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PARLIAMENTARY DEBATES

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House of Commons

Thursday 27 June 2019

The House met at half-past Nine o'clock

PRAYERS

[Mr Speaker *in the Chair*]

BUSINESS BEFORE QUESTIONS

New Writ

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the election of a Member to serve in this present Parliament for the County constituency of Brecon and Radnorshire in the room of Christopher Paul Davies, against whom, since his election for the said County constituency, a recall petition has been successful.—*(Julian Smith.)*

Oral Answers to Questions

EXITING THE EUROPEAN UNION

The Secretary of State was asked—

Future Relationship: Public Vote

1. **Stephen Timms** (East Ham) (Lab): What recent discussions he has had with Cabinet colleagues on a public vote on the terms of the UK's future relationship with the EU. [911589]

12. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): If he will hold discussions with Cabinet colleagues on the potential merits of a public vote on the terms of the UK's future relationship with the EU. [911604]

14. **Emma Dent Coad** (Kensington) (Lab): If he will hold discussions with Cabinet colleagues on the potential merits of a public vote on the terms of the UK's future relationship with the EU. [911606]

The Secretary of State for Exiting the European Union (Stephen Barclay): The Government's position on a second referendum has not changed.

Stephen Timms: I am sorry to hear that. Brexit was supposed to deliver frictionless trade, the exact same benefits as the single market and the customs union and an extra £350 million a week for the NHS, but the Prime Minister was not able to deliver and any actual Brexit deal will fall far short of those promises. Should not the voters get the choice between proceeding on the basis of whatever deal is actually available or remaining?

Stephen Barclay: The voters in the right hon. Gentleman's constituency, such as those at Tate and Lyle, should get the choice. Eight hundred and fifty people work at Tate and Lyle in his constituency. It is a business that has suffered because of the EU protectionism applied to sugar beet and a business where 19,000 lorries bringing sugar in could be transferred if we moved to cane. He should be listening to voices such as those at Tate and Lyle who want to see us leave because they see what the voters who voted to leave the EU saw, which is the opportunities that Brexit will unlock.

Dr Huq: Prior to the referendum, the right hon. Members for Haltemprice and Howden (Mr Davis), and for Wokingham (John Redwood) and the hon. Member for North East Somerset (Mr Rees-Mogg), none of whom are in their places today—no women are on the Conservative Benches either—plus Nigel Farage from outside this House all argued that, if the result were close, we would have to have a confirmatory referendum to be sure. Three years on from parliamentary stalemate on a deal that the EU will not reopen and in a process that involves election law illegality, surely they had a point, as does the Chancellor who says that a people's vote is perfectly credible. To break the logjam, the will of the people should now prevail.

Stephen Barclay: The hon. Lady talks about a people's vote. What she really means is a politicians' vote. What she should do is listen to the voice of people such as John Curtice, a very respected voice, who wrote on 23 June:

"Our poll of polls of how people would vote in another referendum continues to report that the country is more or less evenly divided between remain and leave, much as it was three years ago."

Emma Dent Coad: There are 19,000 EU nationals in my Kensington constituency who have no say over their future post Brexit. They pay their tax, but they have no voice apart from mine. How can I reassure my constituents that I and those who do have a vote will be able to make their representations on the deal?

Stephen Barclay: It is a slightly odd position to take to be talking about how people can be heard in their vote by overturning a vote in which people are seeking to be heard. We have had three questions, all from London MPs, ignoring the fact that, across the nine regions of England, eight voted to leave and only one voted to remain. It is time that we heard more than the voice of London from the Labour Benches.

Hilary Benn (Leeds Central) (Lab): Perhaps a representative of Leeds might ask a question.

One of the arguments for going back to the people is the economic consequences of a no-deal Brexit. Over the past three weeks, the Select Committee has been taking evidence from the leading industrial sectors of the country representing great British success stories, and we asked them what a no-deal Brexit would mean for them. They said that it would lead to prohibitively high tariffs on farmers and medicine shortages. They said that it would be disastrous, the worst possible option. In the words of Make UK, it would be

"nothing short of an act of economic vandalism".

Does the Secretary of State support leaving the EU without a deal on 31 October, and, if so, what would he say to those industries?

Stephen Barclay: What I say is, it is better to leave with a deal. That has always been my position, which is why I have consistently voted for a deal. The question for the right hon. Gentleman is why, although his party's manifesto said that he would respect the referendum result, he is against leaving with no deal and is also against leaving with a deal. The truth is that he wants to remain, and he should be candid about that.

Jenny Chapman (Darlington) (Lab): On Monday the Leader of the Opposition asked the Prime Minister a question, but unfortunately she did not answer it, so I am just going to ask the Secretary of State the same question. What would be worse: crashing out with no deal in October, or putting this issue back to the people for a final say?

Stephen Barclay: What would be worse is going back on the democratic decision of the British people—the 17.4 million people who voted to leave. We are committed to honouring that result. The question for the Opposition is: if they do not want to leave on a no-deal basis, why have they consistently voted against a deal when the EU itself says that it is the only deal on the table?

Jenny Chapman: This is questions for the Government, not the Opposition. My grandfather fought in the second world war, and then served in Malaya. When he returned to the UK, he worked at ICI on Teesside. In 2019, there are 7,500 people working in the chemical industry on Teesside. I ask the Secretary of State to put himself in the shoes of one of those workers. For that worker, which is worse: no deal or a second referendum?

Stephen Barclay: The point about the second referendum—*[Interruption.]* Which is worse? I have answered this question many times. The choice the hon. Lady presents me with would actually be between no deal and no Brexit, for which a second referendum is a proxy because, as the right hon. Member for Don Valley (Caroline Flint) has said, a second vote is actually a stop Brexit referendum. If a Member on the shadow Minister's own Benches can be honest about that, she should be equally candid. In answer to her question, between those two options, I think no Brexit is worse than no deal. No deal would be disruptive, and I have been clear about that to colleagues in my party, but the shadow Minister has consistently voted against a deal, and it is the deal that would have secured the interests of businesses such as the chemicals industry.

Security Co-operation

2. **Scott Mann** (North Cornwall) (Con): What recent discussions the Government have had with EU representatives on maintaining security co-operation after the UK leaves the EU. [911592]

The Parliamentary Under-Secretary of State for Exiting the European Union (Kwasi Kwarteng): I assure the House that we continue regularly to meet our counterparts from across the EU and its member states on a number of issues, including our security relationship after the UK leaves the EU. The political declaration sets out a shared UK-EU commitment to a comprehensive future security partnership. That partnership will include close co-operation on law enforcement, criminal justice, foreign policy, defence and cyber-security.

Scott Mann: Given that we do not know what our future relationship will look like at this moment in time, can I seek assurances from the Department that, in the event of a clean break from the European Union, we will be seeking mutual co-operation on matters such as security?

Kwasi Kwarteng: I assure my hon. Friend that that is absolutely the case. We have a long history of co-operating with our partners in Europe and are working closely with many of our EU partners on Europe's key defence challenges through capabilities such as Typhoon, A400M and Meteor.

Tom Brake (Carshalton and Wallington) (LD): According to Mr Barnier, a no-deal scenario would represent

"a break in the level of talks…risks to intelligence pooling… inconsistencies in applying sanctions regimes",

and would leave the rules of co-operation with Europol and Eurojust still to be determined. Given the risks that no deal would present to our security, is the Minister happy that both of the Tory leadership contenders crow about their willingness to deliver no deal?

Kwasi Kwarteng: Of course, I have always championed the deal and the right hon. Gentleman has voted against the deal three times. In the case of no deal, we will absolutely co-operate with our EU partners, including through making use of Interpol and the Council of Europe conventions. For example, on extradition, we would rely on the Council of Europe's 1957 European convention on extradition. There is huge scope for co-operation, even in the event of no deal.

Mr Gregory Campbell (East Londonderry) (DUP): Does the Minister agree that we must increase our level of security on the border between Northern Ireland and the Irish Republic, given the threat that dissident republicans pose? In the knowledge that we are now moving to a position where hopefully we will leave in a few short months, we need to be exceptionally mindful of that security risk to all our citizens.

Kwasi Kwarteng: We are absolutely mindful of the risk that the hon. Gentleman describes. He knows that the Government are fully committed to ensuring that the dark days of the 1970s do not return to Northern Ireland.

Paul Blomfield (Sheffield Central) (Lab): I see that yesterday the Minister tried to mitigate fears about a no-deal departure by saying that it

"is not a world war."

That might be an insight into his thinking, but is "less damaging than a world war" really a benchmark for success? Does he agree with the Security Minister, the right hon. Member for Wyre and Preston North (Mr Wallace), who said:

"A no-deal situation would have a real impact on our ability to work with our European partners to protect the public"?

Kwasi Kwarteng: I appreciate the hon. Gentleman's questions, as always, but I would like to point out that he has wrenched my comments completely out of context, and they were made not yesterday but on Monday. I was merely echoing what the former Governor of the

Bank of England, the highly respected economist, Mervyn King, has said about our GDP growth since 1800. On an annualised basis, there would be very little impact, even in the case of no deal.

No Deal: NHS

3. **Liz Twist** (Blaydon) (Lab): What discussions he has had with the Secretary of State for Health and Social and Care on the effect on the NHS of the UK leaving the EU without a withdrawal agreement. [911593]

The Secretary of State for Exiting the European Union (Stephen Barclay): Ministers and officials in the Department for Exiting the European Union have regular discussions with their counterparts in the Department of Health and Social Care, who are working closely with industry to ensure that the NHS and patients are prepared for all exit scenarios.

Liz Twist: Before March, the NHS was stockpiling medical supplies, including body bags, medicines and blood. Many people with long-term conditions fear that essential drugs or specialist food supplies such as those for people with PKU—phenylketonuria—will not be available. What discussions is the Secretary of State having with the Secretary of State for Health and Social Care to ensure that medicines and other medical supplies are consistently available, on time, for people who need them?

Stephen Barclay: The hon. Lady raises a very important point—one that has, sadly, been subject to quite a lot of misleading scare stories. She will have seen the written statement we published yesterday setting out steps we are taking to ensure the smooth flow of goods, and medicines will be the priority within that. She will be aware that it is not simply an issue of flow, but also of stock and of regulation. The Department of Health, in particular, is doing considerable work on these issues.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I remind the Secretary of State that this is not just about medicines, although that is important enough, but also about staff? Is he aware of how many distressed loyal servants of the NHS have now decided that this is a hostile environment in our country and are going home to their own European countries? That is very sad. Will he remind the contenders to be our next Prime Minister that they do not have a majority in the House of Commons and when they get back here they are going to get a short shower of reality on them?

Stephen Barclay: The hon. Gentleman, like me, cares deeply about the NHS, but it is a fact that there are 700 more doctors working in the NHS today. He shakes his head, but it is a fact. There are 700 more doctors working in the NHS today than at the time of the referendum. It is important that we are welcoming. We recognise the talent, the service and the importance of EU citizens in our NHS. As a former Health Minister, I absolutely agree with him on that. But it is also important that our debate in this place reinforces that positive message and recognises that more doctors have come here, not fewer, since the referendum.

Brendan O'Hara (Argyll and Bute) (SNP): Over 100 third-sector organisations are supporting my private Member's Bill calling for an independent evaluation of the effect of Brexit in the health and social care sector. They all agree that the UK simply cannot afford to cut itself off from the labour market on which we have become so dependent and will become increasingly dependent. What assurances can the Secretary of State give to the sector that that will not happen?

Stephen Barclay: I will not dwell on the specific merits of the hon. Gentleman's private Member's Bill, but he will be aware that health is a devolved matter, and we are working closely with the Scottish Government in our planning. In terms of immigration, which goes back to the point made by the hon. Member for Huddersfield (Mr Sheerman), of course it is important that we retain staff. We are working to do that, and if we look more widely at staff figures, we see that there are 5,200 more EU citizens working in our NHS since the referendum—the numbers are up, not down.

No Deal: Preparedness

4. **Marion Fellows** (Motherwell and Wishaw) (SNP): What assessment he has made of the UK's level of preparedness for leaving the EU on 31 October 2019 without a deal. [911594]

The Parliamentary Under-Secretary of State for Exiting the European Union (James Cleverly): As a responsible Government, we have been preparing to minimise any disruption in the event of no deal for more than two years. In the light of the extension, Departments are making sensible decisions about the timing and pace at which some of that work is progressing and what further action can be taken, but we will continue to prepare for an EU exit in all scenarios.

Marion Fellows: The Chartered Institute of Environmental Health has called on local authorities across the whole United Kingdom to set up food resilience teams to assess how different Brexit outcomes could affect food supplies. What reassurances can the Minister and the Secretary of State give that food supplies will not be impacted in the event of no deal?

James Cleverly: Only yesterday, I had a bilateral meeting with my counterpart Minister in the Department for Environment, Food and Rural Affairs, and we discussed the advanced plans that that Department has made in this area. I have also had meetings with the Food and Drink Federation, which represents sectors in the industry, and the British Retail Consortium. The Government are making significant plans to ensure that key supplies, including food, are available in the event of a no-deal Brexit.

Mr Speaker: The hon. Gentleman is a very busy fella, with a full diary. We are all greatly impressed.

Jeremy Lefroy (Stafford) (Con): One of the major risks of leaving without a deal, which I very much hope will not happen, is cash-flow problems, particularly for small and medium-sized businesses. I had understood that the Treasury and the whole Government were making plans to ensure that additional cash flow would

be made available, particularly for SMEs, for delays in payments, customs dues and so on. But at the Exiting the European Union Committee yesterday, we heard from all witnesses that they were not aware of any such plans for their members. Can the Minister set out clearly what those plans are and when they will be made known?

James Cleverly: The Government absolutely remain committed to ensuring that businesses, whether they are large, small or medium-sized, thrive in any Brexit-related scenario. The Governor of the Bank of England has said that we are well prepared. I will ensure that more details are circulated about what mitigating measures the UK Government will put in place for small and medium-sized businesses.

Matthew Pennycook (Greenwich and Woolwich) (Lab): In the finest traditions of this Government, the Brexit Secretary used an interview in *The Times* today to publicly air his frustrations with colleagues from the Treasury and the Department for Business, Energy and Industrial Strategy at their unwillingness to waste yet more public money on ramping up preparations for a no-deal Brexit. In the same spirit of openness, can the Minister tell the House precisely how much additional funding his Department believes should be allocated to no-deal planning before 31 October and what it should be spent on?

James Cleverly: The Treasury has made available over £4 billion for preparations for Brexit in all scenarios. As has been discussed at the Dispatch Box before, it is not possible to disaggregate the spending between planning for a deal and planning for no deal. If the hon. Gentleman or anyone else in the Chamber is concerned about the implications of a no-deal Brexit, I remind them that they have had a number of opportunities to take the prospect of a no-deal Brexit off the table, which is what they say they wish to do, by voting for a deal. The fact that he has failed to do so means that the Government have had to take sensible, pragmatic actions to ensure that we are ready to leave in the event of no deal, but it is not too late for him to repent.

Peter Grant (Glenrothes) (SNP): Given that the Brexit Secretary who negotiated the last deal was so disgusted with it that he resigned in protest, I think it is a bit much to blame anyone on this side of the House for not supporting it.

As the Minister will know only too well, we are still waiting to see the results of the coronation of the next Prime Minister—a Prime Minister who will be chosen on the votes of less than one quarter of 1% of the people of these islands. The lead contender—in fact, both contenders have made it clear they are prepared to go for a no-deal Brexit. Will the Minister accept that there is no mandate for a no-deal Brexit in this Parliament, and that there has never been a mandate for a no-deal Brexit from the people of the United Kingdom?

James Cleverly: In the 2016 referendum, the mandate was given to this place from the British people to leave the European Union.

Peter Grant: The Minister was asked what assurances he could give about food supplies in the event of a no-deal Brexit, and he gave none. He was asked what mandate exists publicly for a no-deal Brexit, and his answer made it perfectly clear there is none. The man who is about to be imposed on us as Prime Minister promised he would get a deal that would not be a no-deal Brexit, and if the new Prime Minister's promises are worth nothing, whose are?

May I take the Minister back to the desire expressed a few minutes ago by his boss, who wants this House to listen to more than just the voices of London? "Yeah, tell us about it" is all I can say to that. May I suggest that he listens to one of the equal partners in this Union, where the Scottish National party is the stop Brexit party? The only time no-deal Brexit has been specifically put on the ballot paper in the form of the official Brexit party, the Scottish National party—on a promise to be the stop Brexit party—got more votes than not only the official no-deal Brexit party, but the unofficial no-deal Conservative party and the "don't know what they're doing about Brexit" Labour party, all three added together. Does he not accept that the people of Scotland, who his Government accept are sovereign, have overwhelmingly rejected any promise of a no-deal Brexit, as indeed would the majority of the people of these islands if they were given a choice? Why does he not make sure that no deal is taken off the table once and for all?

James Cleverly: I happen to be one of the people in this Chamber who is in the habit of respecting the outcome of referendums. I am conscious that the hon. Gentleman is a representative of a party that is less comfortable with respecting the outcome of referendums. The simple truth of the matter is that the people of Scotland decided to remain an active part of the United Kingdom and the United Kingdom collectively decided to leave the European Union, and we are delivering on that referendum.

No Deal: Resilience

5. **Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): What discussions he has had with Cabinet colleagues on (a) ensuring resilience and (b) taking emergency steps in the event that the UK leaves the EU without a deal. [911595]

The Parliamentary Under-Secretary of State for Exiting the European Union (James Cleverly): The Government's priority remains to ensure that a deal is brought before and agreed by Parliament, allowing the UK to leave the EU before 31 October. In the run-up to 12 April, various Departments were preparing civil contingency plans, which were regularly discussed with colleagues, with co-ordination from the Cabinet Office.

Luke Pollard: Devon and Cornwall's deputy chief constable, Paul Netherton, is the national lead for civil contingencies. When asked by Plymouth Live, "What's the worst case scenario for Brexit?", he replied, without a moment's hesitation, "No deal". What conversations is the Department having with the Tory leadership contenders so that both of them truly understand the gut-wrenching and dangerous implications of leaving without a deal on 31 October?

James Cleverly: The position that the Government have taken mirrors, without necessarily using the same language, the prioritisation of the hon. Gentleman's

deputy chief constable. It is that of the two Brexit scenarios available—leaving with an agreement, or leaving without an agreement—the Government's preferred option of the two is leaving with an agreement. That still can be done if Opposition Members vote to do so. As a sensible and pragmatic Government, we are making sure we prepare for a no-deal Brexit, but we have said a number of times from the Government Front Bench that our preferred Brexit option is to leave with an agreement and for this House to vote to do so.

Mr Philip Hollobone (Kettering) (Con): Across the Government, but especially in the Treasury and the Department for Business, Energy and Industrial Strategy, there is a big drive to improve the nation's productivity. In the run-up to a potential no deal on 31 October, are there not projects that would improve the nation's productivity, but also enhance our nation's resilience to a no deal, especially with regard to transport infrastructure around ports, and better prepare us for a no-deal situation?

James Cleverly: My hon. Friend makes a very good point. The Government are looking at and planning a number of activities that will benefit the United Kingdom, irrespective of the nature of our departure. As we progress those plans, I am more than happy to share them with him.

Jim Shannon (Strangford) (DUP): What recent discussions has the Minister had with the Irish Government regarding co-operation and security on the Irish border were we to leave the EU on WTO terms? Will he reassure the House that there will be no stop to the freedom of movement of people and goods across the Irish border?

James Cleverly: The Government have regular meetings with international partners. Indeed, my colleague, Mr Walker—*[Interruption.]* I apologise, Mr Speaker, I mean my hon. Friend the Member for Worcester (Mr Walker). He will be joining others at the British-Irish Council to discuss those issues, and ensure that the concerns highlighted by the hon. Gentleman are addressed.

EU Settlement Scheme

6. **Carol Monaghan** (Glasgow North West) (SNP): What recent discussions he has had with the Home Secretary on the effectiveness of the EU settlement scheme. [911596]

17. **Deidre Brock** (Edinburgh North and Leith) (SNP): What recent discussions he has had with the Home Secretary on the effectiveness of the EU settlement scheme. [911610]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): I have regular discussions with Home Office Ministers regarding the EU settlement scheme. The scheme is operating well, and I am pleased that more than 800,000 applications have been received, and that almost 700,000 people have already been granted settled status.

Carol Monaghan: The Government have reached a bilateral agreement with Luxembourg to ensure the rights of UK citizens living there, and Luxembourgish citizens living in the UK. Those rights include the right to vote and stand in local elections. Similar agreements are in place for citizens from Spain and Portugal, but we have not had confirmation for EU citizens from other countries. Will the Minister guarantee that no EU citizen will have their name deleted from the UK electoral roll as a result of a no-deal Brexit?

Mr Walker: The hon. Lady is right to point to those important bilateral agreements. We want to secure more of those, but the Government have no plans to change the register. It is the responsibility of Cabinet Office Ministers to look at the domestic franchise, and they have assured me that they have no plans to change that in the foreseeable future.

Deidre Brock: There is no back button on the app. I have been told of a citizen who mistakenly clicked to send a hard copy rather than completing online. When he tried to remedy that, the app told him that his application was withdrawn, and that he would have to wait three months to reapply. When will the Government admit that this "computer says no" system is an embarrassment, dump it, and restore some dignity to these citizens?

Mr Walker: The hon. Lady raises a specific case, and if she would like to write to me about it, I would be happy to take it up with colleagues at the Home Office and ensure it is looked into. The numbers suggest that the scheme is working well, and that the vast majority of people are being granted settled status quickly. Of course, if it is not working properly in particular cases, we need to look into those and solve them. This scheme is about helping people to prove their status and allowing them to stay, and that is what we want it to do.

Kate Green (Stretford and Urmston) (Lab): What discussions has the Minister's Department had with the Home Office and the Local Government Association about applying for settled status for children in the care of local authorities? It is feared that some of them are being wrongly refused settled status, offered only pre-settled status, or that the local authority or the corporate parent is not applying for settled status for them at all.

Mr Walker: The hon. Lady makes an important point that has been raised during questions to this Department before. I have taken it up with the Department for Education and the Ministry of Housing, Communities and Local Government to ensure that all efforts are made to make sure that children in care are properly entered into the settled status system by those who care for them. I am happy to forward that correspondence to her so that she can see the follow-up that has already been done on that front.

GATT: Article 24

7. **Graham Stringer** (Blackley and Broughton) (Lab): What discussions he has had with the European Commission on the applicability of Article 24 of the WTO General Agreement on Tariffs and Trade in relation to the UK leaving the EU. [911597]

The Parliamentary Under-Secretary of State for Exiting the European Union (James Cleverly): The Government and the European Commission have been clear that our

trading relationship must comply with WTO rules. Under the withdrawal agreement, the implementation period is compatible with GATT article 24. In addition, paragraph 17 of the political declaration envisages the UK and the EU forming a free trade area, which will also be compatible with article 24.

Graham Stringer: On an all-party visit to the World Trade Organisation, it was made clear that if there was the prospect of a negotiated free trade agreement in the future, tariff-free trade could continue. Does the Minister agree that if the EU does not agree to that negotiated free trade in the future, which would allow tariff-free trade on leaving, that will be because it wants to punish the UK, not come to the best agreement in the interests of its people?

James Cleverly: I am not in a position to credibly assess the motivations of the European Union. The British Government's position has been clear—it is a long-standing position—that it is in our mutual interest to come to a trading relationship between the UK and the EU. We will continue to seek to do so.

No Deal: Economic Impact

8. **Anna Turley** (Redcar) (Lab/Co-op): What recent discussions he has had with the Chancellor of the Exchequer on the effect on the UK economy of the UK leaving the EU without a withdrawal agreement. [911599]

10. **Bill Esterson** (Sefton Central) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the effect on the UK economy of the UK leaving the EU without a withdrawal agreement. [911601]

18. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the effect on the UK economy of the UK leaving the EU without a withdrawal agreement. [911611]

The Secretary of State for Exiting the European Union (Stephen Barclay): I have regular conversations with Cabinet colleagues on all aspects of our EU exit. The Chancellor has provided £4.2 billion to prepare for all areas of our exit.

Anna Turley: I have spent this week at the Community trade union conference, the steelworkers' union, trying to reassure steelworkers around the country from British Steel that their industry has a future and that the right hon. Gentleman's Government are doing all they can to support them. If we leave the European Union with no deal, however, there will be an instant 25% tariff on steel exported to the European Union, which will cost the British steel industry £1 million a day. The industry has been very clear with me: no deal means no steel. Please, will the Secretary of State rule it out?

Stephen Barclay: Again, the way to rule out no deal is to back a deal, but the hon. Lady raises an important issue in relation to British Steel. As she is well aware, the Government have been working very closely with the industry and the owner, Greybull Capital. She will be well aware, given her constituents' interests, of some of the global issues in terms of demand, but this is a live issue. I am discussing the issue with industry leaders and trade unions, too.

Bill Esterson: Even the International Trade Secretary appears to recognise that article 24 of GATT cannot be invoked unilaterally. There will be no transition period in the event of no deal. That much must be clear to everyone by now. Will the Secretary of State agree that no self-respecting Minister could possibly serve in the Government of a Prime Minister in denial about the reality of a no-deal Brexit?

Stephen Barclay: The clue is in the hon. Gentleman's own question. He talks about "unilaterally". Clearly, GATT 24 would need to be agreed. I think all the leadership contenders recognise that.

Diana Johnson: Beckie Hart, the director of Yorkshire and the Humber CBI, said recently that many firms are unaware that it is not just their relationship with EU customers that is at risk from a no-deal Brexit, but relationships across the globe. Tonight, Hull MPs and the shadow Brexit Secretary are meeting the Hull and Humber chamber of commerce to discuss our region's economic prospects under Brexit. What reassurances can the Secretary of State give to Humber businesses on what is being done to avoid a no-deal Brexit, and what is being done to prepare for it to minimise the damage to the northern powerhouse from years of underfunding and austerity from his Government?

Stephen Barclay: The hon. Lady raises a number of issues within the question of how we are preparing for no deal. It is essential, which is why the Government are investing in that preparation. I am keen to see to us do so at pace. In terms of the wider economy, it is about looking at, if we were in a no-deal situation, what flexibilities we could exploit, what issues of mutual benefit to the EU and the UK we can agree on, and where the flexibilities are that we can work on with the industry in that particular region. Those are the discussions we are having with applicable sectors. We are looking at key sectors to the region, such as offshore wind, and seeing what support the Government could provide in that situation.

No Deal: Agriculture

9. **Chris Elmore** (Ogmore) (Lab): What discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on the effect on UK farmers and agriculture of the UK leaving the EU without a withdrawal agreement. [911600]

The Parliamentary Under-Secretary of State for Exiting the European Union (Kwasi Kwarteng): We continue to have regular conversations with ministerial colleagues across the Government on all aspects of exiting the EU. To provide certainty to farmers and landowners, the Government pledged to commit the same cash total in funds for farm support until the end of this Parliament. That commitment applies to the whole of the UK in both a deal and no-deal scenario.

Chris Elmore: After studying the Government's no-deal notices, the National Farmers Union has said that a no-deal Brexit would be "catastrophic" for British

agriculture. Why then does the Secretary of State talk up a no deal as a viable option and back a leadership candidate who supports leaving on 31 October, "do or die"?

Kwasi Kwarteng: We have had a deal, which the hon. Gentleman and his hon. Friends and colleagues rejected three times. It makes absolutely no sense for them to complain about the prospect of no deal when they rejected a deal so comprehensively on three occasions.

Hywel Williams (Arfon) (PC): What progress has been made in setting up the successor scheme to the EU's geographical indications system, which has proved so commercially lucrative for food and drink manufacturers, including people who produce Welsh beef and Welsh lamb?

Kwasi Kwarteng: We have made a lot of progress on trying to replace a lot of the EU's funds and the regional way in which they allocate money. We have the UK shared prosperity fund, details of which will be introduced next year.

Kerry McCarthy (Bristol East) (Lab): In the recent Tory leadership debate, the Foreign Secretary challenged his rival over no deal, saying:

"Let me ask Boris a question: what would you say to a sheep farmer in Shropshire that I met whose business would be destroyed by 40% tariffs?"

What would the Minister say to that sheep farmer?

Kwasi Kwarteng: We have already made a commitment in this House to support our agricultural industries and our farmers under any circumstances, whether that is a deal or no deal. We have an Agriculture Bill that will allow the Secretary of State to provide the support that our people need.

No Deal: Pharmaceutical Products

11. **Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): What recent assessment he has made of the adequacy of the security of supply for pharmaceutical products in the event that the UK leaves the EU without a deal. [911603]

The Parliamentary Under-Secretary of State for Exiting the European Union (James Cleverly): Our highest priority is for patients to continue to have access to the medicines and medical products that they need. Since the extension of article 50, close engagement with the pharmaceutical industry has continued and we are confident that we will have the necessary plans in place to ensure continuity of medical supply.

Mr Bailey: A no-deal Brexit would see the UK lose access to the falsified medicines directive, which prevents substandard and counterfeit medicines from entering our market. The head of the Healthcare Distribution Association has said that, as a result, the UK would be "less safe". What steps has the Minister taken to prevent that?

James Cleverly: The hon. Gentleman will be unsurprised to hear that I have had recent meetings with the Association of the British Pharmaceutical Industry. We have discussed the quantity and nature of cross-border movements of medical supplies and pharmaceuticals. The British Government take this as one of our top priorities, protecting the supply in general and ensuring the quality as well as the quantity of medical supplies, and we will continue to do so.

Citizens' Rights: Elections

13. **Bob Blackman** (Harrow East) (Con): What discussions he has had with Cabinet colleagues on maintaining the right of EU citizens to participate in local elections in the UK and UK citizens to participate in local elections in the EU after the UK leaves the EU. [911605]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): The Cabinet Office is responsible for the domestic franchise, but my Department has been pressing to negotiate bilateral agreements on voting rights and I have regular contact with Cabinet Office Ministers on this matter. After writing to each member state, we have now signed agreements, as discussed earlier, with Spain, Portugal and Luxembourg to secure voting rights for UK nationals in EU member states and EU citizens here.

Bob Blackman: In my constituency, I have more than 10,000 Romanian citizens, who are contributing directly to our economy, working hard and contributing to Britain. They want to know when their voting rights will be safeguarded. Given the all-party basis that we have for safeguarding citizens' rights, why do we not bring forward legislation on a cross-party basis to deliver precisely that?

