bank, no longer wanted them. I was particularly astounded that it took one of its former customers, John Guidi, to go on hunger strike outside its Glasgow office before it would so much as give him the time of day to discuss his situation. Fortunately, a combination of regulatory pressure and a high press profile has resulted in discussions, but two months on we have still to hear that John Guidi's situation has been resolved.

On 19 March, in response to an urgent question from the hon. Member for Lanark and Hamilton East (Angela Crawley) about Clydesdale Bank and John Guidi's situation, my hon. Friend the Economic Secretary to the Treasury said:

"I am pleased that the sale of loan portfolios to third parties is now covered by the standards of lending practice—overseen by the Lending Standards Board—to which Clydesdale is a signatory. That means that it is now committed to ensuring that third parties that buy loans have demonstrated that customers will be treated fairly, and to allowing customers to complain to the original lender if there is a dispute that cannot be resolved."—[*Official Report*, 19 March 2019; Vol. 656, c. 943.]

Unfortunately, for all the many victims, some of whom are in the Gallery, that will be too late. Does my hon. Friend agree that if CYBG, soon to be Virgin Money, is so sure that it conducted itself with impunity when it decided to offload these loans—many where payments were up to date—to Cerberus, it should review those

historical cases in line with the new standards of lending practice? That would be the act of a model litigant providing equality of arms.

The four largest banks in Australia—including National Australia Bank, CYBG's parent company at the time—have recently signed up to that code of conduct, as have the Australian Government. Being a model litigant is in part defined by not relying on a merely technical defence against a claim and considering alternative dispute resolution options. CYBG is at a turning point, and I encourage it to face up to its responsibilities and demonstrate to the public that it really has changed. Otherwise, it too will sadly be shown, in the minds of many people, to be no better than a wolf in sheep's clothing.

4.12 pm

**Alison Thewliss** (Glasgow Central) (SNP): I thank the hon. Member for Stirling (Stephen Kerr) for setting out the situation that so many people face, with no recourse in the system. One of the first cases that I took on as an MP and, I regret, was unable to resolve was that of a former Northern Rock mortgage holder. It was incredibly difficult to get anywhere with the case, because I hit a wall all the way through it. That seems to have been the experience of many Members who have spoken today. The Government must look urgently at that lack of any means to resolve the situation, because without any recourse, nobody will be able to get out of this situation and get their lives back on track.

I pay tribute to the hon. Members for Dover (Charlie Elphicke) and for East Lothian (Martin Whitfield) for bringing this debate to the Chamber and to all those who have contributed. I note the work of the Treasury Committee, which I will be joining soon; its members can look forward to that. The APPGs on fair business banking and on mortgage prisoners have also done a huge amount of work in this area.

The examples given by the hon. Member for Dover show the scandal of this situation, the deep and real web that has been created and the need for the Government to act. There is no doubt that irresponsible borrowing occurred in the early 2000s, with people taking out loans that they could hardly afford. The starkest example of mortgage prisoners is those who were let down during the 2008 financial crash, but we cannot forget the role of the banks, which offered people higher and higher loans with fewer checks and balances and led customers into a sense of security that nothing could go wrong. The hon. Member for Thirsk and Malton (Kevin Hollinrake) set out how those who caused that problem began to compound the issue further down the line.

One hundred per cent. loan-to-value mortgages were not unusual, and sometimes even higher value loans were offered for home improvements or debt consolidation, which seems unthinkable now, knowing what we know in a post-2008 landscape. A primary example was Northern Rock's Together mortgage, which was offered to customers covering between 95% and 125% of the value of their home. When the regulations were tightened after the crash, many people were trapped with higher loans and higher-than-average interest rate payments. The self-same banks that lent them higher amounts than they could afford then refused to give them smaller loans because they failed the lending criteria for borrowing.

[Alison Thewliss]

Those people were forced to keep their current mortgage and to pay lenders the standard variable rate, which was between 2% and 5% higher they would have paid on a market-leading mortgage. This does not sound like a high percentage, but even if people took out a mortgage of £100,000—much lower than the UK average, including in Scotland—in 2008 before the crash, it is conceivable that they could have paid between £2,000 and £5,000 a year on top of what they would have paid on a normal competitive-rate mortgage. Over 11 years, a bank could have been paid between £22,000 and £55,000 more by exactly the same customers who were told that they could not afford a cheaper mortgage. The hon. Member for Bethnal Green and Bow (Rushanara Ali) laid that out quite well. Even on the most conservative estimates, we are dealing with substantial and possibly life-changing amounts of money, which could have gone some way to paying off the balance of a mortgage.

It is clear that this lack of access to competitive financial products is bad for individual customers, but there is clearly also a wider negative macroeconomic effect. Hon. Members have mentioned the issues for business customers as well. Businesses going bust is of course bad for the economy, but businesses being forced to go bust is an even wider concern. The hon. Member for Camborne and Redruth (George Eustice) mentioned commercial repossessions, and it is a really deep worry that those in the commercial sector do not have the same rights as those in the consumer sector.

The hon. Member for Thirsk and Malton talked about what is fair and reasonable, and the gaps in business lending. The Government really ought to look into closing these gaps and loopholes to give business customers the reassurance that, when they want to take out a loan, they will not lose everything. The risk of losing everything, as so many people have done in these circumstances, does not give people the confidence to start up small businesses, and it will put others off. It has certainly had a life-changing impact on those who have suffered as a result so far.

When interest rates were slashed to 0.5% by the Bank of England in the aftermath of the 2008 crash to encourage borrowing, the effect this mechanism had on the wider economy was hampered by banks not passing on the cuts in interest rates to their customers. The economy could have been a bit more resilient if the economic levers were able to work in the way intended, so it is vital that we correct this for the future of our economy and make sure that such gaps do not emerge should this ever happen again.

The regulatory tightening following the financial crash is of course to be welcomed and the mortgage credit directive's affordability checks protect the market from irresponsible lending, but we should not throw the baby out with the bathwater. Regulation should provide a framework for improving consumers' experiences and for increasing competition in the market, not tying consumers to one onerous regime of payments.

The FCA has committed to changing its interpretation of the mortgage credit directive to a relative test rather than an absolute one, which will be helpful and is to be welcomed. However, as others have mentioned, its own analysis suggests that this help will be extended to only 20,000 of the at least 150,000 people who have been

identified. I understand that some lenders are outwith the regulatory remit of the FCA, and the Government should be looking at extending its remit so it is better able to address this issue. The phenomenon of mortgage prisoners has been wrongly looked on as a legacy issue, but it actually provides a very real threat for the future.

The UK Government must change regulations to stop vulture firms exploiting people to make a quick profit. The regulatory framework at present means that, instead of being able to switch to a better deal, UK mortgage prisoners had their loans sold to vulture firms looking to make such a profit. As hon. Members have mentioned, that has had a very real impact on those trapped within that system, and it is of course the customers who lose out. These firms pack up, move on and do something else, in a very shady way quite often. As Members have said, the practice in relation to SME loans has also forced many into bankruptcy. My hon. and learned Friend the Member for Edinburgh South West (Joanna Cherry) has on a number of occasions raised the cases of her constituents who have been affected.

As we have heard, many of the mortgages have been sold to a subsidiary of the US equity firm Cerberus, Landmark Mortgages. The BBC website states:

“BBC Panorama has discovered Cerberus told the government it was planning to offer homeowners better mortgage deals before its £13bn purchase of former Northern Rock mortgages in 2016. But the company hasn't provided any new mortgages and 65,000 homeowners are still trapped on high interest rates.”

Cerberus denies that allegation, but it seems pretty clear from the evidence given that that is exactly what took place.

The hon. Member for Hazel Grove (Mr Wragg) laid out well the difficulties faced by his constituents in getting justice through legal aid and other means. This is not a criminal issue, but it is within the civil court system and there is a problem getting any redress—that goes to the other point raised about redress within the system. If someone cannot get legal aid for this issue, and they have no money because they have become bankrupt as a result of the system, how can they go about seeking justice?

The SNP agrees with the all-party group on fair business banking and finance that:

“The practice of selling mortgage books to lenders who are unregulated and/or do not offer new business ought to be stopped.”

We also support its demand for an independent tribunal service, so that customers who have been treated unfairly by Cerberus, or any other firm, can more easily secure the service they deserve—particularly giving recourse to support in cases where people have been subject to the strong-arm tactics described by hon. Members.

Mortgage prisoners are not a phenomenon that is restricted to the 2008 era, and there are a growing number of mortgage prisoners today. With house prices increasing faster than wage growth, there is a trend of creeping back towards those higher loan-to-value mortgages in the market, which is storing up problems for the future. We must learn from the mistakes made in 2008, and stop that in its tracks before more people become trapped.

As well as taking regulatory steps to free mortgage prisoners who are currently in a difficult situation, action must be taken to ensure that existing mortgage



customers do not find themselves in a similar position. Tesco Bank, which has substantial operations in my constituency, recently announced its intention to sell its mortgage portfolio, citing “challenging market conditions” that have constrained its opportunities to grow profitably. I was happy to sign a letter that was organised by the hon. Member for Feltham and Heston (Seema Malhotra), but in its response Tesco gave no real concrete assurances that those mortgages will be sold to active lenders, and said that things are at an early stage. That leaves many of its customers at risk of being stuck with the same kind of deal that they cannot switch out of. We must do what we can to discourage and disincentivise companies from contributing to what is a failure in the market. I will meet representatives from Tesco Bank soon and put those concerns to them in person. I am worried for customers who currently have mortgages. Many of us in this room will have mortgages, and we cannot say for certain that the mortgages we have today will be the ones we will have tomorrow or in a few years’ time.

As we head through the chaos of Brexit, and potentially to a catastrophic no-deal scenario later in the year, the wider context could not be more serious. The livelihoods of many across these islands could be put at risk, with the inevitable strain on people’s ability to pay their mortgage and on the wider financial system. Some have predicted that a no-deal Brexit would have a similar effect to the 2008 crash, with the difference being that the UK Government appear to be hurtling towards it almost deliberately. I see no upside to putting my constituents and the remain-voting nation of Scotland at that risk by even threatening to go for no deal, never mind enthusing about it as some Tory leadership candidates have been doing.

I and my SNP colleagues have repeatedly called on the UK Government and the Minister to undertake a strategic review of the culture within the banking and financial services industry. For mortgages, the sector should focus on providing patient, long-term investment that supports the economy and promotes productivity, not just making a quick buck. The measures taken following the crash must not be unwound due either to Brexit or to other things in the economy, and we need to see what the protections will be for consumers—both businesses and private individuals. Those vultures who prey on the most vulnerable—the hon. Member for Thirsk and Malton more appropriately called them “vampires”—should be chased out of this industry once and for all.

4.23 pm

**Peter Dowd** (Bootle) (Lab): I thank the hon. Member for Dover (Charlie Elphicke) for securing this debate, and for his comments about his constituents, who he described as real people with real lives and terrible fears about already high interest rates increasing further. He spoke about the need to move from a computer-driven affordability test to a reality test, so that we can say yes to people and there will be better protections. He also said that capitalism must be tempered by responsibility and fairness, and that the interests of the consumer must be put before corporate interests. I agree with him.

My hon. Friend the Member for Blackpool South (Gordon Marsden) said that he was drawn in by the real-life experiences of his constituents, and that what the Government and the FCA have done so far is

inadequate. He paid tribute to those journalists who exposed the role of lenders, and said there has been insufficient due diligence in the process. He said that we have a moral duty to act, and called for a formal inquiry.

The hon. Member for Camborne and Redruth (George Eustice) talked about the need for a statutory obligation to permit a switch to more affordable products if necessary, and a powerful presumption, if that is not allowed, for non-possession where the switch has been refused. I think that that is a perfectly reasonable position to take.

My hon. Friend the Member for Bethnal Green and Bow (Rushanara Ali) talked about the enormous hardship placed on customers, who are being punished because they have been caught up in the middle of regulatory change. She said that selling off to Cerberus was a major policy failure and that UK Assets Ltd was misled. She also said that the FCA has been complacent, and that Ministers should do something about that particular issue.

The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) was surprised to see regulated mortgages sold off to unregulated companies. The impact on his constituents was to put them in terribly stressful situations and he said that that experience remains raw. As he said, “See it, say it, sorted.”

My hon. Friend the Member for East Lothian (Martin Whitfield) asked why, when we have a land of home ownership, we are allowing such a threat to that home ownership by the practices of unregulated lenders that can be accessed via an email. He said that there are 300 to 400 people affected in each constituency.

The hon. Member for Hazel Grove (Mr Wragg) talked about people trapped by large exit fees or the rigidity of new lending criteria, leading in some cases to the loss of homes and assets transferred to vulture funds. He reminded us that behind each broken product is a person and a home.

My hon. Friend the Member for Glasgow North East (Mr Sweeney) said that part of the legacy of the crash was banks seeking to benefit from the turmoil, with people trapped in purgatory. Let us hope it is purgatory, because you can get out of purgatory. It is very difficult to get out of hell.

The hon. Member for Sutton and Cheam (Paul Scully) gave an example of how his constituents, like so many people, were affected by the transfer to Cerberus and how they are locked in to a poor product, with the consequential impact on their lives and finances of having to pay three or maybe four times the usual interest rate.

The hon. Member for Strangford (Jim Shannon) called for an urgent inquiry into the issue. He wanted to add his support to addressing this particular subject. He referred to the grooming of customers in order to rip them off even more and how banks have little interest in customers whose mortgages they have sold on, and said that that is not acceptable.

The hon. and gallant Member for Beckenham (Bob Stewart) paid tribute to troops on D-day. I think we all support and give our full commitment to that. He then asked why this matter had not been sorted out. He did so in his usual wishy-washy way by skirting around the issue: he simply said that it is wrong for the people we represent and he is right.

[Peter Dowd]

The hon. Member for Thirsk and Malton (Kevin Hollinrake) gave an excellent speech. It was a very considered, thoughtful and forensic speech which asked the question: why on earth do we let them get away with it? Why did we let them get away with it before the crash? They created the conditions and the process, and then they went back to consumers and businesses and said that their businesses, houses or mortgages were no longer sustainable. The impact is on families. The bankers created the conditions for mortgage prisoners and it is really up to us to do something about it.

The hon. Member for Stirling (Stephen Kerr) talked about the damage to people's life chances. The selling off to vulture funds has led to thousands of people being caught up in unregulated systems, with a lot of asset-stripping going on.

Finally, the hon. Member for Glasgow Central (Alison Thewliss) set out the cost of higher interest rates as a result of the lack of access to more competitive rates and the impact on businesses. She made the point that this is not just a legacy issue, but a threat to the future.

I understand that this is the seventh debate that we have held on banking in a year. I have to say that it is a sad state of affairs when we are having a debate on mortgage prisoners and vulture funds. There is something wrong with that and it speaks volumes. I was at a meeting today with about 25 people who are either affected by the issue or who are helping and supporting those who are affected. I suspect that many are in the Public Gallery today and I welcome them. Some are in despair and feel completely powerless against powerful bodies that simply ignore them, and they feel let down by us.

Lenders have an approach to their customers that is simply take it or leave it. Since the global financial crisis, we have heard many voices in this House speaking about the cost of that disastrous period, born out of rapacity, as the hon. Member for Thirsk and Malton said. In some quarters, that rapacity continues. I am sorry to say that UK Asset Resolution Limited, which is owned by the state, has not helped in the curtailment of that culture and has potentially encouraged it, even if by default. As many people have asked, why, for example, has it sold off mortgages to companies that are not regulated? In effect, they have been left at the mercy of those companies by the state and the Government. That is not acceptable. A Government company selling off assets to unregulated companies—it is difficult to believe.

My first question to the Minister is this: why has the Government allowed UK Asset Resolution Limited to do that? What is he going to do about that, and about the 200,000 people financially imprisoned by this scam? I do not accept in any way the Government's argument that this is a question of being at arm's length from these matters. How can the Government take such an approach when their citizens are being ripped off? They are in danger of aiding and abetting that ripping off. How can they continue to allow people who pay their mortgages and bills, and who carry on with their daily living against the odds, to be penalised? People are in a position where the inequality of bargaining is causing no end of hardship, worry, familial dislocation and, in some cases, attempts at suicide and perhaps loss of life. Millions of people have suffered from not just the recession caused by the rapacity of banks, but the cuts

to social security and public spending that followed. I remind Members that in one fashion or another, the banking bail-out cost £1.5 trillion to put right, according to the Office for National Statistics.

We are hearing today about one group who have particularly suffered as a result of the financial meltdown and the decisions that have been taken since. For many Members of this House—and members of the public—who have mortgages, it seems unconscionable that we have not been able to refinance them at more competitive rates. The ability to do so is part of a healthy mortgage market that does not allow lenders to abuse their positions. The reality of those locked into interest rates that are sometimes three times the going rate can be horrendous, as we have heard time and again today from the 14 or 15 Members who spoke.

How can it be possible that people are ineligible for a mortgage when they will be paying less? That question has been asked so many times today. What a bizarre state of affairs. It will cost people less than their current mortgage so they cannot have it. Did we bail out the system only to allow the system to continue to penalise people who have not failed to keep up payments? These consumers, despite being up-to-date with their mortgage payments and seeking to move to a more affordable deal without borrowing more, are being held back by inactive lenders and entities not authorised for mortgage lending.

The practice of selling mortgages and unregulated commercial loans to unregulated funds has been creating mortgage prisoners, exposes businesses to asset stripping and threatens to continue to create further mortgage prisoners and risks to businesses, as laid out in the motion. Yet we seem to be seeing a curious case of blame-shifting. The chief executive of the Financial Conduct Authority referred in evidence to the Treasury Committee last year to a "peculiarity" of EU law. A peculiarity—is that it? Others seem to have suggested that the UK's interpretation of the law is at fault. At any rate, the directive was brought into UK law in 2016, so the Government of the time and the Government of today have a responsibility to deal with the problem, wherever and whenever it originates. As I said earlier, its origins lie in the reckless behaviour of those in the banking sector in the years running up to the crash. They were not reckless in lending to so many individuals, but they were reckless in their general approach to risk and exposure to little-understood derivatives. As a result of their behaviour, the aggressive downsizing of balance sheets meant that people with no history of default were put into high-risk groups and, ultimately, had their mortgages transferred to vulture funds, becoming de facto credit risks despite impeccable credit histories. Many of these funds are outside the purview of standard regulation, and the FCA may in some cases legitimately claim that as a result there is little it can do. However, it must come forward with proposals, rather than just sitting on the sidelines. That is its responsibility.

I pay tribute to all the campaigners who have brought this matter to the attention of the House, including the hon. Member for Thirsk and Malton and the all-party parliamentary group on fair business banking. They have been absolute stalwarts in pursuing the matter. I urge the Government to move as quickly as possible to establish whether the problem lies in EU regulation or in its interpretation, and to address it as swiftly as possible.