Mr Walker: My hon. Friend makes an interesting suggestion. As he appreciates, it will be for the Government to decide what new legislation is brought forward. It is already the case in law that EU citizens from all member states have the right to vote in our domestic local elections, and it would require a change in the law to alter that.

Mr Speaker: That is usually a polite way of saying, "I hear what you say and will look at it in the round." If the hon. Member for Harrow East (Bob Blackman) is encouraged by that, he is very easily encouraged.

Article 50 Extension

16. **Tom Pursglove** (Corby) (Con): What the Government's policy is on extending the Article 50 process. [911609]

The Secretary of State for Exiting the European Union (Stephen Barclay): The Government's policy is not to extend article 50.

Tom Pursglove: I am grateful to the Secretary of State for that unequivocal answer, because people in Corby and east Northamptonshire are tired of the delay and the attempts here in Parliament to frustrate Brexit. They are particularly frustrated by the fact that that is denying certainty for businesses. I am clear that there must be no more extensions and that we must leave on 31 October—no ifs, no buts. What steps is he taking to ensure that outcome?

Stephen Barclay: I share my hon. Friend's frustration that we have not left; I have consistently voted to leave. I represent a constituency where 70% of voters voted to leave, and three years on, they are keen to ensure that this House delivers on that. There are over 300 no-deal workstreams in progress across Government. Considerable work is ongoing, and it is important that we prepare while continuing to seek a deal.

Customs Union: British Ceramics Confederation

19. **Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): What discussions his Department has had with the British Ceramics Confederation on the UK's participation in the customs union after the UK leaves the EU. [911612]

The Parliamentary Under-Secretary of State for Exiting the European Union (Kwasi Kwarteng): Ministers continue to carry out extensive engagement on EU exit across all sectors of the economy, including with the British Ceramics Confederation, in meetings that in many cases have been organised by third parties. I have personally engaged with business and civil society organisations at national and regional levels, and we have met representatives of the security, voluntary and engineering sectors, among others.

Gareth Snell: I thank the Minister for that answer. The British Ceramics Confederation has been clear that what it wants to see is a deal for certainty for the ceramics sector, but as part of that it also wants to see the UK's participation in a customs union. The benefits of a customs union work for EU-UK trade, but without that common external tariff and the continuation of trade deals with countries such as South Korea, which is now the biggest emerging market for the ceramics sector, our industry will suffer significantly. Will Ministers meet me and a delegation of ceramics providers so that we can look at ways of mitigating those problems if necessary, and ultimately changing Government policy for the better?

Kwasi Kwarteng: I am pleased to note that the hon. Gentleman has belatedly come around to the merits of a deal. I hope that we can get a deal and leave in an orderly way. I am always happy to meet him and other representatives of the ceramics industry to discuss the interests of his constituency.

Economic Effect: Scotland

20. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What recent discussions he has had with Cabinet colleagues on the economic effect on Scotland of the UK leaving the EU. [911613]

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): The Secretary of State has frequent discussions with the Secretary of State for Scotland, who ensures that Scottish interests are always well represented around the Cabinet table. He and I regularly speak with the Scottish Government. Indeed, we are both looking forward to seeing Mike Russell tomorrow at the Joint Ministerial Committee on EU negotiations.

Patricia Gibson: The Scottish chamber of commerce has warned that the drop in GDP in April and the widening of our trade deficit does not bode well for Scotland's economic fortunes. When will the Government realise the damage they are already doing to Scotland's economy and offer business some certainty?

Mr Walker: This Government can be proud of the record high employment across the United Kingdom. Perhaps the Scottish Government need to look at the poor performance of the Scottish economy compared with the rest of the UK.

Topical Questions

T1. [911614] **Tom Pursglove** (Corby) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Exiting the European Union (Stephen Barclay): Since I last updated the House, treaties on reciprocal voting rights have been signed with Luxembourg and Portugal, and work continues on other bilateral agreements, led by the Under-Secretary of State for Exiting the European Union, my hon. Friend the Member for Worcester (Mr Walker). I attended the General Affairs Council in Luxembourg last week and spoke with a number of senior EU figures. Technical and business groups have met in the past weeks to work on alternative arrangements for the Irish border. My Department is preparing for all scenarios in the run-up to October. I want to put on the record my thanks to officials for their continued professionalism and dedication.

Tom Pursglove (Corby) (Con): The best chance of getting a good deal is to be deadly serious about no deal. Could the Secretary of State update the House on the current status of no-deal planning?

Stephen Barclay: As I mentioned in answer to an earlier question, considerable work is ongoing across Government. All the primary legislation necessary for no deal is in place, over 500 statutory instruments have already been laid, and work continues to ensure that we are ready for that scenario, while remaining focused on our priority, which is to leave with a deal.

Keir Starmer (Holborn and St Pancras) (Lab): In a letter to the Secretary of State this morning, I said that he has a duty to give an honest assessment of the difficult choices facing the next Prime Minister. He will be aware that in recent days his preferred candidate for Prime Minister, the right hon. Member for Uxbridge and South Ruislip (Boris Johnson), has made a number of misleading statements about Brexit. Therefore, on behalf of the Government, could the Secretary of State make it clear today, first, that it is simply not possible to guarantee no tariffs under a no-deal Brexit—in particular, can he scotch the nonsense spouted about article 24 of the general agreement on tariffs and trade, which, as he well knows, is simply not available under a no-deal scenario—secondly, that technological solutions for the Northern Ireland border do not currently exist; and thirdly, that the UK cannot cherry-pick the withdrawal agreement?

Stephen Barclay: There used to be a scurrilous rumour in the House that when a Minister got advance notice of questions, it was perhaps the work of the Whips Office

tipping them off. I am grateful to the right hon. and learned Gentleman for his courtesy, because he actually emailed me his questions half an hour before Question Time—he has always been a courteous fellow, but this morning he has exceeded himself. Never mind "buy one, get one free", this is a four-in-one question.

In his letter, the right hon. and learned Gentleman listed a number of issues. Because he sent the letter ahead of Question Time, the first of them has already been addressed by the hon. Member for Sefton Central (Bill Esterson), who asked about GATT. As the right hon. and learned Gentleman will know, there is a difference between what is possible and what he may argue is probable, but it is a distinction that the candidates have addressed.

As for side deals and cherry-picking, again there is an inconsistency. I have been asked by the House on a cross-party basis, following what is referred to as the Costa amendment, to seek a side deal with the European Union to protect citizens' rights, and I am happy to do so, but there is that inconsistency. The House has called for me to reach out to the European Commission, as indeed I have, because I agree with the House that it is right to protect citizens' rights, but the right hon. and learned Gentleman says that side deals are cherry-picking and should not be sought.

The right hon. and learned Gentleman asked about technology. He will know that, in the Strasbourg statement, the EU itself has accepted that technology has a role to play on the border. Indeed, it stands ready to work with us as soon as the withdrawal agreement has been ratified. What is getting in the way of that is the Labour party's consistent opposition to the withdrawal agreement—and that is because, notwithstanding the manifesto on which he stood, the right hon. and learned Gentleman's true position is that he wishes us to remain in the EU. That is what his letter did not say, yet that is what he actually means.

Keir Starmer: I thought that, with a bit of notice, we might get a better answer than that. The answers to my three questions are no, it is not possible to guarantee no tariffs under a no-deal Brexit; no, technological solutions are not currently available in relation to the border in Northern Ireland; and no, the UK cannot cherry-pick the withdrawal agreement. Perhaps, since I am giving the answers, we should swap places sooner rather than later.

Let me ask the Secretary of State just one further question about a claim that has been made in recent days. Will he answer it with a simple yes or no? Can the UK secure an implementation period with the EU without a withdrawal agreement—yes or no?

Stephen Barclay: As the right hon. and learned Gentleman knows full well, the implementation period was part of the withdrawal agreement, which he himself voted against. He talks of swapping places, but the clue is in the name of the Department: it is the Department for Exiting the European Union. However, the right hon. and learned Gentleman does not want to exit the European Union, so it is rather odd for him to be auditioning for a role when his whole purpose is not to do what it says on the tin.

T2. [911615] **Mr Philip Hollobone** (Kettering) (Con): What percentage of Irish exports to the EU come through Great Britain? If the doom and gloom-mongers on the Opposition Benches are right about the dangers of no deal, does it not make sense for the Irish Government to be open-minded about reaching a new agreement with the UK before we leave the European Union?

Stephen Barclay: My hon. Friend has made an astute observation. He will be aware that 40% of Irish exports go through the short straits between Dover and Calais. We hear forecasts of delays at Calais from Labour Members, but it is not simply UK goods that will be delayed there; it will obviously be Irish exports too, as well as the many Irish imports.

There are a number of areas in which it is in Ireland's interests to avoid the disruption of no deal. There has been very little debate in the UK about the impact on Ireland, and my hon. Friend is right to highlight it.

T3. [911617] **Diana Johnson** (Kingston upon Hull North) (Lab): The Secretary of State has just said that considerable work is being done in preparation for no deal, so can he answer this question? Will he rule out accepting any renewed bid from Seaborne Freight during those preparations?

Stephen Barclay: The hon. Lady will know that this is not Department for Transport questions; this is questions to the Department for Exiting the European Union, and she will know from the written ministerial statement we published yesterday that we have set out a framework. But in respect of Seaborne Freight it is worth reminding the House that it was a contract in which payments were linked to performance, and as the performance did not flow the payment did not go with it.

T4. [911620] **Eddie Hughes** (Walsall North) (Con): In Walsall North we like to be prepared for every eventuality, so can the Minister please offer my constituents some reassurance by listing some specific actions that have been taken since 29 March to demonstrate that we are ready for a no-deal Brexit?

The Parliamentary Under-Secretary of State for Exiting the European Union (James Cleverly): My hon. Friend asks me to detail what actions have been taken; those actions are so numerous that I would not want to list them all, because I am sure you want to have time to go on to other things this morning, Mr Speaker. But I have already highlighted a number of meetings that I and ministerial colleagues have had with representatives of industry, helping them to understand what actions the Government have already taken and what actions they and their members can take for a no-deal Brexit. We have also had international meetings on both a bilateral and multilateral basis. Discussions among officials and Ministers and at Cabinet level happen regularly to ensure that the UK Government and UK businesses are in a good place to leave under no deal if needs be.

T5. [911622] **Thangam Debbonaire** (Bristol West) (Lab): It simply will not do: the answers given to my right hon. and learned Friend the Member for Holborn and St Pancras (Keir Starmer) simply were not adequate. The Secretary of State was given a simple yes or no question; will he have another try? Yes or no: is it possible to have one of those transition deals such as a GATT 24 deal—the things that Prime Minister candidates have been talking about—without an implementation period for it to come in? Yes or no?

Stephen Barclay: Yes, it is possible. The question is whether the EU would reciprocally agree, and that is what the right hon. and learned Member for Holborn and St Pancras (Keir Starmer) is questioning, as he does not feel that it is a probable outcome. There is a distinction between those two positions; I have addressed it, but I am very happy to address it again.

T6. [911623] **Mark Menzies** (Fylde) (Con): What preparations is the Minister making to ensure that aerospace manufacturing companies are given full support from the Government in the event of a no-deal Brexit?

The Parliamentary Under-Secretary of State for Exiting the European Union (Kwasi Kwarteng): I congratulate my hon. Friend on his record of championing the aerospace industry in his constituency; he is a fine advocate of its interests. Working together through the partnership, industry and Government have made a joint funding commitment of £3.9 billion to aerospace research from 2013 to 2026, as he will be aware. Ministers and other officials across Government remain in close contact with the aerospace sector, and we have met more than 100 companies in the supply chain across the UK to discuss the implications of exiting the EU.

Joanna Cherry (Edinburgh South West) (SNP): The Secretary of State referred earlier to the number of statutory instruments that have been laid to date; can he tell the House how many SIs remain to be enacted in order for us to exit the EU in an orderly fashion on 31 October?

Stephen Barclay: The answer to that question is that one cannot give a precise figure, because as we saw—*[Interruption.]* I am coming to the precise issue; the number will be around 100, but one cannot give a precise figure because issues may arise such as we saw in the run-up to the March and April exit date; a correction of a previous SI might be required, or as part of the planning for exit certain issues might come to light through the Commission that necessitate an SI. So it is not possible to give a definitive number, but it will be in the region of 100.

Stephen Kerr (Stirling) (Con): Will my right hon. Friend detail the discussions he has had with the Secretary of State for Business, Energy and Industrial Strategy on the preparedness of British business for a no-deal Brexit?

Stephen Barclay: I have had regular discussions with my right hon. Friend on that issue, and to a degree I would point to the difference between large business and small business. A lot of large businesses have undertaken considerable work to prepare for the possibility of no deal; we have more concern about the extent to which some small businesses have prepared. Often part of what flows into that is the debate in this place, where they are told that it will not happen and therefore the assumption is made that it is not necessary to prepare. It is worth reminding the House—particularly Members who look for a second referendum or for some other outcome—that it is the EU's decision, to which any one of the 27 member states could object, whether any extension is offered, notwithstanding the position of certainly one of the two Conservative leadership candidates not to seek such an extension.

Hilary Benn (Leeds Central) (Lab): In the answer that the Under-Secretary of State for Exiting the European Union, the hon. Member for Spelthorne (Kwasi Kwarteng) gave to my hon. Friend the Member for Bristol East (Kerry McCarthy) a moment ago about the devastating impact of tariffs on sheep farmers in the event of a no-deal Brexit, he appeared to give the impression that the Government would compensate farmers for the cost of those tariffs. Can he please clarify this for the House: is it the Government's policy, in the event of a no-deal Brexit, to pick up the cost of the tariffs that farmers would face—yes or no?

Kwasi Kwarteng: What I endeavoured to suggest was that the Government would continue to support those industries. We cannot guarantee a specific payment, as the right hon. Gentleman suggests, but there is a broad commitment to support those industries, as we have done for more than 80 years.

Jeremy Lefroy (Stafford) (Con): Data flows are absolutely vital for business, for health and for security, and in many other areas, but the problems would be immense in the case of a no-deal Brexit. We heard yesterday in the Exiting the European Union Committee that, even in the case of leaving with a deal, the UK would no longer have any influence over the general data protection regulation, even though the GDPR is becoming a standard right around the world, well outside the European Union. Is this a case of giving up control or taking back control?

Stephen Barclay: My hon. Friend makes an important point about data adequacy and the EU Commission's position on that. Unilateral action can be taken to put standard contractual terms in place, for example, which a lot of firms and organisations have done. The wider point, however, is that 40% of the EU's data centres are within the UK, and many of the underground cables carrying data go through UK waters. It is important to remember that there are reciprocal benefits in coming to sensible arrangements on data adequacy, because not having a flow of data would be devastating to many European firms if they were to find themselves unable, for example, to send personal data linked to tourists. That is just one of the many examples that I could cite.

Stephen Timms (East Ham) (Lab): The hon. Member for Stafford (Jeremy Lefroy) is absolutely right. The Prime Minister failed in her aim to secure a continuing place for the UK on the European Data Protection Board, which oversees GDPR. Is it not a profoundly unsatisfactory aspect of the Prime Minister's deal that, in that area and lots of others, we would have to comply with loads of EU rules over which we would have no influence at all?

Stephen Barclay: The right hon. Gentleman raises an important point. Within any future trade deal, whether with the EU or further afield, there will always be a trade-off around what access we would get and what sovereignty we would trade. He knows from his time in the Treasury that that is always at the core of the debate around trade deals. In relation to the political declaration, when the debate around medicines and a number of other EU agencies has come up, we have said that we stand ready to work with the Commission on developing

good regulatory standards. There is no race to the bottom on regulation from this Government, but there is also the question of what the Commission is willing to agree. It is in our mutual interests to come to sensible arrangements on data, for the reasons that I gave to my hon. Friend the Member for Stafford.

Business of the House

10.33 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Mel Stride): The business for next week is as follows:

Monday 1 July—Estimates day (6th allotted day). There will be a debate on estimates relating to the Department for International Development and the Department for Education.

Tuesday 2 July—Estimates day (7th allotted day). There will be a debate on estimates relating to the Department for Work and Pensions and the Ministry of Housing, Communities and Local Government. At 7 pm, the House will be asked to agree all outstanding estimates.

Wednesday 3 July—Proceedings on the Supply and Appropriation (Main Estimates) (No.3) Bill, followed by motion to approve a statutory instrument relating to the Draft Capital Allowances (Structures and Buildings Allowances) Regulations 2019, followed by motion to approve a statutory instrument relating to the Misuse of Drugs Act 1971 (Amendment) Order 2019, followed by debate on a motion on whistleblowing. The subjects of these debates were determined by the Backbench Business Committee.

Thursday 4 July—Debate on a motion on ending the sale of new petrol and diesel cars and vans, followed by general debate on the functioning of the existing law relating to assisted dying. The subjects of these debates were determined by the Backbench Business Committee.

Friday 5 July—The House will not be sitting.

Valerie Vaz: I thank the right hon. Gentleman for announcing the business for next week. The Chair of the Backbench Business Committee seems to be the de facto Leader of the House once again, because he is setting the agenda with debates on two days—lucky him.

The motion for the House to rise on 25 July was passed on Monday. I understand that the results of the ballot for the Tory party leadership will be out on Tuesday 23 July. The Prime Minister may have to go to Buckingham palace on Wednesday 24 July, and then the new leader of the Tory party will also have to go to the palace—possibly on the Thursday—to confirm with our gracious sovereign that he has the confidence of the House. Many hon. Members are concerned that there may be no time to question the new Prime Minister before the House rises, so will the Leader of the House assure us that he will make time for the new Prime Minister to make a statement and answer questions from hon. Members?

Last week, the Leader of the House said that the House would return on 3 September. Some press reports suggest that he has been involved in discussions about the House not rising for the conference recess. Will he confirm whether those discussions have taken place, whether and when the conference recess will start, or whether the House will sit during our conferences?

It is no wonder that ambassadors are saying that the UK's standing around the world is diminished. On the one hand, the Government said that they are setting net zero carbon targets for 2050, but on the other hand the Treasury introduced its Value Added Tax (Reduced Rate) (Energy-Saving Materials) Order 2019, which is in effect a steep VAT increase for the installation of energy-saving materials. More importantly, is the Leader of the House aware of the point raised by my noble friend Baroness Smith of Basildon, the Leader of the Opposition in the House of Lords? The Prime Minister said that Labour peers were blocking the motion relating to climate change targets, but it is a regret motion, not a blocking motion, and it seeks to improve the proposals. Baroness Smith said that she regrets the lack of detail in the SI, because it leaves shipping and aviation out of the targets. Will the Leader of the House ask the PM to apologise to my noble friends in the other place? The Prime Minister was plain wrong, and I have the relevant exchange here if it would be helpful to the Leader of the House.

The right hon. Member for Uxbridge and South Ruislip (Boris Johnson) withdrew the dangerous bendy buses from London, and they have since been removed in Swansea, York, Bradford and Leeds. Despite that, the Mayor of the West Midlands, Andy Street, has proposed bendy buses for a route between Walsall and Birmingham. It is a wholly inappropriate use of public funds, because a perfectly good service already exists and local people are opposed to the decision. Will the Leader of the House use his good offices to ensure that the Mayor understands that bendy buses are dangerous and unwanted? The Mayor said that the buses were being introduced for the Commonwealth games. The Government have announced a funding package for the 2022 Birmingham Commonwealth games, with 75% coming from central Government and 25% being raised locally. However, there was no news of consequential funding for Wales, and the Secretary of State for Wales did not mention that yesterday. I am pretty sure that the Government have to provide such funding, so will the Leader of the House ensure that the Secretary of State writes to the First Minister of Wales to explain whether Wales will receive it?

More than 40 Members have signed early-day motion 2368, which was tabled by the hon. Member for Eastbourne (Stephen Lloyd) and calls on the Government to automatically fund the legal representation of all victims of terrorist atrocities and their families.

[That this House expresses concern that victims of terrorist atrocities are not automatically eligible for legal aid; regrets that a recently published government review rejected introducing automatic non-means-tested legal aid funding to bereaved families after a state-related death; notes that state organisations involved in deaths from terrorist attacks have access to legal teams and experts at public expense; recognises that in France victims of terrorism, and their families, are automatically eligible for state-funded legal representation; and calls on the Government to automatically fund the legal representation of all victims of terrorist atrocities and their families, inclusive of all coroner hearings and inquests.]

Lawyers acting pro bono on behalf of families of the victims of the London Bridge terror attack have had their legal aid applications denied. At the same time, Government agencies have used public funds to hire some of the best legal teams to represent their interests in court. Families of victims of the March 2017 Westminster attack have also been told that they are unlikely to

receive funding for the inquest, which ended last year. This is an insult to victims of terror, and the Government need to reverse it as soon as possible.

It is Armed Forces Day on Saturday to honour the men and women who make up our armed forces, and we had a good debate on that this week. At this very moment, the Leader of the Opposition and the shadow Defence Secretary are announcing our five pledges to support the forces and their families—fair pay, decent housing, a voice for servicemen and women, an end to privatisation, and support for forces children—but there has been a real-terms pay cut for our servicemen and women over the past seven years. The starting salary of an Army private is now £1,150 lower in real terms than in 2010.

Sunday 30 June is the United Nations International Day of Parliamentarism. In total, there are 272 Chambers of Parliament, with more than 46,000 Members, and there has been no shortage of demand for you, Mr Speaker, to visit other countries. It has been helpfully pointed out by certain people that your ambassadorship and valuable insight into the workings of this Parliament are so important. On Sunday we can celebrate how the parliamentary system improves the day-to-day life of people across the world. That allows us to raise the plight of Nazanin Zaghari-Ratcliffe, which I will do every week from this Dispatch Box until she is free. Turning to the hypocrisy of President Trump, he brought his family on a state visit while presiding over a policy that separates families. With Oscar and his daughter Valeria lying dead, I am sure every single parliamentarian around the world, and the whole House, joins me in saying, "May they rest in peace."

Mel Stride: I thank the hon. Lady for her remarks, which I will address in detail in a moment.

First, Mr Speaker, I join the Prime Minister who earlier this week rightly congratulated you on having served as Speaker for 10 years. The Prime Minister said it does not seem like 10 years, to which an Opposition Member was heard to mutter that it seems more like 20, which was a foolish and misguided remark, as I am sure you would agree.

I have been feeling somewhat guilty since last week, as I invited several regular attendees of business questions to join me on holiday over the recess but did not extend the invitation to you, Mr Speaker. Do please join us. It is just £500 for the week, which you will be pleased to know includes all flights.

I concur with the hon. Member for Walsall South (Valerie Vaz) about the hon. Member for Gateshead (Ian Mearns), who has indeed shown his worth in allocating time on the Order Paper. I congratulate him on the important debates he has secured for the coming week.

The hon. Lady specifically asked about the recess motion to which the whole House agreed. The Government are clear that there should be an opportunity for the new Prime Minister to appear before this House before the recess and, in the event that there is any doubt in the matter, I have no doubt that Parliament will express itself. Hopefully that is now sufficiently clear.

The hon. Lady also asked whether there will be a recess to accommodate the conferences. All I can say is that that will of course be a matter for the new Prime Minister, but it is usual for time to be set aside for the conference recess. One might reasonably expect time to be made available in the usual way.

The hon. Lady raised the issue of the VAT rise for energy-saving materials, but she did not point out that, in fact, the rise is due to EU regulations and an EU requirement. In the absence of that imperative from the EU, it is not something we would necessarily have brought forward.

The hon. Lady also mentioned the House of Lords regret motion relating to the climate change targets. I understand her point about the meaning of that motion, which will have been noted by this House. The main point remains that, as a Government, we have taken a leading step on tackling emissions and climate change, and that step should not be downgraded or overlooked in any way

The hon. Lady also raised the issue of bendy buses in and around Walsall, and I believe she was seeking my assistance in reaching out to the Mayor of the West Midlands. If she needs any assistance, I am happy to do that, but I am sure that if she were to approach the Mayor directly, he would, in his usual manner, be very accommodating and wish to engage with her.

The hon. Lady also asked whether I could prevail upon the Secretary of State for Wales to ensure that he writes to his counterpart on the matter of consequential costs arising from the Commonwealth games, and I will be happy to do that. As this has been raised at the Dispatch Box this morning, I know that that message will have been heard. She also raised the issue of legal representation for the victims of terrorism. I believe that the Justice Committee will shortly be considering these matters in some detail, which may be of interest to her, and of course a lengthy debate on just this subject took place in Westminster Hall a short time ago. I wish to echo the hon. Lady's words on Armed Forces Day, which is on Saturday. We owe all our brave men and women a huge debt of gratitude for all that they do to keep us safe in these islands.

The hon. Lady also mentioned the UN International Day of Parliamentarism and rightly registered the fact that you, Mr Speaker, have played such an active role, over time, in making sure that the ideals of our mother of Parliaments and all the good things that flow from that are promoted across the world.

Finally, the hon. Lady rightly raised the issue of Mrs Zaghari-Ratcliffe, who went to Iran on holiday to see relatives and has been incarcerated for far too long. Our thoughts are with her, with her family and with her husband, and I assure the hon. Lady that the Foreign and Commonwealth Office continues to work hard to try to secure her release. Indeed, the Prime Minister has raised this specific matter with the Iranian authorities and leadership on more than one occasion.

Sir David Amess (Southend West) (Con): Mindful of the upcoming celebrations of Armed Forces Day, and notwithstanding the reports of Army instructors being accused of historical abuse, will my right hon. Friend find time for a debate to mark Victory over Japan Day, so that we can record the terrible atrocities suffered by prisoners in the Japanese war camps?

Mel Stride: My hon. Friend is right to raise the issue of VJ Day. We tend to think about the victory in Europe, but of course the war continued beyond that

[Mel Stride]

point and, as he has stated, many awful atrocities took place that were particularly associated with the Asian element of the second world war. The Royal British Legion and the Government will be working together to ensure that the 75th anniversary of VJ Day on 15 August 2020 will be commemorated in the appropriate way.

Pete Wishart (Perth and North Perthshire) (SNP): May I, too, congratulate you on your 10 years in the Chair, Mr Speaker? You will recall that I was one of your sponsors, and a very good decision I made at that time.

May I also thank the Leader of the House for announcing what there is of the business for next week? As well as the purgatory of this business, we now have the purgatory of the never-ending Conservative leadership contest. May we therefore have a debate not on bendy buses but on the construction of model buses, historic photography and uncut fields? It has to be said that that would be a lot more interesting than all the unicorn chasing that seems to be going on over Brexit. When it comes to Scotland, it seems for both candidates to be a matter of their telling Scotland, "You cannae dae that", "We're no going to let you do this" and "Don't even think about that." I am not sure how telling Scotland what it cannot do is somehow going to endear them to the people of Scotland. We know that with just the prospect of Prime Minister Boris support for independence rises to 53%, so we on these Benches are having a particularly good Tory leadership contest.

May we have a debate about Select Committees, given that we are celebrating 40 years since they were established? As you said yesterday, Mr Speaker, they are the key to holding Ministers to account for the Government's conduct—except that they do not, because Ministers regularly refuse to attend Select Committee hearings, thereby evading scrutiny. The Scottish Affairs Committee has asked for a Home Office Minister to give evidence to our drugs inquiry, to explain the Government's criminal justice approach to drugs. The Home Office has contemptuously refused to supply a Minister to appear before the Committee. In the next couple of weeks, we are likely to receive the news that there will have been 1,000 drug deaths in Scotland last year, so this refusal is a gross insult to the families of those affected. What sort of message does it send to reluctant Select Committee witnesses when Ministers themselves defiantly refuse to appear before Select Committees? It is a disgrace and it undermines our Select Committees.

Lastly, we have estimates next week. Thanks to the SNP—and perhaps in part because of my intervention—we can now actually discuss estimates on estimates day. A couple of amendments have been tabled that would link the estimates to a no-deal Brexit. Given that we will not have another opportunity properly to discuss Brexit, take a view on it and vote on it, I hope that the Government will engage with the process constructively, so that before we break for recess we can have another say on their Brexit plans.

Mel Stride: As usual, it is the same old tunes. As we know, the hon. Gentleman is a gifted musician—I will keep coming back to this—and the House may or may not know that he played in Runrig, which was an excellent band, and Big Country, in which he was not the best-looking member in the line-up, I have to say, but he was none the less—[Hon. Members: "Withdraw!"] All right, it might just have been the way they were photographed. Anyway, he was indeed very talented. I have been thinking about the other bands that perhaps he should have played in at some point in his career. Given his grip on the great issues of the day, perhaps it should have been Wet Wet Wet; given his party's manifesto, perhaps it should have been Madness; or, given the heartbreak and blubbering anguish that the hon. Gentleman would cause if his scaremongering policies ever led to Scottish independence, perhaps he would have been best placed in Tears for Fears. [Hon. Members: "Oh."] Well, it was better than last week, Mr Speaker, if nothing else. You will have to agree that I am improving. *[Interruption.]* Perhaps it was worse than last week.

As for the specific points that the hon. Gentleman raised, he asked for a debate on model buses; I think he was referring to my right hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) and the cheery faces that he paints on these model buses, apparently. All I can say is that that is one of the most sensible suggestions I have ever heard the hon Gentleman make in the Chamber. We will certainly take that forward as a serious proposal.

More seriously, the hon. Gentleman rightly salutes 40 years since the formation of Select Committees. We should remember Norman St John-Stevas, who was instrumental in ensuring that Select Committees were brought to bear. The hon. Gentleman raised the specific issue of the appearance of Ministers before Select Committees, particularly in the context of the effect of drugs in Scotland. I am sure his comments will have been heard both in the Chamber and beyond the House.

The hon. Gentleman asked about the amendments to the estimates that we will consider next week, and suggested that there should be some discourse on matters relating to Brexit. I assure him that my door is always open to him so that we can discuss whichever matters he would like to raise with me.

Mr Speaker: Notwithstanding the Leader of the House's gentle teasing, which has been taken in very good part by Members across the House, I think it only right to record that the hon. Member for Perth and North Perthshire (Pete Wishart) is a distinguished member of the parliamentary rock band, MP4—I say this really by way of a public information notice—and he performs with great skill and dexterity on keyboards. MP4 raise money for Help for Heroes and have performed with considerable distinction in my own constituency. Their performance is still talked about widely in the highways and byways of my beautiful constituency. The hon. Gentleman is greatly appreciated and I would not want him to feel unloved in this place.

Justine Greening (Putney) (Con): Can we have a debate on the issue of transparency and the Heathrow third runway decision? Yesterday, like many Members, I met climate and environmental campaigners. People in my community are simply baffled as to how such an irrational decision to expand Heathrow could have been taken by a Government who, I know, care about the environment. When I put in freedom of information requests, what came back was so heavily redacted that there was little information to tell me how the decision was reached. Will the Leader of the House approach

the Department for Transport to encourage it to be more transparent and to remind Ministers that they should bring people with them on a decision by explaining it fully, not by hiding it away in secret?

Mel Stride: First, let me congratulate my right hon. Friend on the strength and veracity of her campaigning on this matter, albeit that the direction of travel is not exactly as she would wish. She raises the specific issue of transparency. I would be very happy to facilitate a meeting with any Minister whom she may wish to approach in order to discuss that matter.

Ian Mearns (Gateshead) (Lab): As the Leader of the House has announced, the Backbench Business Committee has debates on both Wednesday and Thursday of next week, but, of course, it also determines which Department's estimates will be debated on Monday and Tuesday, so it is a clean sweep for the week: four days of business determined by the Backbench Business Committee. Under those circumstances, it would be churlish of me to ask the Leader of the House for more time on this particular occasion.

I have a bit of sadness from my locality. I and my hon. Friend the Member for Blaydon (Liz Twist), who is in her place, discovered this week that, as we anticipated, 170 members of the workforce at De La Rue are being made redundant as a result of the Government awarding the contract to manufacture the British passport to a French-Dutch company. In future, the passports will be manufactured in Poland. One hundred and seventy workers lose their jobs in Gateshead, and our post-Brexit blue British passport is to be manufactured in Poland—you just could not make this stuff up.

Finally, let me make a very impassioned plea. A Nigerian mother and her three children live in my constituency. I will not give their names out at the moment, but I am very, very concerned that, if they are deported as they are threatened to be, the smallest child, a two-year-old girl who was born in this country, will be sent back to Nigeria where the family will subject her to female genital mutilation. It must not happen. Please, can we get it stopped?

Mel Stride: The hon. Gentleman is right to draw attention to his prowess in bringing forward the various motions and debates to the House. I just have this feeling that all this will end up, on around 23 July, with him standing at this Dispatch Box. It cannot be inconceivable in the impenetrable combinations of what might happen between now and, for example, the end of October.

The hon. Gentleman raised the issue of De La Rue and the passports, which I know will have been noted and is on the record. As to the very serious matter that he raised at the end of his remarks around the Nigerian family facing deportation, I say not only that my door is open, but that I would be personally very keen to sit down with him and look at that in some detail so that we can determine between us the best way forward.

Sir John Hayes (South Holland and The Deepings) (Con): I congratulate you, Mr Speaker, on reaching the halfway mark in your career as our Speaker.

That we plant trees for those born later seems lost on the denizens of Network Rail who continue, despite a very good independent report, to destroy trees and shrubs trackside on an industrial scale, including in places such as Grantham in Lincolnshire. This is certainly unethical and much of it, given the effect on protected wildlife, illegal. Will the Leader of the House arrange for an urgent statement by Ministers to say how this decimation and destruction can be brought to an end before all that is bright and beautiful is made dark and ugly by the brutal bureaucrats of Network Rail?

Mel Stride: I thank my right hon. Friend very much indeed for his eloquently placed question regarding trees and Network Rail. As we know, he is a lover of poetry, particularly the poetry of John Clare, who wrote a poem called "The Wind and Trees". I know my right hon. Friend has a long-term love of trees and a long-term problem with wind, by which I mean, of course, his verbosity in this Chamber on occasion. May I share one small section of that poem with the House?

"I love the song of tree and wind
How beautiful they sing
The licken on the beach tree rind
E'en beats the flowers of spring.
From the southwest sugh sugh it comes
Then whizes round in pleasant hums".

On that rather beautiful note, I think I should concede entirely to my right hon. Friend's request and ensure that I secure a meeting with him and the Environment Secretary as soon as possible.

Mr Speaker: That exchange should be framed and displayed in a prominent place in the Lincolnshire abode of the right hon. Member for South Holland and The Deepings (Sir John Hayes) .

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): As I am sure the Leader of the House is aware, Hull is a beautiful city and definitely a place that every Member should take time to visit. One way to make it even more beautiful than it already is—if that is possible—would be to introduce butterflies throughout the city. Hull wants to become the first city in the UK to be a butterfly city and adopt the brimstone butterfly, so please could the Leader of the House make time for a debate on the importance of biodiversity, butterflies and the beautiful city of Hull?

Mel Stride: How nice to see you in the Chair, Madam Deputy Speaker.

I thank the hon. Lady for her question and for raising the matter of the brimstone butterfly, about which I currently know absolutely nothing, but will shortly know a great deal. I would perhaps point her to an Adjournment debate, where an appropriate Minister could be brought to the House to listen to her proposals.

Theresa Villiers (Chipping Barnet) (Con): Can we have a debate on the appalling plans being put forward by the Mayor of London and TfL to build tower blocks over the carparks at Cockfosters and High Barnet tube stations, so that I can express my constituents' very strong opposition to these plans?

Mel Stride: My right hon. Friend does a great deal in her constituency, particularly on these issues. These are matters for the Mayor of London, as they relate to planning, but I would be very happy to facilitate a meeting between my right hon. Friend and the appropriate Minister if she would find that useful.

John Cryer (Leyton and Wanstead) (Lab): The Leader of the House will be aware, as we all are, of what seems to be a rise in homophobic attacks across the country. I say, "what seems to be a rise", because the reporting has probably not yet caught up with the day-to-day reality. This is causing alarm across the country and on both sides of the House. Could we have a statement from a Home Office Minister on homophobic attacks?

Mel Stride: I think the whole House is united in saying that there is no place in a civilised society for homophobia or anything related to it. Let me take this opportunity to refer to the Duke of Cambridge's recent very positive remarks on this matter. This may well be an opportunity for a further debate in the House—perhaps a Backbench Business Committee debate.

Bob Blackman (Harrow East) (Con): On 21 June 1824, in the wake of the end of the Napoleonic wars and the mass industrialisation of this country, the Vagrancy Act 1824 was introduced in Parliament and came into effect. The Act criminalised begging and people who are homeless sleeping on our streets. Disgracefully, that law is still on our statute books today. Given the sparsity of legislation that the Government are bringing forward, is it not time that we repealed that Act and modernised the position? Does my right hon Friend not agree that homeless people should be assisted, not arrested?

Mel Stride: My hon. Friend raises an extremely important point. He has campaigned on this issue for a considerable period of time, and I congratulate him on being instrumental in bringing forward the Homelessness Reduction Act 2017. I believe he also has an article on homelessness in *The House* magazine this week. He asks specifically about the Vagrancy Act, which is indeed well over 100 years old and its fitness for purpose is highly questionable. If he would like to have discussions with me, I will have a look at what possibilities there may be along the lines he has suggested.

Chris Stephens (Glasgow South West) (SNP): These proceedings are being watched live by the pupils of Hillington Primary School, who invited me last Friday to see the outcome of their school project on the keys to unlocking education, which is about ensuring that young people across the world receive education, particularly in poverty-stricken and war-torn nations of the world. May we have a debate or a statement from the Government about how we, as Members of Parliament, on behalf of pupils like those at Hillington Primary School, can advance this cause to ensure that young people across the world receive access to education?

Mel Stride: The hon. Gentleman has raised an extremely important point about the importance of education. We often focus on that in the context of our own country, but it is also extremely important globally in terms of raising young people and families, and people generally, out of poverty. The hon. Gentleman and Hillington Primary School are to be thoroughly congratulated on the excellent work they have done on the keys to unlocking education. I am delighted that the pupils are all watching at the moment. May I say to each and every one of them, thank you for all you have done?

Madam Deputy Speaker (Dame Eleanor Laing): We welcome the pupils of Hillington Primary School to our proceedings this morning. I hope that they think the Chamber this morning has been as well-behaved as they have.

Jeremy Lefroy (Stafford) (Con): If my right hon. Friend would like to visit the beautiful constituency of Stafford, he will see that we are contributing greatly to house building in the UK, with a rate more than double the national average. However, developers are taking advantage of rules about councils falling very briefly below the five-year land supply to put in developments that are unwanted by local residents and environmentally unsound, particularly in the village of Penkridge. May we have a debate on the way in which developers are taking advantage of loopholes in planning legislation, and on how we should abide by the plans that have been put in place by our councils, in consultation with residents, and not see these unwanted, unplanned-for housing developments springing up simply because the developer wants to put them there?

Mel Stride: My hon. Friend raises a very important point about housing. We too often speak simply about volume. Of course, the Government have a very clear record in that regard, with 220,000 homes built in the last year for which we have records—the highest number of each of the past 31 years, bar one. None the less, he is absolutely right that quality of development, in the right place, is absolutely key to getting our housing policy right. I would perhaps point him to an Adjournment debate to discuss this and make his points to the relevant Minister. He is no stranger to that, as I believe he has an Adjournment debate next week on the issue of precious metals.

Stephanie Peacock (Barnsley East) (Lab): A constituent of mine sadly diagnosed with breast cancer in her 40s has started a petition signed by over 26,000 people that outlines the devastating impact on her life and calls for routine screening to be extended to younger women. Can we have an urgent debate in Government time on what we can do to increase early diagnosis of breast cancer at all ages?

Mel Stride: The hon. Lady raises a very important issue. Cancer is one of the key targets that the national health service has in terms of getting survival rates up, and they are at historically high levels. A lot of progress has been made in that respect. She also raises the equally important issue of prevention and early diagnosis rather than dealing with problems later on. That is central to the national health service plan that has been brought in on the back of the record cash funding that we are now putting in.

Fiona Bruce (Congleton) (Con): Early-day motion 2453 has very quickly gained substantial support from 47 MPs to date.

[That this House welcomes the establishment by the UN General Assembly of the UN International Day Commemorating the Victims of Acts of Violence Based on Religion or Belief on 22 August each year; is deeply concerned that acts of violence based on religion or belief are increasing all over the world and often flourish with impunity; notes the concerning findings of the interim report of the Bishop of Truro's Independent Review for

the Foreign Secretary of FCO Support for Persecuted Christians; recognises the dire situation of religious minorities in many parts of the world; calls on the Government to mark the International Day Commemorating the Victims of Acts of Violence Based on Religion or Belief and use the initiative to develop and implement a comprehensive action plan, across Departments to address religious persecution whenever and wherever it occurs; and further calls on the Government to use all its diplomatic powers to combat religious persecution around the world and bring impunity for such atrocities to an end.]

The EDM welcomes the establishment by the UN of an international day commemorating the victims of violence based on religion or belief. Will the Leader of the House also welcome it and consider how this annual day could be appropriately recognised by this House, bearing in mind that it will fall during our recess on 22 August?

Mel Stride: My hon. Friend raises an important point. I know that she is, rightly, deeply passionate about that matter, and we have discussed it personally on a number of occasions. The Government are entirely committed, and rightly so, to freedom of religion and belief and to promoting respect between people of different religions and beliefs. I wonder whether this would be a good subject for an Adjournment debate. However, as she pointed out, the event to which she refers falls within the recess. I do not have a ready answer to that conundrum, but I would be happy to discuss with her later what options there might be, if that is of use.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Leader of the House is getting on my right side this morning. As chairman of the John Clare Trust, I was delighted to hear him quoting John Clare's poetry. My favourite poem, and probably his best love poem, is entitled "I do not love thee"; I recommend that the Leader of the House reads it.

The Leader of the House also mentioned Norman St John-Stevas. I knew Norman St John-Stevas in the early part of my career here. I add my thanks to him for setting up the Select Committee system. He was also a great social campaigner. To read his speeches against capital punishment, social injustice and women in prison is a wonderful treat. He had a sense of humour and dagger-like incisiveness when it was necessary.

There have been many big demonstrations this week, but there was a smaller one by women in prison. On the whole, I do not believe that women should go to prison unless they are very violent. We should not be sending women to prison for not paying television licences or for minor crimes. Can we have a debate on women in prisons? Why can we not have women's centres up and down our country that support women who get into trouble with the law? At the moment, they come out of prison with no housing, no support, no counselling and no work.

Mel Stride: I thank the hon. Gentleman for his reference to John Clare and Norman St John-Stevas. As he may know, they have a connection, in that they both come from Northamptonshire, I believe. They are both great, late and much missed individuals.

The hon. Gentleman raised an important point about women in prison. The female prison population is a minority. None the less, there are issues as to whether incarceration in that form for women is appropriate in all instances, as he suggested. He referred to the very effective rally yesterday in the Emmanuel Centre here in Westminster, and I believe that the speech made by the Under-Secretary of State for Justice, my hon. Friend the Member for Charnwood (Edward Argar), was well received. I know that the hon. Gentleman's remarks will be heard.

Douglas Ross (Moray) (Con): May we have a debate about the Send My Friend to School campaign? Last Friday, I attended an assembly at Hythehill Primary School in Lossiemouth where P6 pupils Jack MacKenzie and Chloe Thomson spoke in front of the whole school about the campaign. Along with deputy headteacher Rachael Blackhall, I received hundreds of brilliantly designed messages from pupils across the school, which I delivered to Downing Street earlier this week. Will the Leader of the House join me in congratulating Jack, Chloe, Mrs Blackhall and everyone at Hythehill Primary School on what they have done for this campaign and, indeed, what schools across the country are doing to raise awareness of it?

Mel Stride: I thank my hon. Friend for raising the important Send My Friend to School campaign, which recognises the global importance of education. Just as he has entreated me to do, I congratulate Jack, Chloe and Rachael Blackhall on all they have done for this very important campaign.

Mrs Madeleine Moon (Bridgend) (Lab): Madam Deputy Speaker, may I ask for your assistance and that of the Leader of the House? Ten days ago, a 73-year-old constituent of mine was on holiday in Zante. He left to go for a walk to a monastery on top of a local mountain, and he has not been seen since. The Greek authorities have pulled out of any search and rescue efforts. The Western Beacons Mountain Search and Rescue Team are willing to leave tomorrow to conduct the search, but they need £5,000. I have contacted the Foreign and Commonwealth Office to see whether any financial assistance is available, but may I ask for your assistance in finding a source of Government funding that would allow the team to leave just after 12 o'clock tomorrow, so that we can at the very least find this gentleman and bring him home?

Mel Stride: This is clearly a matter of the utmost urgency, and I would be very grateful if the hon. Lady met me immediately after these questions to discuss it.

Madam Deputy Speaker (Dame Eleanor Laing): The hon. Lady asked if the Chair could do anything to help. I can merely say that this is clearly a serious and urgent matter, and I am delighted to hear what the Leader of the House has said, which I am sure will move matters forward.

Stephen Kerr (Stirling) (Con): May we have a debate on UK resilience planning in the face of weather emergencies? I ask this because, last Monday, the people of Stirling experienced an extraordinary weather event, which resulted in widespread flooding and flood damage in the constituency. Will the Leader of the House also join me in expressing appreciation of the professional and highly effective response of the Scottish Fire and

[Stephen Kerr]

Rescue Service and Police Scotland; the business community and their employees; and especially the employees of Stirling Council—led by the chief executive, Carol Beattie, as well as Brian Roberts, head of infrastructure, David Creighton, head of roads and land services, and Kristine Johnson in relation to emergency planning—and the staff of Castleview Primary School, and Ochil House and Wallace High School, because it was one of their finest hours?

Mel Stride: There is no doubt that in these changed circumstances, with different weather conditions right across the United Kingdom, including in the south-west—the seat I represent is in Devon—we are seeing just such effects of erratic weather. As Members, I think we all know of the devastation, and the highly personal devastation, that can bring when it has an impact both on people's businesses and their homes. I certainly join my hon. Friend in congratulating Carol Beattie and all those at Stirling Council on their work with primary schools and the others he mentioned in his question.

Kate Green (Stretford and Urmston) (Lab): This week, we saw a report of a leaked A-level maths paper. In my constituency, there have been allegations about questions being shared when one part of the country takes exams before the same paper is sat in another. Will the Leader of the House arrange a debate on the security processes maintained by school exam boards? The situation appears to be deeply unfair to students up and down the country.

Mel Stride: I can but wholeheartedly agree with the hon. Lady that the situation she describes of tests being taken at different times—with questions common to both tests therefore being available from the earlier stage to the advantage of those taking the second test, as it were—is clearly totally and utterly unacceptable. I believe, although I stand to be corrected, that there have even been some arrests in relation to this particular issue, such is its seriousness. It would perhaps be an excellent subject for an Adjournment debate, with an opportunity to put such points to a Minister from the Department for Education.

Henry Smith (Crawley) (Con): Earlier this week, Crawley News 24 reported that the recently relocated main post office in WH Smith in my constituency did not even have any of its self-service counters available—ironically, due to a lack of staff. Can I get an assurance from the Government that pressure will be brought to bear on the Post Office—obviously, it is a Government-owned entity—to ensure that there are adequate staffing levels, particularly where the relocation of main post offices has taken place, as it has in Crawley and other towns across the country?

Mel Stride: My hon. Friend's question does not surprise me in the least, knowing how vigorously he has campaigned locally in his constituency on the matter of post offices and local services, and he is absolutely right that they are vital. As we all know, post offices often provide the vital banking services that are often not present because the last bank in the town or local community has disappeared. On his specific question about staffing, I would point him to Business, Energy and Industrial Strategy questions on Tuesday 16 July.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Following what the Shadow Leader of the House said about Wales, may I say that Scotland and Northern Ireland are also due full Barnett consequentials from the Birmingham games funding? We recently heard the Tory leadership candidates and their Conservative representatives in Scotland state that only an outright SNP majority would be a mandate for the Scottish Government to implement their manifesto promises, despite the Scottish Parliament having voted to do so. Given those statements, may we have a debate on parliamentary democracy, and on where this minority UK Government's mandate has emerged from?

Mel Stride: On that matter I would probably point the hon. Gentleman towards Cabinet Office questions. I do not have the precise date, but I know they are coming up before the recess.

Luke Graham (Ochil and South Perthshire) (Con): This year marked the 75th anniversary of D-day. It also marked another anniversary—that of the Great Escape, during which 50 prisoners of war were murdered by the Gestapo. One of those 50 was Sandy Gunn, from Auchterarder in my constituency, whose Spitfire has recently been discovered in Norway as a result of the ongoing AA810 project. Sandy served as part of the photographic reconnaissance unit—a highly skilled and dangerous unit that carried out missions across enemy territory to try to bring valuable information back to allied forces in the UK and elsewhere around the world. Despite that great service, more than 70 of those who died are still without any known graves or national memorial. Will the Leader of the House find time for us to debate a national memorial for those men who served in the photographic reconnaissance unit and gave so much to our country?

Mel Stride: My hon. Friend raises the important issues of the Great Escape and Sandy Gunn, and the importance of photo reconnaissance to our efforts in winning the second world war. Sandy Gunn is one of many unsung heroes in that conflict, and the idea of holding a debate on that issue is a good one. Perhaps my hon. Friend might seek a debate in Westminster Hall or an Adjournment debate, or he could prevail on the good offices of the hon. Member for Gateshead (Ian Mearns).

Jim Shannon (Strangford) (DUP): Last week, NHS Health Scotland published the first data from the official evaluation of minimum unit pricing in Scotland. The figures are highly encouraging, and I commend them to comrades and colleagues in the House. They show that alcohol consumption in Scotland dropped by 3% last year. It rose by 2% in England and Wales where no minimum unit pricing is in place, although it will be introduced in Wales next year. Will the Leader of the House join me in welcoming those results, and will the Government make a statement on their plans to reduce alcohol harm in the rest of the country?

Mel Stride: I certainly join the hon. Gentleman in welcoming the fall in alcohol consumption in Scotland. He suggested that it has been rising in England and Wales, which I am not sure is the case as I think it may also have been declining, although I may be wrong on that point—*[Interruption.]* Somebody says I am wrong,

so perhaps I am. I reassure the hon. Gentleman that under our national health service long-term plan, we have signalled our support for improving treatment for patients, and expert alcohol care teams will work in the 25% worst affected parts of the country, supporting patients who have issues with alcohol misuse and their families.

Thangam Debbonaire (Bristol West) (Lab): Before he left the Chair, Mr Speaker mentioned the rock band MP4, and I cannot resist segueing neatly into a tiny little plug for the newest entry in the parliamentary musical bloc: string quartet the Statutory Instruments. Modesty forbids me from saying much more, other than that Members should check their emails for an invite to the debut concert next Tuesday.

The Leader of the House may have been forewarned by his predecessor that I have a penchant for asking for the location of missing pieces of legislation. In no particular order, and with no priority, can he say where the Agriculture Bill, the Fisheries Bill, and the Immigration and Social Security Co-ordination (EU Withdrawal) Bill are? I could go on, but those are the three at the top of my list.

Mel Stride: As with all legislation, I will make announcements from the Dispatch Box about what Bills will come forward in the usual way. I think the hon. Lady is a member of the Labour Whips Office, so she will be party to discussions between the usual channels on those matters.

Patricia Gibson (North Ayrshire and Arran) (SNP): Currently, two in five pensioners who are eligible for pension credit do not claim it. In my constituency, over £7 million of pension credit payments are not claimed and are therefore retained by the Treasury. All of that is occurring as we witness an increase in pensioner poverty. Will the Leader of the House make a statement setting out what his Government will do to ensure that all pensioners eligible for pension credit are made aware of this support and how they can claim it?

Mel Stride: The hon. Lady raises a very important and specific point about the non-claiming of pension credit. I totally agree with her. It is very important that those who are entitled to it are aware that they are able to claim it and do make that claim. This is important finance to support them. Given the fact that this is a very specific matter, I will point her to Work and Pensions questions on 1 July.

Colleen Fletcher (Coventry North East) (Lab): Eighteen young people from Coventry are to take part in the 53rd international children's games this summer, which are due to be held in Ufa, Russia, in July. The Coventry team will be competing against 1,500 other children from 90 cities around the world in many different sports, including athletics and swimming. I know these young people will have an unforgettable experience, and will build friendships with children of different nationalities that will hopefully last a lifetime. Will the Leader of the House join me in wishing all those young Coventrians all the best? Will he look to arrange a debate in Government time on the benefits of sport, not just for health and wellbeing but for its ability to develop cultural relationships between cities and friendships between competitors?

Mel Stride: I congratulate every single one of those children who have stepped up and said they are willing to travel halfway round the world to engage in what sounds like a fantastic sporting competition involving 1,500 other competitors. I wish them well. Sport and exercise for young people is a very worthy subject for debate. I might direct the hon. Lady to the hon. Member for Gateshead and the Backbench Business Committee.

Kevin Brennan (Cardiff West) (Lab): I thought the Leader of the House was very ungracious to suggest that the hon. Member for Perth and North Perthshire (Pete Wishart) was not the best-looking member of Runrig but if I can paraphrase Paul McCartney, he is not even the best-looking member of MP4! *[Laughter.]* I'm not saying who is, obviously. By some strange omission MP4 have not been booked to play the Glastonbury festival this weekend, but it is a reminder of the importance of music festivals to the economy and to people's wellbeing. A lot of smaller music festivals are now being hit for the first time by business rates bills, making their survival marginal at best. May we have a debate on why it is that music venues and music festivals now seem to be being picked on for business rates and other costs by the Government, when they contribute so much to our wellbeing and our economy?

Mel Stride: I thank the hon. Gentleman, first, for his observation about the hon. Member for Perth and North Perthshire (Pete Wishart). I think we have plumbed new depths in terms of his desirability. It is a very cruel observation, but I will check the photographs and see whether it is true. Perhaps I will report back next Thursday with my observations.

On the serious matter of music venues and business rates, I think the hon. Gentleman may be referring to the applicability or otherwise of tax reliefs, which have recently been announced, in relation to business rates. They typically apply to pubs, but currently I do not think they necessarily always apply to music venues. On music festivals, I am not familiar with exactly how the business rating system works in that respect. These are both matters for the Treasury, specifically the Financial Secretary to the Treasury. If he would like to drop me a line, I would be very happy to facilitate a meeting with the Financial Secretary to discuss them.

Chris Elmore (Ogmore) (Lab): Following on from the question from the hon. Member for North Ayrshire and Arran (Patricia Gibson), I have previously raised the issue of understanding pension credit and doing more to promote it. After the launch of the independent "Credit where it's due" campaign yesterday, I was shocked to find out that £5 million was not being claimed by pensioners in my constituency. I ask the Leader of the House to find time for a debate and not to refer us to DWP questions—there needs to be a debate so that we can highlight this issue. It affects not just one or two Members, but Members right across the House, so can we please have a debate on this important issue to ensure that pensioners receive the benefits and pension credit that they deserve?

Mel Stride: The hon. Gentleman has quite fairly pressed me to go a little further than I did in answering the hon. Member for North Ayrshire and Arran (Patricia Gibson), inasmuch as he points out that this is quite a

[Mel Stride]

wide-ranging issue. I point him to DWP questions on Monday—it is worth being there to ask a question on that point—but equally, perhaps he would consider applying for a Westminster Hall debate. *[Interruption.]*

Diana Johnson (Kingston upon Hull North) (Lab): As a fellow hay fever sufferer, I send my best wishes to you, Madam Deputy Speaker, because you are obviously suffering from the high pollen count today.

Can we have a statement before the summer recess on progress in the infected blood inquiry? We know that a victim dies on average every four days and that the inquiry will probably not finish for another couple of years. Along with seven Opposition party leaders, I have requested the Prime Minister, and the two people who are standing to be the next Prime Minister, to commit to providing compensation now rather than waiting for two years, when we know that so many more people will die. Can we please have an interim statement?

Mel Stride: The hon. Lady has put an enormous amount of work into the whole issue of infected blood and highlighting how important it is, and she should be congratulated on that. On compensation, the best way to take that forward would be a meeting with a Minister, and I would be very happy to facilitate a meeting with the appropriate Minister so that she can discuss those issues.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The blistering incompetence of the independent members of Stoke-on-Trent City Council is becoming legendary across Staffordshire. Their most recent wheeze is to instruct a secondary school in my constituency, Birches Head high school, to increase the number of children that it takes but not to provide a single penny of capital funding to build the classrooms for the children to work in, forcing the school to cancel its in-house bus transportation scheme for the rest of the school to make budgets work. Can we have a statement at some point, perhaps from the Department for Education, on the sustainability of capital investment in school buildings, and perhaps a debate on a fit-and-proper-person test for cabinet members such as Ann James and Janine Bridges and whether they are fit to run cabinet, executive-level positions in any authority?

Mel Stride: I do not think I will get too drawn into the—how shall I put it?—cross-fire of the issues that the hon. Gentleman raised in respect of Stoke-on-Trent City Council, other than to say that if the hon. Gentleman writes to me about the general matter of capital investment in schools, I will be very happy to have a close look at whether a debate might be appropriate or whether I might suggest facilitating a meeting with an appropriate Minister.

Kerry McCarthy (Bristol East) (Lab): It was announced to the press this morning that the Department for Environment, Food and Rural Affairs has appointed Henry Dimbleby to lead on a food review that will result in the publication of a national food strategy next year. A lot of us have been very excited about this and have spoken to Henry about it, but I am quite disappointed—particularly given the Environment Secretary's fondness for appearing at the Dispatch Box—that we have not had a statement on that, nor have we even had a written ministerial statement. It is another example of things being announced in the press and not here. Will the Leader of the House lure the Environment Secretary to the Dispatch Box next week?

Mel Stride: The Environment Secretary should be congratulated on all that he is doing in this area. I know that he takes it extremely seriously, and the appointment that has been made is an extremely good one. None the less, the hon. Lady is urging us to make a statement. Her remarks will have been heard by the Secretary of State, and if she wanted me to help to facilitate a meeting with a Minister in that Department to discuss the national food strategy, I would be very happy to do that.

Cat Smith (Lancaster and Fleetwood) (Lab): There is a heatwave rolling across Europe, with record June temperatures recorded in Germany, Poland and the Czech Republic. Yesterday we saw huge numbers of people from across our communities—30 or so from my constituency—travel to Westminster to lobby MPs about the urgent need to respond to the climate emergency that we as a Parliament have declared. May we therefore have a debate, in Government time, on the role that tidal energy could play as part of the UK's future energy mix? There are many projects all the way along the west coast, from Solway to Somerset, but I am particularly interested in the potential for tidal energy on the River Wyre at Fleetwood.

Mel Stride: The hon. Lady makes an important point, and she is right to refer to yesterday's gathering of people from across the country to underline the importance of global warming and the need for renewable energy, including tidal energy. She will be aware that we are now the leading economy to commit to net zero carbon emissions by 2050. We have also reduced emissions by 25% since 2010, we have now had the longest period of producing power without the use of coal since the industrial revolution, and we are seeing more and more energy being generated from renewables. I think that tidal energy would be a very good subject for an Adjournment debate.

Point of Order

11.36 am

Thangam Debbonaire (Bristol West) (Lab): On a point of order, Madam Deputy Speaker. I have given Mr Speaker's office notice of my intention to raise this matter. Yesterday, during Prime Minister's questions, the Prime Minister not once but twice made an assertion that was not only inaccurate—she might have been misinformed—but really damaging. She twice asserted that Labour peers were attempting to stop the legislation needed for the net zero carbon emissions target. That is categorically not the case. The noble Lord Grantchester had tabled a motion of regret as an amendment to the statutory instrument, and his intention was not to block it, but to improve it along the lines that I was asking the Prime Minister about. I was attempting to make a clear stand so that the members of the public outside yesterday could hear some sort of cross-party consensus, which is what I had been hoping for. I was disappointed that what the Prime Minister said was not just an attempt to make political capital; it was also not the case.

I do not wish to imply that the Prime Minister deliberately chose to mislead the House—I am sure that is not the case—but she has now had adequate opportunity to correct the record, and I understand that has not happened. I therefore seek your guidance, Madam Deputy Speaker, on what I can do to ensure that the record is corrected, and not only in a timely manner, but with as much publicity as Prime Minister's questions allows.