I am glad that the hon. Member for Hazel Grove referred to Cerberus, which features in Greek mythology. This particular three-headed dog, however, locked victims not just in hell but in negativity, repetition and hopelessness. This dog is symbolic of the inability of people to leave because they are trapped in an expensive mortgage hell. The Government must now put it on a leash, and sort out the rules.

**Madam Deputy Speaker (Dame Eleanor Laing):** Before I call the Minister, let me echo the words of the hon. Member for Bootle (Peter Dowd) in welcoming to the Public Gallery a great many people who are interested and involved in this subject, and who, I gather, have met Members this afternoon. I see Members assenting to that.

I draw attention to this because we so often hear criticism of what happens in the Chamber, and hear it described as a circus or a bear pit. It is delightful for once to be able to show the people who care about this subject that when matters are debated properly, thoughtfully, forensically and collaboratively here in the Chamber, it makes a difference.

4.37 pm

**The Economic Secretary to the Treasury (John Glen):** I am grateful for the opportunity to speak on behalf of the Government about an issue which I know has caused widespread concern throughout the House. A range of matters have been raised in the 13 Back-Bench speeches that we have heard today. I will do my best to respond to the points that have been raised, but if I am unable to respond to all of them, I will write to the Members concerned.

I thank my hon. Friend the Member for Dover (Charlie Elphicke) for securing this important debate. He has worked tirelessly to raise awareness, both as a founder member of the all-party parliamentary group on mortgage prisoners and through his recent ten-minute rule Bill, the Banking (Consumer and Small Business Protection) Bill.

It may be helpful if I begin by briefly reminding the House of the background to this matter, and, in particular, the reasons why the Government have sought to tighten mortgage lending regulations in recent years. In the aftermath of the banking crisis, there was a consensus that the prevailing regulatory framework at that time had left UK borrowers exposed to lax lending practices, with lenders providing mortgages without adequately checking borrowers' ability to repay them. That enabled some to secure self-certified mortgages, or mortgages with loan-to-income ratios of 120% or more.

The Government and regulators therefore substantially strengthened mortgage lending regulations to ensure that borrowers would be better protected in the future. The new regulations, resulting from the 2014 mortgage market review, require lenders to conduct thorough affordability assessments to consider evidence of customers' income and expenditure before agreeing to a new loan. I believe that was the right thing to do. It ensures that consumers can only borrow what they can be reasonably expected to pay back, and in doing so it protects borrowers and lenders alike against future economic shocks.

A number of colleagues across the House have raised individual cases that they have encountered and meetings they have had with constituents who are looking in on proceedings today. It is undoubtedly the case that these strengthened regulations made switching to a new provider

more challenging. That left some borrowers unable to switch even when they were up to date with repayments and had an unbroken repayments record. That has been mentioned a number of times in this debate.

I recognise that this is a hugely stressful and difficult situation for the individuals concerned, and it is clear to me that they face an unfair regulatory barrier. Therefore, it has been my priority as Economic Secretary to find a solution. That is why I instructed—not reluctantly or grudgingly, but determinedly and assuredly—Treasury officials to work with the FCA, which is ultimately responsible for regulations, to consider ways of helping trapped borrowers switch more easily in future. I recognise the frustration about the rapidity of the changes and I want to set out now where they are at and what we can expect in the coming weeks.

The FCA's proposed changes will see its affordability test move from being absolute to relative. Questions have been asked about what that will mean but I cannot set that out today because the work is ongoing. However, I will say a little more about what is going to happen. It will enable lenders to accept switching consumers, providing they are up to date with repayments and are not borrowing more. The consultation for these changes will run until the end of this month and I then expect the FCA to implement these changes rapidly—later this year.

Let me give the House a practical example of the difference this will make for consumers. A borrower might have taken out a mortgage under the previous lighter touch regulations but their fixed rate deal has run its course and they are currently repaying their mortgage on a standard variable rate, in keeping with the terms of their existing mortgage contract—although I accept that these are terms that they never thought would lead to them being locked into that higher rate. If they are looking to switch to a new deal, the current affordability assessments may prevent them from doing so—and clearly they do—perhaps because the difference between their income and expenditure leaves little room for margin. However, under the new rules there will be no such regulatory barrier; instead a good repayment history can be used as the reasonable basis for a lender to offer them a new deal.

While I recognise that lenders will want to consider their commercial risk appetite to take on these borrowers, and I recognise and hear the calls from various colleagues across the House about assurances over who will provide these mortgages, I would like to take this opportunity to encourage the lenders to think hard about how they might best support those looking to remortgage to a more affordable deal. I have had conversations about that with chief executives and industry representatives in recent months and I see plenty of innovation across the mortgage market.

**Gordon Marsden:** The Minister is giving some fairly strong details about what he hopes may come out of the consultation, but that does not alter two facts. First, this will simply be an option, not an obligation. Secondly, given the track record of Cerberus, can the Minister give the House today any assurance that such companies will sign up to this?

**John Glen:** On the hon. Gentleman's first point, the regulator is not making up these rules in isolation in an ivory tower. It is working with industry representatives to ensure that the changes it delivers will create an



[John Glen]

environment with an effective outcome. There is no point having a solution that does not solve the problem. I cannot set out the range of options that will exist, but I am confident that the work being undertaken by the FCA will lead to an effective outcome. I will come to the hon. Gentleman's second point later when I talk about the points that he and others made about Cerberus.

**Martin Whitfield:** Did I hear the Minister correctly when he said that this will not extend to any sum beyond the existing loan, and that there will therefore be no facility to enter any of the equity that has accumulated, in some cases?

**John Glen:** As I have tried to set out, I am not the arbiter of this specific issue, and it would be wrong for me to be drawn into the outcome before the consultation has concluded. That is imminent, however, as is the implementation of the solution.

**Peter Dowd:** I completely understand where the Minister is coming from, but it would be helpful if, at some point—not today; I accept that—he could set out the catalogue of metrics that will be used to ensure that these regulations, this interpretation, whatever it is, are operating practically within six, 12 or 18 months.

**John Glen:** That is a reasonable point to make. This intervention has to be meaningful and it has to deal with the problem of mortgage prisoners. I am very clear about that, and we in the Treasury will need to look carefully at how we evaluate this. As I was saying, I see plenty of innovation across the mortgage market and I look forward to seeing what affordable options lenders can offer to mortgage prisoners who are looking to switch.

Let me turn to the Government's sales of mortgage books to purchasers that are not active lenders. Much of this afternoon's debate has focused on the firms that purchase these mortgage books. It is regrettable that the Government have not received any reasonable bids from active lenders, with feedback suggesting that they have limited appetite for these loans. However, I would like to make it clear to the House that the administrators of these mortgage books must be FCA-regulated, regardless of whether they are active lenders. Any consumer whose mortgage is held by one of these firms has full recourse to FCA protections, including treatment in accordance with the FCA's "treating customers fairly" principles, and the ability to complain to the Financial Ombudsman Service.

I have heard the comments about borrowers having their reversion rates drastically increased. To safeguard against this during asset sales, the Government have put in place contractual protections that have been enhanced to ensure that the terms and conditions of the original loans are honoured and, in the latest asset sale, to ensure that future rate rises are in line with the rates charged by the largest active lenders. This means that a customer will be treated broadly the same as if their mortgage was with an active lender, with payments in accordance with their original contract terms.

**Kevin Hollinrake:** Will the Minister give way?

**John Glen:** I am running short of time, but I will give way to the chair of the APPG.

**Kevin Hollinrake:** The FCA's own consultation on this states that where firms sit outside the FCA's regulatory remit, the solution is more challenging. So whatever the Minister says, the FCA believes that we will be making the situation in which a debt is sold on to an unregulated inactive lender more challenging.

**John Glen:** My hon. Friend made reference in his speech to the distinction between business debts and mortgage debts, but I will clarify my remarks on that specific point to him in writing.

In these sales, the Government also stipulate that there must be no financial barriers put in place to harm a consumer's ability to switch to a new deal with another lender. Once this FCA rule change is implemented, consumers will be in a better position to change their mortgage, provided that they are up to date with their payments and meet lenders' risk appetites.

Let me also address the point that was raised regarding the sale of commercial loan portfolios to third parties. Since the financial crisis, it has been clear that the standards of behaviour across the financial sector must improve—I have said it in all the debates that we have held in the 17 months that I have been in office—and that banks must work to restore the trust that businesses have in their institutions.

I concede that I have some differences with my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) over some of his assertions about what would be the best solution, but we have tried to work co-operatively where there is common ground, and that work is going forward. I am pleased that banks are now committed, through the standards of lending practice, to ensuring that third parties who buy loans have demonstrated that customers will be treated fairly, and to allowing customers to complain to the original lender if there is a dispute that cannot be resolved. That will help to ensure that all businesses can resolve disputes if they arise.

I thank my hon. Friend the Member for Dover for calling this debate. I have tried to address the points that have been raised. I believe it is right that the Government and the regulator introduced more stringent rules after the financial crisis. Rigorous affordability assessments are an important factor in ensuring that a borrower has the means to pay back their loan, as well as maintaining the financial stability of the UK. Unfortunately, however, a minority of borrowers have since found that they can no longer pass those strengthened affordability assessments, despite being up-to-date with their repayments. That is why the Treasury did act, and is working with the FCA to remove the regulatory barrier.

I recognise the urgency associated with securing this solution, and I am urgently working to ensure that the FCA delivers on both what it wants to deliver and what we have asked it to deliver.

**Rushanara Ali:** Will the Minister give way?

**John Glen:** No; I shall continue.

Borrowers who would like to switch lenders, who are currently up-to-date with payments and not looking to borrow more, can expect to find switching to a new, cheaper deal easier once the FCA changes are implemented later this year and are adopted by lenders. That will apply to all borrowers, regardless of whether they are

with an active or inactive lender. In the meantime, those borrowers whose mortgages are sold to a purchaser that does not offer new mortgage deals will continue to be protected by the FCA principles of “treating customers fairly”.

I hope that that is a full response. I will look carefully over the points raised and write to individuals on any that have not been addressed.

4.51 pm

**Charlie Elphicke:** This has been a really positive and wide-ranging debate. I thank colleagues in all parts of the House, especially the hon. Member for East Lothian (Martin Whitfield), who helped me secure the debate from the Backbench Business Committee. I thank the all-party parliamentary group on fair business banking, which has worked tirelessly on this, and the all-party parliamentary group on mortgage prisoners, which has also worked very hard. I thank all the members of the public in the Gallery today, many of whom have come from far away to make their representations. It has been an incredibly positive debate—a wide-ranging discussion on the ways in which the behaviours of the banks are unacceptable. Colleagues have asked: “Why have we let them get away with it? How can people not afford to pay less?” Colleagues have also said that unregulated vulture funds such as Cerberus should not be allowed to hold mortgages. The case was made for mortgages to be regulated and for small business borrowers to be better protected. It is time for a new covenant of fairness for borrowers. My hon. Friend the Member for Camborne and Redruth (George Eustice) advocated better protection from repossession.

Finally, I welcome the comments of my hon. Friend the Economic Secretary. He has asked the Treasury and the FCA to help mortgage prisoners, including those

with a good repayment history and who have made repayments over many years, to get early parole—to enable them to switch to new mortgages. That is a positive step. Nevertheless, the mood of the House suggests that the behaviour of some of these vulture funds is such that the protections that my hon. Friend claims are in place are not necessarily good enough and that a full mortgage regulation should be held by the Government as a backstop, to be brought forward should the industry not mend its ways and give freedom to the mortgage prisoners.

*Question put and agreed to.*

*Resolved,*

That this House notes that the practice of selling mortgages and unregulated commercial loans to unregulated funds has been creating mortgage prisoners, exposes businesses to asset stripping and threatens to continue to create further mortgage prisoners and risks to businesses; is concerned that mortgage prisoners are being exploited by such unregulated funds by being kept on high standard variable interest rates and therefore denied the opportunity to take advantage of historically low interest rates or fix their mortgage interest payments to gain certainty over their mortgage payments; is further concerned that businesses continue to be exposed to asset stripping; further notes that many of those unregulated funds pay little or no UK tax while depriving citizens of opportunities and in many cases their homes; believes that HM Treasury should immediately require that HM Treasury and the Bank of England should take all possible measures to ensure that mortgage prisoners are given access to new deals and fixed interest rates, and that banks cease discriminating against mortgage prisoners by offering them less favourable mortgage terms; further considers that the Government should expand the scope of FCA regulation to include all mortgages and all unregulated purchasers of mortgages; and calls on HM Treasury and the Bank of England to hold an urgent inquiry into the sale of mortgage and commercial debt by any financial institution to any unregulated entity, with the findings of such inquiry to be published.

## Eden Project: Morecambe and the North-West

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

4.54 pm

**David Morris** (Morecambe and Lunesdale) (Con): I will give a very condensed history of my beautiful Morecambe and Lunesdale seat, and particularly of Morecambe itself. According to the excellent book “The Lost Resort?” by Roger Bingham, Morecambe gets its name from the Vikings—it means “pleasant view” or “pleasant bay.”

Morecambe has seen its fortunes ebb and flow over the past 100 years. It is fair to say that Morecambe was on the decline 20 years ago. After the two nuclear power stations were built—the tourism industry was kept buoyant by the workers building the power stations—there was a sudden collapse in the local economy. Fast forward to 10 years ago and the dilapidated Midland hotel was bought and completely rebuilt by Urban Splash, which did a fantastic job. That art deco gem still has three iconic Gill murals, one on the ceiling.

Adjacent to the Midland hotel is the Winter Gardens, a beautiful Edwardian theatre that, again, has seen worse times but is now back on the mend due to the efforts of the sadly late Evelyn Archer. She was a leading light in keeping the doors of the Winter Gardens open, despite it having no heating system.

The Friends of the Winter Gardens have restored the theatre to a point where it can put on shows again. Great thanks should go to Professor Vanessa Toulmin, who took over from the legendary Evelyn Archer. The group has raised money over the years and, dare I say it, I enlisted a couple of my friends, David Hasselhoff and Bernie Marsden from Whitesnake, to give their support.

Fortunes are increasing due to the copious Government funding that has been pumped into Morecambe since 2010, but we need more. Opposite the Winter Gardens, and at the side of the iconic Midland hotel, is an area that we refer to as the Bubbles site, which is where the lido used to be a long time ago. The site has attracted the attention of Cornwall’s Eden Project, which wants to make a marine-based project in Morecambe to rival anything that Europe and the Eden Project itself have to offer.

Since becoming an MP, my intention has always been to bring Government investment into Morecambe, which was previously starved of investment. People could not get to Morecambe directly, so they had to go through Lancaster. I am grateful to the Government for helping me to secure £130 million, or thereabouts, for a link road that completely transformed the area. It is estimated that for every £1 that has gone into the link road over the past few years, £6 has been put into the local economy.

Such infrastructure programmes have to pay a dividend somewhere. Although I secured the funding to sort out the Greyhound bridge from Lancaster to Morecambe and the bypass coming in from the M6, we need something to bolster the area’s fortunes and reinvigorate Morecambe.

Morecambe used to have what I loosely call “kiss me quick” tourism. Since we have sorted out the sea wall defences with £40 million of Government funding, we have started to see a renaissance of tourism. We have

started to see new hotel chains, including Best Western. That was unheard of only a few years ago. In fact, Morecambe is now starting to move above Lancaster in the league of prosperity, but we need something to secure Morecambe’s future.

Unbeknown to me until chamber of commerce manager John O’Neill told me, the quickest way to the seaside anywhere from the M6 is the Heysham bypass or the bay gateway—the link road that was recently built. Because of that, the Eden Project wants to come along. So we have to look to the future. What would Eden bring to Morecambe? Eden is a unique visitor attraction of regional and national significance. If it comes to Morecambe and it is planned, and if we can get Government funding, it can open in 2023. In the last Budget, the Chancellor approved £100,000—

5 pm

*Motion lapsed (Standing Order No. 9(3)),*

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

**David Morris:** As I was saying, following the Treasury approval of £100,000 in the autumn Budget in 2018, an additional investment of £40 million to £60 million is needed. This has been sought and is closely linked to the wider industrial strategy of the region—not just Morecambe, but the whole north-west region. Eden north will be a catalyst to drive the regeneration of Morecambe and transform the local and wider north-west regional economy. We will want to have school visits coming to Morecambe to see the Eden centre, but by law you can only put a child in a car or a bus for two hours. If the Eden centre is in Morecambe, we will have a catchment area going from Manchester to Glasgow to York, as it would be quite central. Therefore, we would have an educational attraction that would benefit future generations and all generations coming along for the unique eco-tourism of the area. Since opening in 2001, the Cornwall Eden project has contributed £2 billion to the local economy of Devon and Cornwall—that is a huge local investment. As I have said, Eden north is an exemplar seaside town regeneration project for not just Morecambe, but the north-west; it will help out other coastal communities, leading the way for new projects.

**Bob Stewart** (Beckenham) (Con): From looking at the plans, it seems as though the Eden project north will be substantially better than the Eden project south; obviously, it will be much more modern, as 18-plus years have passed. I swam in that lido, so may I ask whether there will be a swimming pool at the Eden project for people such as me to go to?

**David Morris:** That is a lovely thought and I thank my hon. Friend for that intervention.

**Bob Stewart:** Is that a no?

**David Morris:** I cannot say, but we will put the plans forward to Eden for my hon. Friend.

Eden north is compatible with, directly supports and is coherent with the recommendations made by the House of Lords Select Committee on Regenerating Seaside Towns and Communities, which was published on 4 April 2019 and so is extremely recent. Eden will be



a high-quality, year-round attraction and wet-weather destination. It will be a crowd-puller that engages all ages and all generations, as my hon. Friend alluded to.

**Bob Stewart:** I was young then.

**David Morris:** He was young when he swam there.

**Bob Stewart:** I am not old.

**David Morris:** He is still a young man at heart; I know him very well and he is my good friend.

Importantly, market analysis has identified a catchment of 10.6 million people within two hours, as I have alluded to. This will support a visitor attraction where 760,000 people go to the project annually, with consequent direct and indirect economic benefits. It is a financially sustainable revenue-generating social enterprise that is an employment anchor for the region, with 518 long-term, direct and indirect jobs, helping unemployment in Morecambe to go down even further. It is a long-term project with a long-term value, and it is the economic answer to the £130 million investment from central Government on the M6 link road.