Madam Deputy Speaker (Dame Rosie Winterton): I am grateful to the hon. Lady for giving notice of her intention to raise this matter and, as I understand it, also informing the Prime Minister's office. She will know that I am not responsible for the accuracy or otherwise of answers given by Ministers at the Dispatch Box. She asks me how she might achieve a correction of the record. She has given her account of the matter and drawn the House's attention to exchanges in the House of Lords yesterday, which may be relevant. If she wishes to pursue the matter directly with the Prime Minister, she can consider tabling further such questions—the Table Office will be happy to advise her on that. In the meantime, those on the Treasury Bench will have heard her comments, and she has obviously put her point on the record.

Backbench Business

Co-operative and Mutual Businesses

11.39 am

Gareth Thomas (Harrow West) (Lab/Co-op): I beg to move,

That this House welcomes the contribution of co-operative and mutual businesses to the UK economy; notes that they provide substantial jobs in Britain, generate significant tax revenues and involve consumers and employees in decision making; and calls on the Government to review what further steps it can take to help grow that sector.

It is a pleasure to move the motion in this, the first week of Co-operatives Fortnight. Co-operative and mutual businesses—from retail giants such as John Lewis, Nationwide and the Co-operative Group through to social enterprises, credit unions, energy co-ops, community banks, childcare co-ops, friendly insurers and housing co-operatives—offer a route map to a more democratic and fairer economy. Co-ops and mutuals exist already in every sector of the economy, from financial services to housing, food retailing, public services and sport, supplying affordable and sustainable services to consumers, providing rewarding work and strengthening community enterprise.

Chris Elmore (Ogmore) (Lab): My hon. Friend has mentioned financial services. Does he agree that building societies in particular provide an excellent service on the high street? High street banks have vacated many communities en masse, but building societies are a mainstay, and are gaining more business and better understanding from consumers because they are there to support them week in, week out.

Gareth Thomas: That is an extremely good point. Building societies are one part of a co-op and mutual movement that already has a combined income of more than £133 billion, with assets worth many billions more. It is a serious and significant part of our economy, yet all too often Government, regulators, policy makers and thinkers dismiss its huge potential for expansion—expansion that could help to challenge wage stagnation, widening inequality and our growing environmental crisis.

Co-ops and mutuals put economic power in the hands of ordinary people, and, remarkably, those ordinary people, supported by skilful management, can be entrepreneurial, highly productive, and visionary—who knew? There are those on the right who criticise co-ops and mutuals for being some sort of left-wing throwback to the 1970s, and dangerously radical; and there are those on the hard left who think that they are not public ownership at its best, but just a front for business as usual. More generous critics take a benevolent, paternalistic approach, tolerating co-ops and mutuals until bigger, more serious players in the City or the unions enter the room.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): My hon. Friend is making an excellent start to what I am sure is going to be a great speech, but may I suggest to him that co-ops are, in fact, dangerous? They undermine the existing order, and empower people to take charge of their own lives. They are dangerous, and they should be.

Gareth Thomas: I was about to say something that I hope my hon. Friend will be able to support even more wholeheartedly. I have always believed that co-ops and mutuals are the future: that they spread wealth and power more fairly, that they strengthen British-owned business, that they provide competition and choice for consumers in a range of critical markets, that they create diversity and enterprise, that they take a long-term view, and that they are a counter to the short-termist, riskier business models loved by City editors. We in this great Chamber should surely be able to allow our communities to direct and influence the economies that surround them and on which they depend.

Kerry McCarthy (Bristol East) (Lab): Will my hon. Friend join me in supporting agricultural co-operatives, which play an important role in trying to bring about more sustainable, locally connected food and farming systems? Does he share my disappointment that countries such as the Netherlands and France have far more of them than we currently have in the UK?

Gareth Thomas: I absolutely endorse my hon. Friend's comments. I know that fisheries co-ops are another part of the sector in which she is interested. They, too, make a huge contribution, and could do a lot more with a little more help.

The economy is not some separate space to be run only by so-called management experts on grotesque levels of pay who can continue to ignore the rest of the country. Why should our neighbours, our friends and those we see at the school gate not have a say in how businesses and services on which they depend are run? They are allowed a say in political decision making, so why should they not be allowed a say in the businesses that they work in or depend on? Co-ops and mutuals can be life-changing and transformative, and the Government and the other Opposition parties should join Labour in committing themselves to double the size of the sector from between 4% and 5% of GDP to 10%.

The Oxo Tower on London's South Bank was redeveloped by the enterprise Coin Street Community Builders. It now contains five floors of social housing run by Redwood Housing Co-op, subject to some of the lowest rents in the capital while being in one of London's prime spots. Armed forces credit unions are another powerful example of the difference that co-ops can make. They were established after a long campaign by the Co-operative party, and are helping to combat the problem of payday lenders who prey on our armed forces personnel. Those are two remarkable stories, in my view, but much more is possible. Access to capital, further legislative reform, better Government funding, more Whitehall efforts to raise awareness and more expertise on the sector in the civil service are the key asks of Britain's co-op and mutual sector.

I appreciate that finance is not an issue or problem reserved to co-ops and mutuals, but because of their different ownership models they often have real difficulty in accessing finance for expansion, and indeed for getting started. Big corporations can access large investment through debt funding or, crucially, can create capital by selling shares. Co-operatives and mutuals cannot at the moment do the latter without demutualising. Clearly we need to protect this unique governance model but also allow mutuals to issue permanent investment shares—that is to say, create indivisible reserves—which cannot be distributed to members even beyond the lifetime of the mutual. The European Union states offer this already in their mutual and co-operative legal set-ups, and a further five EU states have it in a slightly different form, yet in the UK we do not offer this route to raising significant finance for co-ops and mutuals.

Such a form of co-op and mutual share capital would offer stronger protection against demutualisation and therefore maintain and enhance corporate diversity. Above all else it would allow co-ops and mutuals to compete in the marketplace with other big businesses without one hand tied behind their back. In the UK building societies have a version of this already, called core capital deferred shares, which allows them to access capital markets without risking their mutual nature, but other financial mutuals and co-ops in the UK do not have anything like that.

Outside the EU, Desjardins in Quebec has raised more than $4 billion through this route, and Australia passed legislation on 5 April this year allowing its co-ops and mutuals to issue share capital while protecting their co-operative and mutual nature. If the Australians can do it, if most of Europe can do it, and if British building societies have it already, why should not British co-operatives and other mutuals also be allowed to raise finance in this way?

I recognise that the Minister and his officials have looked at this once already in the light of Lord Naseby's successful Bill in the other place, and indeed my own and mutuals' representations, but I hope he might be persuaded, particularly given that similar legislation is now on the statute book in Australia, to bring key experts in this area together with officials again to try to find a resolution to the problems that have stopped this method of raising finance being allowed in the UK. The Co-operative Group, other retail co-op societies, Co-operatives UK, friendly insurers and the Building Societies Association all support progress on this issue, and I urge the Minister, who has been sympathetic to co-operatives and mutuals in the past, to be willing to take a fresh look at this.

Britain's co-op and mutual movement suffers from a lack of dedicated banking funds. Across Europe, dedicated mutual or co-op banks exist, are highly profitable and have been around for ages. I have long thought that the Royal Bank of Scotland could and should be converted into a mutual to help address this gap in the UK and to challenge the continuing big banking monopoly in the City. The Minister may not yet be ready to join me in making that jump, so perhaps I can ask him to explore whether the British Business Bank might begin to have a dedicated mutual growth fund to encourage the setting up of new mutuals.

Responsible Finance, an excellent organisation that champions Britain's existing community banks, highlights the need for dedicated finance for start-up worker co-ops. There is at present an absence of patient capital or capital blended with grants to reduce investment risk for start-up worker co-ops. A dedicated fund would enable specialist co-op lenders to take a higher level of risk in this area and mean that more capital would be available.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Does my hon. Friend agree that almost all start-up businesses have difficulty in accessing finance but that,

ironically, it is more difficult for co-ops, notwithstanding the fact that the survival rate of starter co-ops over five years is almost double that of other businesses? That is an anomaly that we would reasonably expect the financial services market to correct.

Gareth Thomas: My hon. Friend is absolutely right. I pay tribute to the work of programmes such as Co-op UK's Hive programme, the resources that are available from Stir to Action, some of the local measures that we have seen in Manchester and Preston, and Social Investment Business's mutual Reach Fund, but these are all relatively small-scale and need to be scaled up.

The Minister will not be surprised to hear me—and, I suspect, other hon. Members—urge the introduction of further legislative reform to help credit unions offer more services to their members and enable them to invest their members' money in an expanded range of ways to generate a return for savers. Credit unions are the most active, responsible lenders to the poorest and most financially vulnerable and excluded people in the UK, but they are held back from doing more by outdated legislation and a digital approach to regulation by the Financial Conduct Authority.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): I declare my interest as a former director of the Staffordshire credit union, which sadly went bump because the FCA's misunderstanding of the difference between the capital reserves we had to hold and the sustainability of our loan book meant that we could never meet its ever increasing targets and thresholds. That has left a number of former consumers unable to access even the basic banking arrangements that we offered, and I wholeheartedly agree with my hon. Friend's comments about the way in which the FCA regulates. It needs to better understand what credit unions are, and how they differ from commercial high street banks.

Gareth Thomas: My hon. Friend makes a powerful point. There needs to be a significant culture change in the FCA's approach to credit unions and other financial mutuals. I recognise that there has been some Government support—indeed, the Minister has been helpful in ensuring more support for credit unions—but wholesale reform of the objects and powers of credit unions through primary legislation, providing a clear basis for innovation and development in the sector, is overdue.

Mr Sheerman: I do not usually stand up for the Financial Conduct Authority, but is it not in the interesting position where the rise of digital currencies, crowdfunding and all the new opportunities opening up to co-operatives mean that we are in a challenging and innovative but quite unstable situation?

Gareth Thomas: My hon. Friend seems to have gone from being dangerously radical earlier to being conservative within the space of about 10 minutes. He makes a reasonable general point about the changing landscape, but I am struck by the number of credit unions that have stories to tell of their difficulties with the FCA, and I believe that the point that my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) and I have made about the need for cultural change in the FCA's approach to mutuals is justified.

As the Association of British Credit Unions Ltd and the Building Societies Association have noted, new primary legislation for credit unions could allow them the chance to offer additional services at an affordable price in areas such as house insurance, where consumers often pay a premium if they pay on a monthly basis. Under the Credit Unions Act 1979, credit unions are permitted to offer credit to their members in the form of a loan, but the Financial Conduct Authority has taken a strict and literal view of this, limiting credit unions to offering cash loans. ABCUL and credit unions such as Plane Saver and London Mutual have noted that credit unions could provide an affordable and responsible alternative to a number of other consumer credit markets, such as secured car lending. Indeed, one credit union highlighted to me that the FCA had effectively stopped it offering an alternative to the high-cost credit that BrightHouse locks its customers into when they cannot afford to pay outright for basics such as cookers and fridges.

There should be a legal right for payroll deduction to join a credit union to be available to an employee if they desire it. I hope the Minister will ask his officials to check that every branch of the Government offers payroll deduction to join a credit union if civil servants want that facility. There should also be a requirement for the Department for Work and Pensions, local authorities and housing associations to signpost those in need to credit unions to help them avoid the payday loan companies and illegal lenders who prey on our most vulnerable people. Further help to allow credit unions to invest in new technology, so that they can provide a good digital offer, is key.

Greater understanding of the needs of the co-op and mutual sector by the civil service, and across all parts of Government, is important, and the Treasury is in a good position to facilitate such an awareness-raising effort. In Homes England, for example, a dedicated group of staff could promote and help housing co-operatives. A co-operative development agency could be tasked with promoting interest in co-ops and mutual entrepreneurialism across the country. The Treasury should be able to check that Government funding announcements do not discriminate against co-operative and mutual models. Co-op schools and energy co-ops have not been helped at key moments. Finally, why oh why are the Government not doing more to promote employee ownership trusts—a move they announced in the 2014 Budget—as a way of enabling the owners of companies to get the exit they want, realising the value of their business while securing its ethos, values and employees for the future?

The Government have sought to dispose of unwanted buildings and other land, but some of that should be allocated for sale or transfer for co-operative housing. We need more community land trusts to lock down ownership of land for those who need it most, and I will give just one example, with Armed Forces Day this Saturday in mind. In the US, homeless veterans are being helped into homes built on donated Government land, subsidised by Government funding and run as housing co-operatives. That has given veterans the chance to take control of the environment, rules, regulations and rents that they live by and pay, while getting proper support to rebuild their lives.

Dr David Drew (Stroud) (Lab/Co-op): My hon. Friend is making an excellent speech. Does he accept that community land trusts have a particular benefit in rural areas, where they can provide cheaper or affordable

[Dr David Drew]

housing? Does he agree that we need to examine how planning rules can encourage, rather than disadvantage, community land trusts in such settings?

Gareth Thomas: I do agree, and I hope that my hon. Friend will catch your eye, Madam Deputy Speaker, to develop that point further.

Soldier On, a US veterans charity, opened the Gordon H. Mansfield veterans community in the autumn of 2017, with 51 homeless veterans moving in. Those veterans received not just the keys to their own apartment in a housing co-operative, but the keys to a new life away from the danger and insecurity of the streets. Soldier On has 14 new units under construction and is looking to develop 100 more units in New York and a further 70 in New Jersey. That model of housing co-ops on, probably, donated Government land could work in the UK and should be happening here. I gently ask the Treasury to encourage the Ministry of Defence to stop some of the sales of the almost 50 empty properties of which it is trying to dispose.

Co-operatives and mutuals are a great British success story, but they could be an even bigger one. I urge the House and the Government to embrace the sector and to champion the doubling in size of its contribution to our economy.

11.58 am

Mr Steve Baker (Wycombe) (Con): It is a great pleasure and a privilege to follow the lead of the hon. Member for Harrow West (Gareth Thomas). I sometimes disappoint him in other matters, but I salute his work on furthering the co-operative movement.

I will never forget the moment when I fell in love with the principles and ideas of the co-operative and mutual movement. Shortly after my election, I had been encouraged to study a book called "Working-Class Patients and the Medical Establishment" by David Green, who now runs the Civitas think-tank, and the moment that I mention came when I read this quote—I hope that Members will forgive the old-fashioned language—taken from the *Oddfellows Magazine* on the eve of the passage of the National Insurance Act 1911:

> "Working men are awakening to the fact that this is a subtle attempt to take from the class to which they belong the administration of the great voluntary organisations which they have built up for themselves, and to hand over the future control to the paid servants of the governing class… This is not liberty; this is not development of self-government, but a new form of autocracy and tyranny not less but the more dangerous because it is benevolent in its intentions."

That speaks to the kind of radicalism that the hon. Member for Huddersfield (Mr Sheerman) introduced to the debate. Perhaps it is a spirit too radical for our age, but it is pretty obvious that, in so many countries around the world, there is a crisis of political economy and a lack of faith not only in the institutions of government but in the institutions of market economy. I am grateful to see Opposition Members nodding, and in that spirit we need to recapture some of that radicalism. It is about free individuals in society standing up not only for themselves but against entrenched interests and entrenched power better to serve their families and their communities. That was the moment when I realised, as a free market Conservative, that I perhaps had something to learn from the traditions of the left.

What is it that make co-operatives different? A briefing supplied by Co-operatives UK states:

> "What makes co-ops different is how they allow people to democratically own and control the things that really make a difference—like capital, organisation and scale—so that these create real value for people and planet. They are one of the best tools we have for applying social responsibility, solidarity and democracy in a market setting."

Perhaps it is that language of solidarity and democracy in the market that frightens off some of my Conservative colleagues, which I very much regret.

The Rochdale principles of the movement's founding pioneers talk of open membership; democratic control—one person, one vote—not based on share ownership; distribution of surplus in proportion to trade, which is economic participation; payment of limited interest on capital; political and religious neutrality; cash trading, so that people do not get into credit trouble on the basics; and the promotion of education.

Those principles have of course been refined by the International Co-operative Alliance to open and voluntary membership; democratic governance; limited return on equity; surplus belonging to members; the education of members and the public in co-operative principles—my goodness, we could do with more of that; and co-operation between co-operatives.

If we accept, and I am afraid that today it is a question of if, that prices, profit and loss are the only way to co-ordinate a global society of billions of people, and if we accept that we must live in a free market society to best serve one another, it is time to look at civil society—that great panoply of institutions between the individual and the state—and ask how that inclusive spirit of free enterprise shared by mutuals and co-operatives can help to rebuild people's faith not only in a market economy but in government. We therefore need to recapture the Rochdale principles, and I encourage my colleagues on the Treasury Bench to think carefully about how a Conservative Government can stand for some of these principles in a market economy.

Mr Sheerman: The hon. Gentleman and I are bitter opponents over the UK's future in Europe, but we sometimes put that to one side. We are working together on a new initiative called FairLife—he knows I agree with the Rochdale principles—to open up the system so that people know they are getting a fair deal on financial services, just as they know they are buying ethical products through Fairtrade.

Mr Baker: I always enjoy my moments of agreement with the hon. Gentleman, and of course regret those moments when we disagree. Hopefully I will persuade him one day of the correctness of my cause in that other matter.

Co-operatives and mutuals, throughout the history of society, have played a really important role in standing against tyranny and monopoly power, whether it was the Rochdale pioneers providing good-quality food for themselves, their families and their children or, as I discovered in my research, the African-American communities that used co-ops and mutuals during the despicable Jim Crow era to provide aid to one another when they were denied it by the state, whether through unjust laws or extra-legally. I am advised that the Mondragon co-operatives were founded in the Basque country partly as a response to the oppression of Franco.

More recently, Taxiapp allows drivers in London to fight back against the competition of Uber. Of course, farmers co-operate through co-operatives in a way that should be expanded.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Is the hon. Gentleman aware of the fantastic work of Drive, the new taxi co-operative in Cardiff? In Wales we call on Drive to take us somewhere, which is exactly what it does. The co-operative is a response to some of the practices of the private-hire sector, the influence of Uber and others. It is doing fantastic work, supported by the Wales Co-operative Centre.

Mr Baker: I am grateful to the hon. Gentleman for that, as I was not aware of Drive—I shall certainly Google it after this debate.

We need to ask ourselves why, given all the benefits of co-operatives and mutuals, they have not advanced further. They flourish, but why have they not advanced further? I was reflecting on why the Thatcher Government of my youth did not understand the great value that could come through inclusive free market participation with co-ops. They never got as far as embracing mutuality. That language of "solidarity" and "democratic participation" perhaps frightens off Conservatives. For too long, we have been afraid of some of these ideas of the left, and a more communitarian and voluntarist Conservative party should be embracing this idea of equality and market participation, not exclusively but as an important component of our society. I once heard the term "a parastatal", and I wonder whether the idea of an enormous "The Co-op"—that enormous group of co-operatives—frightened off Conservative Governments in the past. I am encouraged that the "Open Public Services" White Paper of the coalition years makes provision for more mutuality in public services. I very much hope that when we get past our current distractions we might return to some of those ideas.

It has been suggested to me that one reason the Thatcher Government were not very good at embracing co-operatives was the preceding Labour Government's failed attempts in the '70s to turn failing companies into co-ops or co-op-like entities. Although I philosophically really embrace the hon. Member for Harrow West's ideas about turning RBS into a co-op, and he and I have previously discussed the idea of Channel 4 becoming a co-op—

Mr Sheerman *rose—*

Mr Baker: I will just finish the point. Enormous sums of capital are involved, particularly in relation to banks, so I have some misgivings that we might repeat the errors of the past. With that, I, of course, accept the hon. Gentleman's help.

Mr Sheerman: Let me help the hon. Gentleman on the history, because I knew Margaret Thatcher and her attitude to co-ops. We have to remember that she was the daughter of a small shopkeeper and traditionally saw the Co-op as the great competitor. She had an old-fashioned view of co-ops and what they meant, and she would never shop in one; there was a tradition that those on the radical side did not shop in co-ops, because they were the competition. I hope that that bit of history adds to his knowledge.

Mr Baker: Of course I did know that, but the hon. Gentleman has certainly added colour to my understanding of the idea that we are all prisoners of where we come from, and perhaps that was one of the reasons. Now is the time we can have a renewal in our understanding of what can be achieved. Today, as the hon. Member for Harrow West set out, co-operatives are extremely important. They give an opportunity for people to gain control and agency over local economies, whether in land trusts or in other areas—we have mentioned public services. I will never forget listening to a young woman talking highly entrepreneurially about how a social care co-operative was working. It was remarkable to listen to the degree of ownership that lady felt. In other circumstances, she might have been doing "just" the valuable work of practically caring for a person, but in addition she felt really engaged in the operation of the business. That is an entirely noble thing. It is part of the process of becoming what it is to be human—to be really engaged like that in how these businesses run.

I wish to bring a few matters to the Government's attention, and again this comes from Co-operatives UK. These are a few of the barriers out there and some policy options, which I would like the Government to consider. Co-operatives UK suggests:

"Fertile conditions for co-op formation are often absent"

because, for example, there is a shortage of

"social capital and limited devolution of economic power and funding to the community level."

Going back to the 1911 Act, I wonder whether this is a part of a broader trend over 100 or more years, and whether we need to make sure that social capital and the devolution of economic power facilitate mutual and co-ops. Co-operatives UK then cites:

"Established cultures and norms of behaviour",

with people sometimes "culturally disinclined to co-operate". We need to think of ways we can encourage people to join in co-operatives.

There is, of course, a lack of awareness, practical understanding and good advice about this, which, I am sorry to say, we can witness on my side of the House today; too few Conservatives understand the role of co-operatives and mutuals. We could do more, as a Government, to explain to people the role of mutual and co-ops in a free society. Co-op frameworks are not as user-friendly as they should be, and we have heard some examples of that.

Of course, I support what the hon. Member for Harrow West said about building societies and extending capitalisation opportunities to other co-ops. I remember opposing the demutualisation of building societies as a young man. I did not really know why at the time; it just seemed instinctively wrong not to have that plurality. Our corporate frameworks and governance arrangements should be friendlier to co-ops. Members have touched on financing challenges, and they are generally part of the operating environment.

The proposals from Co-operatives UK include:

"Rather than giving all the funding and power to LEPs"—

local enterprise partnerships, in England—

"government could commit 25 per cent of the new UK Shared Prosperity Fund for community economic development".

The Government should certainly consider that, along with encouraging LEPs to look seriously at the role of co-ops in their local communities through local industrial strategies.

[Mr Baker]

Co-operatives UK proposes that there should be a social-investment tax relief, suggesting that we should:

"Use the current review of Social Investment Tax Relief to make it more supportive of Community Shares, by making community investment in land and real estate, housing development, sustainable agriculture and renewable energy eligible."

It also suggests employee ownership tax support and help for co-ops with making tax digital, which is something of a curse on a number of small businesses.

I have reservations about the idea of dormant assets being used to support co-ops. My concern is related not to co-ops, but to the idea that dormant assets are someone's property. We should be a little cautious there, but Co-operatives UK has made that recommendation. It also proposes legal reform to ensure that we bring things up to date and support co-ops in the law.

At this time of great political turmoil, not only in the UK but in France, Germany, Italy, Spain, Greece and the USA, we need to think extremely seriously about the institutions that we have and how to make them flourish. A great and wise defender of the liberal market order once wrote:

"Society is co-operation; it is community in action."

I very much hope that, through the kind of collaboration we see in the House today, we might one day educate Members of Parliament and the public as to what that idea of society as co-operation really means, and through doing that reinvigorate our society and better fit it for the future.

12.12 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): It gives me great pleasure to follow that rather enlightened speech by my friend, the hon. Member for Wycombe (Mr Baker). As I said in my earlier intervention, we work together on the FairLife initiative, which shows the children present today that sometimes we work positively across party lines; we do not just disagree over Brexit or other things.

I suppose my admission today is that as a young academic teaching at Swansea University, I got involved in learning about worker co-operatives and wrote an article about them. I got so enthused that I started to set up worker co-operatives. Eventually, someone said to me, "You're very political and interested in co-operatives; why don't you join the Co-operative party?", and I said, "What is the Co-operative party?" The person said to me, "Come down to a Co-operative party meeting at the Elysium buildings", which were by the railway station in Swansea. It was a pouring wet night—we specialise in those in Swansea—and I got down to this meeting and came out as the secretary. You will understand, Madam Deputy Speaker, how politics works in that sense. I have been a co-operator ever since.

I have also been a bit of a dissonant voice, because I have always called into question the idea of having a single view of co-operation. We all look at Google these days, and when I did I saw this definition of a co-operative:

"A farm, business, or other organization which is owned and run jointly by its members, who share the profits or benefits."

It is a simple thing, but it is also the most liberating thing I can think of in terms of the politics that I do, because it is absolutely the kind of politics that says, "Politics is not just about general elections, referendums or the big scale; it is about ordinary people deciding that they are going to take control of their own lives and that they are not going to be manipulated."

I do not want to go too much into the history, but we all know that the industrial revolution pulled people off the rural economy—the farms and the life they knew—and into awful conditions in the factory towns of Britain. They had to shop at the company store: the company not only employed them, but paid them in its own currency so that they could shop only at the company shop. That was called truck. The Truck Acts passed by this House banned the practice of companies having their own currency.

Co-operatives sprung up—one could see at least 50 co-operatives from Castle Hill in Huddersfield. They started as local communities saying, "We are going to be able to buy fresh, good food that isn't overpriced, and we are going to take control of that by setting up a retail co-operative." Members will know the old principle: people used to put in a pound and they would have a share, so they were a shareowner in that co-operative. People were then employed to run the co-operative.

I have a criticism of that model. It is a good model, and by the 1950s most people shopped in co-ops. The co-operative retail movement was so powerful that it was the major retailer in our country. Indeed, in 1917, when Lloyd George was Prime Minister and the co-operative shops were not getting their fair share of flour and sugar because the Germans were blockading Britain, people marched down to Westminster Hall and started the Co-operative party. The biggest retail movement in Britain was not getting a fair share. Very soon, the Co-operative party came to an agreement with the Labour party that we would never stand candidates against each other, which is why there is a Labour and Co-operative wing of the labour movement.

That is the history, but let me bring things up to date, because that was an important lesson. People's lives were in turmoil: the whole social and economic nature of the country changed in the 18th century and into the 19th century. There was radical change, and radical change is now happening again in respect of the assured ways of life. People thought they were going to get a job and probably have it for life, working in the public services or at a big company. In questions this morning there was mention of someone having worked for ICI—Imperial Chemical Industries. I worked for ICI. It is long gone, but many of the people with whom I worked at ICI worked there for life. It was the norm that people joined a company and, although perhaps they would change their job once or twice, by and large the structure of life was stable and secure. That stability and security has largely disappeared for many of the people we represent in this House.

We have to come to terms with things and to change. Human beings are quite good at responding and saying, "This is really difficult; let's do something to mitigate this and take control of our lives." What happened during the industrial revolution? Working people set up trade unions to represent them, and housing associations and mutuals—a whole range of things. They set up mutuals and co-ops to make sure that people could have a holiday with their family once a year. They set up mutuals to make sure that people had money for Christmas presents and other big occasions, when they could get their dividend. People set up co-ops for burial, and the

Co-op is still today a big player in that sector. They covered holidays, funerals and all those sorts of things. What is the great cause today? It is housing. Young people, and even people on reasonable incomes, cannot get a foothold in the housing market. In the current circumstances, why are we not going back to those mutual and co-operative ideas to meet that need?

All that brings me to the second part of my speech, although I do not want to keep the House's attention for too long. As life is changing radically, the opportunities are changing. I am a long-term social entrepreneur: since I have been in this business, I have started more than 50 different social enterprises. A lot of social enterprise is about asking people for money, and it is difficult. It is tough. As a member of the court of governors of the London School of Economics, I was befuddled, because every time we hired a fundraiser, they did not even make enough money to pay the wages of the fundraising team. Eventually, we hired a young American woman—I think she was called Sally Blair—who raised tens of millions of pounds. People gave us whole blocks of buildings around the LSC in Holborn. She was the most magnificent fundraiser. I said, "Sally, why is it that you have been so successful? She said, "I am an American. If you're an English fundraiser, you ask someone for some money, and if they say no, you go and sulk forever. We ask seven times, and put a person on the back burner only after the seventh time."

As a social entrepreneur and a co-operator, I was in the business of asking people for money for good causes, and it was hard. Then we had the big financial crisis. George Osborne always used to say that the Labour party had caused a worldwide breakdown in modern capitalism. I used to say to him that I wished that we were that powerful. The issue was actually something to do with international banking and the corrupt way that banking had emerged.

The point I want to make is that technology has changed the opportunities for raising money for co-operation. I chair the Westminster Crowdfunding Forum. Social media can achieve immediate results. For example, if someone has an idea for a co-operative, they could raise money worldwide. They could identify a particular need in Yorkshire, in Huddersfield, or even in your own constituency of Doncaster, Madam Deputy Speaker. The technology presents us with an amazing opportunity.

Stephen Doughty: I thank my hon. Friend for giving way. I completely agree with him about those challenges of raising money to get new social enterprises and co-operatives off the ground. In that regard, crowdfunding is a way forward, absolutely, but it also needs leadership from Government. Does he welcome what the Welsh Government have done in the past few days in announcing a new £3 million fund for the Social Business Wales New Start initiative to kick-start hundreds of new social enterprises and co-operatives across Wales? It was, in fact, launched at a restaurant called The Clink, which is next to Cardiff prison and is itself a social enterprise. Does he agree that that is exactly what the Government should be doing—kick-starting the co-operative economy in the UK?

Mr Sheerman: I was amused by that intervention because, of course, my origins in co-operation are in Wales. It is a delight to hear about that initiative. There is also a Clink in London—in Pentonville I think.

The point that I am trying to make is that there are new opportunities. I got fed up talking about co-operation and how wonderful it was. I worked with John Smith, who was a passionate supporter of co-operatives and who started the Co-operative Commission with an international committee on mutuals. We had lots of debates and we set up the Co-operative Development Agency. The problem now is that the co-operative movement is too conservative these days. It clings to the old model, the basics and the values of which are right, but sometimes, I think, we miss the point.