Eden will be a mixture of tourism and education to engage the public so that they feel a part of nature, not apart from nature. In particular, it will bring in a focus on the life and wildlife in the bay. Eden north will celebrate the unique scientific ecosystem of Morecambe bay. Eden in Morecambe will be an icon of health and wellbeing, and of regional culture—a natural wonder and curiosity. As my hon. Friend said, the proposals make the Eden centre look very impressive indeed: like glass mussel shells overturned and spreading out into the bay. It will be phenomenal and will create activities and facilities that will increase the understanding of Morecambe bay as an internationally significant site. It will bring back to Morecambe tourism the prestige that it richly deserves.

Eden will also bring with it an education offer that directly supports a place-based curriculum, in close partnership with all levels of education. A high degree of commitment has already been secured from educational professionals in Lancashire for a long-term education vision. Eden went to Lancaster University with this proposal nearly a decade ago, and here we are talking about it in the House of Commons. It is an accolade for Lancaster University as well as the Eden Project. The college has already struck a memorandum of understanding to provide educational facilities for future generations of the workforce, so that Eden will be equipped. I believe that will lead to the Aberdeen effect: our youngsters in Morecambe will be able to go to the Eden centres that are springing up all around the world, such as in China and America, as well as the one in Cornwall. The integration of research facilities and activities and the pioneering model of partnership between the community and academia can only be a good thing in my area, because we are moving from the old form of tourism into high-tech industries, as well as into a low-carbon economy with the power stations, and there is an eco-friendly jobs boost in the area.

At this stage of development, it is estimated that the proposal will cost circa £85 million to build, and £1 million has already been committed by four commissioning partners, with equal parts of around £250,000 each from Lancaster City Council, Lancashire County Council, Lancashire local enterprise partnership and Lancaster

University. Of course, there is also the £100,000 coming directly from the Treasury. The work carried out by the Eden Project to date has been commissioned by Lancaster University, and has been supported by the Chancellor, Lancaster City Council and all the other partners I just mentioned.

As I alluded to earlier, the project will be located in a site of international environmental importance. Morecambe bay is designated as a Ramsar site, as it is the largest continuous inter-tidal area in Britain. It is also an area of special conservation and is in a special protected area.

My community needs Eden. This is a game-changer for us: it will make Morecambe the envy not only of the north-west but of all seaside resorts in the United Kingdom. I have already mentioned the prosperity that it would bring. Although we have had a lot of central Government money, we need more—around £40 million to £60 million. I know that it is a big ask in a time of austerity, but we have already had hundreds of millions from the Government, in a time of austerity, to produce an economic turnaround in Morecambe that is unrivalled in the north of England. I would like to see the money come from Treasury salami slicing. Ideally, it would come directly from the Treasury, although I am not sure that the Chancellor would see eye-to-eye with me on that. I thank him, though, for the £100,000 that he personally allocated to the project. The money could come from the budgets for the environment, education, communities, transport—from across the whole Whitehall sphere.

My constituency is beautiful—as the House knows, I am very proud of it. Morecambe is on the up, and has been for the past 10 years. Regeneration by this Government has fuelled a lot of miracles in Morecambe, but I am here in the Chamber looking for help. Help me to help my community, which deserves this. Help me to secure the jewel of prosperity that is Eden, to be fitted rightly back into the crown of the north-west that is my beautiful constituency, and my home: Morecambe.

5.8 pm

**The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Rebecca Pow):** It is a pleasure to see you in the Chair, Madam Deputy Speaker, for my first time at the Dispatch Box. I thank my hon. Friend the Member for Morecambe and Lunesdale (David Morris) very much for securing this Adjournment debate on a subject about which he spoke so passionately, and in his usual inimitable style. It is a delight that he is present for my first time at the Dispatch Box.

I have only recently stepped into this role as the Minister for Arts, Heritage and Tourism, and I am delighted to have done so. I am very pleased to be kicking off with a debate on something in which I am personally so interested. It links tourism with many environmental issues and the beauty of our countryside. I am very well aware of how important the tourist industry is to the nation, and how important and significant the Eden Project could be.

I want to look at the value of tourism generally. It contributes a really significant £68 billion directly to the UK economy every year—around 4% of the UK's gross value added. In the past three years, inbound tourism has hit record levels in the UK, with 37.9 million people visiting in 2018 and spending a significant £22.7 billion. I highlight that because the Economic Secretary to the Treasury is listening to me.

[Rebecca Pow]

This is a really important industry that we can build on. Tourism is a really wonderful vehicle for spreading wealth across the country, and for reaching some of those parts that perhaps other things do not reach, particularly in more rural and coastal areas.

If we can get visitors out to the highlands of Scotland, the glens, the moors, the peaks, and the Somerset levels, we can do it through tourism. Tourism creates a great many jobs in this country as well. I have seen how important tourism is to the south-west, just as it is, and can be even more, to the constituency of my hon. Friend, as he pointed out very strongly. Tourism creates many opportunities for everybody.

Morecambe, of course, has a very rich tourism heritage, as we have already seen, and has a great deal to offer. I know that my hon. Friend is working hard to ensure that it can build on a strong and sustainable future. Things are looking very positive already. In 2017, visits to the north-west, in Lancashire, hit new heights. I recall going there back in the day, filming a number of television programmes. We based one gardening series in Morecambe, so I do know how much it has to offer and how very beautiful it is.

I was particularly interested to hear about the proposals for the Eden Project in the north-west. The original Eden Project, as my hon. Friend so eloquently explained, is in my region of the south-west, in Cornwall. Having been there filming on a number of occasions, I was completely bowled over by how magical it is and what it has done for the area, because it transformed an old china clay pit in quite a deprived area into this magical biome of plants. People can just walk through this journey of plants. The project has done so much for the local economy. Some 1 million people visited the project last year, bringing in, as my hon. Friend mentioned, an estimated £2 billion for the region. It attracted people not only from the south-west, but from all over the country and, indeed, from all over the world. The project has done a really good job in getting people down to the south-west, introducing them to a whole world of plants from the Mediterranean, the rainforests and Cornwall, and bringing people up close and personal with nature, which, I believe, my hon. Friend would like to do in the north-west.

The project showcases world-class horticulture and environmental sustainability and builds very strongly on education links, which my hon. Friend is keen to promote and support. Crucially, in tourism terms, it has helped to extend the season, so that visitors go not just in the summer but all year round; there is just so much on offer. That is one of the aims of the project in the north-west.

Eden Projects are extending around the world. Eden International is building projects in other places. Last summer, I went to Qingdao in the Shandong province with the China all-party group to see the building of another Eden Project on an eroded habitat originally used for salt. It is creating an enormous and beautiful Eden Project, which is based on the theme of water conservation. Again, it will transform the area, and that is the kind of thing that my hon. Friend is talking about. There have been great successes so far and there is an awful lot to think about.

My hon. Friend highlighted the fact that the Government have already given £100,000 to supporting the development of proposals for the feasibility study, and others have contributed towards that. Ministerial colleagues, such as the northern powerhouse Minister, have been very supportive so far, so that is all encouraging.

The project is of particular interest to me because it builds on the wonderful coastline and natural habitat. The Government are seriously trying to help with regeneration of coastal areas. A recent House of Lords Select Committee report on regenerating seaside towns highlighted the merits of projects such as the Eden Project in helping to regenerate coastal areas. We need to help them by getting people there at times of the year other than the summer. It is tremendous that private companies and investors are looking quite widely at opportunities for linking into the tourism potential across the length and breadth of Britain.

There are opportunities for tourism because it is a booming industry. International traveller numbers to this country are increasing. We are trying to attract even more travellers to our glorious isles and we want them to explore them widely. It is up to the UK to ensure that we have top-quality services to provide to our visitors—not just the best attractions but the best accommodation, transport, food, drink and even the digital links that suppliers use to sell their products, such as websites and so on. Linking into all these opportunities through green tourism can really help.

My hon. Friend touched on what is so special about the Morecambe area. It is an internationally renowned environmental area—a Ramsar site—and is the largest continuous intertidal area in Great Britain. It is a glorious stretch of not just sand, but mud and so on. It is great for wildlife and nature, and there are so many opportunities to be built on.

The Government have already demonstrated how they are building on these unusual and unique places and opportunities to up the tourist offer. We put £40 million into the Discover England fund, which has been working on certain projects. I happened to go to the round-up conference yesterday, to talk about how well lots of the projects have gone. It was my first speech in this role outside of Parliament. There are projects such as using Manchester international airport as a gateway for international tourists, and then ensuring that they spread northwards to the Lake district and Scotland, as well as into Wales, to experience all the exciting opportunities in those places such as the coastline, attractions and food—all of it. That is working so well.

Another project is Visit Lancashire's "Discover more than just a holiday" project. People can do everything, from beekeeping courses to running courses and cycling tours. Lots of opportunities are being built on. The buzzing for the weekend programme led by Warrington Borough Council encourages travellers from Spain and Portugal to enter the country through Liverpool John Lennon airport and to explore that region. Similarly, the Great West Way is building on the structure of the Kennet and Avon canal and all its spin-offs—Bradford-on-Avon, Bath and further up to the 27 locks at Devizes. I do not know whether anyone here has ever tried going through those locks on a barge—one has to be quite fit. Of course, the cathedral city of Salisbury is also on the way, with the tallest spire in England.

On the coastal front, as well as the money given to the Discover England fund, which is going so well, the Government awarded the coastal communities fund £2.35 million this year to create major new attractions. I believe that much of that money went to Morecambe bay. I notice that it even funded the refurbishment of the Winter Gardens theatre's heating system. That might not sound glamorous, but theatre audiences do need to be cosy and warm, so I am sure that will help.

The Secretary of State is well aware of the impact of tourism, and is working so hard with others on the proposed and very exciting tourism sector deal, which I can report is progressing well. I know that lots of people are listening out for what is going to happen with that deal.

**Bob Stewart:** The Minister sounds extremely enthusiastic about the idea of a north-west Eden Project. In fact, I know she is and I know that the Economic Secretary to the Treasury, although he is a Treasury Minister, shares her enthusiasm. Could the Government salami-slice the money and give a little each year so that come 2024 the £40 million to £60 million is there? Is that how they could do it, and would the Minister support such an idea?

**Rebecca Pow:** I thank my hon. Friend for his cheeky intervention.

**Bob Stewart:** No, no; I come from that area.

**Rebecca Pow:** Aha! The Treasury Minister is here listening, but I think that the money we have already had for the Discover England fund is working really well. It demonstrates the great value we can get from seedcorn money and the productivity it can generate, so I hope the Treasury Minister is listening. That is what

we need to build on. There is enormous scope to do that, in Morecambe or wherever else, so it is a good point.

My hon. Friend the Member for Morecambe and Lunesdale mentioned the lido. I do not think they will be bringing back the lido as part of the project—I swam in the one at Bridgwater before it shut—but I am sure there will be a lot of water in the Eden Project, if it ever gets going, because water is involved in plants in almost all the Eden Projects, so perhaps there might be an opportunity there.

In a world where environmental issues and sustainability are rising right up the agenda, the ethos of an Eden Project is going in absolutely the right direction. There is so much to build on, using nature and wildlife and all the benefits people get from that. I think my hon. Friend said he would like to see people being part of nature, which I thought was a very good way of putting it. That could be built into the project and bring so much benefit. His references and ambitions for increasing education and productivity, benefiting the coastal area, and all those things that such a project might bring, are highly commendable. I obviously cannot influence whether it actually comes to fruition, but this is absolutely the right place to raise it, so I thank him for doing so. I wish him well in his endeavours and look forward to hearing how it progresses.

**Madam Deputy Speaker (Dame Eleanor Laing):** May I congratulate the Minister on her ministerial maiden speech? I think she has left the House happy this afternoon.

*Question put and agreed to.*

5.22 pm

*House adjourned.*





# Westminster Hall

Thursday 6 June 2019

[MR CHARLES WALKER *in the Chair*]

## Consumer Access: Financial Services

*[Relevant documents: Nineteenth Report of the Treasury Committee, Household finances: income, saving and debt, HC 565; and the Government Response, HC 1627; and oral evidence taken before the Treasury Committee on 12 March, on the Access to Cash Review, HC 2011.]*

1.30 pm

**Nicky Morgan** (Loughborough) (Con): I beg to move,

That this House has considered the Twenty-ninth Report of the Treasury Committee, Consumers' access to financial services, HC 1642.

It is a pleasure to serve under your chairmanship, Mr Walker. The Treasury Committee's report "Consumers' access to financial services" was published last month, its conclusions having been agreed by the Committee unanimously. The inquiry was launched in November 2018 to assess whether certain groups of consumers were excluded from getting a basic level of service from financial services providers, whether the regulatory landscape provided sufficient enforcement to ensure that customers could access financial services, and, if not, which remedies were needed.

Our report covered a lot of ground, so I will focus on four of its main conclusions. First, financial exclusion or vulnerability can affect us all at some point in our lives. Secondly, the Post Office alone is not a solution to banks closing their branches. Thirdly, a legal duty of care for financial services providers towards their customers is needed if the Financial Conduct Authority cannot make firms act in their customers' interests at all times. Fourthly, at present the Equalities and Human Rights Commission does not have the resources to enforce financial services firms' compliance with the Equality Act 2010, and therefore the Financial Conduct Authority should be given the power to do so.

Before I go into more detail on those four main conclusions, I will give a brief outline of the inquiry's scope. We received almost 80 written evidence submissions, and we held five oral evidence sessions and two outreach events with members of the public and local charities—one in Waterloo, London, and one in Newcastle. I put on record the Committee's thanks to everybody who sent us evidence and took part in those events. When I was elected by the House as Chair of the Treasury Committee, I was determined that our inquiries would not just talk about things that affect the City of London and our large financial institutions, but would concentrate on issues that make a real difference to consumers', and our constituents', lives. I hope that we have been able to do that in this inquiry.

The oral evidence sessions were held with advice groups and charities representing different groups in society, Members of the House of Lords who had previously carried out work on financial exclusion, representatives from banks and the Post Office, and the regulators with the power to make the changes needed—the

Financial Conduct Authority, the Equalities and Human Rights Commission, and the Equality Advisory Support Service, which offers support to individuals with a disability dispute.

It is worth stopping to think about why financial inclusion matters. It is something that many of us will take for granted, perhaps until a time in our lives when we are excluded or suffering, or until we come across a constituency case of somebody struggling. Eleanor Southwood, the chair of the Royal National Institute of Blind People, said in her evidence:

"People experience enormous frustration. But it is also about financial literacy. It is about financial independence. It is about not being more vulnerable to any kind of financial abuse, because you are entirely on top of and aware of your own financial arrangements and situations."

She went on to say that it

"comes back to the fundamental issues about confidence, the loss of confidence, the loss of confidence in yourself to understand the information."

I remember the oral evidence that I heard from one of the charities at our roundtable in Waterloo, not very far from here. In this Chamber, we probably take financial inclusion for granted, but an inability to be in charge of one's finances is sometimes a precursor to an inability to participate fully in society. That is something that we should all be concerned about.

There are many different elements to how consumers access financial services and, as the Committee heard, there are many ways in which people can be excluded. We started by trying to establish which customers we were most concerned about, but the reality is that access to financial services or financial exclusion is not limited to those we might naturally associate with being vulnerable, because vulnerability can happen to any of us at any stage of our lives. The FCA told us that its definition of vulnerability as

"someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care"

could include up to half the population at any one time.

**Jim Shannon** (Strangford) (DUP): I commend the right hon. Lady, who came into this House at the same time as I did; indeed, she made her maiden speech just before I made mine, so we have had that relationship in Parliament for a long time. She is aware of my constituents the Armstrongs. I have written to her, the Minister and the Department about them. They ended up in company insolvency and then personal bankruptcy, despite repeatedly advising their bank and lawyers that Mr Armstrong was very unwell over a sustained period.

The right hon. Lady referred to vulnerability, and paragraph 179 of the Treasury Committee's report refers to it very clearly, stating:

"We therefore support the FCA's intention to do so through a more balanced definition of 'vulnerability'".

Will that new recommendation ensure that we have the chance to protect people such as those I mentioned, whom she is aware of through her position as Chair of the Committee? Also, does she agree that not only the UK financial services industry but regulators at the FCA and the Financial Ombudsman Service must be part of any future work—

**Mr Charles Walker (in the Chair):** Order. That is enough questions.

**Nicky Morgan:** I thank the hon. Gentleman. He is a legend for speaking in so many debates in this House, and I would feel rather excluded if he were not here today. I am grateful to him for raising those issues. He is a passionate advocate for his constituents, and has raised a number of cases with me as Chair of the Treasury Committee. He is right that a broad definition of vulnerability is important. People will be vulnerable at different times of their lives. He knows that in a separate inquiry we have been looking at the finances of small and medium-sized enterprises, many of which are almost no bigger than retail customers, and may be exposed to the same vulnerabilities.

My understanding on the definition is that the FCA has published its consultation and is asking about vulnerability. In the inquiry, we wanted to ensure that when we talk about vulnerability, we are not limited to a narrow definition, and that when those working in financial services think about vulnerability, they do so in the broadest possible sense, realising that people come in and out of being vulnerable.

In the case of the hon. Gentleman's constituents, it is worth re-asking the question about how customers appear to those who advise them. We must also recognise that some people will not identify themselves as vulnerable. That is another thing that we heard during the roundtable. People do not want to tell their bank that they are vulnerable because they are concerned that it might lead to higher charges, or even losing an account or not being offered insurance.

**Jim Shannon:** With your permission, Mr Walker—

**Mr Charles Walker (in the Chair):** You can make as many interventions as you like, Mr Shannon—make 10—but brevity is the key. The Floor is yours.

**Jim Shannon:** This intervention will be brief, unlike the last one—apologies for that. Regulators at the FCA and the FOS need to do more to ensure that the most vulnerable in our society are afforded the appropriate response and interactions. Does the right hon. Lady agree that those regulators must do better?

**Nicky Morgan:** I do. I think the FCA is very aware of that, and wants to do better. That is why it has published the consultation on the definition of vulnerability. The hon. Gentleman and I have had previous conversations about the Financial Ombudsman Service, and I have had correspondence with other Members of this House. We all know that the FOS can sometimes struggle to offer the remedies and the speedy service that people are looking for. The FOS performs an important function, and its new leadership is very aware of the challenges. In particular, more and more of us are aware of the ability to go to the Financial Ombudsman Service, which puts pressure on it. However, the basic conclusion of our report is that everybody involved in financial services could do more.

Financial exclusion is a broad issue that can and does affect us all in many different ways. The key areas that the Committee chose to look at were why financial inclusion matters, which I hope I have already captured

in my earlier remarks; the many issues that vulnerable consumers face, such as being able to understand their bank statements and communicate with their service providers in the way that they want to; and the closure of local bank branches and the use of post offices as a replacement.

**Colin Clark (Gordon) (Con):** As a member of the Treasury Committee, I was glad to get into what is a vital issue in Scotland and rural parts of the country, which are being left with no banks because they are closing. One of our recommendations is that post offices should be properly funded and have proper facilities, so that people can use them as banking hubs, but the banks—not the taxpayer or the Post Office—should pay for that, because they are saving a fortune in closing branches and they must take responsibility for customers. Post Office banking hubs cannot be an afterthought at the back of a corner shop; they must be proper facilities that people have confidence in.

**Nicky Morgan:** My hon. Friend is a new but valuable addition to the Treasury Committee and we enjoy having him as a member. He is absolutely right. From the evidence we heard, we concluded that many banks are ushering customers towards the Post Office, which is providing basic banking services to customers of many high street banks at a loss. He is right to say that taxpayers should not subsidise the big six banks' lack of branches. The Post Office must receive adequate funding from banks for the services it provides on their behalf. I will come on to say that post offices are not always the optimum place for customers, particularly those with vulnerabilities, to receive personal or confidential advice. I hope that that recommendation will be taken on board and that the Minister will respond accordingly.

Other issues that we talked about included insurance companies discriminating against consumers with pre-existing conditions that need not increase their premiums, and how poorly designed physical financial services infrastructure may not be noticed by all, but could have a profound impact on specific groups, such as touch screen ATMs and payment terminals that were rendered useless to the visually impaired. Again, we heard evidence from Eleanor Southwood, who talked about having to hand over her debit card to a taxi driver after a recent journey because she could not use the PIN terminal due to her visual impairment. As it turned out, the taxi driver was a thoroughly honest, decent person, as most taxi drivers are, who respected her need to pay just the bill, but that is another vulnerability that many of us who do not suffer it will not think about. It is not uncommon, however, and our big financial services providers should think about it in the design of their infrastructure.

The inquiry looked at various initiatives to address specific forms of financial exclusion, such as basic bank accounts and powers of attorney. On powers of attorney, as a constituency Member of Parliament, I see more and more older constituents who are appointing people with powers of attorney—other hon. Members may agree. The number of powers of attorney is growing enormously: in 2018-19, 749,000 lasting powers of attorney were registered with the Office of the Public Guardian, which is a 63% increase from 2016-17, and as of May, there were 3,998,000 lasting powers of attorney registered



in total. That provides challenges for the carer who has power of attorney, in terms of accessing advice on behalf of the person they are looking after, and for the financial services institution, because it has to judge how much security it wants everyone to go through before it talks to them about account details, while at the same time not making its consumers' or their carers' lives more challenging than they already are.

We looked at whether changes to financial services regulation were necessary, such as the introduction of a duty of care to customers, similar to that which exists in legal services. We also investigated whether vulnerable customers were more likely to pay a so-called loyalty penalty for staying with their providers, and the ways in which consumers could be provided with greater access to low-cost credit.

Let me turn to our headline conclusions. I have already set out why financial inclusion is important and why it is a basic right when it comes to being part of our society. It is vital that all financial services providers do what they can to empower consumers to maintain their personal finances and mental health. The Committee heard that firms can do that by incorporating a universal design approach in all their interactions with every customer, which means that all customers, no matter what their individual needs, will be catered for. That can be done by having compassionate, well-trained staff, who ask their customers how they would like to be communicated with, and by making sure that every communication channel is available to them.

On bank closures, which I have already touched on, large sections of society still rely on bank branches and face-to-face conversations with trained staff who understand financial services to carry out their banking needs, which can range from making transactions to taking out mortgages, credit cards or insurance policies. As I am sure hon. Members present can testify, sadly, for many communities, a local bank branch and, increasingly, free-to-use ATMs are becoming a thing of the past.

As we have heard, in many cases banks are redirecting their customers to local post offices to carry out their day-to-day banking, but that has its limits. The Post Office cannot help customers to set up basic banking transactions such as direct debits, nor does it sell mortgages or credit cards in-branch. Even if it did, the layout of many post offices is simply not conducive to giving customers the privacy required to discuss their personal finances.

The Post Office is not a replacement for a rapidly declining branch network, as was apparent during the TSB IT meltdown last year, when customers were told that the best way to make contact with the bank was through their local branch. The TSB branch network actually helped the bank out of its difficulty, because branch staff were by and large very impressive and wanted to help their customers—I think the TSB head office appreciates that. If branch networks are closed, such a workaround will not be possible. The Committee heard that banks have begun to share floor space with other banks or other organisations on the high street to share costs. That is to be encouraged, although it has to be done deliberately and planned properly, and we look forward to more innovation.

The Committee considered the need for a duty of care. Financial services providers should always act in their customers' best interests, but they are not required

to. If the FCA is unable to enforce such behaviour from firms under its current rule book and principles, the Committee supports a legal duty of care, analogous to that in the legal industry, which would create a legal obligation for firms to act in their customers' best interests. Although a legal duty of care might still mean that customers have to take their provider to court themselves to seek redress, the existence of such a duty would sharpen providers' minds as to how they treat their customers at all times. The Committee received arguments that a duty of care was not necessary and that financial providers already have to treat their customers fairly under the FCA's rules, but clearly firms have not always done so.

We also considered the enforcement of the Equality Act 2010, which enshrines in law the obligation for service providers to make reasonable adjustments to assist customers with disabilities. The Committee heard numerous examples, however, where providers were not providing such adjustments. We heard that firms were not always providing interpreters for customers in branches, British Sign Language interpreters for those with hearing loss, or instructions on written correspondence to explain to a customer how to obtain an accessible-format version. Those do not appear to be instances of providers treating customers fairly or complying with the Equality Act.

If consumers want to seek redress, however, they have to take their provider to court as an individual because there is no regulatory body to enforce compliance with the Equality Act on their behalf. The Committee concluded that it would be absurd to expect an individual, particularly a vulnerable individual, to do that themselves, as it would be prohibitively expensive and far too daunting a task. Under existing legislation, the Equality and Human Rights Commission is the statutory body for enforcing the Equality Act, but it confirmed to the Committee that it does not have the relevant resources or expertise to investigate each individual case where a financial services provider is potentially in breach of the Equality Act or is failing to provide reasonable adjustments.

At present, no other statutory body has that power. The FCA told the Committee that it has the expertise and resources, but not the power to act. Therefore, the Committee concluded that the Government should give the FCA the power to take on the enforcement of individual cases relating to financial firms' compliance with the Equality Act, in addition to the Equality and Human Rights Commission.

There are many other interesting and important aspects of our report that I could talk about, but I will not detain hon. Members for much longer. I urge all hon. Members present to read the Committee's recommendations in full. The Committee looks forward to hearing the Government's and the regulator's responses in due course. I welcome the opportunity to have the debate and for the Minister to respond.

Before I conclude, I want to give one final example that captures it all. You and I, Mr Walker, have worked on mental health issues in this House a lot. We led the first big general debate on mental health in 2012—a groundbreaking experience. Much of the stigma of mental health has been tackled, but there are still cases where people are reluctant to tell others, be they friends or family or financial services providers or anybody else, about their mental health.

[Nicky Morgan]

We also know that one of the behaviours of certain mental health conditions can be rather exuberant behaviour, sometimes typified by spending. We have one of the most sophisticated financial centres in the world. We have pretty well every major bank represented in the City of London. It struck me, listening to the evidence from Katie Evans, the head of research and policy at the Money and Mental Health Policy Institute, that we can do better, because she said:

“At best, I have heard of people literally putting their credit cards in a Tupperware full of water and putting it in the freezer, which is fantastic: how clever for someone to come up with that system for themselves, to try to put in place the friction they need when they are unwell.”

We should not need people to freeze their credit cards to stop them spending if they have a vulnerability through a mental health condition, or a breakdown, or a crisis. We can do better. Our financial services providers can do better. We will hear today from the shadow Front-Bench spokespeople, and from the Minister, and I hope that we can all make sure that financial inclusion is something that we are championing from here on in.

**Mr Charles Walker (in the Chair):** I think I am going to call Marion Fellows, the Front-Bench spokesperson for the SNP.

1.51 pm

**Marion Fellows (Motherwell and Wishaw) (SNP):** Thank you for calling me, Mr Walker, in spite of my tardiness. I apologise to everyone present—I ran as fast as I could.

**Mr Charles Walker (in the Chair):** You were 15 seconds late. I think anybody can forgive that.

**Marion Fellows:** To be fair, I thought it was more.

It is a real pleasure to serve under your chairmanship, Mr Walker. I commend the right hon. Member for Loughborough (Nicky Morgan) and her Committee for this really valuable report, on which I think most of us are agreed. As always, I want to give the Scottish perspective—I think I have got it down to a fine art now.

According to Which?, Scotland has lost more than a third of its bank and building society branches in just eight years. Some 610 branches closed down between 2010 and 2018. Santander’s recent decision to close 15 branches in Scotland will have a devastating impact on staff, customers and local firms. Branches will be lost right across central Scotland, in Alloa, St Andrews, Troon, Forfar and other places. It is of deep regret that the decision was made without the bank undertaking a full consultation with staff and local communities, which will be devastated by the closure of local services, and it is unacceptable that they will be shut so rapidly; all the branches will close by the end of the year.

The Treasury Committee is right when it says:

“there are still large sections of society who rely on bank branches to carry out their banking needs.”

That includes elderly people—although not all of them; we cannot all be lumped together—and small businesses, especially in rural areas that rely on tourism, where

people are using cash. Those businesses need to be able to bank that money locally; otherwise, they will lose even more business when they are not on their premises but 20 or 30 miles away, trying to get to the nearest bank branch.

A bank branch network, or at least a face-to-face banking solution, is still a vital component of the financial services sector. The right hon. Lady referred to how important that was in the case of TSB. A branch network must be preserved. The UK Government must step in and act; they can no longer argue that they cannot intervene. They made a similar argument on RBS closing branches, but we now know the Treasury thought it was all right to force RBS to pull finance from customers through the asset protection scheme. The effect on consumers of the closures must be factored into the Government’s decisions.

We support the Committee view that, if necessary,

“the Government should make changes to competition law to allow banks to share facilities in order to maintain a sustainable branch network”.

As the hon. Member for Gordon (Colin Clark) said, that cost should fall to the banks, not the customers. We also agree that

“intervention by Government or the FCA may be necessary to force banks to provide a physical network for consumers.”

We agree with the Committee that

“the Lending Standards Board—through its oversight of the Access to Banking Standard—should publish the examples of non-compliance by providers within its annual report on the Standard, to increase transparency and the potential for external scrutiny over branch closures.”

The SNP continues to lead the campaign at Westminster to protect our post office network. I have spoken in so many debates on post offices, and I sometimes feel I am in danger of repeating myself, but these things are worth saying over and over. We agree with the Committee that post offices

“should not be seen as a replacement for a branch network, but a complementary proposition where available.”

Following our campaigning, the SNP has welcomed news that from October 2019, Post Office Ltd will raise the rates of payment that sub-postmasters receive for taking personal and business banking deposits. That will represent a near threefold increase on current rates. In my time as an MP, I have been consistently lobbied by sub-postmasters, because they are subsidising banking services to their own detriment. The impact of the closure of a post office following the closure of a bank branch is devastating, and not just in rural areas. In urban areas, too, there are vulnerable people who cannot move distances and who are only happy carrying out financial transactions with people they know and trust. That is extremely important.

The announcement of the increase in payments comes just weeks after my colleague and hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) secured a House of Commons debate on the sustainability of community and sub-post offices, in which he reiterated SNP calls to give sub-postmasters a fairer settlement. In recent months, as the SNP spokesperson for small business, I have written to the UK Government calling for changes to strengthen the post office network. Sub-postmasters have continually raised concerns about not receiving adequate financial remuneration. The National Federation of SubPostmasters found in a recent survey

of its members that one in five post offices risks closing in the next year as the result of poor remuneration from Post Office Ltd; many postmasters are paid less than minimum wage for running their shops. That cannot go on. We need sustainable post offices, not as a substitute for the banks, but as a complement.

The UK Government must go further and commit to a full and independent review of sub-postmaster pay. I know the Minister is from the Treasury, but it would be good if he could have a chat with the Minister for small business on our behalf. In addition, plans to close Crown branches at the centre of our communities must be reversed to ensure the full range of services people have enjoyed are still available.

We agree with the Committee that

“The Post Office should not be subsidising the big six banks’ lack of a branch network...If a renegotiation of the current arrangements is necessary to make the scheme profitable, the Post Office should do so, with the full support of the Government.”

We should not measure the success of Post Office Ltd on profit alone, which seems to be the prevalent measure at the moment.

We agree with the Committee that when post offices are left as the only way for customers to carry out basic banking practices,

“the banks should be required to make provision for ‘banking hubs’ within the local Post Office. The ‘hub’ should be properly funded, with an agreed private and business banking provision set by the Department for Business, Energy, and Industrial Strategy (BEIS) and the Treasury. Postmasters must be trained, equipped and compensated to make the hubs viable. BEIS should make an immediate assessment of what the banking provision should be, the indicative cost per hub, and propose how the banks should fund it.”

The UK Government must act before a fifth of Scotland’s free ATMs start charging over the next year. That is another huge problem, especially for vulnerable people and those in isolated communities. They are having to travel further and further to access their own money, and are being charged more and more to do so. It is almost impossible to spend money in London during the week, and I frequently arrive back in my constituency with no cash. We are used to that in this place, but it is not like that everywhere across the UK, or for everyone.

**Nicky Morgan:** The hon. Lady is making an excellent speech, and she makes an excellent point on access to cash. Does she agree that cash is very important for people who are on a very tight budget? We heard evidence that once it’s gone, it’s gone. Somebody who needs to watch every penny they spend will not have a contactless card that they just keep using; they need to be able to see how much cash they have left in their purse.

**Marion Fellows:** The right hon. Lady is absolutely correct. The fact that somebody’s very constrained budget can be further constrained by their having to pay to extract their own money from their bank is absolutely ridiculous in this day and age. People are living hand to mouth, and the loss of £2.50 or more every time they take their money out of their bank via an ATM is absolutely unforgivable.

A cross-party group of MPs found that more than 3,000 ATMs have closed in the last 18 months. According to the Treasury Committee, unless the UK Government step in to protect free-to-access ATMs, the UK is at risk of

“inadvertently becoming a cashless society. For a large portion of society, including some of the most vulnerable, this would have stark consequences.”

The latest figures from LINK, the UK’s largest cash machine network, revealed that 1,300 ATMs were lost between the end of January and the beginning of July last year.

The consumer organisation Which? predicted that free cash machines would become a thing of the past, after it emerged that 1,700 ATMs in the UK switched to charging in the first three months of this year alone. Cash machines in Scotland have disappeared at a rate of 32 a month in the 11 months to April. According to Which?, Scotland lost 204 free-to-use cash machines, which is 4% of the network. That is unsustainable.

The ATM Industry Association has warned that a fifth of Scotland’s free ATMs will start charging customers in the next year. The association—its members include banks such as HSBC, independent ATM operators and payment systems such as Visa—says the problem revolves around a 10%, or 2p, cut in the fee that banks pay cash machine operators every time money is withdrawn. Banks are saving money by closing branches, then giving money to ATM providers. They warn that the move to charging cash machines will increase if LINK moves to cut the fee even further as part of a review that is due to be completed by the end of 2020.

Given the recent closures of bank branches and the lack of support provided to the post office network, the SNP is concerned that a lack of cash facilities will hurt families and small businesses across Scotland. For people in rural areas, and for the most vulnerable members of our communities who might have less access to transport and online support, often the only option is their local cash machine. It is totally inequitable that they effectively pay a tax on cash withdrawals.

The right hon. Lady talked about insurance companies and the difficulty in insuring when there are pre-existing conditions, something I recently had difficulty with. I totally empathise. Vulnerable people—especially people with mental health conditions, whom the right hon. Lady mentioned—need people on the other side of the table or desk who can help them overcome their fear, allay their suspicions, and help them to become fully working members of our society. Someone can be vulnerable one day and not vulnerable the next, and systems have to take account of that.

The right hon. Lady also talked about the difficulties with powers of attorney and the duty of care, which perhaps should be regulated. The SNP would not go against any of the recommendations on those subjects. It is absolutely inexcusable that Tory Ministers are refusing to lift a finger as communities face mass closures of local ATMs and bank branches; as we have heard, it is often the most vulnerable who use them. The consumer group Which? is calling on the UK Government to appoint a regulator to oversee cash infrastructure in the UK. It is vital that they consider the proposal and introduce practical solutions before the cash crisis loses Scotland a fifth of its ATMs.

The SNP echoes the Committee’s conclusion that the independent Access to Cash review’s recommendations should be accepted. They include recommendations to “guarantee consumer access to cash—ensuring that consumers can get cash wherever they live or work...take steps to keep cash accepted, whether by a local coffee shop or a large utility provider...call



[*Marion Fellows*]

for radical change to the wholesale cash infrastructure, moving from a commercial model to more of a 'utility' approach, which will keep cash sustainable for longer...government, regulators and the industry should make digital inclusion in payments a priority...a clear government policy on cash, supported by a joined-up regulatory approach which treats cash as a system."

We cannot go on leaving our most vulnerable communities and people behind. It is all right for people like us to do without cash, but it is not all right for huge swathes of our communities. I hope the Minister can agree to some of the Treasury Committee's recommendations and help move forward the debate about post offices, bank hubs and so on.

2.6 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): It is a pleasure to take part in this debate with you in the Chair, Mr Walker. I thank the right hon. Member for Loughborough (Nicky Morgan) for securing the debate and for the important work she undertakes as Chair of the Treasury Committee. I am particularly pleased that the Committee emphasised the importance of access to financial services and financial inclusion. As we have shown in this relatively short debate, it is an issue that potentially touches us all, because we can all become vulnerable, and access and inclusion are crucial elements of a functioning economy.

The beginning of the report features a quote from Sian Williams, the director of the Financial Health Exchange at Toynbee Hall, that stood out when I was preparing for the debate:

"We are in an environment where you have to be able to transact to survive."

The statistics provide a very worrying picture, because many people are struggling. The Financial Conduct Authority estimates that 3% of UK adults cannot transact in that way because they have no current account and no alternative e-money account. That is a significant minority, and it includes some of the most vulnerable people. That indicates that much stronger action is needed.

I will focus my remarks on vulnerability, poverty, the availability of credit—particularly low-cost credit—post office banking, bank branch closures and the policy process in this area, particularly as it applies to basic bank accounts. The report quite rightly considers the relationship between financial exclusion and different types of vulnerability. Obviously, a consultation is going on at the moment on whether current definitions of vulnerability are appropriate. There is a very welcome focus on mental illness in the report.