When I went into Co-op shops, I felt that the conditions for the workers were worse than those in Woolworth's, Asda or Morrisons, which was wrong. I made myself unpopular when I said, "Why don't we do what John Lewis does?" John Lewis, as I am sure everyone on the Government Benches know, is a workers' co-operative; it is owned by the workers. They call them partners, but it is a workers' co-operative; and it works and it is successful. It is still doing relatively well even with all the pressure on the high street. So, we have to be critical about the co-operative model and we have to modify it, but, essentially, we have to energise the workers. Worker co-operation is essential if we are to make an organisation work. That blend of everyone having a share as a consumer along with measures to energise the staff is absolutely the way forward.

Finally, now that we have all these new opportunities—we have not only crowdfunding and crowdsourcing, but blockchain and digital currency—there are real possibilities for transforming the economy big time, not little time. I am not talking about a couple of small shops or a couple of little start-ups; we need massively to change the way that we do things in this country. Most international business people whom I meet believe—partly because of Brexit but not entirely so—that we are heading for another global collapse of the economy, another global meltdown, another major recession. We will need, as never before, co-operatives, new mutuals and new ways of doing business. If those new ways of doing business are rooted in empowering people as individuals and as communities, a brilliant future will lie ahead.

The flag of the co-operative movement worldwide is a rainbow of colours. The United Nations has understood the power of our co-operative ideals to transform people's lives not only in wealthy countries such as the United Kingdom and in Europe, but across the world. If we are to do something to stop what is happening in central America—the tragic picture of that father and little girl was still in my mind this morning—and if we are to bring wealth and power to people who do not have it at the moment, co-operation must be at the very heart of what we do.

Let me finish by saying that co-operation is wonderful, it must be updated and forward looking, and it has got to be, in the best sense, empowering and revolutionary.

12.26 pm

Jeremy Lefroy (Stafford) (Con): As always, it is a real pleasure to follow the hon. Member for Huddersfield (Mr Sheerman). I thank the hon. Member for Harrow West (Gareth Thomas) and my hon. Friend the Member for Wycombe (Mr Baker) for bringing forward this really important debate.

[Jeremy Lefroy]

Over the years that I have been in business and, indeed, in this House, I have come to see more and more the importance of the co-operative and mutual movement. Perhaps some Members know this, but I wonder how many people know which bank in the world is top of global sustainability rankings. It is Rabobank, a co-operative bank from the Netherlands, which, last year, had a net income of €3 billion and a balance sheet of more than €40 billion. That shows that a co-operative can be a global player. I have had the honour of working with the Rabobank Foundation in Tanzania where they supported a shallow well drilling project, which my wife was helping to run. I also have seen its work in other countries both as a commercial entity and through its magnificent foundation. That is one thing that a co-operative bank on that scale can do; it can give back enormous sums to the communities in which it works, both through better and cheaper services, financial services in this case, and also through supporting community work.

Further afield across Europe in Switzerland, the two biggest retail groups are both co-operatives: the Co-op itself and Migros, which has more than 100,000 employees. They show how co-operatives can work on a major scale and provide great benefit to their communities and to their staff.

On the international scale, I want to draw attention to Fairtrade, which I have been involved in for many, many years. Without the co-operative movement in the United Kingdom and, indeed, across Europe, Fairtrade would simply not be where it is. We need to remember that the UK has the greatest level of sales of Fairtrade goods of any country in the world—more than £2 billion a year—and the co-operative movement deserves huge credit for that.

Stephen Doughty: I thank the hon. Gentleman for giving way. Is he also aware of the role that the co-operative movement and co-operative MPs have played, along with MPs from across the House in the all-party group for Fairtrade, in highlighting corporates, such as Sainsbury's, that are trying to downgrade the role of Fairtrade products? We highlighted the fact that it was selling tea that it called "fairly traded" which was not Fairtrade tea. It is not only about boosting Fairtrade globally, but about defending its position. That is at the very heart of the co-operative principle.

Jeremy Lefroy: I welcome what the hon. Gentleman says, and he is absolutely right. I would say that Sainsbury's has also been a strong supporter of Fairtrade, but we do not want to see any dilution or diminution of those principles. Fairtrade is like a brand. People will pay that bit extra because they know that what they are buying has been reliably sourced from farmers or other producers who have been properly paid for their work. It is a brand like any other brand, but it is more than that; it is something that we have to have trust in, and we do not want to see any diminution of that at all.

I want to talk briefly about the role of co-operatives in financial services, in three specific areas. First, my constituency is home to the excellent Stafford Railway Building Society, which was founded in 1877. It is local and exists to provide mortgages to local people. It was set up, obviously, by the railway workers of Stafford—Stafford is one of the major railway junctions in the whole UK rail network—and it is still there, providing excellent financial services, profitably, to my constituents and the near neighbourhood. I pay tribute to all those who have made it what it is, because people give up a lot of their time to serve on the board or as staff in the building society. Particular credit goes to Mike Heenan, a friend of mine who was very much involved in the building society for many years; Susan Whiting, who took over from him as the chief executive; and the current board and management of the building society.

Stafford Railway Building Society will be around for the next decade, two decades and three decades, because it is run responsibly and its capital is built up every year as it does not have to pay dividends. Where it can help is by providing cheaper and better services to its members through the retention of that capital.

The second area I want to discuss is credit unions, which have already been mentioned by the hon. Member for Stoke-on-Trent Central (Gareth Snell). I declare an interest in that I was a member of the Staffordshire credit union and was very sad indeed when it closed. I have to give credit where it is due; it was closed in a responsible manner and people got their investments back, but it was very sad that it had to happen. I ask the Government to look at why such an important local institution has to close because of regulation. We all know that there has to be regulation, but are there ways in which regulations could be changed so that they would not have such a dramatic effect on a very important and loved local institution? I very much hope that we will see the return of a Staffordshire credit union at some point in the near future.

The third area where the co-operative and mutual movement has a very important role to play is in small business finance, but it is not able to do that enough at the moment. The Co-operative Bank clearly has an excellent record in lending and providing accounts for small business, but the co-operative and mutual movement should have a much greater role to play in the provision of loans to start-ups or equity capital for small businesses. I pay tribute to the Black Country Reinvestment Society, of which I am a member. The society provides lending to businesses in Staffordshire in my constituency and across the Black Country. It is an excellent institution, but we need more such institutions and we need them to play a greater role in the provision of the equity capital that is so often as important—particularly for modern, high-tech businesses—as the loan capital that they more traditionally provide.

I pay tribute to the role that the co-operative and mutual movement has played in the history and economy of the United Kingdom. All speakers, including my hon. Friend the Member for Wycombe have mentioned the fact that it is about not just the money and the business, but the co-operation. It is about building our social fabric—goodness knows we need to bring people together more and more at the moment, in times of quite considerable division. I urge Members on both sides of the House to support mutuals and co-operatives in their constituencies, as I know many do, as much for the fact that they bring people together to work for the benefit of their community as for the undoubted financial and economic benefits that these great movements bring to our country.

12.34 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): What a pleasure it is to contribute to this debate. I congratulate the previous speakers, who have all, in

their own particular ways, not only articulated the benefit of co-operatives, mutuals and so on, but played a part in promoting them during their careers. I think my hon. Friend the Member for Huddersfield (Mr Sheerman) is possibly one of the few people, certainly in the Commons Chamber, whose longevity and experience exceeds even that of my own.

I joined the Co-operative party well over 40 years ago. I spent 18 years as a political organiser in the party: first, trying to combat the process of Thatcherism and privatisation; but secondly, I have to say, trying to convince those within my own political party—the Labour party, which is the sister of the Co-operative party—of the benefits of co-operation and mutuality. It is not a fight that has had just one front.

I joined the co-operative movement all those years ago because I saw it as some sort of middle way. It was different from state ownership, which I felt lacked buy-in from both employees and consumers, and which, while it still had a role in our economy, did not satisfy all the values and aspirations that I felt were incorporated within the Labour movement. On the other side was the shareholder proprietary model, under which it seemed to me the benefits of consumers' purchasing power and employees' skills were inappropriately spread, with the shareholders getting a far greater benefit from that combination of organisations. Co-operatives, mutuals and employee share ownership companies were, in their own different ways and in their own different sectors, incorporating those values, and locking in the benefit of employees' skills and consumers' purchasing power, in a way that reinforced the quality of the businesses they were engaged in.

It is worth reflecting for a few moments on the sheer longevity of some of the businesses involved. As we all know, the co-operative movement started in Rochdale in the 1840s. Even though there is now a much reduced number of co-operative societies—the largest being the Co-operative Group—they all have histories of well over 100 years, with some in excess of 150 years. Building societies similarly started in the middle and later part of the 19th century, and although there has been a process of amalgamation and in some cases privatisation, they are still a huge player in the financial services market. They may be much changed from their origins, but they still incorporate the basic community-based values that we have discussed.

John Lewis is an employee share ownership company that started in the second half of the 19th century. It started giving its employees shares in the 1920s and is still going strong today. When I look at companies being founded nowadays, I wonder how many will still exist in the next 150 or 200 years. The fact that the basic model of co-operation, mutuality and employee share ownership has survived all the social changes and economic vicissitudes over the last 150 to 200 years is a testament to its resilience, adaptability and relevance in the current economy.

Having said all that, there is a recognition that despite the success of some of the major companies in the sector, and the proliferation within the movement of a whole range of co-operatives, we are still not living up to the potential that the model has in our economy. Ironically, the co-operative and mutual sector plays a far greater part in economies such as those of the United States and Germany, which are by no means considered socialist economies. It is reasonable to look at why that is the case and why we have underperformed in our development of this area.

Previous speakers have highlighted some of the barriers that have existed. The raising of finance is a crucial one, although I will not repeat the lucid exposition of that problem by my hon. Friend the Member for Harrow West (Gareth Thomas). Ironically, the economic rationale for the privatisation of the building societies in the 1980s was their inability to raise capital to expand, so we had that process and we know where it ended up. One cannot help but think that if Governments of that time had looked at providing the financial mechanism by which the building societies could have raised more money, that rationale would have been destroyed. I am not saying that human greed would not still have prevailed in some cases, but it would have been far more difficult to prosecute the case for it.

On company law, the submission by Co-operatives UK and the New Economics Foundation has made it clear that one of the obstacles is an outdated industrial and provident society legal framework. There seems to be a disparity between the way the Government approach this—which is basically not to do much about it, notwithstanding the efforts of my hon. Friend through his private Member's Bill—and the way in which company law legislation is continually looked at and revised. If it is appropriate for that to be done for the corporate, private sector, why is it not appropriate for the co-operative sector?

Partly as a result of all this, lack of understanding is a big barrier. Ironically, co-ops, building societies and organisations like John Lewis have strong brand identities and public faith in them, yet the public do not really understand what makes those companies different from others, and how, if they wished themselves to organise within a co-operative, they might go about it. We have had a huge proliferation in the number of people going self-employed. Many of those people might well feel that if they knew more about co-operation, they would be better at working with like-minded people in a co-operative structure to deploy their skills even more effectively.

The New Economics Foundation has pointed out that there are some 120,000 family businesses with owners of an age that means that they are likely to retire. Of course, those businesses may go to management buy-outs or be passed on to younger members of the family, and so on. But there should be an opportunity for management to understand and get support for a potential co-operative model in the event of a buy-out post the retirement of the existing owners. The report by the New Economics Foundation points out that if only 5% of the businesses where owners retired went on to co-operative management, that would double the number of such companies. That is a staggering statistic.

Local economic partnerships and other bodies set up to promote business in different areas seem to be either unaware or under-aware of the potential that co-operatives will offer to businesses in their area. This comes back to thinking about a co-operative development agency that would provide a centre for advice and contacts for access to finance, and would be proactive in looking for co-operative opportunities. I am encouraged that the Mayors in Manchester, Aberdeen and South Yorkshire are now considering having co-op commissioners with a

[Mr Adrian Bailey]

brief to look at ways in which they can work with their local regeneration agencies to regenerate under co-operative models.

Jim McMahon (Oldham West and Royton) (Lab/Co-op): I congratulate my hon. Friend on outlining the benefits of co-operatives. The Mayor of Greater Manchester has identified that about 160,000 residents of Greater Manchester are members of co-operatives. He says that that offers a huge opportunity, beyond just having a commissioner in place, and has now launched a call for evidence for the people who co-produce whatever model is developed there. That is a good example of working together.

Mr Bailey: I thank my hon. Friend for that example, which underlines the point I am making. Given that these local government structures, and the policies that they are adopting, are in their infancy, it demonstrates the potential that might be available in those areas for other local government structures to actively promote co-operation.

Mr Baker: I should have intervened earlier, but I wanted to check something before I put it on the record. A few moments ago, the hon. Gentleman pleaded for updated legislation, pointing out that the industrial and provident society legislation is out of date. I remind the Minister, who I can see is listening very closely to his speech, that in 2010 we promised a co-operatives Bill, but then, when it came forward, it was just a consolidation Bill—a tidying up exercise. I was very disappointed by that, as I expect the hon. Gentleman was. Let me say gently to my hon. Friend the Minister that if we do promise a Bill again, we really must make sure that it is a meaningful Bill that brings the legislation up to date.

Mr Bailey: I thank the hon. Gentleman for that prompt to the Minister. Hopefully it is even more effective coming from his side of the House than from mine.

I will conclude by making one or two general observations. First, we have an economy where a huge number of people feel alienated or not engaged with the world of work that is controlling so much of their life. When there is so much international investment—welcome though it is, and sometimes deployed very effectively—that means that decision making and huge swathes of our economy are often centred in offshore countries or very far removed from the control of the company's employees.

For the past 10 years, we have suffered from low productivity. It is an issue that does not seem to get any better. In terms of taxation and public expenditure, there are still huge swathes of the economy where the companies involved are not paying an appropriate level of taxation. It is interesting to note that the co-op movement pays more in taxes to the Government than a whole range of high-tech companies, including Google and Amazon. Developing the mutual sector would at least ensure that as these companies grow, they are paying the sort of taxation returns to the Government that would more than pay for any help they had had from Government.

I do not claim that the co-operative and mutual movement is a silver bullet for all these problems, but their performance in terms of both longevity—there are far higher survival rates among new co-operatives than other businesses—and worker satisfaction means that there is a strong case for far more proactive Government involvement and support. To take up the point made by the hon. Member for Wycombe (Mr Baker), I hope the Government will look at introducing a co-operatives Bill that will actively deliver on the ground.

12.49 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): Like many people, my first interaction with the co-operative movement was going to the local Co-op store with my gran when she was doing her weekly shopping. At the end of the walk around the supermarket, the shop assistant would put the things through the till and say, "What's your divvy number?" and she would say, "207619". That was her getting her slice of the dividend back. I did not really understand what that was about until I was a bit older, when she explained to me that every Christmas, she got back her dividend from how much she shopped in the Co-op.

I did not think about it much until I reached my teenage years and went to university, where I remember other people talking about it. That number has always stuck with me. I grew up in a relatively poor household, and the Co-op basically funded our Christmas, because my grandmother used the dividend she accrued throughout the year to buy the nice things we had at Christmas that we did not have for the rest of the year. I am sure I am not the only person who has memories of enjoyable Christmases because of the dividend points that their families received through Co-op shopping. That is not something we should dismiss.

There have been a lot of excellent contributions—including from my fellow west midlands Co-op MP, my hon. Friend the Member for West Bromwich West (Mr Bailey)—about the huge opportunities in the co-operative movement to contribute to our economy and the greater good of the United Kingdom. We should also focus on the small co-ops and the little interactions of co-operative goodness that improve the everyday lives of individuals in our communities.

Labour has made a commitment to "at least" double the size of the co-operative sector—my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) on the shadow Front Bench will realise that doubling it is not the end point in itself. Our aspiration in government is to at least double it and then go even further with growth of the co-operative and mutual sector in our economy, and I am sure that, having heard the many great contributions today, the Economic Secretary to the Treasury will seek to replicate that.

There are so many great examples. Much like the one described by the hon. Member for Stafford (Jeremy Lefroy), there is a wonderful building society in Stoke-on-Trent called Hanley Economic, which was formed in 1854 and originally called the Staffordshire Potteries Economic Permanent Benefit building society. Its purpose was to enable people who worked in the pottery industry to own a home, get on the housing ladder, have savings and manage their money better. It still exists today. Much like the Stafford Railway building society, it provides affordable, low-cost, sustainable and secure financial products for a number of people in north Staffordshire who ordinarily may be viewed by high street banks as being a bit too much of a risk. Because

they can access suitable finance, they are able to make a better life for themselves. By building societies' own admission, they are not going to change the world or overturn the economic hegemony of our current banking system, but they are making a difference to my constituents every day through the way that they operate and their business model, which is sustainable, ethical and fundamentally about trying to improve individuals' lives.

That is where I want to add my contribution. I agree with pretty much everything that has been said by Members on both sides of the House about the opportunities if we were to properly unleash the co-operative movement and harness its economic potential. There are other things that we can do with the co-operative model. Someone—I think it was my hon. Friend the Member for Oldham West and Royton (Jim McMahon), but I do not want to attribute it to him, in case it was not—once talked about drainpipe devolution and the idea that if a decision is made in Westminster and Whitehall by half a dozen people, and then that decision is devolved to half a dozen people in Greater Manchester, the west midlands or north Staffordshire and called devolution for the purpose of devolution, we have not really devolved anything; we have just moved the decision makers to another office. We can harness the co-operative and mutual benefit by expanding the number of people who make the decisions in the first place.

Jim McMahon *rose—*

Gareth Snell: Perhaps my hon. Friend wants to correct me.

Jim McMahon: My hon. Friend is right. During the EU referendum, people were talking about feeling powerless and wanting to take back control and have more say over their lives. We need to look at public services, and the Co-operative Councils' Innovation Network is leading on that.

Gareth Snell: I thank my hon. Friend for his intervention, because he takes me neatly to my next point, which is about learning from good practice on a smaller scale that directly benefits our economy. The Co-operative Councils' Innovation Network, of which he and I were both members when we were council leaders, demonstrates overwhelmingly what can be done if we put a small amount of investment into local projects. Tudor Evans, who leads the council in the constituency of my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard), and Sharon Taylor in Stevenage are just a few examples of people who are pushing this agenda nationally.

If we put a small amount of investment into a group of people who want to change the way that their town works, we can get huge dividends back. If we move away from a simple contractual relationship for a new business towards profit share for rental purposes or an equity share in lieu of rent, we can suddenly start to sustain our high streets better. We can see empty units revitalised by businesses that can think about long-term business planning, rather than short-term business planning to meet next month's rent and rates bill. We end up with a greater economic benefit to the local community.

If the Government thought about how they could help local authorities to do the sort of work that the Co-operative Councils' Innovation Network is doing across the country, they would see an increase in potential tax take, because there would be more thriving small businesses. What do we know about thriving small businesses? We know that the people they employ spend their money in the neighbouring shops, and we have a circular economy, whereby one or two different thought processes about how we include more people in decision making in a community leads to economic benefits for not only the Treasury but local communities. That should surely be looked at by this Government or the next Government or as part of Labour's commitment to at least double the co-operative sector.

The mutualisation argument extends to not only high streets but things such as public services for buses and trains. There is an argument for utilities to be mutualised, because these are things that we all use. If we mutualise and say that the people who use those services should have a stake in the control of them, those services can be driven to a higher quality and standard. There can be financial dividends for the users, but there can also be improvements in standards of delivery, because the people using the services are in control of how they are used. That is a fundamentally simple model that is not being exploited sufficiently by a number of Government bodies at the moment.

Jeremy Lefroy: The hon. Gentleman is making an extremely important point, and I agree with everything he is saying. One body that is, in effect, a mutual and is growing month by month almost under the radar is the National Employment Savings Trust—NEST. It is growing by several hundred million pounds. Last I saw, it had £5 billion, and by the end of the next decade, it will probably be one of the largest financial institutions in the country. It is doing a great job in many ways, yet almost all the top 10 investments of NEST are in overseas companies, not ones in the UK. It may have operations in the UK, but they are overseas investments. Does he agree that, given that it is a mutual, or at least owned with social purpose in the mutual interest, at least some of those investments could be put into precisely the things he is talking about?

Gareth Snell: I agree entirely. The hon. Gentleman, as always, has touched on a pragmatic and simple way of fixing something that should not be a problem to start with. He talked about the Staffordshire Credit Union. The reason the Staffordshire Credit Union ended up folding was that we were unable to meet the Prudential Regulation Authority's 3% threshold rule between capital and assets. With a very small investment that a body like NEST could have provided, we would have been able to continue helping the thousands of people who were members, offering secure, low-return financial products to people who need it the most—people in communities such as Stoke-on-Trent, where payday lenders prey because they know that people want to borrow money quickly. While credit unions do not provide an immediate alternative to payday lending, they are part of the mix that is available. I can immediately think of a number of organisations that would benefit from the sort of investment the hon. Gentleman mentioned, and then the mutual role of NEST would get to grow and become even greater.

I want to go back briefly to my point about railways and buses. I may end up falling out with my Front-Bench colleagues on this issue, as on many others. State ownership is still a monopoly, and if we are talking about ways in which we could open up public services to be democratically

[Gareth Snell]

controlled by the public, we need to mutualise them. We should allow and facilitate worker and management buy-outs of existing companies that are looking to be sold, and enable places to allow municipal bus companies to come back into the mix. This would help to sustain the market and—again, I go back to this point—make sure that people using those services have some semblance of taking control of those services and delivering them in a way they think is appropriate for their communities and sustainable in the long term.

This goes not just for public services. We have not touched on the potential economic benefits of things such as fan-owned football clubs and how we should do more to push fan-owned stadiums. In many other countries, it is not uncommon for sporting facilities and sports clubs to be owned, operated and managed by the users of those facilities. In this country, we have not particularly got into that model, as far as I can see, with the depth and the courage that others have.

Finally—I am conscious of the time—about 18 months ago, my hon. Friend the Member for Harrow West (Gareth Thomas) ran a very clever social media campaign pointing out that if the 5% profit of some of the largest companies in the country was shared among their employee base, each employee would receive a certain amount of money, emulating the French profit-sharing law. To turn full circle back to my first point, if we had such a law in this country—it is not necessarily a co-operative solution, but it is about profit sharing and sharing the values of co-operation—what would happen to that money? Most people who work in such companies and small-scale industries will spend that money locally: more money in their pockets means more money going into their local high streets, shops and facilities. I am sure the Government have already looked at the circular effect of an economic benefit coming from a co-operative solution, even if it is not a co-operative model, and if they have not already committed to looking at the French profit-sharing law, I would encourage the Minister to do so.

It would be wrong of me not to talk about the Co-operative Group as a whole. As has been mentioned by a number of my colleagues, it is not just about the financial products and services it offers, but the values and ethics it brings to them. The Co-operative Group is leading the way on dealing with modern slavery, food injustice and food hunger, and retail crime. It knows that, at the heart of everything it does, is its staff and its consumers, and those are the values that I am sure the Minister will have heard about in every contribution today and will want to make part of any Government strategy on co-operatives.

1.2 pm

Brendan O'Hara (Argyll and Bute) (SNP): I add my thanks to the hon. Members for Harrow West (Gareth Thomas) and for Wycombe (Mr Baker) for securing this debate.

We have heard many times already from Members right across the House that co-operatives and employee owner companies demonstrate a radically different way of how a company does business and how it organises its resources. As the hon. Member for Harrow West said in his opening remarks, these companies and enterprises come in all shapes and sizes and cover almost every—indeed, perhaps every—sector of the economy. Of course, one of the most welcome aspects of co-operatives and employee owner companies is that they allow people to democratically own and have greater control over the things that really make a difference to their business. In addition, by sharing and fairly distributing wealth, they promote employee wellbeing far more than perhaps traditional company models do.

We on the SNP Benches will always support measures that give workers a genuine and more meaningful stake in their organisations. Any measures that enable everyone who has a stake in a company to have a say in how that business is run will find support here. The benefits to business are obvious—from increased productivity and innovation to being able to attract and, perhaps just as importantly, retain high-quality talent, which in turn can help safeguard the long-term future of businesses and bring benefit to the communities where they are based.

There is an awful lot to like about co-operatives and worker or employee-owned businesses, and I believe Governments should do whatever they can to support their voluntary expansion through both start-ups and conversions. In this, I think the UK Government should look at and perhaps learn from the success of the Scottish Government, who have been promoting employee ownership conversion as a mainstream option for ownership succession of small and medium-sized enterprises.

I am really pleased to see that, in the last five years, the number of such employee-owned companies operating in Scotland has more than trebled. That trend shows no sign of slowing down, with Scottish Enterprise reporting recently that it has been working on a deal a month over the past year. Currently, there are about 100 worker and employee-owned businesses operating in Scotland, which together create about 7,000 jobs and contribute around £1 billion to the Scottish economy. I am delighted that the Scottish Government have shown their commitment to helping more companies become employee-owned or worker-owned enterprises by announcing a programme that will seek to achieve a fivefold increase in the number of employee-owned businesses in Scotland by 2030.

At the end of last year, when the Scottish Cabinet visited the Isle of Arran, the First Minister launched Scotland for EO. It is a collaboration between the Scottish Government, Scottish Enterprise and business, and its ambition is to make Scotland a world leader in employee ownership and other co-operative models. Under the banner "Employees can do ownership" and backed with £75,000 of Scottish Government funding, this new leadership group has been charged with increasing the number of employee-owned and worker-owned businesses in Scotland from the current 100 to 500. Sarah Deas, a director of Scottish Enterprise and the head of Co-operative Development Scotland, who is a member of this leadership group, said:

"Promoting employee ownership helps drive growth in the economy and create greater wealth-equality in society."

Thanks to Co-operative Development Scotland, a dedicated team working within Scottish Enterprise, any company wishing to explore employee ownership, or indeed any other co-operative-based model, will now have expert advice on tap. Any business or firm that submits an inquiry about moving to an employee ownership model is able to access up to three days of free support from the team at Scottish Enterprise. Thereafter, Scottish

Enterprise will provide the company with a report, which will examine potential ownership structures, governance, management, funding and how a possible transition to employee ownership could occur. As Nicola Sturgeon said when she launched Scotland for EO, the Scottish Government

"want to make it easier for companies and workers to find out more about this model and to move towards it if it's right for them."

It is generally accepted that one of the biggest barriers to the development of co-operatives and employee-owned enterprises is the absence of readily available, impartial advice and support. Yet there is evidence to show that when entrepreneurs and businesses are given the right information—in the proper context, with access to expert help—they are more likely to choose the model of employee or worker ownership for a business. I urge the UK Government to look at what the Scottish Government are doing and, I hope, match the ambition being shown by the Government in Holyrood.

Despite the recent growth in the UK's co-op economy, by international standards the UK still lags far behind most OECD countries in both the scale and the economic impact of our co-operative sector. Germany, for example, has a co-op economy four times that of the UK, while in France it is six times larger. As I have said, I believe one of the main causes of that is the lack of awareness and a paucity of good, impartial advice. All the evidence tells us that employee ownership delivers real benefits to businesses, to the people who work in them and to the communities in which they are located.

As my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) knows only too well, one of the great success stories of a company transitioning to become an employee-owned business is the Auchrannie Resort in her constituency.

Patricia Gibson (North Ayrshire and Arran) (SNP): My hon. Friend is making a wonderful speech showing the potential for success in this area. I am the proud MP for the beautiful island of Arran. Does he agree with me that Auchrannie is a wonderful enterprise and that everybody would benefit from it if they had the good fortune to have an opportunity to visit it?

Brendan O'Hara: Probably the best reply to my hon. Friend comes not from me but from Linda Johnston, co-founder and managing director of the Auchrannie Resort on the Isle of Arran. She successfully transferred over to the employee ownership model a couple of years ago, and said:

"The staff were involved in the process from an early stage and were given the opportunity to input throughout. They are delighted that Auchrannie's legacy will be protected and that they have the chance to play an active part in, and benefit from, Auchrannie's future success. They also realise that what each of them does will affect the future success of the business and that this is directly linked to their own success. There is no, 'them and us' now, we're all in this together."

I commend the words of Linda Johnston and support this motion.

1.10 pm

Anna Turley (Redcar) (Lab/Co-op): I pay tribute to the hon. Member for Argyll and Bute (Brendan O'Hara) for his powerful speech. There is always much to learn from our colleagues north of the border, and we have much in common on this agenda. I pay tribute to my hon. Friend the Member for Harrow West (Gareth Thomas) for securing this debate, and I put on record my thanks, and that of all co-operators in this place and across the movement, for his service as chair of the Co-operative party for 19 years. He has been a passionate and loyal advocate and champion of co-operation in this country and across the world. We thank him for his service, and know he will continue to champion co-operatives in any future role. It gives me great pleasure to succeed him as the new chair of the Co-operative party. That is a huge privilege and responsibility, and I am proud to add my contribution to this debate.

This has been a fascinating debate with values shared across the Chamber between people who have taken differing positions on other issues. It is fascinating to see how co-operation has led to many shared views, and I found myself in agreement with the hon. Members for Wycombe (Mr Baker) and for Stafford (Jeremy Lefroy). We may disagree on other things, but we agree about much of what drove some of the anger, frustration and despair that we have seen in our communities over the past few years, and which expressed itself in the Brexit referendum in 2016. Whatever we think about how to fix things, there has been a sense of powerlessness, and a lack of agency and control over people's ability to influence and shape their lives and the economy in which they live and work.

In my area, SSI, a Thai company, was able to pull the plug on the steelworks, with 3,000 job losses overnight. People have the sense that their lives are being buffeted by global forces over which they have very little control. It is no surprise that the "take back control" mantra that was used by those on the other side of the debate from me held such sway, and it was a huge driving force. For me, the co-operative agenda is all about taking back control, self-responsibility, democracy, ownership, and having agency in one's life, and it is rare that people feel that about public services or about the wider economy. I think that the co-operative values and principles we have heard so much about today are the solution, and provide many of the answers to the challenges we face in our society and across our world. I am excited to help champion that agenda as we develop our policy thinking in the House.

I wish to focus specifically on the expansion of the co-operative sector, which I believe is necessary for us as a country. Labour Members have committed to at least doubling the size of the co-operative sector, and I am proud of that commitment. The Labour party's boilerplate is "sharing power and wealth", which points to why I do not believe the radical growth of the co-operative sector is an end in itself, but rather the beginning of the different kind of economy we seek—an economy that puts people at its heart. To support our growth we are lucky to find strength and solidarity from our movement, values and principles, but there is more to be done. The Co-operative party, working with the co-operative movement more widely, has taken a serious look at our infrastructure needs, and at the supportive environment required to grow the co-operative sector.