I was struck by the right hon. Lady's remarks and the case study she mentioned. Actually, we were promised that we would have so-called jam-jarring available within financial services by now. It is not standard, and nor is it standard in relation to how people are paid their social security. Often people request that kind of approach so that they can manage their money properly. They are doing the right thing in acknowledging that they might have issues, but they are not being aided by the technology. As the hon. Member for Motherwell and Wishaw (Marion Fellows) said, it is often the most technologically literate

who have the greatest resources and can make use of technological innovations. That needs to be accelerated, but we also need to acknowledge that although technology can empower, it can discriminate as well.

I have had discussions with people involved with the Money and Mental Health Policy Institute, who have pointed out that although it is possible to use people's financial transactions to pinpoint and identify vulnerability, such information could be used to ration services and access, as well as to facilitate them. If it is used, for example, to take people to a pop-up chat with an adviser, who can say, "Are you sure this is what you want to be doing? Can I help you?", that is fine, but if it makes it harder for people with mental illness to access services that we benefit from, that is inappropriate.

The report rightly focuses on access for vulnerable groups, such as elderly and disabled people, and on a number of risks that technology can embed, which result in people being unable to access the most basic financial services. In many cases, that is getting worse because of issues such as the use of touch-screen technology, which was mentioned earlier, and the speed at which high street banks are closing. I will come back to that point later.

The report contains useful recommendations about vulnerable people's access to financial services. I support the recommendation that the Financial Conduct Authority should consult on how power of attorney works in relation to financial services. If that is done properly with appropriate safeguards, it could improve the situation for many carers and those they care for. The discussion in the report about that is very helpful.

The discussion in the report about the Equality Act 2010 is very useful. The Labour party is committed to strengthening the Act and other anti-discrimination law. There is clear evidence, which is repeated in the report, that it is not being complied with in a number of areas, and that is simply unacceptable. The exchange between the hon. Member for Strangford (Jim Shannon), who is no longer in his place, and the right hon. Member for Loughborough was very instructive in that regard. I am sure that every Member in this Chamber has a whole bag of cases involving people with various vulnerabilities who have not been treated in the way that we would expect. That has to end, because it is discrimination.

The report touches on issues relating to low-income households at various points. The discussion of the loyalty penalty was very interesting. Citizens Advice's work shows that the average consumer pays up to £1,000 per year more because of the loyalty penalty. That is clearly totally unacceptable. The Competition and Markets Authority noted that people on low incomes are much more at risk of paying the loyalty penalty. For people in the bottom 10% of income, it could account for up to 8% of their spending.

The CMA's recommendation about transparency is welcome. There should be more accountability. Regulators should publish the size of the loyalty penalty in key markets and for different firms annually, but as the report states, just informing the public about the loyalty penalty for each firm is not enough. It is clear that regulators currently have little ability to protect customer interests in that respect, so we need to focus on that much more strongly. The time is right to reform the

regulatory system in that respect and for many other areas of financial services. The Labour party commissioned a review by Prem Sikka, the academic, to look into some ideas for reform, and it has now been published.

The points that the hon. Member for Motherwell and Wishaw made about access to cash were very relevant. Even with the current standards, we all know from our constituencies and elsewhere that there are pockets where access to cash is not available. It tends to be in areas where people have low spending power and are incredibly reliant on cash that there is not the provision that we expect.

The report did not examine the relationship between poverty and financial exclusion, as the 2017 report by the Financial Exclusion Committee in the other place did. I completely understand that the Treasury Committee had a slightly different focus. It would be useful to look at that issue in more detail, because in the Financial Exclusion Committee report, Gingerbread reported that single parents and low-income households often find that they are disproportionately excluded from financial services. Lower-income people often pay much more for financial services, compared with those with greater incomes. The Child Poverty Action Group said that that is the case, despite the fact that most low-income households manage their limited resources well. We are often told that the answer for people with few resources is to manage their money better. Well, many of them are extremely good at doing that already, and I was very pleased that the right hon. Member for Loughborough confirmed that. The Lords report also looked at the so-called poverty premium and how it exacerbates the effects of financial exclusion. It is important that we bear that in mind and continue to look at it.

Problems in accessing lower-cost credit primarily affect low-income households, and it is good that the report looked at that in detail. It praised the Government for their proposed pilot of a no-interest loan scheme in the 2018 Budget, but that arguably does not go far enough in tackling consumer debt. We still do not have a clear timetable for when that measure will be implemented. The Labour party and I believe that it is essential to go further. For example, we should cap the total amount that a person can pay in bank overdraft fees and interest payments on credit card debt. People who get caught by overdraft fees often use other forms of credit to pay it off because it is such an expensive debt and is extremely bad for them.

It is unfortunate that the Government have not really grasped the issues relating to debt enforcement. That is becoming more of an issue in many parts of the country, particularly given changes to the withdrawal of funds for council tax relief. Individuals are now being pursued for small amounts of money in many parts of the country. This report and the Justice Committee's recent report show that we need much stronger action against poor practice in the debt enforcement industry. We should implement many of the measures recommended in the Treasury Committee report and, for example, introduce tougher regulations on debt enforcement firms, such as changes to terminology in payment letters. We must ensure that the language is understandable to people with varying literacy levels, and that information about how to seek help with debt is given equal prominence to demands for payment.

The report also examines the issue of those who are unable to access affordable credit because they lack a credit history. We believe that the Government's approach so far has been inadequate. Obviously, there has been the pilot, and they have tried to get the private sector to take this forward. We need to have more of a discussion about how to ensure that people can build up a credit history. I hope the Treasury Committee will continue to do that, but the discussion in the report was useful.

Let me move on to the post bank and bank branch closures. The Labour party is looking at research that we commissioned on how the post bank approach can be revitalised and how we can ensure that it provides good quality services that are good for both the Post Office and local communities. We think it could be possible to do that on the basis of the research that we commissioned. There could be 3,600 additional post bank branches, compared with what we have currently. That would help communities that are currently struggling with access to banking facilities, and in many cases would also help high streets. We think that using and building on the existing infrastructure is probably the most sensible way forward. This is not about tweaking; it must be more fundamental. We cannot just load more activities on to already pressed postmasters. The comments of the hon. Member for Gordon (Colin Clark) were useful in that regard. This is not just about the post office network; we need other reforms elsewhere in the financial ecosystem, and we must also focus on the behaviour of the big banks. I concur with many of the comments of the hon. Member for Motherwell and Wishaw in that regard.

I want to talk a bit about the policy process in this area—in particular, the perils of not having a strong focus on implementation, and the initial legislation. The basic bank account legislation initially arose out of the EU payment accounts directive. Research conducted by Citizens Advice shows that, in practice, basic accounts are often still not very visible to consumers who might want to use them. Banks' processes for determining what kind of account to give people rely too much on credit checks, and applying for a basic account is still too difficult for many people. The Committee recommended that the FCA should mandate banks to relax the restrictions on basic bank accounts and make them available to all—that is very sensible—and that it should require financial services to report how many basic current account openings they have rejected. That would be very helpful.

One particular problem that I have come across is that many of the most vulnerable and most excluded customers are informed that they cannot have a basic bank account because there has previously been some indication of fraud related to their financial activity, but no evidence of that has to be provided. In many cases, that fraud could be due to manipulation by others—for example, if people have been subject to domestic violence—or it could be because people had been addicted to substances and previously led chaotic lifestyles that are now behind them. Christians Against Poverty is concerned about that; it needs to be looked into and I hope the Government will do so.

We need a much stronger focus on the issue of access to financial services. We have mainly talked about access to basic banking—the Committee has a lot on its plate, so I do not want to suggest that it should deal with even

[Anneliese Dodds]

more—but the savings infrastructure is another area in which there have been some worrying developments. Some 57% of UK adults do not have savings beyond £5,000. Help to Save was an interesting idea but it has not yet had the traction that many of us would have hoped. We still urge the Government to try to incorporate the credit union sector more closely with that initiative, and I hope that in future, the Government will view credit unions much more as part of the solution to many of the problems than they have in the past.

**Nicky Morgan:** I thank the hon. Lady for the many points that she is making. Did she, too, pick up Scope's briefing for the debate, which makes the point that disabled people have an average of £108,000 less in savings and assets than non-disabled people? That is quite a staggering amount of money.

The Committee looked at household savings and debt last year. We might have a little issue with our agenda at the moment, but I take her invitation to perhaps return to that at some point.

**Anneliese Dodds:** I am very grateful to the right hon. Lady for raising that point. That is a staggering statistic, which is due to a whole range of factors: the support that people receive, their ability to participate in the labour market, and the savings infrastructure. She raises an important point: people living with a disability are very often at much greater risk of needing to tap into savings at different points, particularly when, sadly, many sources of support for doing things such as home alterations have dried up. It is really important that we listen to Scope about that.

We must also acknowledge that the ride has been bumpy and we are not moving forward in every area as we would want to. Research from the Friends Provident Foundation and the University of Birmingham suggests that in 2006-07 there were just over 1 million people with no household bank account access, and although that number fell to 660,000 in 2012-13, the trend was reversed in 2013-14 when the number rose again to 730,000. We need to understand what is not right here, and we need much stronger action.

I commend the Treasury Committee for its focus on the issue, particularly on the impact on the lives of vulnerable and low-income people. The Opposition will continue to campaign for reform of the financial services sector to ensure greater access to financial services and, as a result, a stronger economy for everyone.

**Mr Charles Walker (in the Chair):** Minister, if you are inclined to speak until 3 o'clock, please do not, and allow two minutes for the right hon. Member for Loughborough (Nicky Morgan) to respond.

2.23 pm

**The Exchequer Secretary to the Treasury (Robert Jenrick):** Thank you, Mr Walker; it is a pleasure to serve under your chairmanship. I do not intend to use up all the time, unless there are many interventions from colleagues. It is a pleasure to follow the hon. Members for Motherwell and Wishaw (Marion Fellows) and for Oxford East (Anneliese Dodds). A dangerous precedent was set in the Lords by my colleague, the noble Lord

Bates, who resigned after arriving 10 seconds late to a debate, so I am always careful to be on time now, although I am sure being 15 seconds late is allowed.

I thank both the Treasury Committee and its chair, my right hon. Friend the Member for Loughborough (Nicky Morgan), for securing the debate and for this important piece of work. As she knows, this debate comes just a few weeks before the Treasury will formally respond to the Committee's comments and recommendations on behalf of the Government. I hope that she will forgive me for not pre-empting that by providing the full formal response, but I will try to set out our approach, our record in recent years and some further steps that we intend to take, as well as impress on her how seriously the Government take the issue and how carefully we will read and respond to the important recommendations in her Committee's report.

Financial inclusion is a priority for this Government and has been for some time, particularly, as I hope my right hon. Friend will recognise, over the last two or three years, when in each successive Budget the Government have taken a number of important steps to address some of the issues that the report raises and on which it urges us to go much further. Like my right hon. Friend and others who have spoken, I think that financial inclusion is extremely important to build a unified society and economy. In her introduction, she made the important point that we have to take a wide view of what "vulnerability" means, because each and every one of us can be vulnerable at different stages in our lives, not just those whom one might stereotypically assume to be vulnerable.

That is reflected in the broad definition of "vulnerability" that the FCA is working towards. It has identified four indicators of potential vulnerability: low financial capability, low financial resilience, life events, which of course can happen to all of us, and physical and mental health conditions, which one might most clearly recognise as vulnerability. The Government, like the regulator, view this issue with the broadest possible definition.

I will say a few words on what we have done most recently. In November 2017, following a report from the Lords Financial Exclusion Committee, which the hon. Member for Oxford East mentioned, the Government announced the creation of the financial inclusion policy forum. The forum has now met three times and has successfully brought together for the first time the key leaders from across the industry, charities—including some of those mentioned today—and consumer groups, as well as Ministers from throughout Government and the regulators, to provide the leadership and co-ordination in tackling financial exclusion that the issue demands. The Government published our first financial inclusion report on 25 March this year, which takes stock of progress in the area. We intend to continue doing so annually.

Affordable credit was one of the core areas of the report. The policy forum is widely recognised by the sector as an important initiative and it has already managed to deliver tangible progress, although I hope it will go further in the months and years to come. A sub-group of the forum that was set up last summer to examine the issues of access to affordable credit made a number of recommendations. To build on that work, at last year's Budget we announced a package of affordable



credit measures aimed at supporting the affordable credit sector and offering more choice and a better deal to consumers who struggle to access mainstream credit.

Some of those measures have already been referenced in this debate. They include a £2 million affordable credit challenge fund, harnessing the UK's undoubtedly great capability in the FinTech sector to address the specific challenges faced by social and community lenders. The Government have appointed Nesta as the delivery partner to run the challenge fund, and we expect to launch it in the summer—so, in the coming weeks.

Other measures include a change in the regulatory boundary of credit broking, to allow registered social landlords to refer their tenants to social and community lenders; a pilot prize-linked savings scheme to encourage the growth of the credit union sector and to encourage consumers to build up their personal savings, which we readily acknowledge are lower than most of us would like to see; and a feasibility study to design a pilot for a UK no-interest loans scheme, which we have already heard about. That scheme will be aimed at helping those at the margins of the financial system, for whom borrowing from social and community lenders can still be unaffordable. The Government have appointed London Economics, which is undertaking the study and will report back this summer. Depending on the results, we will then move quickly into the pilot design phase and then to implementation.

The Government are also directing an initial £55 million of dormant assets funding towards financial inclusion, primarily to address affordable credit. That will be deployed by a new, independent organisation, Fair4All Finance, which was launched in February. We are pleased with the rapid progress that it is making, and excited to see it begin work with a range of partners to tackle financial exclusion, but clearly there is more to be done.

We heard some comments about basic bank accounts. We think, as right hon. and hon. Members here do, that they play an important role. I will take away the comments from the hon. Member for Oxford East about access to and knowledge of those bank accounts. A large number of people benefit from them. The last report that we received, published in December 2018, found that almost 7.5 million basic bank accounts were open at that time, deployed through the nine designated institutions. The banks that are required to provide basic bank accounts send reports to the Treasury, so we receive accurate information, but we could perhaps do more to monitor those banks' activities and ensure that they are more visible to potential customers, particularly the most vulnerable. I will take away the hon. Lady's comments in that regard.

The report made a number of recommendations on safeguarding access to cash. The Government recognise that the use of digital payment is growing very fast—among the fastest of any major economy: in Europe, only a few Nordic countries are moving to a more cashless society at a faster pace than our own. Although we acknowledge the many benefits for consumers and the economy, there is and will continue to be for many years to come—almost certainly throughout our lifetimes—a need for cash and traditional face-to-face methods of banking to continue alongside the new thriving digital economy. Running both the digital and the cash systems side by side in all parts of the country and for all

consumers, including the most vulnerable, will be a considerable challenge to us as Government and policy makers in the years ahead, but one that we must meet.

We have set up the joint authority cash strategy group, which responds directly to one of the report's recommendations. It brings together the Bank of England, the Payment Systems Regulator and the Financial Conduct Authority to provide comprehensive oversight of the UK's cash infrastructure, from supply to customer access. That will complement the Bank of England's work to reform the wholesale cash industry, to encourage innovation and guarantee resilience even in a much lower cash usage environment. The organisation has already started work, and I am happy to update the Committee and other interested Members in the month ahead as we develop this area of work.

Industry has played a central role, and will have one in future, to maintain access to cash, because with industry innovation we can do more at a lower cost. I was pleased to meet Natalie Ceeney recently to discuss the findings of her excellent Access to Cash review, which showed that creative industry initiatives are already being developed, including encouraging greater use of cashback. We think that the industry, perhaps with Government help, can do more to encourage a resurgence in cashback, which was prevalent but is somewhat less so today. It could be part of the answer where ATMs are in decline. There might be opportunities for smaller shops such as convenience stores to return to offering cashback if they have stopped doing so. We would like to take that forward in future.

We have heard about ATMs, where there is undoubtedly a challenge. There remains a large network of free ATMs in this country—among the largest of any developed country in the world. In 2017, the number of free ATMs in the country reached its peak at 54,500, many of which were clustered in the wrong places, particularly in urban areas with the highest footfall. Since then the number has declined. Even though there might be a logical case for reducing the number of ATMs in areas with high footfall, where they are in less demand as more of us use contactless and digital payments, we want to ensure that we protect the people who live in harder-to-serve areas.

The number of ATM transactions is falling by around 6% year on year. Demand is reducing but it varies quite significantly in different parts of the country, as the hon. Member for Motherwell and Wishaw suggested. The last figures show that there was a 10% reduction in the use of ATMs in London, but the figure was as low as 2% in areas such as the east midlands, which my right hon. Friend the Member for Loughborough and I represent, and in Northern Ireland. There are large variations by region, age and socio-economic group. We need to pay careful attention to that. The LINK organisation has made an important commitment to maintain a good and appropriate geographical representation of ATMs, and a particular commitment that we intend to hold it to: that if the last ATM in one kilometre closes and no alternative is provided by the local post office in that radius, it will continue to seek an alternative location for an ATM and will use the subsidies that it provides without limit until an alternative is found. That is an important commitment, and we all need to hold LINK to account. I assure the Committee

[*Robert Jenrick*]

and colleagues here that I will play my role in doing that, as will my colleague, the Economic Secretary to the Treasury.

Post offices play a key role. They provide a good range of banking services—not a complete range, but most of the services that individuals and smaller businesses will require. Although the number of post offices continues to decline, it is more stable than it has been for a long time. There are 11,500 branches across the country, and we will continue to do all we can to support them. My hon. Friend the Member for Gordon (Colin Clark), who is no longer in the debate, raised the important question of fees for services that banks provide to those running post offices. There has been a negotiation that has led to a significant increase in the amount of money that banks pay of between two and three times the amount of money that post offices receive for offering those services. I am very alive to that issue and the need of those running post offices, often on low margins and taking very little money out of their business, to receive fair compensation for their work.

The wider question of digital inclusion, which the hon. Member for Motherwell and Wishaw raised, is very important. Although younger people and perhaps those in this debate enjoy using digital payments, people have to be able to use digital services and live in areas with 5G or broadband to access them. In rural areas, that is not always the case, although there have been great steps forward. We are alive to that issue and we are working on our digital strategy as a country to ensure that more people have access to basic digital training. Through education we are taking steps in that regard. We should recognise that some new products coming out of the FinTech sector will be very useful to those who have the digital skills to access them, whether that is income smoothing, budgeting skills or the ability to share payments and bills among flatmates. They will make life much easier, but that is dependent on having the digital skills to access those services.

Financial guidance is not limited to digital skills. Last year, we established a new single financial guidance body, the Money and Pensions Service—MAPS—by merging three existing bodies, Pension Wise, the Pensions Advisory Service and the Money Advice Service. The new body provides money guidance for members of the public at every stage of their financial journey. The Government's commitment to improve people's financial capability and the provision of financial education is reflected in MAPS's strategic function to develop and co-ordinate a national strategy that will build on and further progress the Money Advice Service's work on financial capability.

It is particularly important that children and young people receive good-quality financial education to help them to shape their financial habits later in life. That is why financial literacy was made statutory in the national curriculum in England in 2014, which my right hon. Friend the Member for Loughborough will know from her work as Secretary of State for Education, as part of the curriculum for citizenship education for 11 to 16-year-olds. As reports from the all-party parliamentary group on financial education for young people have recognised, there is more to do to ensure that that education is delivered well in all parts of the country. We recognise that there is more we can do in that regard.

Public funding for debt advice in England has risen to £55 million in 2019-20. That provides help with debt to more than 560,000 people, an increase of 85,000 compared with 2018-19. In addition, during autumn 2018, the Government held a consultation on a breathing space scheme in response to campaigning by a number of Members. That will give vulnerable consumers 60 days' respite from creditor action, giving them time to access debt advice and put their finances on a sustainable footing. The Government will publish our response to the consultation very shortly, and we have committed to laying regulations before the end of this year to establish breathing space.

The Committee's report also made recommendations about how financial services can work better for vulnerable consumers. The Government have given the FCA strong powers to protect consumers, and we expect it to continue its work in this area. The FCA and other regulators no doubt will read with interest the comments and recommendations in the report; in turn, I will certainly pay careful attention to their responses.

We welcome the FCA's work to improve our understanding of vulnerability in the context of financial services, including its forthcoming publication of guidance to firms on how to identify and treat vulnerable consumers. The breadth of the definition of vulnerability in the Committee's report no doubt will influence and inform the FCA's work in that regard. Through the Consumer Forum, the Government and regulators from across sectors are working to better understand vulnerable consumers. That will inform the actions taken by the Government and regulators in this space.

My right hon. Friend the Member for Loughborough asked particular questions about the duty of care. We will give that careful thought and respond in a couple of weeks' time, as we will to her comments about the Equality Act. Those were very important questions. We will give more thought to them and respond to her, I hope in the next few weeks.

We all agree that access to useful and affordable financial products and services is essential to individuals, regardless of their background or income. Part of this is about ensuring that financial services are inclusive to all customers and protecting those who are financially vulnerable by making the right products and advice available. The banks are taking steps in that regard. I met the staff at my local bank in Newark last Friday and saw the quality of training that that bank, Lloyds, provides to protect vulnerable people, such as those who suffer from dementia and those at risk of scams, including new ones emerging as a result of the new digital economy. However, there is a great deal more that the sector and the Government can do.

The Government's response to the Treasury Committee's report will be published in the coming weeks. We will seek to address in detail all the recommendations that my right hon. Friend and her Committee made and outline the steps that we will take to build on the progress made on access to financial services. I thank the hon. Members who took part in the debate, and I thank my right hon. Friend for another interesting and rigorous report with insightful recommendations, on which I hope we can work together.

2.42 pm

**Nicky Morgan:** I thank all the Members who attended the debate, including those who only intervened, and I thank the Minister for his thoughtful response. When a Treasury Committee report is described by the relevant Department as “interesting”, I hope that means that we have struck a chord somewhere along the way.

Members generously shared examples of financial exclusion and the importance of financial inclusion. I say to the Minister that, at a time when the House sometimes appears to struggle to find enough business to fill its day, this may well be an area in which there can be good cross-party agreement and working. If there is a need for changes to regulations or legislation, or for the House to show regulators and others that this issue is of great concern to us, this may be a good time to take advantage of that.

I will not go through everything the Minister said. He is absolutely right that the Financial Conduct Authority is very important in this area. We recognise that. On access to cash, the other issue is the cash infrastructure—the way that cash moves around the country. Sweden in particular has found that once that infrastructure has gone, it is difficult and expensive to bring it back. The Minister also talked about ATMs and post offices. He is right that FinTech offers opportunities for innovation in things such as budgeting. That is fantastic, but we want those things to be used by our large banks, many of which have millions of customer accounts, not just our small, innovative challenger banks and FinTech companies.

We wait to hear the Government’s response about the duty of care and the enforcement of the Equality and Human Rights Commission’s powers in relation to the Equality Act, and I am sure we all look forward to seeing the breathing space regulations. The hon. Member for Oxford East (Anneliese Dodds) mentioned the wording of consumer credit letters where debts are being chased. That has already been raised in this Chamber, and it is another area where I think there is general agreement.

Of course, Ministers can always speak directly to financial services providers. Yes, there is the raised eyebrow of the Governor of the Bank of England, but there is nothing like the raised eyebrow of Ministers. I am delighted to hear that the Minister visited a bank in his constituency to hear about the training it offers to protect customers with dementia.

**Mr Charles Walker (in the Chair):** Let me conclude by saying to the hon. Member for Motherwell and Wishaw (Marion Fellows) that she was actually in the room, if not in her seat, at the start of the debate, and she knows full well that in this place it is being in the room that counts.

*Question put and agreed to.*

*Resolved,*

That this House has considered the Twenty-ninth Report of the Treasury Committee, Consumers’ access to financial services, HC 1642.

2.46 pm

*Sitting suspended.*

## Bus Drivers’ Working Hours

[SIR GRAHAM BRADY *in the Chair*]

3 pm

**Matt Western** (Warwick and Leamington) (Lab): I beg to move,

That this House has considered local bus drivers’ working hours.

It is a pleasure to serve under your chairmanship, Sir Graham.

Back in February I brought forward my ten-minute rule Bill raising the issue of local bus drivers’ working hours. It asked for two things: a change to working hours and an increase in more robust, independent medical checks for bus drivers. I do not believe that our current laws around the working hours of bus drivers are keeping our public safe. The Bill that I put forward, to which this debate relates, simply seeks to limit bus drivers on local routes to driving for no more than 56 hours in any one week and 90 hours in any two consecutive weeks. Doing this would bring the hours worked into regulatory alignment with those for long-distance bus and coach drivers, and for heavy goods vehicle lorry drivers. Some would say that this is simple common sense. Let me put it like this: how can a packet of cornflakes have more chance of safe arrival at its destination than a child on a bus?

I proposed the Bill in response to the terrible tragedy in Coventry city centre in October 2015, and in particular in memory of the two individuals who died in that accident: seven-year-old Rowan Fitzgerald and 76-year-old Dora Hancox. I pay tribute to Rowan’s family, Natasha, Barbara and Liam, who have joined us today. I thank them once more for their courage and encouragement, and before them I recommit myself to ensuring there is an important legacy from their terrible loss. That is why we are pushing for Rowan’s law—so that the rules around local bus driver working hours are made consistent with those for long-distance bus and coach drivers, and HGV drivers.

Many others were injured that day, including Rowan’s cousin Paige, but it could have been even worse. Were it not for the brave actions of Teil Portlock, who managed to disperse the pedestrians outside the Sainsbury’s, many others would have been killed or seriously injured. For the benefit of the Minister, may I describe what happened that day in Coventry? It was a busy Saturday afternoon. The video shown at the inquest revealed how the tragedy could have claimed more lives. In it, the bus careers across the main road, striking another bus and then a lamppost, before hurtling down a pavement and ploughing into a bus stop and the supermarket. As I have said repeatedly, it was an absolute inevitability that such a tragedy would happen.

The driver that day was Mr Chander, a 77-year-old male, of Leamington Spa. In the year leading up to the fatal accident, Mr Chander had worked an average of 47 hours per week. That statistic disguises the number of hours worked during busy periods, namely school term time. At those times, he was frequently working in excess of 56 hours a week and could drive school specials. These hours are long by any measure, particularly for a driver in his mid-70s. In the four weeks leading up



[*Matt Western*]

to the crash, he had driven 62 hours, 76 hours, 76 hours and 72 hours respectively, which was an average of 72 hours a week over that period. That was despite his shocking safety record and some 16 written complaints from passengers, who, over the preceding couple of years, had contacted the company to register his erratic behaviour and innumerable incidents. Those hours are entirely legal under current UK law, and that is what many of us are seeking to address.

This issue is not new, and the crash in 2015 could have been prevented. Back in March that year, before the tragedy, my right hon. Friends the Members for Islington North (Jeremy Corbyn), and for Hayes and Harlington (John McDonnell), proposed such changes through an early-day motion. That was four years ago. Currently, British laws limit bus drivers' hours on local routes of less than 50 km to 10 hours of driving a day, with no weekly or fortnightly limit, except that in any two consecutive weeks there must be at least one period of 24 hours off duty. That means it is entirely legal for a local bus driver to drive 130 hours over two weeks. If you extrapolate that, a driver could work 260 hours in under four weeks, which would be extraordinary.

Under EU law, a long-distance bus or lorry driver cannot drive for more than 56 hours a week, or more than 90 hours over two consecutive weeks. I believe this tragedy could have been avoided if driving hours for local bus drivers had been capped at 56 hours a week, and no more than 90 hours over two consecutive weeks, as is already the case for long-distance bus and HGV drivers.

When the family and I met the Minister, just a month ago, she shared with us Department for Transport data that showed that bus drivers drive an average of 42 hours a week. I believe that hides the reality and what is happening at the extreme margins. It is reported that 10,000 bus or coach drivers are working in excess of 56 and a half hours per week, and that 42,000 drivers—some 40% of total drivers—are working in excess of 90 hours per fortnight on average.

Part of the issue is that drivers are seeking recompense for depressed earnings; they have seen their wages reduce, relative to other drivers, such as train or tube train drivers. That divergence, where there was once parity, is a great cause of the additional hours that have been worked. It means that on average bus drivers work nearly six hours per week more than average workers.

The Bill proposes moving to EU regulations that cover total hours worked, but also includes proposals to bring changes to mandatory breaks that would ensure a break of no less than 45 minutes would be taken after no more than four and a half hours of driving. At present, the entitlement to a 30-minute break after five and a half hours behind the wheel often results in drivers taking smaller breaks or none at all due to congestion on the route or other factors beyond their control. Also, it is not realistic to think that a driver can obtain proper rest and refreshment in that timeframe, after five and a half hours of driving passengers on often complicated routes, with frequent stopping.

Importantly, the changes to hours in the Bill should be introduced by employers at no detriment to bus drivers' pay. The culture of long hours amongst bus drivers is accompanied by low rates of pay, which places

on drivers a dubious incentive to work overtime. Regulations must prevent this, but must also ensure that bus drivers are paid properly for the essential public service they provide. This is important at a time when operators are cutting unprofitable routes and local councils are cutting funding to bus services. This all sounds obvious, particularly when looking at the regulations that apply in other European countries, but it is why so many of us are calling for change. I applaud Rowan's family for their petition doing just that. It already has 2,800 signatures, mostly local, but I am sure the number will build as this campaign makes further headway.

Since I spoke to my ten-minute rule Bill, the family and I met with the Minister responsible for buses, who disappointingly cannot be here today. It was an emotional meeting. The Minister said she would look into this; I appreciate her honesty and her commitment to doing that. I have met representatives of the relevant unions to garner their views. The TUC, GMB and National Union of Rail, Maritime and Transport Workers all back this change, as does the Mayor of Greater Manchester. I met those responsible at Transport for London to hear their concerns, and to try to better understand the reasons behind the 16 or 17 deaths per year, on average, involving buses on the capital's streets.

**Mr Jim Cunningham** (Coventry South) (Lab): The accident happened in my constituency; I thought it only right and proper to come along today to support my hon. Friend. The accident is a by-product of deregulation about 30 years ago. I am surprised that the Government have never adopted the EU regulations. I support my hon. Friend and I extend every sympathy to the families of those killed in the accident. I hope that the Government will, for a change, take action, rather than drag this out so that, at the end of the day, nothing changes. That would be no comfort to the families concerned. Earlier this year, I met my hon. Friend and members of the victims' families right here in Westminster Hall. We support them all that we can. I congratulate my hon. Friend on securing this debate.

**Matt Western:** I thank my hon. Friend for his intervention. I agree with him entirely about the marketisation of the bus sector, and the pressures that that has put on bus drivers and the hours that they work, and the pay and working conditions that they suffer as a result. Of course, that does not apply to tube drivers, for whom that has not been allowed to happen. We have seen widening divergence in tube driver and bus driver pay in the capital; it is a good example of what has been allowed to happen through marketisation of local bus services. I thank my hon. Friend for coming today. I know that many others hoped to be here, and were it not for the by-election in Peterborough, I am sure a great many more would have been here. Unfortunately, that is just a scheduling problem.

When I met Brake, the road safety charity, it was extremely impressed by the campaign and put its full support behind it, as did London Bus Watch. Sir Graham, you will not be surprised to learn that many bus drivers have approached me to share their stories and the reality of what is happening under existing legislation. Across the country, their responses have been clear and consistent. For example, a bus driver in Cornwall drives on a route longer than 50 km, so it should come under

strict EU rules for long-distance drivers, but the local company exploits a loophole and splits the route into three, so that the same driver can continue the route and they do not have to comply with EU working hours restrictions—a simple example of how companies work the system. In Liverpool, a driver who used to work for Stagecoach said that drivers were regularly forced to work 12-hour shifts day after day, which caused fatigue. There are many other examples, but time does not permit me to give them.

There is also concern about who enforces legislation. What are the roles, and how are the Driver and Vehicle Standards Agency and the traffic commissioners resourced? It is disturbing, and may come as a surprise, that very few councils and local authorities have any bus safety data at all. Following a Freedom of Information Act application by one of the campaign groups, 46 of the 74 councils and local authorities approached said they had absolutely no bus safety data; eight said they did, and 24 are yet to respond. There is clearly much to do.

It is evident that what happened on that day in Coventry city centre could have happened anywhere, and it is unlikely to be the last such accident. In fact, what motivates me, and, I am sure, Rowan's family, is our determination to ensure that there is no repeat of the Coventry crash, and that no worse tragedy ever occurs. I fear it is simply a matter of time unless the Government act.

I sum up by repeating that it is simply common sense to align the working hours legislation for local bus drivers with that for long-distance bus, coach and lorry drivers to bring safety to our streets, and to avoid an even more serious tragedy, but that must not impact on drivers' pay. That is sensible, pragmatic and certainly not radical. We need only look at the legislation and what happens in Germany and the Netherlands, where daily driving cannot exceed nine hours, with an exemption twice a week, when it can be increased to 10 hours. Total driving time is limited to 56 hours a week, with a total fortnightly limit of 90 hours, and drivers have 45-minute breaks after four and a half hours of driving time. That is what happens in other European countries.

We must also introduce independent, regular health checks. Coventry was an example of an individual being suspected of being in ill health, but for some reason, that was not exposed, though it should have been. Through the Bill, I urge the Minister to provide for more regular, independent health checks to ensure the safety of all our passengers and other road users. That could be introduced via a simple statutory instrument, if the Government so wished. I urge the Minister to review the matter with his colleague and the Secretary of State. In the meantime, the family and I will continue to press for the introduction of Rowan's law. We have come a long way, but we will continue until Rowan's legacy is fulfilled.

3.14 pm

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): It is a pleasure to see you presiding in the Chair this afternoon, Sir Graham. I congratulate my hon. Friend the Member for Warwick and Leamington (Matt Western) on securing this important debate. I commend him not only for his excellent contribution, but for his campaigning on this issue, including his ten-minute rule Bill, which he introduced on 13 February, as he mentioned in his remarks.

I had hoped to welcome the new Minister of State, Department for Transport, the hon. Member for Northampton North (Michael Ellis), who has responsibility for road safety, to his place. I am never unhappy to see the Under-Secretary of State for Transport, the hon. Member for Harrogate and Knaresborough (Andrew Jones), but it would have been nice to be able to firmly welcome the new road safety Minister. As chair of the all-party group for transport safety, I was hoping to get an assurance from him that he would engage with the all-party group as much as his predecessor did, so I hope the Minister will take that message back to the hon. Member for Northampton North.

Will the Minister also pass on a message about the updated road safety statement, which he knows has been long awaited? I hope the reshuffle will not delay it, given the concern about how the road safety casualty figures on those who have been killed or seriously injured have stagnated over the past few years. It would be an impetus to getting those figures on a downward trend again, which we all want to see.

My hon. Friend the Member for Warwick and Leamington highlighted the crystal clear anomaly between the permitted hours of driving for HGV drivers, long-distance bus drivers and local bus drivers—a point also made by the RMT trade union in its briefing. I thank the union, the Parliamentary Advisory Council for Transport Safety and the Library for their information and briefings for this debate.

The Rowan Fitzgerald case cited by my hon. Friend graphically and tragically portrays the problem, and I offer my sincere condolences to the family. Long driving hours were a key cause of the death of seven-year-old Rowan. It is well documented that fatigue causes crashes. According to the Parliamentary Advisory Council for Transport Safety's most recent figures, 62 people died in collisions where fatigue was recorded as a contributory factor and a further 509 were seriously injured, so fatigue is a major problem. Public sector staff have a responsibility for public safety. It is for local government and the Government to monitor how best to protect the public in these situations.

When one is driving a vehicle the size of a local bus, whether single or double-decker, regulations should protect passengers, other road users, pedestrians and the driver himself or herself. My hon. Friend put two cases: first, local bus drivers' hours should be capped at 56 hours per week or 90 in a fortnight; and secondly, we should match European Union employment regulations. The fact that drivers are expected to drive for up to five and a half hours without a break under the existing regulations is absurd in this day and age.

I will not detail the specifics of the Coventry crash that killed Rowan and Mrs Dora Hancox; they have been well documented and the court has pronounced its verdict. Cause, effect, responsibility and blame are all indisputable. The financial penalty is significant, but, given the loss of life and serious injury caused, I am sure the victims and the families were not happy with just that outcome. A more significant conclusion would be for the Government to recognise that fatigue for that class of driver can be addressed and reduced so that we can prevent more deaths and serious injuries. It is within the gift of the Government to introduce the type of regulations that my hon. Friend mentioned.

[*Jim Fitzpatrick*]

The statistics on bus crashes, especially in London, my city, are very worrying. Fatigue is not responsible for every crash, but it is responsible for some, and it can be addressed and such instances reduced. I look forward to the Front-Bench responses, but especially the Minister's, and hopefully we will see some progress in better protecting those who are at risk.

To conclude, a spokesperson for London Bus Watch, Tom Kearney, having spoken to many bus drivers across the country, said:

"Fatigue is their single biggest worry."

If the drivers are worried, so should we be.

3.19 pm

**Martyn Day** (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Sir Graham. I am delighted to take part in this interesting debate, introduced by the hon. Member for Warwick and Leamington (Matt Rodda). I pay tribute to his work on this issue, and I wish him every success with his private Member's Bill.