I pay tribute to the fantastic report recently published by the New Economics Foundation, "Co-operatives unleashed", and I recommend it to the Minister as a good read. It sets out a series of steps that a supportive Government could take to support the co-operative

[Anna Turley]

sector. We must also consider what legislation we could pass, and we have heard fantastic examples of co-operative action around the world. We must reflect on the fact that our own sector and movement is not at the scale of those inspirational examples, because of this country's legislative environment.

In many countries across Europe and beyond there is a basic legislative duty on the Government to promote the co-operative model. That will not be a panacea or cure all our issues, but it could signal intent and be a key driver of change to stimulate the co-operative economy. The framework in which co-operatives operate is not subject to constant review and updating in the way that company law is, for example. We have already heard about the Law Commission's tidy-up job on co-operative and community benefit society law in 2015, which brought many disparate parts of the law together. The situation needs to be corrected, and a more visionary and forward-looking legislative framework should be sought—something we have not seen in this country's legislative process for many decades.

There are also technical deficiencies in our current arrangements. For example, company law allows companies to act in the way they see fit where the law is silent and there is no guidance. When co-operative law is silent and has no guidance, it reverts to company law, and we could liberate our co-operative movement from that basic inequality. We should take more risks, and take more control of the environment in which the movement operates.

Stephen Doughty: I congratulate my hon. Friend on her election as chair of the Co-operative party. It is fantastic to have her in that role. I also pay tribute to my hon. Friend the Member for Harrow West (Gareth Thomas). Does my hon. Friend recognise the issue with devolution? We heard examples from Scotland but there are also some from Wales. Scotland and Wales have wanted to lead the way on much co-operative thinking, but they have sometimes been hampered by the devolution —or not—of powers. When we considered the new rail franchise, in Wales and the borders there was a lot of appetite for putting that in a co-operative or mutual model, but we were unable to do so because those powers had not been devolved by the UK Government. With Welsh Water we have the example of at least a semi-mutual. That shows the advantages of devolution in driving forward co-operatives, but perhaps we need some changes to allow innovation to take place.

Anna Turley: I completely concur with my hon. Friend. We see a lot of passion and commitment for the co-operative sector and its values and principles in Wales, and we should be doing everything we can to allow people the freedom to develop those ideals with a supportive and co-operative approach from the Government.

I pay tribute to my hon. Friend the Member for West Bromwich West (Mr Bailey) who has worked with Ministers to try to persuade them of the need to lift unfair and unnecessary regulatory burdens on small and medium sized co-ops—we heard a great deal of detail about that today. Such burdens should not exist in the first place, and we should endeavour to remove them. One aspect of the co-operative growth agenda that comes up repeatedly within the Co-operative party and the co-operative movement is the need for access to capital, which many other types of businesses can access in a routine way, while co-operatives cannot.

Of course there is a difference in the way the co-operative business model operates, but I encourage the Minister to listen carefully to ideas for new capital instruments as they come forward. In some countries around the world we can see that new capital instruments have been put in place relatively easily, and they are both attractive and maintain the integrity of the co-operative model. For example, I recommend that the Minister look at the developments in Australia, which is leading the way on this issue.

A second aspect of assisting the co-operative sector to grow and develop concerns the development of co-operatives themselves. We often look at small and medium-sized business development and support, and regional and local infrastructures are in place to facilitate that activity. The amount and type of bank lending is often scrutinised, which helps, and specialist support is available for entrepreneurs. It is evident, however, that such support is focused on just one type of private business. There are great co-operative development professionals around the country, but sadly there are not enough, and nor is the infrastructure in place to focus on how to grow more co-operatives around the country. It is clear that we would benefit from a more rigorous and systematic approach to co-operative development.

The wider benefit of co-operatives and mutuals to our economy is clear, and new co-operatives are more likely to last into their second and third years than private small businesses. Too often, those giving professional business advice know too little about the co-operative model, and as a first point of call for advice and mentoring they are highly unlikely to suggest a co-operative approach. All that needs to change.

One route to achieving that, which has already been mentioned today, is through a co-operative development agency for England. Such an agency could be a starting point for advice or grants, and advise Governments on the type of public policy that would help to create an enabling environment for co-operatives. I hope the Minister will take that idea from this debate and work with the co-operative movement to ascertain the best shape and form for such an organisation.

Jim McMahon: I congratulate my hon. Friend on her appointment as chair of the Co-operative party; she is a fantastic choice. Is this not a win-win for Government? For a small amount of investment and energy, they could double the size of the sector. She will be aware that the Co-operative Group, the Nationwide Building Society and Co-operatives UK have recently revised up the figure for the value of co-operatives to the UK economy to £60 billion. Imagine what even a small amount of growth could do to the UK's GDP.

Anna Turley: My hon. Friend is absolutely right. I pay tribute to his great history in the co-operative movement and everything he did while leader of the council. We have talked a lot about the social and values-based argument, but there is a huge economic driver here. My hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) mentioned the importance of keeping money in local economies, which is of huge benefit to them. We continually see it drain away, particularly

in smaller towns, and co-operative economies could play a role in keeping money in local economies. There is a very important economic argument here for the Government.

Another issue I would like to raise with the Minister, which I hope he will look into further, is the shared prosperity fund. Co-operative organisations, including Co-operatives UK, Locality and the Plunkett Foundation, have a campaign called "Communities in Charge", which calls for a shared prosperity fund to include targeted funding to ensure it is made available for people and in places that need it most; for local people to be able to scrutinise spending decisions through citizens' panels; and for at least 25% to be controlled by local communities to spend on local priorities. This is a really welcome campaign and I hope the Minister will endeavour to look more closely at it.

In conclusion, I would like to make a point about the type of campaigning, work and activity that co-operatives add to our communities. It is in their DNA to go further than any other business type to add to, rather than take away from, the communities they serve. Their operation and their model lead them to lead campaigns on loneliness, modern slavery, food justice, fair tax, employee safety and community safety—to name just a few. Some of those areas have been championed by one of the largest consumer co-ops in the world, the Co-operative Group, which, I note, recently won the title of co-operative of the year. That is the difference co-operatives make and the wider benefit they bring. It is an inspiration for all of us here who want more. The smaller co-operatives fighting to compete in non-traditional sectors, co-operatives aimed at disrupting exploitative markets, and our larger co-operatives serving members and their communities so well are all part of the fantastic co-operative difference that we are proud to support today.

1.22 pm

Dr David Drew (Stroud) (Lab/Co-op): It is a great honour to follow the current chair of the Co-operative party, my hon. Friend the Member for Redcar (Anna Turley). I am glad that her predecessor, my hon. Friend the Member for Harrow West (Gareth Thomas), was able to secure the debate. I am grateful to him for all he did, including taking the party through some quite difficult periods. The movement has also suffered, because of some of the well-known controversies that we had to face down. I thank the hon. Member for Wycombe (Mr Baker), who is no longer in his place. It is good that there is at least some support from those on the Government Benches for something that some of us, as proud Labour and Co-operative party MPs, feel is very important. We feel that the co-operative message is not always heard as much as it should be, in this place or, more particularly, in wider society.

I just want to touch on three quick points, but I will just mention what has already been said, which is that we need to see the growth of co-operation. It is an alternative to capitalism and state socialism, and it is important that we see it as an answer to the problems of the 21st century, rather than as purely a historical legacy. I hope the Minister will say some nice things and respond in kind to the suggestions I will make. I am not going to talk about credit unions, but it is important we recognise that they have a part to play in financial arrangements. I was one of those who set up the Stroud co-op union, which is still flourishing. It needs to grow and we need some help to make it grow, but it is an answer for those who find it difficult to access finance in other ways.

My first substantive point is on what I have always felt is a great problem with co-operation: where to get advice to set up a co-operative. State business support organisations, whether local enterprise partnerships or their previous incarnations, have all suffered from the same problem, which is that the people offering advice have either had no experience at all of co-operation, or their experience has been limited to what they have read about it. Co-operators need to be able to advise other potential co-operators. I hope the Government will consider this issue, because too often this is a huge lacuna. There is no one to go to who knows enough about the opportunities that the co-operative movement as a whole can bring. Since the loss of co-operative development agencies, which many of us have sadly witnessed over the past few decades, this issue has become much more acute.

Secondly, co-operative housing can be a solution, particularly in rural areas where community land trusts have now come into their own, but we need a number of things to happen to make them more available than they currently are. First, we need changes to the planning system. I am pleased that the Government have now looked at small sites and made them more accessible to this form of provision, but at the moment the planning system is such that too often communities and neighbourhood planning groups who want to have a small clutch of housing either give up because it is too bureaucratic, or they get turned over and it ends up as executive housing in villages, which is just what they did not want. They want affordable units. Dare I say it, they want social units.

The great benefit of community land trusts is that the land remains held mutually in perpetuity. That is very important, because losing the land means losing control. It would therefore be very helpful if the Government looked at the planning system in that regard and at what financial help they could provide to such groups. It is expensive to go through the rigours of trying to set up a community land trust, so I hope the Government will be generous and consider ways to help such communities solve these problems. They do not want masses of housing; they want 10 to 12 units and they want them to remain affordable in perpetuity. That is why community land trusts, as a form of co-operative housing, are so important.

My final point is on the role of co-operation in farming. The Agriculture Bill will one day come back to this House, but so much of it is predicated on public moneys for public goods and none of us quite knows how that will work. We are waiting to examine the environmental land management trusts in more detail so we can know how they will work in practice, but the simple fact is that farmers are already co-operators. More than half of all farmers belong to some form of co-operative. They may not always recognise that. They may think that NFU Mutual is a pure insurance company, but it is a mutual. It is a co-operative.

Gareth Snell: My hon. Friend describes a situation that applies to many people, not just farmers, who are members of a co-operative organisation. I think of the Asian community in Stoke-on-Trent, who have a savings

[Gareth Snell]

scheme for funding family funerals. They would not think of it as a co-operative, but that is exactly the sort of mutual and co-operative model we are talking about.

Dr Drew: Exactly. That is partly the problem of the movement, because it is not overt enough. It does not broadcast the fact that they are mutuals and co-operatives. On farming, the changes that are going to come will, to some extent, demand upscaling. Some of us may worry about that, but the reality is that with the change in the funding mechanism there will be a drive towards larger units. The only alternative to that is some form of greater co-operation among those who practise farming at the moment. We want more people to come on to the land and particularly younger people, because the average age is 59. It will hardly be a burgeoning, growth-inspired movement without younger people coming in to do the exciting things that we all know could happen to provide more of our own food.

I hope we will look at how co-operatives are not only built into the Agriculture Bill, but given encouragement. All the pressure is on selling smaller units, whether that is what is happening to the county farms estate, where they are being gradually cut away one by one—some of us worry about that—or the fact that when land comes up for sale, the big guys come in and buy it.

Jim McMahon: I congratulate my hon. Friend on all his work on the Agriculture Bill and everything around that. Does he agree that with the increased awareness of climate change and environmental impact, food miles are becoming more of an issue in people's consciousness, and that the more we can grow and produce here, the better it will be for the climate and the country?

Dr Drew: Of course. It is really important that we provide food as locally as we can, and many people want to do that, including through the Landworkers' Alliance and all sorts of innovative schemes. The loss of the bank was sad for many of us, but the saddest day for me was when we lost the co-operative farm estate. We lost Stoughton and Down Ampney, which were model farms that showed the way and how co-operation can work. This was the nation's biggest farmer for generations. Sadly, all that was lost, although it has gone to the Wellcome Trust, which is welcome in its own way. However, we ought to be encouraging co-operation and seeing it as a solution to many of the problems.

I hope that the Government are listening and are further prepared to change the Agriculture Bill to make it even friendlier to co-operatives, so that different farmers can find a way of staying in the marketplace, and that may encourage younger people, who, I am sure, will be keen to be co-operators.

1.31 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to follow my fellow south-west MP, fellow co-operator and fellow shadow Department for Environment, Food and Rural Affairs Minister, my hon. Friend the Member for Stroud (Dr Drew). As we have heard from hon. Members on both sides of the Chamber, there is a real energy and dynamism around co-operatives and the values that they stand for. We need to grasp the opportunity to stop just talking about co-operatives and mutuals as a worthy activity that happens on the periphery of our economy; we should have it as a mainstream alternative and option in nearly every single area of public and private organisation. That is what we need to look at much more and I am really glad that so many Opposition Co-operative MPs, in particular, have spoken so passionately about the opportunities that lie ahead. That is what I want to talk about today, because the time for co-operatives is now, and we must seize the nettle.

Before that, I echo the praise and thanks to my hon. Friend the Member for Harrow West (Gareth Thomas) for serving for so long as chair of our Co-operative party—he would have got less time for murder. He has done a very good job. I also put on record my thanks to the outgoing general secretary of the Co-operative party. Claire McCarthy has served our party and movement incredibly well. We all wish her well for the next stage of her career and wish the best of luck to all the contenders who are being interviewed to replace her. As a Labour and Co-operative MP, I am very proud to have stood on a manifesto that pledged at least to double the size of the co-operative sector. As Plymouth's voice in this debate, I will tell the House a bit about what Plymouth is aiming to do, because we have a Labour and Co-operative-run city council that has pledged to double the size of the co-operative economy in our city by 2025. The Minister will know many of these things well, as a former Conservative candidate for a Plymouth seat, and I know that he will welcome and pay special attention to my remarks.

Doubling the size of the co-operative economy is a worthy ambition of our times. To achieve that, we need not only to accelerate community wealth-building initiatives, reviewing procurement and providing support to grow the capacity of co-operatives to engage in procurement exercises, but to focus on economic development policies. For folks that are really passionate about co-operative politics, it is sometimes frustrating that co-operative politics tend to be put just in "procurement"—if only we procured differently, we could grow our economy. Yes, that is right—we should and we must—but we must also not neglect the importance of co-operative economic development policies. That is really where Plymouth City Council has led the way.

In Plymouth City Council's strategy, "Doing it Ourselves", which was published recently, the ambition to double the size of our co-operative economy has been laid out. We want to grow from the 23 co-ops that we have in our city to 50 co-ops; from a turnover of £18.6 million to £40 million; from 9,500 members to 20,000; and from 226 employees to 500. That is a really good ambition and I want every single Member in this House to challenge their own councils—whether Labour, Labour and Co-operative, or of the blue team persuasion—by saying, "What are you doing at a local level to encourage the economic development, growth and starting up of new co-operatives?" Plymouth is rightly very proud of its focus on the wellbeing economy, community-owned infrastructure, worker-owned tech and creative industries, public-facing and cultural hubs and municipal co-operation, but that is not Devon-specific. It can work in every part of the country, and that is what many of things that I want to discuss relate to. Before I continue, I should say that I am a very proud

member of the co-operatives that I am speaking about today. I hope that other hon. Members will consider joining them after they hear what I say.

I will first mention a co-operative that I have spoken about in the House before: the Plymouth Energy Community. It was set up in 2013 to provide radical and green solutions to fuel poverty, which affects 13.4% of the people who live in Plymouth. Since it started, it has done amazing things. In 2014, it invited members of the public to buy a stake in that co-operative. As my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) said, crowdfunding is really important. At the time, we had the lowest buy-in level—£50—of any crowdfunding co-operative in the country. That was nearly £450 lower than any other at the time, and it made co-operative ownership and innovative projects available to more and more people.

Having raised more than £600,000 and received a £500,000 loan from Plymouth City Council, Plymouth Energy Community provided solar panels to 21 schools and community buildings. It has gone further, adding 15 primary schools to that list, and we now have new solar panels on the roof of our Olympic-quality sports centre—the Life Centre. It has also opened its first solar farm at Ernesettle, which is incredibly exciting. It has also become a real champion for insulation and energy efficiency, particularly helping communities on low incomes—not only in Devonport, in the patch that I represent, but in St Budeaux and Ham in the north of the city—to reduce the energy costs of their homes by investing in infrastructure and upgrades. It is very proud of that and it should be.

I spoke to the Plymouth Energy Community during the "The Time is Now" demonstration on Lambeth Bridge yesterday. As well as being an organisation that has excited people to invest in infrastructure, it is exciting people to get involved in the fight against climate change, and rightly so.

Plymouth is not just about solar panels on primary schools; it is also about how we use co-operatives to challenge the big evils of our time, one of which is hunger among our schoolchildren. That is where CATERed, the co-operative owned jointly by Plymouth City Council and 67 of our primary schools, has been pioneering. It has pooled all the school catering contracts for the entire city. That includes all the different types of school, as Plymouth has one of every school that every Government since 1945 have ever thought of; diversity of provision is not our problem in Plymouth, although a lack of funding is. CATERed now provides wholesome, healthy food all year round, including over the summer. To its great credit, instead of providing meals for kids who cannot afford to feed themselves properly over the summer from empty school buildings, it does so from parks, reducing the stigma for families who really struggle for food.

Jim McMahon: I congratulate Plymouth on the work that it is doing. It is genuinely leading the way on many of these issues and the council is fantastic. Is my hon. Friend not highlighting what makes co-operatives special? Not only are they an enterprise and profitable, but they are a movement that people take part in and feel really connected to.

Luke Pollard: Absolutely. There is the opportunity to engage more people in that energy and dynamism. As a response to what we have seen with Brexit and in a globalised world, where we can call anyone around the world from our phones but very few of us know our neighbours in depth, as we once used to, we need to build community cohesion, and doing that in an environment that supports business growth, enterprise and innovation through co-operatives has to be part of the solution.

I also want to talk for a moment about Nudge Community Builders, which is one of Plymouth's newest co-operatives and, again, I am very proud to be a member of it. From the Minister's time in Plymouth, he may know about Union Street, a famed drinking haunt that used to have pubs from one end to the other. When the fleet came in after its manoeuvres, it used to be seen having a few cheeky beers. We are now down to one pub on Union Street. Unfortunately, Union Street echoes Stonehouse's story of poverty and deprivation.

The fantastic team at Nudge Community Builders have used a community share scheme to take over the Clipper Inn, once one of Plymouth's most notorious drinking haunts—I would never have been found there in my youth—and have turned it into a real hub of community regeneration. The Clipper now provides low-cost space for people to demonstrate their products, bring creative arts to the market and grow their business. For example, the No Whey! co-operative, which provides incredible gluten-free, healthy food, has taken up residence at the Clipper and, having grown and grown as a business, is doing incredible things. That regeneration was crowdfunded by £204,750 from 151 investors in just 67 days, thanks to multiplier effects. Wendy, Hannah and the rest of the Nudge team have done something incredibly special. Again, that is not specific to Plymouth; it is a great example of what can be done everywhere.

In the true spirit of the Rochdale pioneers, Plymouth is going above and beyond. Plymouth City Council is the shareholder of the South West Mutual bank—it does not just talk about financial inclusion and what happens after the decline of high street banks; it is opening its own bank to serve the four counties of the far south-west. Plymouth is leading the way in that respect.

There is a co-operative renaissance happening in our towns and cities, which is sometimes lost on policy makers in London. I therefore encourage the Minister to send his officials to Plymouth, and to other cities and towns across the country that are really leading in this respect. We often host Government officials who come to see Plymouth's co-operative story, and more are welcome, because that success story needs to be told.

That story is also a temporary one for local government. When Labour recently lost control of Plymouth City Council, we lost our status as a co-operative council. It is a matter of great regret—the hon. Member for Wycombe (Mr Baker) spoke about this—that some of the same values and passions have not always been felt by the Conservative councillors who replaced the Labour ones. I am very glad that the Labour council is back, under the incredible leadership of Councillor Tudor Evans, who, alongside Councillor Chris Penberthy, is driving forward the innovative co-operative agenda.

The opportunities to double our co-operative economy at least also work for fishing, and there are around 1,000 fishing jobs in Plymouth—my hon. Friend the Member for Stroud spoke about agriculture, which is his passion, so let me speak for a moment about fishing.

[Luke Pollard]

We already have an incredible co-operative success story in our local fishing industry, but we must now seize the opportunity to double the number of jobs that come from increased processing and catching, and from sharing opportunities and innovation, especially in tackling ghost gear and plastic pollution.

That is where I think the Minister has an opportunity to spread the narrative that doubling the size of the co-operative economy does not just mean creating another Co-op group; it means giving the tools, skills, funding and support to innovators right across our country to do interesting and innovative things alongside our communities, to innovate and change. That is certainly happening in Plymouth.

We have a real opportunity to mainstream co-operative values. I do not want my time as a Member of Parliament to be defined by an annual debate on co-operatives in which well-meaning Members on both sides of the House express their hopes and dreams about what the future could look like. I want us to put this into every single debate, whether about mutual social care provision or new mutual models for the future ownership of our public utilities, because the time for mutuals and co-operatives is now. I encourage the Minister to grasp this opportunity with both hands, because although Opposition Members share a lot of familiarity and common cause with co-operative values, I believe that he can find Conservative values in that co-operative spirit as well, so that, whoever is in government or in charge of our local councils, we can really drive that co-operative agenda forward. I encourage Members on both sides of the House, and local councils and communities, to grasp this incredible opportunity ahead of us.

1.44 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in support of the motion standing in the names of the hon. Members for Harrow West (Gareth Thomas) and for Wycombe (Mr Baker). I thank the hon. Member for Harrow West, in particular, for the massive contribution he has made, over the time I have been here but also long before that, to support co-operatives and mutuals. We all appreciate that greatly. I concur completely with the sentiments set out in the motion, especially those relating to the contribution that co-operatives and mutuals play in the economy of the United Kingdom, which I believe is much under-appreciated. I therefore want to add my support to co-operatives and mutuals, with a particular focus on credit unions, which I know best, as they feature greatly in my constituency.

Recent years have witnessed an increase in the number of co-operative and mutual businesses being set up in Northern Ireland, after many years when none was established. Analysis by Co-operatives UK in the early part of this decade found that co-operative enterprises in Northern Ireland contributed £35.6 billion to the UK economy—that is over a period of time, but it is still a massive amount of money.

I want to highlight a couple of examples to showcase the growing strength and vibrancy of the co-operative and mutual sector in Northern Ireland, because sometimes society does not appreciate what co-operatives do. The hon. Member for Stroud (Dr Drew) referred to agriculture. As a Member who represents a largely rural constituency, I know how crucial co-operatives have been to the size and success of our local dairy industry. One example is Lakeland Dairies, which has a factory in Newtownards, the main town in my constituency, and employs more than 220 people there. It is part of a cross-border co-operative business that processes 1.8 billion litres of milk a year. It has two factories in Northern Ireland and two in southern Ireland. The co-operative model has served the farmers, who are its members, well down through the years—they contribute to its policy and vision—providing them with an outlet for their production and, importantly, a say in the overall direction of the business. All that experience and knowledge points to the direction we need to go in.

Perhaps the single best example of the increasingly strong and vibrant co-operative and mutual sector in Northern Ireland is our credit union movement, which is massive. I will give some figures because I am not sure that all Members realise just how important credit unions are in Northern Ireland or the massive contribution they make. Credit unions are, of course, common to all parts of our United Kingdom, but they have woven themselves into the fabric of society in Northern Ireland in a way that has not happened elsewhere across our nation. Credit unions are a feature of my constituency, as we now have three or four of them. When one of the branches closed down in Greyabbey, a village just down the road from where I live—I opened accounts there for my three boys many years ago—it integrated with the branch in Newtownards.

People such as my old running mate Tommy Jeffers in Dundonald have given a lifetime of hard work to establish, run and expand credit unions across Northern Ireland. He was the instigation and strength behind that credit union, and although he is now in his mid-70s and no longer a councillor—that is how I first got to know him, as well as through party connections—he is still involved in it. The movement has been built by hundreds and hundreds of hours of work by volunteers. They have made a massive contribution.

Gareth Thomas: One credit union that spoke to me ahead of the debate wants to open more branches on the high street, to help plug the gap left by mainstream bank branch closures, and it wonders aloud whether the Government might be sympathetic to the idea of extending business rates relief to credit unions seeking to open business branches. Does the hon. Gentleman think that could also help facilitate the greater spread of the credit union movement in Northern Ireland?

Jim Shannon: I thank my honourable colleague for that intervention. I am sure that the Minister is listening and hope that he will take on board that suggestion, which could be very helpful. I wholeheartedly support that suggestion. This is not the Minister's responsibility, but I have had discussions with other Ministers about help with high street rates.

It should be borne in mind that credit unions are for their members. The members invest their money to lend their money. It is a fantastic opportunity, and a fantastic example of how lending should be looked upon. The big banks should note that example. It should not be all about dividends for shareholders; it should be about the customers—those who are involved.

The Northern Ireland movement is massive in comparison with its counterparts in Great Britain. Statistics collated by the Bank of England in each quarter show

the scale of credit unions in Northern Ireland in comparison with that of their counterparts in the rest of the United Kingdom. Of the 437 registered credit unions in the UK, 145 are located in Northern Ireland. A third of all adult credit union members in the UK are in Northern Ireland, and four in 10 juvenile members are from Northern Ireland. We are encouraging our young people to open accounts early—although, to be fair, that will probably be done by their parents or, perhaps, by their grandparents, who open accounts for them to start them off. It is good to encourage young people to be part of a bank, to save money, and thereby to see the benefits of credit unions. As I have said, it is a fantastic opportunity. If Members have not had an opportunity to investigate or gain knowledge of what is happening in Northern Ireland, I suggest that they should.

Jim McMahon: I had the pleasure of being in Belfast over the weekend for a Co-operative party event organised by Tony McMullen, a fantastic advocate for co-operatives. The party has published a manifesto for co-operatives in Northern Ireland. Perhaps the hon. Gentleman will read it and convey to the UK Government what we might take from Northern Ireland's leadership in this regard.

Jim Shannon: I should be more than happy to do that. I read in the paper that the hon. Gentleman was the guest speaker at that event.

Our credit unions are clearly punching well above their weight, as so often happens in Northern Ireland. This is yet another example of what we do well there. I know from experience in virtually every corner of my constituency how vital credit unions are in helping some of the most marginalised in our society to save their money and borrow at very competitive rates. As was pointed out by the hon. Member for Harrow West, they have often filled the gap left by bank closures. They filled that gap when banks closed in Newtownards, and they filled it by opening a brand-new office in Kircubbin on the Ards peninsula—where there had previously been a branch of the Danske Bank—to supplement the branch in Portaferry.

Credit unions fill the gap on many occasions, and have a great interest in the community. A recent article in the *Financial Times* recognised the role that they play in our community beyond simply lending money and providing facilities for saving, explaining how they can and do help to squeeze out loan sharks, who cause a great many problems in Northern Ireland. They lend money and then take exorbitant interest rates from the backs of people. They are a scourge on society, including my Strangford constituency. They prey on the most vulnerable among us, and have ruined countless lives. I want to place on record my thanks to the credit unions throughout the United Kingdom of Great Britain and Northern Ireland whose service is helping many to break away from the grip of criminal moneylenders.

Despite the apparent strength of loan sharks, however, there are still significant opportunities in credit unions in Northern Ireland. Again, I agree with the motion: we must look to Her Majesty's Government to work with the credit union movement, and the co-operative and mutual sector as a whole, to fulfil that untapped potential. More can be done with a little help. We have heard two suggestions in interventions, and other ideas are being presented.

The regulation of Northern Ireland's credit unions moved from Stormont to the Financial Conduct Authority in 2016. I ask the Minister to engage with the credit unions in Northern Ireland—and, indeed, throughout the United Kingdom—and to help them to, in turn, work with the FCA to help them to grow further, and, furthermore, to help us to deal with problems such as financial exclusion.

Let me say in conclusion—and I realise, Madam Deputy Speaker, when I hear that cough I must take note of it—that there is an increasing desire across our nation for a different growth model for our economy. The hon. Member for Stroud referred to an alternative. We need a good alternative that can be successful, and this is the one: one in which the interests of workers and people are not overlooked, but rather are to the fore; one in which there is a greater sense of partnership between all the actors in our economy. Co-operatives and mutuals are already an incredibly important part of our economy, and they can be greater still. Northern Ireland is an example of their importance. I join Members in all parts of the House in recognising their existing contribution, and calling on the Government—and the Minister in particular—to work with the sector and help it to grow even more and benefit more people.

1.55 pm

Marion Fellows (Motherwell and Wishaw) (SNP): As ever, it is a real pleasure to follow the hon. Member for Strangford (Jim Shannon). I congratulate the hon. Members for Harrow West (Gareth Thomas) and for Wycombe (Mr Baker) on securing this important debate, and thank all Members who have contributed to it.

I should declare an interest, as a member of a credit union, and, indeed, should declare an interest in the Auchrannie Resort, which was referred to by my hon. Friends the Members for Argyll and Bute (Brendan O'Hara) and for North Ayrshire and Arran (Patricia Gibson). As a delighted former customer, I have to say that it is an amazing venture.

The Rochdale pioneers have been mentioned frequently this afternoon, and I feel that I would be failing in my duty if I did not point out that they were inspired by the work of Robert Owen of New Lanark, who set up the village store in 1813 for the benefit of his community, and used the profits to fund educational projects. He thus inspired the co-operative movement across Rochdale, and look where that has brought us!

There are a few Members scattered around the Chamber—or maybe not—who will be able to recite their mother's, or their grandmother's, co-operative dividend number, such as, in my case, 4308. I must declare another interest, as my father was a milkman who worked for the Kilmarnock Equitable Co-operative Society. However, things have moved on considerably in the co-operative and mutual movement since I was but a girl. There are a number of useful and well-meaning co-operatives in my constituency, which help my constituents enormously. They include Forgewood and Garrion People's Housing Co-operatives, Bridges Housing Association, three credit unions, Motherwell United Services Club, Clyde Supporters Trust and the Motherwell FC supporters club. I am particularly interested in the last-named, as I have just purchased my season ticket, and look forward to supporting Motherwell in a very successful season.

[Marion Fellows]

I am very grateful to Co-operatives UK and the Employee Ownership Association for the work that they do in raising awareness of the benefits of co-operatives and mutuals. Co-operatives UK's 2018 annual report shows that there were 7,226 independent co-ops operating across the UK, with a combined turnover of £36.1 billion, an increase of more than £800 million on 2017. They employed 235,000 people, and there were 13.1 million members of co-operatives overall. As we all know, those numbers are increasing. The data indicates that co-ops of all shapes and sizes are thriving throughout the economy. Exciting new co-op clusters are emerging in industries such as digital and creative, in social care and in the community ownership of land, assets and enterprise, while they remain strong and continue to innovate in areas of traditional strength such as retail, wholesale, housing and agriculture.