I thank the hon. Gentleman for his account of the tragedy that took place in Coventry. The hours worked in that case were truly shocking. Perhaps even more shocking is that those hours are perfectly legal. I also thank him for raising the splitting of routes to avoid the 50 km long-distance requirements. That is unacceptable, and I am grateful to him for mentioning that today. The hon. Member for Poplar and Limehouse (Jim Fitzpatrick) highlighted how fatigue causes crashes, and I could not agree more. I am grateful to him for the statistics he used to illustrate that point.

The Scottish National party has been a powerful advocate for fair working hours and working practices, so it will come as absolutely no surprise that I fully support the change being sought. A limit of 56 hours in a week or 90 hours over two weeks seems perfectly reasonable. In fact, I would not want to be driving for that many hours. I certainly would not want to see someone driving the hours they are driving now on local routes. I fail to see why any difference between the working hours of local bus drivers, long-distance bus drivers and HGV drivers should exist, other than it being an accidental mismatch from historical pieces of legislation. The average driver's hours are 42 a week, which suggests that there would not be insurmountable problems for bus companies in facilitating a more respectable number of hours. It certainly would not put people out of work.

In saying that, I should point out that the SNP supports the full devolution of employment law to the Scottish Parliament. We do not have control over that, so the debate is particularly relevant for me, as it allows me to make these points. In Scotland, we have control over transport policy, and we have tried to prioritise the provision of quality bus services. In general, we believe that the current model for providing bus services, where public authorities have the power to intervene, including through subsidies, is generally the right one. However, we need to do more. That is why we are trying to strengthen the powers through our Transport (Scotland) Bill to allow transport authorities to run their own services in some cases, or to take over whole networks or parts of areas. In that melting pot, it would make great sense for Scotland to have control over the hours

drivers may work. That would assist us in boosting public confidence in the safety of the service, which is a point I am happy to make here, as this Parliament has that power just now.

Another area of concern is that many of the protections and rights secured for our workers have flowed directly from our membership of the European Union. It is imperative that those are not put at risk by any Brexit race to the bottom. It is worth pointing out that the UK rules on drivers' hours are slightly different from the EU's. Under UK rules, after 5.5 hours of driving, a break of 30 minutes must be taken. Under the equivalent EU rules, a driving period of no more than 4.5 hours gives drivers a break of 45 minutes. I am not a professional driver or a professional transport person, but on the few occasions when I have had the misfortune of having to drive from my constituency to London—a journey that took me longer than 5.5 hours—I needed a considerably longer break. I say that as someone who is not regularly driving every day. While I may not be a professional driver, starting from a more relaxed position and coming out severely fatigued would worry me from my personal experience.

**Jim Fitzpatrick:** I just want to make the point that we would not go five and a half hours in this place without having a break, a cup of tea and a chat, and we are not driving vehicles the size of a bus.

**Martyn Day:** Absolutely. I thank the hon. Gentleman for making that excellent point. I could not agree more.

In conclusion, I hope the Minister will look favourably at addressing drivers' hours and breaks. The hon. Member for Warwick and Leamington has highlighted a good issue. I support him and wish him every success. Can the Minister tell me what the rationale is for continuing to have different working hours for local and long-distance drivers? It certainly is not safety, and I fail to see any logic for it.

3.23 pm

**Matt Rodda** (Reading East) (Lab): I am grateful to serve under your chairmanship, Sir Graham, and to have the opportunity to speak in this important debate. Today's debate about bus safety is happening in response to the most terrible tragedy, when, as we have heard, Rowan died in a horrific accident at just seven years old. Dora Hancox also died, and many others were injured. I want to pass on my condolences to Rowan's family: to his mother, Natasha; his grandmother, Barbara; and their relatives. They have been through the most unimaginable suffering and the loss of a much-loved young son.

No family should have to endure what these families have been through. It is essential that we now listen to the families and understand what they have suffered to help ensure that a tragedy like this never, ever happens again. That requires determined action and investment by the Government, working with the bus industry, trade unions and passengers to look again at the problem of excessive working hours.

Before I discuss how safety can be improved, I thank my hon. Friend the Member for Warwick and Leamington (Matt Rodda) for his campaigning work on behalf of Dora and Rowan's families and for securing this debate



as part of the campaign to improve bus safety. I thank other hon. Members for speaking today, and I look forward to the Minister addressing the points I will raise.

Labour believes that safety should always come first, and we want to see a culture of improved safety across our entire transport system. That clearly means setting higher safety standards and investing more in road safety, in the safety of our bus services and in other modes of transport.

I want to address the importance of setting higher standards of safety first, before discussing the wider issue of investment. It is clear that there is a considerable difference between the regulation of coach drivers' hours and the more limited regulation of local bus drivers' hours. The regulations regarding bus drivers' hours need to be reviewed in light of the tragedy, as was mentioned by my hon. Friend the Member for Warwick and Leamington. I call on the Government to work with operators, unions and passengers, and to support his Bill.

There needs to be a thorough review, considering the issue from first principles, rather than merely tinkering with the problem. As part of that, it is important to consider the wide range of factors that could affect drivers and lead to a loss of concentration, including fatigue, their underlying health, their age, driver training and the use of any safety devices in cabs. It is important that those issues are considered thoroughly in response to this tragedy.

Turning to the wider issue of the need for investment in the bus industry to improve safety, there has been a 45% cut in Government funding for buses since 2010 and a fall in bus usage across the country. I am concerned that the decline in services and the pressure on drivers and operators contributed to the terrible accident in which Rowan tragically lost his life. Investment will save lives by reducing accidents in the short term and by cutting long-term damage from things such as air pollution, which can threaten health.

As a party, we see improvements to safety as integral to the wider package of investment. That is a proven approach, and there is a long history of investment in transport infrastructure, better pay, better training and improved regulation of services all leading to improvements in safety. As part of that, Labour would reinstate the services cut by the present Government. We would also allow all councils to regulate services and, indeed, to set up new municipal bus companies, which have a record of providing much better quality services than those run by private companies. Those measures for buses would be part of a much wider range of investments to improve our whole transport system.

Our party's programme is in stark contrast to the current state of bus services, where there is declining bus use, endemic low pay among drivers and a shortage of drivers. If the Government want to improve safety, they need to reconsider their approach and acknowledge the deep and serious effects of the cuts that have led to this accident and other problems in the service.

I am conscious of time, and I will sum up my remarks by making the following points. Rowan and Dora's families have suffered the most terrible tragedy, and I hope we can all agree that no family should have to suffer as they have. Urgent action is now quite clearly needed. A Government review of drivers' hours, supporting

my hon. Friend's Bill and working with operators, unions and passengers are important ways of addressing the problem. There needs to be investment, not cuts, in bus services. All those measures together are vital for improvements in safety.

3.28 pm

**The Parliamentary Under-Secretary of State for Transport (Andrew Jones):** It is always a pleasure to serve under your chairmanship, Sir Graham, and I congratulate the hon. Member for Warwick and Leamington (Matt Western) on having secured this debate about local bus drivers' working hours. I should probably also start with an apology: I am not the bus Minister. My hon. Friend the Member for Wealden (Ms Ghani) is away on an overseas ministerial visit, which is why I am covering for her in today's debate. However, I understand that she has been very engaged with this issue and met the hon. Member for Warwick and Leamington, together with the family of Rowan, to discuss it on, I believe, 7 May. She has promised to look into the concerns raised; she is doing so, and she will write back to the family through the hon. Gentleman very shortly.

Before turning to some of the issues, let me join colleagues in paying tribute to Rowan's family for their work. I must say that it is astonishingly brave, when something must be acutely painful, to draw something so positive from it by campaigning to see that other families do not have to suffer as they have suffered. That is noble and brave work, and we as a House should recognise it.

The Government are committed to ensuring that the bus industry complies with the current law, including its duty of care to passengers. As promised, my hon. Friend the Member for Wealden will press that with the industry at every opportunity. We all agree that the tragic accident that occurred in 2015 in Coventry should never have happened and must never be allowed to happen again.

However, the Government are not convinced that amending the local drivers' hours legislation is the answer. A number of pieces of legislation already exist to regulate the bus industry, which together should have stopped this tragic accident happening. It might be helpful if I detail some of those.

There is a general duty of care under the Public Service Vehicles (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990, which set standards for bus companies and their drivers, to ensure safety for their passengers. The GB domestic drivers, hours rules in the Transport Act 1968 limit bus drivers to 10 hours daily, with 30 minutes' break after five and a half hours and a daily rest of 10 consecutive hours.

There are the general Working Time Regulations 1998, which limit the working week to an average of 48 hours—although I am aware that of course individuals can opt out of that requirement if they choose to—and provide an entitlement to adequate rest. There is also health and safety at work legislation, which places a duty on employers to ensure the health and safety of their employees and others who may be put at risk by their work activities. That includes a duty on employers to manage the risks from fatigue, irrespective of any individual's willingness to work extra hours.

[Andrew Jones]

Colleagues have made some comments about the legislation in other countries, so I should perhaps just clarify that. A point was made about not adopting EU regulations, but the EU regulations do not apply to local bus drivers. No EU regulation of local bus driver hours exists. Is fatigue covered? Yes, most certainly it is; it is right at the heart of health and safety legislation, which includes a duty on operators to manage fatigue. The safeguards we have in place should have prevented the tragedy of that terrible crash in Coventry, had they been properly followed. The point, of course, is that they were not.

**Matt Western:** On that point, it is my understanding that this is a derogation and every country can derogate from the EU directive on local bus driving hours. However, in the two examples I gave, Germany and the Netherlands, they abide by the 56 hours and the 90 hours for a fortnightly period. My simple premise is, why can we not have consistency between the hours worked by a long-distance bus driver or HGV driver and those worked by a local bus driver? As I said, is it not bizarre that a box of cornflakes is more likely to arrive at its destination safely than a seven-year-old child?

**Andrew Jones:** I remind the hon. Gentleman that, as I understand it, there are no EU regulations that apply directly, so the read-across is not absolute, and we have other legislation in place. However, as with all the comments from colleagues here, I will, of course, make sure that I go back and discuss that with my hon. Friend the Member for Wealden, who is the bus Minister and is taking this case forward, to ensure that they are all absolutely understood. The key point, I think, is that a difference has been seen in the style of driving and the recognition of driving, with different stoppage patterns, but the point about fatigue is correct and that is why it is built into health and safety legislation.

I will press on to talk about the incident. We have a legislative framework in place and it should have been followed. It was not followed. While the driver in question was within the working hours limits—a point made by the hon. Member for Warwick and Leamington—there had been multiple warnings that he should not have been behind the wheel that day, including numerous passenger complaints, which were not acted upon.

Although I am sure this is of no comfort at all to Rowan and Dora's families, the bus driver was found guilty in his absence of causing death by dangerous driving, and the bus company was found guilty under the Health and Safety at Work etc. Act 1974 of putting members of the public and its own staff at risk and was fined £2.3 million. Following the bus operator's conviction, the traffic commissioner held a public inquiry on 30 January this year to consider the operator's good repute.

As part of the inquiry, the operator listed the actions taken since the October 2015 accident with a view to preventing such an accident from happening again. Those include medical reviews of drivers over 70, which now take place every six months rather than the statutory requirement of every 12 months. Any driving instructor's report highlighting a need to restrict a driver's hours must now be brought to the attention of the company's operations director and managing director. Instructions and advice about such restrictions must now be issued

in writing. The company has limited casual drivers to 40 hours, work per week since the incident and, since 5 January this year, has ceased using casual drivers altogether.

The traffic commissioner published his decision in March this year. On top of the £2.3 million fine imposed by the courts, the traffic commissioner took the regulatory action of varying the company's licence to reduce the number of vehicles it could operate for a 28-day period. That regulatory action was a strong warning to the company, and through the company to the entire industry, that it had failed to come up to expectations in ensuring the safety of its staff and other road users, and that if such a failure was ever repeated, the complete loss of its right to operate would be the likely consequence.

It is important that we look at every opportunity to raise awareness of the lessons learned from this tragic accident and the importance of continuing to improve safety. The hon. Member for Reading East (Matt Rodda) spoke about how safety should be at the heart of our transport networks. That point was also made by the hon. Member for Poplar and Limehouse (Jim Fitzpatrick). We have discussed it on countless occasions, and he knows that we are in exactly the same place in placing great priority on road safety.

**Matt Western:** Does the Minister sense that there is possibly under-resourcing or under-capacity in the enforcement of what should be going on with these bus companies and through their depots? How much random independent checking is going on to ensure that they are conforming to existing legislation?

**Andrew Jones:** That is an important point. The traffic commissioner is the regulator and responsible for the licensing and regulation of public service vehicles, which includes enforcement and prosecution where appropriate. We also have the DVSA—the Driver and Vehicle Standards Agency—which carries out monitoring and compliance checks. Those can include not only routine checks, but reactive or proactive checks where there is evidence that an operator is non-compliant or an issue has been reported.

There are methods in place, with checks and balances, to be reactive in response to information or proactive if necessary. Those checks can include looking at the logs of drivers' rosters and considering the health and wellbeing of drivers. Those are the two methods through which the regulations can be enforced.

**Jim Fitzpatrick:** I am grateful to the Minister for that further explanation of the checks and balances in the system. Given the numbers of complaints that he catalogued that were recorded against this driver in the days, weeks and months preceding the tragic crash, is he reassured by the traffic commissioner and the other authorities that cases of drivers such as the one responsible, who got away with so much for so long, will not be able to be repeated because of the example of this case, where clearly the system did not work?

**Andrew Jones:** That is at the heart of what is happening. The system has not worked here, and the points about how we take that forward and improve the enforcement and vigour of the regulation are central to where we need to go. That is a point that I will be taking from this debate and taking to my hon. Friend the bus Minister in our meetings next week, when she is back from overseas.

It might be helpful if I updated the House on some of the data involving buses. We all need to see a continuation of the long-term trend of improving road safety in the UK. Colleagues in the House have made a significant contribution to that over a sustained period, and we all owe them a duty of thanks. It has led to the UK—along with, I think, Sweden—having the safest roads in the world. There are still significant areas where we need to make more progress, but we should look at that sustained cross-party initiative with some pride, although we recognise that there is no room for any complacency anywhere at all.

On that point, the hon. Member for Poplar and Limehouse asked about the new Minister with responsibility for road safety. My hon. Friend the Minister of State, Department for Transport, is not here and I should be a little cautious about putting things in his diary, but I am absolutely confident that he will wish to engage strongly with the all-party group. I will also pass on to him the comments made about the updated road safety statement.

Fatal road accidents involving buses have been falling over time. The number of buses involved in fatal road accidents, per billion vehicle miles, has fallen by 36% in the last 10 years, so there is a positive downward trend and we want it to continue. It needs to be kept in mind that the GB domestic drivers' hours rules set maximum limits, to give some flexibility to the bus industry, and do not reflect drivers' normal working patterns. Figures from the Office for National Statistics show that, on average, in 2017 bus drivers worked 42 hours a week, which is within the 48 hours average limit allowed in the general working time rules. The bus Minister has promised to look into the robustness of these figures, and it is of course some of the outlying figures, rather than the average, that we need to focus on here. The average is perhaps not showing the entire picture, which is why that further work needs to be done.

**Matt Rodda:** I thank the Minister for his detailed exploration of the figures. Perhaps he would agree to ask his ministerial colleague to write to me and to my hon. Friend the Member for Warwick and Leamington, detailing, as he said, some of the outlying figures and giving a much fuller picture of the statistics on this aspect of bus safety, and perhaps also indicating the level of resources for the traffic commissioners' office at present.

**Andrew Jones:** I will certainly pass that request on. I know that my hon. Friend is already planning to write to the hon. Member for Warwick and Leamington, but I will pass that request on very happily.

Following its inquiry, the Select Committee on Transport published its report entitled "Bus services in England outside London" on 22 May. One recommendation in the report is that the Government consult on whether legislation governing GB drivers' hours is still fit for purpose or should be amended. The Government are currently considering the recommendations in the report and will of course publish a response in due course.

The Department for Transport did conduct an extensive review of the effectiveness of the GB domestic drivers' hours rules in 2009-10. That looked at whether these vehicles should fall under any of the provisions in the EU drivers' hours rules. At that time, the Government decided not to make any changes, concluding that the existing rules are both important and appropriate in

ensuring the safety of drivers and others on the road and that any further restrictions could risk placing further burdens on the sector, but it is clearly appropriate to keep monitoring this. As new data becomes available, it should obviously inform our decision making.

I understand from the Confederation of Passenger Transport UK, the main trade association representing the bus industry, that the accident that we have been discussing and the resulting court case have already had an impact on the sector. The public inquiry illustrated that a complex chain of organisational and management factors or unsafe acts contributed to this terrible incident.

As the hon. Member for Reading East highlighted, buses are a vital industry. It is important that we support the bus industry to thrive, while ensuring that safety is at its heart. I absolutely agree with that. It is why we have the Bus Services Act 2017. We of course need to have a transport sector that has safety at its heart.

The hon. Gentleman talked about the decline in passenger numbers since 2010. I should perhaps point out that we have actually had a decline in passenger numbers for several decades. It did not start in 2010—frankly, it probably started long before I was born.

The hon. Gentleman also talked about investment in the sector. We have obviously seen pressures on local government finance in particular, but the national support for buses, through the bus service operators grant, has been protected at a quarter of a billion pounds, and that has been in place for many years.

The Bus Services Act is all about giving greater powers to local authorities. At the heart of those is partnership, but there could be franchising as well. We want to see a thriving bus industry, with safety at its heart and passengers at its heart, providing for the sustainable, secure movement of people around our country. That new set of powers, which are still being worked through by local authorities up and down the country, is at the heart of how we are seeking to take that forward.

In addition to the Bus Services Act, the industry is currently considering a bus safety strategy. As a Department, we welcome the bus safety strategy. Industry groups such as the Urban Transport Group have been considering what a strategy might include and delivering research into other sectors, such as rail and aviation, that have effective near-miss reporting systems in order to understand how near misses are reported and acted on. If there are lessons to be learned from other sectors, we should seek to learn them. The aviation sector has a very good track record, and interestingly that has been used as a template for how we can do reporting and for changing the culture in areas of public life such as our health service.

The public inquiry illustrated that in this case there were multiple reports of unsafe acts or near misses, and the failure to act contributed to this terrible incident. Department for Transport officials are working with the Urban Transport Group as it develops the strategy, and I know that the lessons learned from this incident will be fed into the development of the strategy. It is important to know that. I hope that it will be of some comfort to the families of Rowan and Dora that the lessons from this incident are being fed into the development of safety strategies.

Both the industry and the Government are determined to minimise the chances of this crash ever being repeated. There is strong consensus across the industry that there



[Andrew Jones]

is no substitute for a closely managed culture in which safety is paramount. As a Government, we take this issue very seriously and will continue to press the bus industry at every opportunity to continue to improve its policies and procedures and ensure that it complies with all its legal duties, so that no driver gets behind the wheel of a bus who is not safe to drive that bus.

As I have said, I will be meeting the bus Minister next week so that she knows the content of our debate. I will ensure that all the points made by colleagues here are taken forward and she is fully sighted on them, and that we maintain the progress that is being made on road safety in general and bus safety in particular.

I would like to finish by paying tribute once more to Rowan's family for their bravery and dignity in handling what must be so difficult an issue and seeking to draw something so positive from it.

3.48 pm

**Matt Western:** I thank the Minister and, indeed, everyone who has participated in the debate. I also thank the Minister for standing in for his ministerial colleague, because clearly this is not his direct brief.

Where I differ from the Minister is on his point that the bus industry's focus is on sustainability and safety. I am not convinced by that; I think that the focus of any private sector company is really profitability and sustainability. Safety seems to be a little further down the list of priorities.

As my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) so eloquently put it, the fundamental issue here is driver fatigue, and the need for us to legislate to ensure that passengers, and the driver, have every chance of arriving at a destination safely, and to ensure that the driver is not put in the difficult position of having to work excessive hours simply to survive and bring enough money home, which is what has happened as a result of the depression of drivers' wages over recent decades.

The point about health checks is important, and I welcome the moves being made in that regard. Health checks have to be independent and regular. I do not believe that 70 is the right threshold—I think it should be an earlier age—but that is for independent authorities to review and consider.

It is important to look at European legislation. The Government claim that our legislation is generally stronger or better than that of Europe, but that is clearly not the

case in this instance. The legislation in Germany and the Netherlands is much stronger, and would, I believe, result in much safer road conditions for passengers and other road users here.

I thank my hon. Friend the Member for Reading East (Matt Rodda) for his remarks. He is quite right about safety devices: they should be fitted to all vehicles. I do not believe they were operating at the time of this incident. Certainly, on many of that particular bus company's vehicles, many of the devices were found not to be operable. These are the sorts of things that require greater enforcement, and the relevant agencies should check for compliance. I ask the Minister to refer this to his colleague, and to commit to publishing the data on what checks are done and how frequently. I am not convinced that we have that reassurance from the various authorities that are supposed to do that on behalf of the public.

To return to the point I made at the outset, the simple truth is that there is more chance of a box of cornflakes arriving safely at its destination than of a child or any other passenger on a local bus route doing so. That cannot be right. That is why so many of us here are calling for these changes, and have done so in other forums. I am disappointed that more people were not here today, but it is understandable, given how important the by-election in Peterborough is.

I am calling for the introduction of a maximum of 56 driving hours per week, and of 90 hours per fortnight, with a 45 minute break over a work period of four and a half hours. We have to avoid a race to the bottom. Many of us in this House fear that post Brexit, whatever happens, there will be a race to the bottom, and legislation will become ever weaker and more diluted. That point was well made by the hon. Member for Linlithgow and East Falkirk (Martyn Day). I welcome the inclusion of this issue in the Transport Committee's report. It is important that it be given more prominence and urgency, and I hope that we can bring the changes to realisation soon.

Finally, I thank Rowan's family for coming along today, for their courage, and for their encouragement. I assure them that I will continue to fight on their behalf to bring about this change.

*Question put and agreed to.*

*Resolved,*

That this House has considered local bus drivers' working hours.

3.53 pm

*Sitting adjourned.*

# Written Statements

Thursday 6 June 2019

## DIGITAL, CULTURE, MEDIA AND SPORT

### Telecommunications Council

**The Minister for Digital and the Creative Industries (Margot James):** The telecommunications formation of the Transport, Telecommunications and Energy Council will take place in Luxembourg on 7 June 2019. The Deputy Permanent Representative to the EU, Katrina Williams, will represent the UK.

The Council will begin with the adoption of A-points, including on the recast public sector information directive. The Council will then consider a progress report on the e-privacy regulation. Following this, the Council will adopt a decision on the position to be taken by EU member states on behalf of the European Union in the International Telecommunication Union (ITU) world radiocommunication conference 2019 (WRC-19). After this, the Council will hold a policy debate and adopt conclusions on the future of a highly digitised Europe beyond 2020: “Boosting digital and economic competitiveness across the Union and digital cohesion”.

The Romanian presidency will then provide information on the recast public sector information directive: the digital Europe programme in the next multi-annual financial framework from 2021- 27; and the proposed regulation establishing the European cybersecurity competence centre and the network of co-ordination centres.

The Romanian presidency will then provide an overview of presidency events in Romania. The incoming Finnish presidency will then provide information on its work plan.

[HCWS1606]

## FOREIGN AND COMMONWEALTH OFFICE

### Foreign Affairs Council

**The Minister for Europe and the Americas (Sir Alan Duncan):** The High Representative of the European Union for Foreign Affairs and Security Policy (HRVP), Federica Mogherini, chaired the Foreign Affairs Council (FAC) and an eastern partnership Ministerial on 13 May. My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the eastern partnership Ministerial. The meetings were held in Brussels. *Eastern partnership Ministerial meeting and lunch*

Foreign ministers highlighted the importance of the eastern partnership on its 10th anniversary and took stock of the commitments made at the last summit in November 2017. They discussed the implementation of the 20 deliverables for 2020 programme, which was adopted at that summit. They also reflected on future co-operation and discussed political priorities for the coming period.

### Foreign Affairs Council—Current affairs

The High Representative and Foreign Ministers had an exchange of views on a number of pressing issues. On Iran, they recalled their full commitment to the preservation and full implementation of the JCPOA and expressed concern at recent declarations by Iran. Ministers also expressed regret at the re-imposition of sanctions by the US and underlined their commitment to achieving full operationalisation of the special purpose vehicle, INSTEX.

Ministers touched on the situation in Venezuela. The High Representative briefed Ministers on the most recent international contact group (ICG) meeting on 5-6 May. Ministers reiterated their support for the ICG and its work.

Foreign Ministers noted the positive signals from the incoming Ukrainian administration, in particular its intention to continue and strengthen the reform implementation process. Ministers expressed concern at the Russian decree simplifying the issuing of passports in certain areas of Ukraine’s Donetsk and Luhansk regions.

The High Representative also referred to the situation in Sudan and to the US decision to discontinue the waiver on title 3 of the Helms-Burton Act.

### Libya

UNSG Special Representative for Libya Ghassan Salamé joined Ministers for an exchange of views on possible next steps to avoid further escalation in the conflict.

### Sahel

Foreign Ministers discussed the political framework and prepared for the exchange of views between EU Foreign and Defence Ministers on 14 May and with the Foreign and Defence Ministers of the G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger).

### Council conclusions

The Council agreed a number of measures without discussion:

The Council adopted conclusions on the Sahel.

The Council adopted a statement on Libya.

The Council adopted the EU annual report on human rights and democracy in the world for 2018.

The Council adopted conclusions on EU relations with Latin America and the Caribbean, following the joint communication by the High Representative and the Commission on the “EU, Latin America and the Caribbean: Partnering for prosperity, democracy, resilience and global governance” of 17 April 2019.

The Council transposed into EU law an update issued by the UN on 19 April 2019 related to a person designated under the Central African Republic sanctions regime.

The Council adopted the EU’s common position with a view to the EU-Tunisia Association Council, which took place on Friday 17 May.

[HCWS1604]

## HEALTH AND SOCIAL CARE

### Historic Patient Safety Incidents: Liverpool Community Health NHS Trust

**The Minister for Health (Stephen Hammond):** The report of an independent review conducted by Dr Bill Kirkup into the widespread failings by Liverpool Community Health Trust was published on 8 February 2018. The report described how over-ambitious cost

improvement programmes as part of a bid for foundation trust status placed patient safety at risk, leading to serious lapses in care and widespread harm to patients. A culture of bullying meant that staff were afraid to speak up and safety incidents were ignored or went unrecognised.

Today, I am Informing the House that NHS England and NHS Improvement will establish an independent investigation of previous serious incidents at Liverpool Community Health. This second review will again be led by Dr Bill Kirkup supported by an independent expert oversight panel and will be conducted over three stages. Stages 1 and 2 will identify individual serious patient safety incidents that had not been reported or adequately investigated by Liverpool Community Health and undertake a series of historic, mortality reviews. Stage 3 will fully investigate those individual serious patient safety incidents identified from the previous stages to determine the scale of deaths and patient harm and identify local and national learning.

The independent investigation will also advise regulators where, in the opinion of the panel, the systems, processes and senior leadership within the former Liverpool Health Community Trust may have adversely contributed to the safe delivery of patient care. It will identify any themes, trends or issues that may require further investigation.

This will not be a re-run of the previous independent review, but it will draw upon its findings as well as the new evidence identified by Mersey Care NHS Foundation Trust in its response to the recommendations of the original report. The independent investigation will engage with families of former patients and affected staff to understand their concerns to inform the work of Stage 3.

Local stakeholders will be briefed and the investigation will publish its terms of reference once these have been finalised with the Chair.

NHS England and NHS Improvement expect work on Stages 1 and 2 will commence immediately and the independent investigation will report towards the end of 2020.

I am confident that Dr Bill Kirkup will oversee a thorough and independent investigation of these outstanding issues and deliver his recommendations swiftly.

[HCWS1601]

## HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

### Building Safety

**The Secretary of State for Housing, Communities and Local Government (James Brokenshire):** As we approach two years since the fire at Grenfell Tower and prepare to mark in respect and remembrance that devastating event, I wish to update the House on work we are doing to ensure people are safe and feel safe in their homes.

Today we are publishing a consultation seeking views on our proposals for a new system of building and fire safety which puts residents' safety at its heart.

Soon after the fire at Grenfell Tower, we commissioned the independent review of building regulations and fire safety, led by Dame Judith Hackitt. Dame Judith concluded that the current system for ensuring fire safety in high-rise buildings was “not fit for purpose” and had lost public confidence and residents' trust. We accepted Dame Judith's diagnosis of the system and in December 2018, we published our implementation plan that committed to take forward the review's recommendations as part of a fundamental reform of the system for “higher-risk residential buildings”.

The consultation we are publishing today, titled “Building a safer future: proposals for reform of the building safety regulatory system—a consultation”, outlines how we propose to take forward meaningful legislative reform and is seeking views on five areas of the new regime.

The first is the scope of the new regime. We propose the new regime applies, from the beginning, to all new and existing multi-occupied residential buildings of 18 metres or more, broadly in line with the ban on combustible materials which we brought into force last year. We propose that the system has flexibility to include other building types over time, based on evidence of risk and further research.

Secondly, we are proposing a comprehensive duty holder regime which means that at each stage of a building's life—through design, construction and occupation, including those buildings already occupied—there will be clearly identified people who are directly accountable for the safety of residential buildings 18 metres or more. The duty holder regime will mean that for the first time there will be clear accountability on who owns building risks and clear responsibilities for managing the risks to ensure buildings are safe for residents. These responsibilities, which include creating and maintaining the digital records of a building and producing a safety case that will be approved by the new building safety regulator prior to issuing a building safety certificate, will be set out in law.

Thirdly, we are seeking views on giving residents a stronger voice in the new regime and ensuring their concerns are heard and acted on. We propose that residents should receive better information on their buildings so that they can participate in decisions about safety, as well as providing clear and quick routes of escalation for their concerns if things go wrong.

Fourthly, we have outlined plans for a new building safety regulator to provide oversight of the new building safety regulatory regime. This regulator will also oversee the wider building and regulatory system, incorporating and improving on the functions currently undertaken by the Building Regulations Advisory Committee (BRAC). We are also proposing to strengthen the oversight and regulation of construction products.

Finally, the system proposed will be underpinned by strengthened enforcement and sanctions to deter non-compliance with the new regime. We believe that this will help to drive real culture change across the industry.

Alongside this consultation, we are also publishing:

A “quick read” version of the consultation document to ensure that the content is accessible to everyone.

The summary of responses to our call for evidence on engagement with residents.

The report from the industry-led competence steering group setting out their proposals for oversight of competence



The Government are also launching a call for evidence on the Regulatory Reform (Fire Safety) Order 2005. We want to ensure that the Order is fit for purpose for all buildings it regulates. The call for evidence is the first step to updating the evidence base on the effectiveness of the Order, since this gives an opportunity for fire safety professionals and businesses or individuals regulated by the Fire Safety Order to share their views and experience on how the Order works in practice.

But we have not waited for legislation to make change. While successful, fundamental, real-world change on this scale, and across a complex market and regulatory landscape, will take time, we are acting now to reform the system. We have:

identified over 400 high-rise buildings with unsafe Aluminium Composite Material (ACM) cladding, like the type used on Grenfell Tower, working with local authorities and fire and rescue authorities, ensuring that there are appropriate interim safety measures in place;

made £600 million funding available for the replacement of unsafe ACM cladding on high-rise residential homes in the social and private sectors;

made expert advice available to building owners on a range of other safety risks and taken action to remove unsafe products from the market;

laid regulations and guidance to ban the use of combustible materials during building work on the external walls of new buildings of 18 metres or more in height and containing blocks of flats, hospitals, residential care premises, dormitories in boarding schools and student accommodation;

consulted on a clarified version of the building regulations' fire safety guidance (approved document B) and issued a call for evidence as the first step in a full technical review of the guidance. We are currently reviewing responses and will publish the clarified statutory guidance and response to the call for evidence in the summer; and

launched the social landlords resident engagement best practice group, to develop and share ways to better engage residents in keeping their buildings safe.

We have also established a joint regulators group to help us develop and pilot new approaches. Some of the proposals set out in the consultation are being tested and piloted voluntarily by construction firms and housing associations who have joined our Early Adopters work. Today also sees the launch of the Early Adopters' Building Safety Charter. I welcome their leadership in this area and encourage others to follow them.

Our reforms are being developed to complement other important changes we are making elsewhere, such as those outlined in our Green Paper on social housing —“A new deal for social housing”— and reforms in the leasehold and private rented sectors.

The consultation opens today for eight weeks until 31 July. We will continue engaging with residents, industry and the wider sector as we develop these proposals further. The documents are published at: <https://www.gov.uk/government/consultations/building-a-safer-future-proposals-for-reform-of-the-building-safety-regulatory-system>

The publication of the consultation I have announced today is essential for restoring trust in the building safety system and making sure that residents are safe now, and in the future.

[HCWS1605]

## INTERNATIONAL TRADE

### EU Foreign Affairs Council (Trade) 27 May 2019

**The Minister for Trade Policy (George Hollingbery):** The EU Foreign Affairs Council (Trade) took place in Brussels on 27 May 2019. Sir Tim Barrow, UK Permanent Representative to the European Union, represented the UK at the meeting. A summary of the discussions follows.

#### *WTO reform*

Commissioner Malmström provided an update on WTO reform, focusing particularly on the appellate body. Following her meetings last week in the margins of the OECD Ministerial Council meeting in Paris, she reported positive progress in the EU-US-Japan trilateral process on industrial subsidies, and also in building support for proposals to enhance transparency and notifications. Nearly 60 countries had agreed to launch negotiations on domestic regulation in services. However, negotiations on fisheries subsidies were not on track for conclusion by the agreed end-year deadline.

Member states, (including the UK), endorsed the Commission's approach to the appellate body and other WTO reform issues. Ministers formally adopted the negotiating mandate for the E-Commerce joint statement initiative.

#### *EU-US*

Commissioner Malmström updated Ministers on EU-US trade relations following her recent meeting with US Trade Representative (USTR) Lighthizer, and in the light of President Trump's recent announcement, which delayed a final decision on auto tariffs by 180 days while instructing USTR to adjust the level of auto imports into the US. The Commissioner reiterated the EU's position that any solution must be WTO-compatible. Talks between the two sides continue, including on potential agreements to reduce industrial tariffs and enhance regulatory co-operation.

Member states provided strong support for the Commission's approach and for continued negotiations with the US on industrial tariffs and regulatory co-operation. Member states also expressed views on a range of other EU-US trade issues, including the Airbus/Boeing dispute and the US enactment of the Helms-Burton Act.

#### *EU-Vietnam*

The presidency set out their ambition for the EU-Vietnam free trade agreement and investment protection agreement to be signed during the G20 summit on 28-29 June, with Council adoption on 25 June. Labour and human rights were discussed. Most member states indicated readiness to meet the timeline for signature of the FTA. Progress of member states' internal procedures over the investment protection agreement was likely to be slower.

[HCWS1602]

## TRANSPORT

### High Speed 2

**The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani):** I have today published a Government consultation on 11 proposed refinements to the route of HS2 phase 2b, the section of HS2 running from

Birmingham to Leeds via the east midlands, and from Crewe to Manchester. These include the first proposals for infrastructure to one day allow Northern Powerhouse Rail (NPR) trains to use the HS2 route and vice versa.

HS2 is making progress and work on phase 1 (from London to the west midlands) is well under way. Around 9,000 jobs are now supported by the delivery of HS2, with 300 apprentices on board and 2,000 businesses working on building the new backbone of Britain's rail network.

HS2 phase 2b will complete the full "Y network" and deliver the full benefits of HS2 in terms of capacity and better connections between cities and towns. Phase 2b will be a catalyst for regeneration and economic growth across the north and midlands. In July 2017, I confirmed the route from Crewe to Manchester and Birmingham to Leeds via the east midlands. In November 2018, I consulted on working drafts of the environmental statement and equalities impact assessment for phase 2b, a major milestone in preparing the hybrid Bill. I am today publishing a summary of the responses to those consultations, which are informing HS2 Limited's ongoing design work.

The proposals I am putting forward today mark another major milestone for HS2 phase 2b and follow extensive work to ensure that the route offers the best value for taxpayers' money as well as minimising disruption for residents and impacts on the environment.

This consultation includes proposals to allow for two future junctions that could see the HS2 line into Manchester used as part of NPR. These proposals have been developed

in partnership with Transport for the North, and, in the future, would open up the opportunity for a potential new route between Manchester and Liverpool that could also be used for services between London and Liverpool.

Design work on the scheme continues and where further change is needed we will consult again ahead of Bill deposit. Further scope to support the interfaces with NPR (including at Leeds) and Midlands Connect is currently being considered and is subject to future funding decisions. This consultation also considers some works on the existing rail network that will allow for HS2 trains to run between the south and our great northern cities.

It is an opportunity for communities affected by all the proposed changes to have their say in how the scheme develops. Good quality community engagement is crucial to HS2 and we want the input of those who will be affected.

In addition to today's consultation, I am also publishing updated safeguarding directions for the phase 2b route to reflect the project's updated land requirements. I am also extending the rural property support zones for phase 2b in certain areas, this brings a greater number of property owners in scope of these compensation schemes, or a higher value payment, enabling more people to benefit.

Copies of the Command Paper and safeguarding directions will be placed in the Libraries of both Houses.

[HCWS1603]

# ORAL ANSWERS

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