The co-op economy in the UK is diverse, well-established and growing, but it is small by international comparisons. Globally, co-ops are a significant force, with a combined turnover of more than US$2.1 trillion and 1 billion members. The UK lags behind most OECD countries in the scale and impact of our co-op sector. Germany's is four times the size of ours, while in France it is six times larger. According to Co-operatives UK, and as has already been mentioned, there are unnecessary barriers preventing the use and spread of this type of organisation, especially in England.

The corporate frameworks for co-ops are not as user-friendly as they should be. The registry function for co-ops, under the aegis of the FCA, can be cumbersome and is not linked into the increasingly important digital nexus between Companies House and HMRC upon which so many improvements for businesses, such as single filing and Making Tax Digital, are predicated. Also, co-op law is in need of both routine maintenance and strategic reform. That can add to negative perceptions about co-op options.

There are examples where the operating environment for co-ops is more challenging than for other models, including banks not understanding legal forms, and difficulties and unwarranted disadvantages in procurement —private and public—due diligence and credit scoring, adding to negative perceptions about co-op options. There can be some distinct challenges for co-ops in raising start-up and growth capital that go beyond those experienced by businesses generally, although that applies more to some types of co-op in some circumstances than to others.

In Scotland, with approximately 7,000 employee-owners generating a combined turnover of £940 million, the appetite for employee ownership has never been greater. As my hon. Friend the Member for Argyll and Bute said, in the last five years the number of employee and worker-owned businesses operating in Scotland has trebled and this past year Scottish Enterprise has been working on a deal a month on average.

Employee ownership gives employees a meaningful stake in their organisation, together with a genuine say in how it is run. It roots business in Scotland, drives performance and delivers economic wellbeing. In moving to a co-operative model, owners, the business, and the employees can benefit from the following: a competitive price and guaranteed exit for the owners at their own pace, which is particularly useful for SMEs; the safeguarding of jobs and improved employee engagement; safeguarding the future of the business; ownership and leadership transfer at low risk; enhanced employee engagement, as we have heard; and increased productivity and innovation while attracting and retaining high-quality talent.

While Westminster descends further into chaos, the Scottish Government are racing ahead with support to achieve a fivefold increase in employee and worker-owned businesses by 2030. Scotland aims to become a world leader in employee ownership and other co-operative models. The Scottish Government aim to increase the number of employee-owned and worker-owned businesses to 500 by 2030 through the new Scotland for EO industry leadership group backed by the Scottish Government and co-chaired by Jamie Hepburn, Minister for Business, Fair Work and Skills. Co-operative Development Scotland, a dedicated team within Scottish Enterprise, has a practical remit to promote awareness of employee ownership and other co-operative models and provide advice to businesses considering adopting these models. Scottish Enterprise is running a series of workshops explaining employee ownership to build awareness and demand for this inclusive business model.

Any firm can submit an inquiry about moving to employee ownership and Scottish Enterprise provides up to three days of free support. Where employee ownership is identified as a potential exit solution for business owners, it will undertake an employee ownership feasibility study. Scottish Enterprise will then provide a report examining potential ownership structures, governance, management, funding and how a transition would occur.

The biggest issue facing co-operatives and mutuals in Scotland and across the UK is a Tory no-deal Brexit, which could slow down exports, lead to a hike in interest rates and cost our economy up to 100,000 jobs according to the Fraser of Allander Institute and the Bank of England. Under no deal, a Treasury analysis suggests exports would decrease by 15% and warns that disruption to cross-channel trade could lead to delays in UK food supply, 30% of which comes from the EU. The Bank of England has warned that crashing out of the EU without a deal would be worse than the 2008 financial crisis. The irresponsibility of the Tories is on full display with the claim of the right hon. Member for Uxbridge and South Ruislip (Boris Johnson) that there could be a temporary "standstill" in the current trade arrangements with the EU while a new trade agreement is struck, and that premise being rejected by two Brexiteer Cabinet Ministers. All these things will impact negatively on co-operatives and mutuals and inhibit their productivity and contribution to our economy.

In conclusion, I ask the Minister whether he agrees that we should focus on what the UK Government can do to support the voluntary expansion of employee and worker ownership through both start-ups and conversions using worker co-ops and employee ownership trusts. Will the Minister address the biggest barriers to awareness, understanding and available advice and support, as evidence shows that when entrepreneurs and businesses are given the right information in the proper context with access to expert help, they are more likely to choose employee and worker ownership?

In this matter, the UK Government can learn a lot from the success of the Scottish Government in making employee ownership conversions a mainstream option

of ownership succession among SMEs. I again urge the Minister to look at the good work being done in Scotland on this and to follow suit.

2.6 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): It is a pleasure to close this debate as a proud Labour and Co-operative Member of Parliament and as a member of the Opposition shadow Treasury team. What a good debate we have had to mark Co-operatives Fortnight. We have rightly heard that the co-operative and mutual tradition is one of the most significant in the economic and social history of this country. It is a tradition that was of course begun and built on the east side of Manchester in towns like mine—Stalybridge and Hyde—and Mossley, and I should also mention Ashton as my hon. Friend the Member for Ashton-under-Lyne (Angela Rayner) is sitting beside me. But we have also heard that it is a tradition with much to offer for the future.

I want to be clear about what a co-operative is, because I am always conscious that while there is huge expertise in the Chamber today, there will be people listening to this debate who perhaps do not know exactly what co-operatives or the mutual sector are, and why they are different and why that is important. For the benefit of those people, let me say that co-operatives are enterprises that trade for the common good as opposed to the private benefit of their shareholders.

Legally, there are several differences between a company and a co-operative, but the most important are the following. First, the members of a co-operative are all equal and have one vote each, irrespective of the number of shares they hold. They all have the same right to participate in the affairs of the co-operative, which they democratically control. The members of a company, by contrast, of course hold their rights of control over the company in proportion to the number of shares they own. Greater power and control over the company can be acquired by buying more shares, but that cannot happen in a co-operative. Secondly, it is members, rather than shareholders, who provide the capital to a co-operative, and the distribution of profits is made by way of a dividend to those members based on their annual trade with the co-operative. In a company, profits are distributed in proportion to the shareholding a person has.

These legal differences point to a fundamental difference of purpose. A company carries on business for the private benefit of the shareholders at the time, whereas a co-operative is a trading mechanism for the benefit of its members; it is essentially a self-help mechanism enabling people collectively to meet their shared needs in a broader social context. It has a purpose that goes beyond the immediate business itself. This means looking beyond the personal, private needs of individual members and accepting the importance of collective needs, but also looking outward to wider interests including others affected by the business, wider society and, crucially, future generations—that last point is especially significant.

Parliament has long recognised these differences. In 1852, Parliament passed the first Industrial and Provident Societies Partnership Act, and this provided a formal basis for the establishment of co-operatives, many of which had already been established on the Rochdale model.

The Co-operative party exists as the political wing of the co-operative movement. Established in 1917, we took the decision in 1927 to form an electoral pact with the Labour party and, as a result, members including me and some hon. Friends are elected on ballot papers that say "Labour and Co-operative", and we represent both parties here in Parliament.

In modern times, we advocate not only for the strict legal definition of co-operatives, but for the whole mutual sector. My hon. Friend the Member for Huddersfield (Mr Sheerman) made the point well about how widely that concept has grown. While we are on the subject, may I also formally offer my thanks to our outgoing general secretary, Claire McCarthy, for her commitment and passion and for what she has delivered for the co-operative movement? We will miss her a great deal.

I know that I speak for all of us when I say that we take great responsibility and honour in continuing to advocate the great co-operative tradition, but in my view, co-operation is a political tradition that appeals to those on all parts of the political spectrum. The thoughtful speech from the hon. Member for Wycombe (Mr Baker) made that point very well. In many ways, it was an intellectual case for a free market economy that goes beyond that straightforward Friedmanite definition of the concept of business, and I would welcome continuing that discussion in more detail.

Many of my hon. Friends also spoke in the debate today. My hon. Friend the Member for Harrow West (Gareth Thomas), who secured the debate, gave an excellent overview of the entire sector. We would expect nothing less from him, and his expertise is widely recognised and respected across the House. He made some specific asks, and I am with him on all of them, particularly on his point that we need to modernise co-operative share capital in order to fulfil the potential of this sector.

I often think of my hon. Friend the Member for Huddersfield as the father of the Co-operative group in Parliament. As ever, he was fizzing with co-operative passion and energy, and that is why we admire him so much. He talked about the insecurity that is a feature of so much of the modern economy and about how the co-operative movement can be an answer to that, as it was in the past. I very much agree with him on that point.

The hon. Member for Stafford (Jeremy Lefroy) made the absolutely excellent point that co-operatives can operate on a significant global scale. They can be significant players. Some people feel that this can be a niche sector of the economy, and it is important to make the point that some of the biggest co-operatives are bigger than some multinational businesses.

My hon. Friend the Member for West Bromwich West (Mr Bailey), who has delivered more as a Co-operative parliamentarian than almost anyone in his time in this place, mentioned the fact that we are still not living up to the potential of the sector. I think we all agree on that. He particularly highlighted how the trend towards self-employment could create more opportunities. That is a crucial point. He also mentioned the work of the northern city Mayors and their Co-operative Commissions, which I agree is very exciting.

My hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) mentioned his family experience. Mine is similar, except that it was the Northern Rock building society that we used to go to on a Saturday morning.

[Jonathan Reynolds]

As a child, I certainly did not appreciate or understand demutualisation. It felt like everyone in County Durham was receiving free money overnight. I thought that there must surely be a catch to that, and of course there was. My hon. Friend is a fluent advocate of co-operation, and his points on public services were particularly well made and something we should all take heed of.

The hon. Member for Argyll and Bute (Brendan O'Hara) talked about how the role of co-ops in Scotland continues to expand. He said that the crucial issue is the need for better advice, and that is something that has come across strongly in the debate today.

My hon. Friend the Member for Redcar (Anna Turley), the newly elected chair of the Co-operative party, talked about the powerlessness and frustration that a lot of people feel as a result of their inability to get a say in the world around them when they are buffeted by such strong global economic forces. She is entirely right, and in many ways that is the biggest issue of all facing our economy. She showed why she will be such an effective chair of the Co-operative party.

My hon. Friend the Member for Stroud (Dr Drew), as ever, made some very good points. It was great to hear him mention agriculture, and particularly the need to build on the parts of the mutual sector that already exist there, such as NFU Mutual. My hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) talked to us about the plans in Plymouth. That level of ambition sounds truly superb. I almost think I should suggest a day trip down to Plymouth for the Co-operative Members of Parliament. He did not offer us many pubs, but perhaps we can see what they have done with the former ones. What an impressive advocate he is for the work going on in Plymouth! I commend him for that.

It was great to get a UK-wide perspective from the hon. Member for Strangford (Jim Shannon), and I could not agree more with his points on credit unions. I take my children to a credit union, which is part of their school, every week, and I want every school in the country to have that kind of practical example. That is relatively easy to do. The hon. Gentleman was right to say that it is in Northern Ireland that credit unions have been most successful, and there is much that we can learn from him and from Northern Ireland.

For my own part, I have always relished my role in promoting co-operative and mutual policy in Parliament. I have tried to legislate for co-operative housing tenure, for example, and I have lobbied for greater powers and resources for credit unions. It is that enthusiasm and conviction that I bring to my work in the shadow Treasury team. I am ambitious about the co-operative sector. I believe that we should not limit the drive for a more co-operative economy to just one Department or just one aspect of public policy, because this debate shows that co-operative ideas and models would benefit a wide range of matters, from railways to housing to energy production and supply, with huge scope for everything in between.

The Labour party and the shadow Chancellor, my right hon. Friend the Member for Hayes and Harlington (John McDonnell), have been clear that in government Labour will work with the co-operative movement to at least double the size of the co-operative sector. That was a pledge in the Labour manifesto that I and other colleagues here helped to secure, and that ambition is not hyperbole, because the opportunity is enormous. The UK's co-operative sector is currently worth between £35 billion and £60 billion, depending on what estimate you take. That is big, but it is far smaller than the sectors in Germany or the US.

Being a co-operative is not a magic wand. Co-operatives can still succeed or fail like any other business, but it is true to say that twice as many co-operatives survive the crucial first five years as other businesses. Worker-owned companies have a clear productivity advantage over conventional businesses, and that fact should stand out to us when we remember that productivity is the biggest problem in the UK economy today. We should be more ambitious about what can be achieved. Regardless of which side we are on, I think we all want to see more resilient, high-productivity businesses in an economy that is fairer for everyone.

Crucially, we all recognise that although co-operation is a strong bottom-up movement, it can truly thrive only in a supportive regulatory and legislative framework, backed by practical support from both local and national Government. Make no mistake, if we were in government, that support would not be lacking. I want to legislate to give credit unions the power and the regulation they need to considerably expand their activities. I want a degree of employee share ownership to be incentivised and to be the norm in every business. It is the norm for executives, and it could be the norm for every worker. Under our plans for inclusive share ownership, it will be. I also want to ensure that our plans for a national investment bank, which will be organised through a network of regional investment banks, draw on the success of banking sectors and co-operative movements such as Germany's. There is so much that could be done, and we should welcome the diversity, vibrancy and social purpose that the co-operative sector can bring. It has been a pleasure to respond to this debate today, Madam Deputy Speaker. We are, as ever, yours in co-operation.

2.17 pm

The Economic Secretary to the Treasury (John Glen): It is a privilege to respond to this debate today on behalf of the Government. I would like to thank the hon. Member for Harrow West (Gareth Thomas) and my hon. Friend the Member for Wycombe (Mr Baker) for securing the debate, and the 11 Back-Bench Members who have spoken this afternoon about the enormous positive contributions that co-operatives and mutuals make to our economy and society.

I start by paying particular tribute to the hon. Member for Harrow West for his nearly two decades of leadership of the all-party parliamentary group for mutuals. In my rather more modest tenure of not even 18 months as Economic Secretary to the Treasury, he has lobbied effectively and constructively on these matters, and I will respond to the points he and other hon. Members have made in the course of this debate. I would also like to congratulate the hon. Member for Redcar (Anna Turley) on her recent election as Co-operative party chair and thank her for her contribution today.

The House has heard some impressive figures on the economic contribution made by co-operative and mutual organisations in this country and more widely across

the globe. I would like to acknowledge the experience of my hon. Friend the Member for Stafford (Jeremy Lefroy), who brings great insights through his work in this country and also in Tanzania. That came over strongly in his thoughtful contribution and his suggestions.

Jeremy Lefroy: I thank the Minister for all the work that he does. Another major co-operative that is important to my farmers is an overseas-based one called Arla. It is based in Denmark, but it is a co-operative that works across borders for the benefit of all farmers—in Britain, Denmark or wherever else.

John Glen: Once again, my hon. Friend makes his knowledge clear. We should be looking to replicate the principles behind that model and to examine how we can extend it.

The all-party parliamentary group for mutuals found that mutuals generate over £130 billion of income each year but, of course, the contribution they make is about so much more than the raw numbers. Crucially, the House has also heard about the positive difference that such organisations make to people's lives across the UK. I have been fortunate in my time as Economic Secretary to witness their impact at first hand. Last year, I visited 1st Class Credit Union in Glasgow, where I saw the effect of its work to help its members save and borrow responsibly. In my constituency, I am delighted to see my local co-operative, Chalke Valley Stores, flourishing as a community hub, providing a shop, café and post office to local people who might otherwise be underserved in this rural location. Various Members made the point about the welcome opportunities that exist, given the changes on the high street.

From fishing and school meals provision in Plymouth to funeral savings in Stoke, we have heard a large number of relevant examples this afternoon. Whether it is a young family able to buy their first home thanks to a mortgage from their local building society, a community that comes together to keep their local pub or lido running, or an individual able to pay off their debts and start building up savings with the support of their community credit union, mutuals and co-operatives bring choice and agility to our financial system and economy, ensuring that it can meet the varied needs of society.

As we have heard, mutuals are diverse organisations, found in almost every sector of the economy, meaning that the opportunities and challenges can be different. Let me first talk about building societies. Earlier this year, I was pleased to attend a reception to mark the 150th anniversary of the Building Societies Association, which has been the keeper of the flame for the building society movement since 1869. Building societies have been around since almost a century before that, with largely the same core purpose as they have now: helping people to buy their own homes. Building societies provide almost a quarter of UK retail mortgages, including one in three of new mortgages approved in the last quarter.

Although the core purpose remains unchanged, building societies have not stood still. Modern branches offer video mortgage advice and banking on iPads. They are also driving some of the most interesting innovations in the mortgage market. For example, the Saffron Building Society has launched a guarantor mortgage, while Marsden is the latest building society to offer a joint borrower, sole proprietor mortgage. Those two schemes take into account the financial circumstances of family members in order to give first-time buyers a leg up on the property ladder. Meanwhile, the Ecology Building Society offers green mortgages for self-build properties and discounted borrowing for home improvements, which is another great example of how the mortgage market can respond to the needs of society and of the generations to come.

As for retirement lending, it is hugely encouraging to see regional building societies, such as those in Leeds, Nottingham and Loughborough, offering retirement interest-only mortgages.

Mr Sheerman: I was a chairing a Committee in another part of the House, so I was out of the Chamber for a little while, but I came back for the winding-up speeches. I think it would be a shame if Nationwide was not mentioned today, and Liverpool Victoria or LV=, which has an office in my constituency, is a great insurance mutual. We have talked a lot about little co-ops, but big co-ops are important, too.

John Glen: As ever, the hon. Gentleman has anticipated my future remarks. I have met representatives from those institutions on several occasions recently.

The examples given today show that regulation and innovation are not mutually exclusive, and that building societies are able to adapt to serve the changing needs in our society. Members have highlighted the need for a proportional regulatory approach, so that building societies can effectively compete with the big banks. The Government are committed to ensuring that capital requirements are implemented proportionately in order to support smaller lenders, such as building societies. The recent updates to the Basel international standards are a clear positive step towards more proportional capital requirements.

The Government have a clear commitment to implementing those standards and refining capital requirements in the UK. That is demonstrated by the inclusion of the capital requirements regulation II in the Financial Services (Implementation of Legislation) Bill. Where we identify other barriers holding building societies back, we have acted to remove them. For example, one of the first pieces of legislation that I brought forward as Economic Secretary was to enable building societies to join central clearing houses.

I know how vital credit unions are for the people and communities they serve, and I am pleased to see the strength of support across the House today. Building up savings with a credit union, or having the opportunity to take out a reasonably priced loan, is one way that we can prevent people from having to turn to high-cost credit or loan sharks. The Government have acted to support credit unions by legislating to increase the common bond from 2 million to 3 million potential members and raising the cap on the interest rate credit unions can charge from 2% to 3%.

The hon. Member for Harrow West asked about insurance mediation and the provision of hire purchase, and my hon. Friend the Member for Stafford referred to the impact of regulation on credit unions. ABCUL, the largest credit union trade body, is currently carrying out a sector-wide consultation on the future of credit unions and will complete its work in September. The consultation will consider the legislative framework and opportunities for further change. I will consider the

[John Glen]

outcome of that consultation with interest. I visited ABCUL's conference in March and have had an active dialogue with the organisation while in office. The co-ordination of its requests has been somewhat fragmented over multiple trade organisations, but it has been helpful in conducting the consultation, and I look forward to taking things forward.

In last year's Budget, we announced an affordable credit package to support social and community lenders. The package included a £2 million affordable credit challenge fund designed to generate innovative FinTech solutions to address challenges faced by social and community lenders, including credit unions, as they try to match the broader innovations in financial services. It also included a measure to make it easier for registered social landlords to refer tenants to credit unions, and a two-year pilot of a new prize-linked savings scheme offered through credit unions. The package is designed to support the credit union sector through increased membership, awareness and deposits, as well as encouraging participants to build up savings to help them cope with financial shocks. We used examples from other jurisdictions —the US in this case—to inform that policy.

I am pleased to announce today that we have selected 15 credit unions from across Great Britain to take part in the prize-linked savings pilot. They are East Sussex, Lewisham Plus, London Capital, Clockwise in Leicester, Nottingham, 1st Alliance, Merthyr Tydfil Borough, Riverside in Liverpool, South Manchester, Central Liverpool, Bradford District, Westcountry in Portishead, Commsave, Police, and Plane Savers. I congratulate the successful credit unions and look forward to seeing the pilot up and running as quickly as possible.

Jim Shannon: I am sure that I must have missed it—I hope I have—but did the Minister mention whether Northern Ireland is in the pilot scheme?

John Glen: I did not mention Northern Ireland in that list, but Northern Ireland obviously has a strong tradition in this area. There was a competitive process, and I would be happy to talk to the hon. Gentleman about a specific credit union.

Members from across the House have spoken of the benefits of the co-operative model and its potential to improve our public services and strengthen our communities. This Government have a strong track record of support for co-operatives. We passed the Co-operative and Community Benefit Societies Act 2014 to reduce legal complexity for co-operative and community benefit societies. My hon. Friend the Member for Wycombe spoke about the apparent inadequacy of that legislation, but we have introduced a range of legislative measures in addition to the consolidation Bill since 2014, including making it easier to register digitally as a co-operative.

We have also reduced red tape by equalising the audit treatment between small co-operatives and small companies. I am pleased that the Financial Conduct Authority, which runs the UK mutuals register, recently made several practical changes to support mutuals, including simplifying the forms, creating an online portal and removing the fees to access documents. Members also raised the challenges that co-operatives face when raising capital. We recognise that that can be an issue, which is why in 2014 we increased the amount of share capital that an individual member can put into a co-operative society from £20,000 to £100,000, and I am happy to consider further proposals. We have looked at some proposals before, but I am happy to re-examine them.

Some Members called for changes to social investment tax relief, which is designed to incentivise investment in social enterprises that are constituted to provide a social or community benefit. Community benefit societies, a form of mutual, may therefore be eligible, as their purpose is to benefit the wider community. Although other forms of co-operatives and mutuals may have a wider community benefit, it is not central or essential, and their primary purpose is to benefit their members.

The Government are currently conducting a comprehensive review of social investment tax relief to better understand what impact it has had on access to finance for social enterprises. The public call for evidence is currently open, and it closes on 17 July. We will publish a summary of responses later this year.

I recently met representatives from across the mutual sector at a session hosted by Co-operatives UK and Nationwide. We discussed some of the opportunities and challenges facing mutuals, many of which have been raised by Members today. Following the session, Treasury officials will host a mutuals workshop with Co-operatives UK in July to investigate in more detail some of the barriers faced by mutuals. This will be a good opportunity to explore how the sector and the Government can work more closely together and, importantly, how mutuals can build closer links across the sector.

The latest estimates show that public service mutuals in healthcare and other sectors are delivering more than £2 billion-worth of services across England. They are driving innovation, too, with two thirds saying that they have created new products or services over the past year. Over the last three years, the Office for Civil Society has been delivering a £3.5 million programme to help new mutuals to emerge and existing ones to thrive. It has run several roundtables to create a proposal on the future definition of public service mutuals, which is planned for launch this summer.

I thank all Members for their contributions today and for their ongoing support for the co-operative and mutual sector. I am pleased to see that the sector continues to thrive, from the building societies that can trace their origins back hundreds of years to the newest entrants to the market. I recently met the executive director of South West Mutual, who is from Plymouth and is working with the Royal Society for the encouragement of Arts, Manufactures and Commerce to develop proposals for regional co-operative banks across the UK.

The demand for a new form of co-operative finance is a good sign, and the public appetite for co-operative and mutual services remains strong. This Government will continue to be a strong supporter of the mutual sector. Like hon. Members present today, I will continue to advocate for the sector's considerable contribution to ensuring that our economy serves the needs of everyone in society.

2.32 pm

Gareth Thomas: I am grateful for the opportunity to wind up this debate and, in particular, to thank the Minister for three specific things. First, the winners of

the additional funding to offer new credit union services will be delighted by his support for their work. I also welcome his interest in further proposals for the legislative reform of credit unions to help them expand, as well as his willingness to look again at finding a solution to help co-operatives and mutuals to raise new share capital.

Nobody would suggest that the hon. Member for Wycombe (Mr Baker) and I constitute any sort of dream team, but I am genuinely grateful for his support in making this debate happen. He, my hon. Friend the Member for Huddersfield (Mr Sheerman) and the hon. Members for Stafford (Jeremy Lefroy) and for Motherwell and Wishaw (Marion Fellows) rightly talked about how the philosophy of co-operation could help to address the loss of faith in markets and politics, as well as re-energising employees, exciting customers and helping to rebuild or build the social fabric of our country, which we all know is under pressure.

My hon. Friend the Member for West Bromwich West (Mr Bailey) rightly alluded to the considerably greater contribution made by co-ops and mutuals in America and Germany, and he also began to explore, as others did, the barriers in the UK to enabling the sector here to be as big and widespread.

My hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell) rightly praised the Co-operative Group's leadership on modern slavery, on preventing retail crime and on addressing the hunger in too many of our communities. It is good to hear the hon. Members for Argyll and Bute (Brendan O'Hara) and for Strangford (Jim Shannon) talk about the contribution of co-ops and mutuals in Scotland and Northern Ireland. I say in passing that I hope both Members and, indeed, the hon. Member for Motherwell and Wishaw are able to support my plan to turn RBS into a mutual.

My south-west Co-operative party allies, my hon. Friends the Members for Plymouth, Sutton and Devonport (Luke Pollard) and for Stroud (Dr Drew), along with my hon. Friend the Member for Oldham West and Royton (Jim McMahon), highlighted the huge potential of energy, agricultural and food co-ops.

Lastly, I welcome the contribution of my hon. Friend the Member for Redcar (Anna Turley), who I have no doubt will be a star as chair of the Co-operative party in pushing a co-op development agency. Time prevents me from referencing the huge contribution of my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds), who is a current star of the co-op movement.

Question put and agreed to.

Resolved,

That this House welcomes the contribution of co-operative and mutual businesses to the UK economy; notes that they provide substantial jobs in Britain, generate significant tax revenues and involve consumers and employees in decision making; and calls on the Government to review what further steps it can take to help grow that sector.

Children's Future Food Report

2.35 pm

Frank Field (Birkenhead) (Ind): I beg to move,

That this House has considered the Children's Future Food report.

My sentiment differs from that expressed by my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) when he was winding up our previous debate on co-operatives and mutuals. He talked, naturally, of his huge pride and pleasure in contributing to that debate, but few Members will rise with pride or pleasure to contribute to this one. This is a very necessary debate, but it is not, I hope, one in which we, as a House of Commons or as a country, can take much pleasure.

I thank the Backbench Business Committee for scheduling the debate so that we can properly consider and debate the report, and press the Minister on the Government's response to the report's important recommendations. In doing so, it is worth our remembering that hunger in this country did not feature as a topic in our debates prior to 2012, so today we are debating something that has happened very quickly in our society. We are considering how the bottom of our society has fallen out, and how those at the very bottom have been subjected to not only hunger, but destitution. Obviously there are reasons for that, although they are not the point of today's debate. When George Osborne, the then Chancellor, moved to try to prevent the opening up of our markets to much increased international competition by introducing a living wage, it was an important way of trying to counter the collapse of certainties and standards for the poorest people in our communities. Of course, we know that employers try to get round the living wage in various ways, such as through the gig economy. However, I hope that the Government will soon look seriously and carefully at their role in the hunger we are debating today.

We have had a series of cuts—four years in total—to the income of people on benefits. That had never, ever happened before since the beginning of the welfare state between 1909 and 1911. This is an immensely important issue, and in the review of public expenditure, we expect Ministers to fight very hard for the idea that those who have paid most will be at the front of the queue for future payouts.

It is with real pleasure that I thank my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) and the hon. Member for Central Ayrshire (Dr Whitford) for co-chairing the inquiry that led to the report. It is also appropriate to thank not only those who made sure we had a report to consider, but the Food Foundation, which is led by Laura Sandys, who was until recently a Member of this House, for its work in raising the whole issue of hunger and destitution. The report not only does that, but makes practical proposals for what we might do about the situation. Likewise, I wish to thank the hundreds of children and young people who contributed to the inquiry, particularly those young people who, with their co-interviewees, not only brought about a report for us, but are continuing the work by becoming ambassadors on this big issue.

Let us recall how new a topic hunger, including school hunger, and the destitution that follows it is for the House of Commons. If we look at the index of our

[Frank Field]

work—our parliamentary questions and debates—we see that there was not much to be said about the issue before 2012. At that point, the then Prime Minister, David Cameron, was asked about it, given that that same week, the Trussell Trust had said that unless the Government took action, the number of people who would be drawing on food banks would double between then and 2015, when the next general election was due. I asked him to take action that day, and while he did not do so, MPs did by forming an all-party group to look at the extent of hunger around the country and to collect evidence. In what I believe was a first, a group of MPs then formed a charity, Feeding Britain, to take the work forward. Along with my hon. Friend the Member for South Shields (Mrs Lewell-Buck), I helped to form that charity in 2015. Part of what we are debating today is the work of Feeding Britain. Let me draw attention to my constituency, where we were among the first—we may have been the first—to try to deal with the shocking situation of children being hungry. The work was specifically about the situation during the school holidays, but its brief widened all too quickly.

Gareth Thomas (Harrow West) (Lab/Co-op): I commend my right hon. Friend for his speech thus far—it is impossible to disagree with a single point of it. In recent months, my constituency, which has traditionally been seen as a relatively well-off part of London, has seen real evidence of hunger, with people needing our food bank and now school hunger projects. Has he looked at the low take-up of Healthy Start vouchers, which represent Government support for people on benefits with newborn children? Almost 45% of eligible people do not take those vouchers up. Does he not think there is more that the Government and the supermarkets should be doing to promote the scheme?

Frank Field: I am immensely grateful to my hon. Friend for that intervention. I was not going to mention that matter, because I was not sure how many other people would raise it during the debate. It is covered by one of the report's recommendations, and the fact that a targeted benefit is failing to reach many of the people at whom it is aimed is important. Perhaps the Minister will set out the Government's response.

Mr Jim Cunningham (Coventry South) (Lab): Prior to 2012—my right hon. Friend touched on this point—food banks were set up by churches and voluntary organisations to help refugees, but since then, these things have become institutionalised. Only a couple of weeks ago I made a visit to a major distributor to nine food banks in Coventry. Some 22,000 people in Coventry used those food banks last year, and they provide everything from food to babies' nappies. That is how bad the situation is getting, so I agree with a lot of what he has said.

Frank Field: I am glad that my hon. Friend has intervened, because Coventry has the terrific Feeding Coventry project, which not only deals with the issues he set out, but has set up a citizens' supermarket to cater for people in desperate need while giving them real choice about how they build up their budgets, or at least the food with which they feed themselves and nurture their children.

The Government will rightly say—they should claim some credit for this—that they have been sponsoring pilots for two years. Birkenhead was successful in gaining funding from the first pilot, but we were not successful in gaining any of the large dollops of money the Government gave out this time. We have therefore had to look at other ways of raising money, because an important job remains of feeding children during the school holidays and enabling them to have fun. Members will be raising points about the importance of various aspects of this report, and I hope that the Minister will be able to say something about how he wants to develop those two pilots so that we are not dependent on bidding for funds. I hope he will provide a universal service for all children of people on low incomes so that they are fed during the school holidays and can have fun, like richer children. Once that has occurred, I also hope that the education system will be able to report to him that poorer children have not dropped behind richer children when they come back to school, especially after the long summer holidays, due to a lack of food and nutrition over the holidays widening the educational disadvantage they suffer.

I wish to set out an example of a school governor in my constituency because it tells us about the journey that many of our constituents have travelled, and which we have travelled with them as Members of Parliament. We are grateful that the Government sponsor breakfast clubs at five schools in Birkenhead. Today, however, the fact that 27 schools and community groups could pick up 80,000 breakfasts in Hamilton Square in Birkenhead was made possible by moneys raised by Feeding Birkenhead and the provision of supplies from that person's church. This one school governor reported that there was initial amazement that there was a need to start a breakfast club. However, later came the realisation that children did not want to go home during the winter months because their home was cold and there was no food, so they wished to stay in school. It was therefore decided that schools should provide a form of tea for those children so that they would get at least one good meal between going home and coming back the next day for their school breakfast. Sadly, many of our constituents will have made that journey, and many good-minded people in our constituency have done their best to try to counter it.

Following the report and the #Right2Food charter, we very much look to the Government to respond, particularly given the report's list of recommendations, to which other Members, including our co-chair, will speak. They include the recommendation that there should be a children's food watchdog. When will that person be put in place? What part will the young food ambassadors play in ongoing work so that we can regularly monitor progress when there are reports to this House?

Let me end my speech by discussing free school dinners. This topic concerned me when I worked for the Child Poverty Action Group. I have been around for some considerable time, so I have experience of the discrimination that poor children suffer through free school meals and how the face of that discrimination has changed. In the early days, children might have been brought in through separate doors, sat at separate tables or given tickets of a different colour. Today, in this age of IT, we find that children are discriminated against through the new IT system.

With thanks to the academics watching the debate from the Public Gallery, I shall end on the following issue. If a child's parents pay for their dinners and the credit is put on to a card, but that child is not at school to have their school dinner for a particular reason, the money on the card is rolled over. However, for a poor child, the school dinner money for that day is cancelled. Our good academics have found that something like £88 million a year is lost to those children, and that goes somewhere—presumably to the companies that run the cards used to operate the dinner system. I am very concerned about this issue, and the sum itself is horrendous. Yesterday I wrote to the new Comptroller and Auditor General to ask him to undertake an inquiry on behalf of MPs who are interested in the issue so that we can establish whether £88 million is the floor or if the sum is even larger. If a poorer child does not attend school on one day, it is probably because they are ill, so we would think, as ordinary human beings, that they would need extra food the following day. For them, however, unlike their richer peers, the money that they did not spend the previous day disappears from their cards. I very much hope that the Minister will support the National Audit Office carrying out an inquiry into this new, nasty, vicious little twist that stigmatises poor children who draw on our school dinner system.

2.51 pm

Fiona Bruce (Congleton) (Con): I rise to speak briefly. I am not going to say that there is not a problem; I have too much respect for the right hon. Member for Birkenhead (Frank Field) not to acknowledge that there is. The causes are deep rooted. It will not surprise Members or the Minister if I say that I think one reason is the fact that family life in this country is not as strong as it was generations ago. My grandparents grew up and lived in poverty in Burnley, a very poor mill town, but from my understanding, and having witnessed how they fed themselves on a very modest income as pensioners, I know that hunger was not prevalent in those homes.

The Minister knows that I have said time and again that we need to look into what we can do to strengthen family life. Let me give one example before I address some specific issues relating to the report. In recent years, we have undermined—our Government have done so, too—the role of mothering, the value of a mother and the vocation that many women have to be a mother in the home. Through our financial recommendations, regulations and incentives, we have almost encouraged many women to go out to work, but for some of them there is fulfilment in being at home, where they can care for their children and think about what goes into building and making a home and nurturing. That includes home cooking, which often can be far more nutritious, at a lower cost, than the easier takeaway meals to which those who work, and who work long hours, often resort. I am conscious that if those from the poorest homes go out to work, they often have to work the longest, most antisocial hours. They often have to leave their children to come home alone or to buy something on the way home from school.

I know that the children's Minister has looked seriously at our "Manifesto to Strengthen Families", and I urge him to do so again in this context. There is a place for saying that mothering should be valued and esteemed in our society and not, as I fear it has been, rather reduced in respect over the past few years. Many of the children who are now experiencing some of the challenges that we have heard about are doing so because of the reduction in that role. It is not just the immediate family who benefit when mum is able to give such support; the wider family, including cousins and grandchildren—we know the important role that grandparents can play—and the wider community often benefit too. We have all lost out.

I am pleased that Ministers have said that they will look at the report very seriously, and that they will not respond to it in a knee-jerk way. They say that they will carefully consider the findings of the report and respond later in the summer, before the beginning of the next school year. Perhaps the Minister will take into account the wider context of what we are saying about today's society.

I was particularly interested to see that one of the recommendations relates to supporting pregnant women, which is a really important concern. I am very concerned that we do not pay enough attention to helping women in pregnancy feed themselves and care for themselves. As vice-chair of the all-party parliamentary group on foetal alcohol syndrome, I know that it is a particular concern that we have noted. Even though there is a Government recommendation that women should not drink during pregnancy, they do, so there is a place for Ministers to speak out much more clearly and strongly about healthy eating during pregnancy.

I have mentioned that I respect the fact that the Government are themselves respecting this report and taking it seriously, and I note that they are already working with Public Health England to look at how nutrition can be better improved. It also appears that it will work with the Food Foundation to explore the creation of a working group to look at how greater oversight of children's food can be achieved, including engaging with all relevant Government Departments. That is another thing that we do not do enough of in this context: we do not look across Government; we often work in silos. I hope that the Minister will extend his reach right across the very many Departments that need to be engaged if this issue is to be tackled. I am pleased that Ministers have said that they will involve the young food ambassadors, too, because at the end of the day, if we do not hear the children themselves, we are missing something.

Let me look at some of the things that the Government have done. I am pleased that the right hon. Member for Birkenhead referred to the funding of holiday clubs. Although he said that it was not sufficient, it is interesting to note that, last year, the Government awarded £2 million to holiday club providers to deliver free and healthy food, along with enriching activities for children, and that, I think, helped around 18,000 children. I am encouraged that, this year, the Government have extended that to more than £9 million to help 50,000 children. It was certainly a move in the right direction; the funding for holiday clubs has quadrupled.

The Government are working with 11 organisations across England. I am interested to know which they are. It is interesting to note how many organisations are still working voluntarily. Will the Government do any kind of value for money exercise to find out which organisations are providing holiday club food for the best value? Although £9 million is a lot of money, it is still reaching only 50,000 children. Finding a way to support the

[Fiona Bruce]

organisations in local communities that really are providing best value would be an exercise worth including in the work that the Government are undertaking over this summer.

The Minister also said that the Government are investing £26 million in the national school breakfast programme. That is an important scheme, because breakfast helps children to start the day, concentrate and learn. It is sad that so many arrive at school without having had breakfast. We could address that as part of the strengthening families programme by ensuring that parents—not just women, but their husbands or partners—are skilled up in feeding their children well and taught about the importance of breakfast for children during antenatal classes. In fact, much can be done under that umbrella.

I mentioned what it was like generations ago. I was fortunate to inherit a few good habits so that I knew how to feed my children well. I was just lucky. My children seem to have survived—they are 26 and 23—even though I did not formally learn very much about how to feed them well, but there has been a lack of role models in so many areas over recent generations, so there is now a need to use antenatal classes and family hubs to teach people about good nutrition. Some family hubs are already doing that. I welcome their establishment in many parts of the country.

The Minister has greatly supported the family hubs, many of which are teaching good nutrition, which is particularly important because childhood obesity is affecting disadvantaged children more than others. However, something more structured could still be done to help young families and young parents to feed themselves and their children better and more economically. I am therefore pleased that there is more money going into the national school breakfast programme, which I believe will benefit about 250,000 children, but many more children could benefit if we taught people how to feed themselves better. I am interested to hear that the free school meal scheme is being extended, with 1.5 million more infants receiving a free school lunch. The programme is also being extended to further education colleges, and that is very important.

I commend the Government, because they are doing things to address the issue. The soft drinks industry levy appears to have been quite a success, incentivising the industry to reduce the sugar content of soft drinks. The levy has provided money that has enabled us to invest in the PE and sport premium for primary schools, and it is already improving young people's teeth. A lot has been done, but there is more that can be done. I chair the all-party parliamentary group on alcohol harm, which this week had an interesting meeting about the calorific value of alcohol. I was appalled to see the sugar content of some alcopops. Much can be done to encourage better drinking among youngsters—not necessarily those of school age, but older young people—by labelling all drinks, including alcopops, with their calorific value.

It is good that the Government are committed to improving children's health through the childhood obesity plan and that a number of Government Departments are involved. I know that the Minister takes this issue seriously, and I know he will take this report seriously as well. There is much more that can be done. The report has made a useful contribution to the debate. I hope that Ministers will continue to take it seriously and to build on the work that has already been undertaken.

3.3 pm

Ruth Smeeth (Stoke-on-Trent North) (Lab): It is a pleasure to follow my constituency neighbour, the hon. Member for Congleton (Fiona Bruce). Although we may not agree about the cause, we do share the fundamental concern that some children in all our communities are hungry, day in, day out.

My right hon. Friend the Member for Birkenhead (Frank Field) has been an inspiration in tackling these issues and raising their profile in this place. He has not just used this unique platform; he has also ensured that he has put his time, effort and resources where his words are—both in the community through his role at the academy chain he participates in, and in the charity he set up to address this issue.

We are here because of what we see and hear, too often, in our own constituencies, at our surgeries and from children when we go and visit. I applaud the work, as ever, of my hon. Friend—my friend—the Member for Washington and Sunderland West (Mrs Hodgson), who has been a guiding light on this issue. She was an extraordinary advocate for the report. She led the charge when we had children come to this place to give us their experiences of what they had at home, what they did not have at home, and what happened to them at school. We talk a great deal in this place. We talk for far too long, on many occasions, as I am sure that many of us will today. But we talk about our views on what is happening in our constituencies and in the world; we rarely get to talk about what other people have said to us. That is why this was so heartbreaking.

The first question I ever asked in this place was on the issue of holiday hunger: what happens to children who qualify for free school meals during school holidays. It is 100 years since we as a Parliament agreed that our children should be fed at school. We never thought about the holidays, because at that point communities took care of children. In my constituency, school kitchens were opened during school holidays. The kitchen was positioned at the front of every school, so children never had to go inside: they would queue there to get a hot meal. Their mothers were working in our potbanks and their fathers were working down the pit, so their grandparents and wider family were looking after them. Because of that, we never had to come up with a Government solution—or at least we felt no need to. It has only been in the past decade that this has become such a heartbreaking issue that we now need to tackle it.

One of the challenges for all of us is that as soon as we touch on one of these issues, we receive stories from up and down the country about other people's experiences. I truly believe that every one of us in this place should campaign on something that makes them want to cry—something that is so devastating to us as individuals that we cannot ignore it. For me, that is child food poverty, as it is for many others on the Labour Benches, and across the House.

When I first got selected to run to be the Member of Parliament for Stoke-on-Trent North and Kidsgrove, I started talking to some of my local families. Someone who worked as a school catering assistant told me the story of a child who collapsed—fainted—one Monday morning when he walked into school. It took a while to understand what had happened. It was 11 o'clock in the morning. He had not eaten since his free school meal on

Friday. He was given a sandwich and an apple due to how close it was to lunchtime. He ate the sandwich but did not eat the apple—he put it in his rucksack. People said, "It's okay—you are going to have lunch in a minute. It's absolutely fine—eat the food." He said, "My sister is down the hall and she hasn't eaten either." In the 21st century, in the 13th-largest city in the country, we have children who are starving. It does not matter if their parents are not good enough. It does not matter how much money is or is not going into the household. The reality on the ground is that our children are not being fed. With all the will in the world, we can put in every kind of initiative, but we have failed in everything if this is happening in our schools.

We heard about a child in Scotland who was going to one of the holiday clubs that were set up two years ago. They were stealing the ketchup packets that were on the table every lunchtime. Our friend Lindsay Graham tells this story and cannot help but cry when she does. When the child was asked why they were stealing ketchup packets, they said they hoped they could make tomato soup out of them when they got home, because there was literally nothing else to eat. That is the reality of child food poverty in the 21st century. It is Victorian. It is heartbreaking, it is devastating, and it is why we so desperately need direct intervention.

Since the introduction of universal credit in my constituency, demand at the food bank has gone up 46%. My food bank considered cancelling its Christmas service because it was 1 tonne short of food. We have poverty at every level, but as soon as it becomes about food, it is devastating for communities. That is why I am so grateful that the Government launched the holiday hunger pilots. They did not give any money to Stoke-on-Trent, but I am sure that will be rectified next year, Minister.

Instead, work has been done through the opportunity area board, and the wonderful, extraordinary, fantastically brilliant Carol Shanahan has launched a charity in order to provide such a service in my constituency. Last summer, 16,500 meals were provided by volunteers during the summer holidays. It is important that we look at child food poverty in the round, and I want to tell one story from last year's projects.

In Kidsgrove in my constituency, the holiday club was going to open at 11:30 am—we cannot call it "holiday hunger in the community", because people will not come. By half-past 10, there was a queue of 30 people, who knew that it was not going to open for another hour. There was only enough food for 40 people, and 30 were already queuing. Thank God for Tesco, which delivered food and staff to help cook and serve the food, because there were not enough volunteers, never mind enough food. On that day, having expected 40 people, 191 came through the door. There is a need. There is a desire. We have a responsibility to help.

One of the most shocking things to come out of the children's future food inquiry was access to water, which I know the Minister has been contacted about. There is a limited amount of money available—I listened in horror to my right hon. Friend the Member for Birkenhead explain how much of it is sent back to companies—to children for their free school meal. In some schools around the country, children were having to pay for a bottle of water out of their free school meal allowance. That meant they could not afford a full meal, so they were having a bottle of water and chips, or a bottle of water and a sandwich. These are children who qualify for free school meals. How are we feeding them? How are they getting access to a good, healthy meal that may well be their only hot meal all week? We have some work to do.

The recommendations in the report are made by children, and another disconcerting issue they told us about was the short period of time they are being given to eat. It could be as little as 20 minutes. If hundreds of people are going through a catering establishment, it will take longer than 20 minutes to ensure that everyone is served a meal and can eat it. As a result, children are getting food to grab and go. That is not in the spirit of free school meals, and it definitely does not encourage healthy eating.

The five recommendations that the children who participated in the report made were: a healthy lunch guarantee, a healthy food minimum, a children's food watchdog, for health to be put before profits and to stop the stigma. That really should not be too much to ask, and it is not us asking for it; it is the children.

My final point is about the national school breakfast programme. I know that it is not strictly the subject of the debate, but if a child qualifies for free school meals, they are probably also receiving a free breakfast—or at least I hope they are. That is two meals a day, 10 meals a week, that their parents do not have to pay for. Fifteen schools currently receive the national school breakfast programme in my constituency, and for that I am grateful, but the funding stops in March 2020. Given that that is in the middle of the school year—or towards the end of it, but with another term still to go—my schools and schools across the country need assurances about what they have to put in their budgets, or do they tell children, "You've only got breakfast till Easter"? I ask the Minister if he could be so kind as to ensure that there is more food for our schools.

3.15 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I thank my right hon. Friend the Member for Birkenhead (Frank Field) for securing this very important debate, and for his excellent and passionate speech. I am thrilled to be following my very good friend, my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth). It has been an honour to work with her over the last few years on an issue that we are both so very passionate about. I remember that when I met her, as a brand-new MP, she said she would focus on this issue more than on any other, and she has been true to her word. I know the children in her constituency are all the better for it, as are those across the country, because she is not just doing this for the children in her constituency, but fighting for all children.

I, too, want to thank the young people who participated in this inquiry, and I congratulate them on doing so. We have heard some moving testimonies about what those children told us. Without their hard work, bravery and determination, we would not have had such a groundbreaking report; it would just have been another report written about children by adults. Listening to those young food ambassadors was eye-opening—and eye-watering—for everyone, including those of us who think we are more seasoned to some of these issues. Finally, I thank everyone involved in the inquiry,

[Mrs Sharon Hodgson]

with special thanks to the Food Foundation, and to Lindsay Graham, whose idea was the genesis of the inquiry.

As co-chair of the children's future food inquiry—along with the hon. Member for Central Ayrshire (Dr Whitford), who is not in her place, sadly—I have spoken many times about the shocking things that we heard from the food ambassadors about their experiences of hunger and food insecurity. I am pleased that other Members have shared some of those examples in detail. Today, I will focus on issues that I did not mention when we had the Westminster Hall debate on this issue last month, so I will mainly focus on holiday hunger and breakfast clubs.

First, I would like to hold the Minister to account on some of the things he said in response to that debate. *[Interruption.]* I think he is a little bit distracted, so perhaps I should wait until he is listening, so he knows what I am going to ask him. Minister, hello! *[Interruption.]* Wonderful. I know the Minister was distracted by his Whip, but I will be asking him some direct questions, and it would not be fair on him if I did not give him a chance to listen to those questions. I was referring to the debate we had in Westminster Hall, to which he responded, and I am going to reiterate some of those responses and ask him to comment on them further.

As hon. Members will know, the young food ambassadors put together the #Right2Food charter, to outline their demands on Government, and the committee made up of MPs, peers and charities calls on the Government to establish an independent food watchdog that will examine the cost of the policies in the charter. During the Westminster Hall debate on this issue, the Minister said that he had asked his team

"to work with the Food Foundation to look into setting up a working group".—[*Official Report,* 8 May 2019; Vol. 659, c. 312WH.]

Can the Minister please provide a progress report on that commitment? Will he also please restate his commitment to continue listening to and working with the young food ambassadors themselves? The Minister also said that the free school meals allowance will be looked at in the spending review, so can he reaffirm this commitment? Can he give the House an insight on when the spending review is estimated to take place under the new Prime Minister? That may be a little more difficult, but he might have a bit of an idea.

As the chair of the all-party group on school food, I am very interested in this issue, as is my hon. Friend the Member for City of Durham (Dr Blackman-Woods), who is a vice-chair of that all-party group. Unfortunately, she was not able to be in her place today either, due to commitments elsewhere in the House. However, she has asked me to put on record her support for a radical change in how we do school food.

As we heard in the closing remarks of my right hon. Friend the Member for Birkenhead, today we have a report from Feeding Britain, and the excellent academics from Northumbria University, led by Professor Greta Defeyter who is in the Public Gallery today. The report found that in just one year, £88.3 million allocated to local authorities to provide free school meals for eligible children disappeared. The issue was first brought to my attention a number of years ago, and I have tried to get to the bottom of it through Children North East, which is an excellent anti-poverty charity from my region. It raised the issue with me because children had raised it with them. Where does that money go? Who benefits from it? Certainly not the children for whom it is intended.

The young food ambassador spoke to the Minister about that issue directly. Has the Minister had time to consider it further? I am sure he agrees that children should have access to the full benefits they are entitled to and that are intended for them, not for whoever else is managing to pocket the money. He promised that he would write to all schools, and earlier this month he did just that and set out the schools' responsibilities on food, especially free drinking water. I thank him for that. We all hope that the letter will have had an effect on schools and that we will see immediate changes, especially free water.

It is not only during school time that children go hungry or do not have access to healthy food. Many children up and down the country will be counting down the days to the summer holidays, but for many parents and guardians, those holidays bring not joy but dread. Children who usually receive free school meals do not have access to them when the school gates shut, which is for a total of 170 days per year. Holidays can be an expensive time for all families, especially those who are trying to make their food stretch.

The summer holiday is thought to contribute to many weeks' worth of learning loss. Professor Greta Defeyter has done studies into that, and it has been academically proven. Many teachers report the effects of that learning loss when the school term begins again after the summer. Andrew McCreery, a youth worker in Portadown, told the Committee that when they asked children to bring a packed lunch for the holiday programmes they were running, 10% to 15% of children brought no lunch, and those who did often brought in bread, cold microwave chips, biscuits, or even an empty lunchbox. That is why I was proud to play a small part by campaigning, lobbying for and securing the holiday hunger provision pilots, and I am pleased they are going ahead again this year.

My hon. Friends the Members for Swansea East (Carolyn Harris), for South Shields (Mrs Lewell-Buck), and for Stoke-on-Trent North do amazing work in their local communities over the summer holidays to ensure that children and families are fed. Because of them, thousands of children who would otherwise go hungry are fed every day in the summer holidays. My right hon. Friend the Member for Birkenhead has also done that over many years, and they should all be proud of their work. I will try to replicate that and learn from best practice across Sunderland next summer. However, such work should not be down to my hon. Friends, or to the local authorities, charities or communities that step in to do what I believe to be the Government's job. Will the Minister look at creating a holiday provision framework across the UK, to ensure that those children and families who need it can be fed healthy food over the school holidays?

I move to breakfast clubs, and once again I thank the Minister for giving up some of his valuable time when I met Carmel McConnell from Magic Breakfast and David Holmes from Family Action. I know he was busy, but he gave some of his time to speak to them,

which they both appreciated, as did I. Carmel McConnell and David Holmes are doing excellent work, and they currently feed 280,000 school children each day through the national school breakfast programme. However, that funding is scheduled to come to an end in March 2020. This week, the Minister said that funding would be decided in the upcoming spending review—this comes back to his crystal ball.

Is the Minister able to provide any reassurance to children in schools that the funding for the national school breakfast programme will continue beyond March 2020? The programme is a lifeline for children, parents, families and teachers, who see the immediate benefit of a child having breakfast before they start their school day with regard to their learning and, ultimately, their health and long-term outcomes. There can be no better measure to help to close the gap we all talk about than making sure children are not hungry and are able to learn.

Last year, I visited Surrey Square Primary School with my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) to see the excellent work the school does in feeding, clothing and caring for children and their families. It is an excellent school and I encourage the Minister to visit if he wants to see a local school that does everything so well. It looks after everyone, all children and families, but especially those with no recourse to public funds. Will the Minister please ensure that children whose families have no recourse to public funds are not forgotten when we design policies for school food? No child, no matter what their family situation, should go hungry in our schools. He may be aware—it was raised in the report—that those children are not entitled to free school meals. They have no recourse to public funds and they are not even entitled to a free school meal unless the school decides to feed them anyway. A lot of schools do. Unfortunately, children across the country are going hungry for lots of reasons and I know the Minister knows he needs to address that.

Having spoken to the young food ambassadors, I know that the Minister is very aware of how important this issue is to them, their peers and their families. The Minister has committed to formally responding to the report in the autumn term, and I thank him for that commitment. I hope he is still a Minister then. If he is able to commit to anything further today, before the summer holidays—before any reshuffle—I know that the young food ambassadors would really appreciate it.

Finally, I would like to welcome today's launch of the national food strategy, led by Henry Dimbleby. I worked closely with Henry on the excellent school food plan and that work has continued. Cross-departmental considerations on food security and safety are a welcome step towards ensuring that everyone, including children, has access to healthy and affordable food. I very much look forward to working with Henry on this new endeavour.

This has been an excellent debate. I look forward to hearing those who have yet to speak, and to a positive and decisive response from the Minister.

3.28 pm

Jim Shannon (Strangford) (DUP): I thank the right hon. Member for Birkenhead (Frank Field) for putting his case so well. I also commend the hon. Members for Congleton (Fiona Bruce), for Stoke-on-Trent North (Ruth Smeeth) and for Washington and Sunderland West (Mrs Hodgson) for their contributions. No one could listen to their contributions and not be moved. Minister, I am going to say some things fairly firmly. I am not a person for harshness—that has never been my nature—but I want to speak honestly about how things are. I think everyone has done that. I need to do that too, and in a way that I hope the Minister can respond to.

I am well known for supporting working class people and, increasingly, the so-called middle class who are living hand-to-mouth. It is beyond shocking to me and others that in this day and age children are starving and their families have to turn to food banks to put food in their bellies. Children are suffering for their parents' financial position. Through no fault of their own, children are sitting in school classes hungry and unable to concentrate. When you are hungry, you are unable to concentrate. The hon. Member for Stoke-on-Trent North referred to the wee child who fainted because he had no food. It is clear that children are unable to concentrate and frankly that is cruel.

It is heartbreaking that 4.5 million children across the United Kingdom live in poverty. We in this place and the Government are not doing enough to tackle the issue. That is somewhat vindicated by the fact that we foist responsibility on to charities, but why is this the case?

To the surprise of the mainstream media, which often portrays the Church as out of touch and not involved in communities, the Church is stepping up to the challenge. That is the case in my constituency and, from what I have heard so far, I suspect that churches in everybody else's constituencies are filling the gap and taking responsibility. Despite some saying that the Church indoctrinates children, the only thing that it seems to be indoctrinating children into displaying is compassion. For me, that is clear. It is bringing up the next generation to care and take action when they see people in need and are in a position to help.

I am very proud to be the Member of Parliament for Strangford, which is stepping up to the challenge on child food poverty. Our local churches in Newtownards have stepped up where local and national Government have failed. The Thriving Life Church, the Ards Congregational, the Ards Baptist Church, the Glen Community Church, St Mark's, Londonderry Primary School, Greenwell Street Presbyterian, First Ards Presbyterian Church, Ards Reformed Presbyterian, Scrabo Hall, Scrabo Presbyterian Church, St Patrick's tennis skills and Northdown Christian Fellowship Church have all advertised that they include free food with their Bible clubs.

Other Members have referred to the summer, which was in my mind before the debate, because it brings added problems for children and their parents, who do not have schools to fall back on. That is why what the churches in Strangford and Newtownards specifically are doing to come together collectively, cross-religion, is so important. They have all seen the need and have stepped into the gap. They should not have to do that—it is not their responsibility—yet they are, because that is what their Bible teaching, beliefs and faith tell them to do. We need to ask ourselves in this place: are we doing all we can? The Government have not delivered for these poor children who need food, which is a sickening thought.

[Jim Shannon]

Whatever is being done to solve this pressing issue is clearly not working. Thanks to charities such as the Trussell Trust—it set up the first food bank in Northern Ireland, in my constituency in Newtownards—and other various organisations in the community, the problem is minimised. Without them, the issue could be far worse, which is a scary thought, to say the least.

The situation is particularly disappointing, bearing in mind that there is not enough focus on the options to minimise the problem. Recent data published by UNICEF shows that one in five youngsters under 15 now lives in a food-insecure home. How is that possible in this day and age? This should be a red flag for Government and for everyone else, yet they continue to employ—I say this respectfully, Minister—austerity measures that only make matters worse. It really does not take a genius to realise that the cuts and changes that the Government continue to employ are paramount to the problem. That is the feedback I am getting in my constituency about universal credit. The food bank tells me that the changes in benefits are putting the pressure on, so I have to say that in this House because it is true. It is happening and we cannot ignore it. When someone works different hours and their tax credits claim materially changes, they migrate to universal credit with a five-week embargo on payments. That puts people over the poverty breadline and it is really unfair.

I asked my local food bank for its up-to-date figures. This is what is happening in my area:

"So for the last year we have fed 1,992 people…846 were children"—

so 45% were children. It continued,

"this is a 3% rise on the last year. The rise is on the increase as we see more and more families switching to UC. And as we head to the summer, kids off school—414 of those kids from low income families = summer hunger with no free school meals."

That is going to be the issue this summer. The churches stepping in, running their Bible classes and Bible clubs and having the meals alongside those, is so important. The food bank continued:

"Last summer June-August we saw 152 low income families alone! The problem we see is families going without."

The reality of today's society is that families are going without. Parents do not eat so that their children can, or children do eat not because their parents are not eating either.

The food bank continued:

"Last year we began partnering with Ards Community Network to help families with free uniforms. And this year we are launching with local churches and their holiday bible clubs to offer lunches."

I suggest that is true community spirit at work, alongside the churches and faith groups, offering practical, financial and emotional help when it is needed most.

I urge the Government to do the right thing by helping to better the lives of those who are left with no option but to line up at food banks. More funding is needed, along with better understanding. One of the fundamental purposes of government is to help the people. Frankly, that is not being achieved at the moment.

Twenty years ago, Tony Blair—people have their own opinions about him—pledged to end child poverty, calling it a "20-year mission". Three Prime Ministers later—the fourth is on the way—we are nowhere near accomplishing that mission. Children have to go home after school and sleep on an empty stomach. That is a disgrace. Never would I have expected child poverty to be such a problem in 2019. Nations are meant to develop, not to go backwards, but I am afraid that is what I see.

The National Housing Federation, using Office for National Statistics data, has found that roughly 847,000 children from working families—a 30% increase from 2010—live in poverty due to the sole reason that their homes are too expensive. We need to look at the reasons for that as well. One of the reasons is the cost of rental accommodation. Many parents have to choose between paying the rent and feeding their children. We have recently had debates about that—last week in Westminster Hall, I think—when there has been some talk about how the Government could help people under rental pressure. It breaks my heart that parents have to make that choice.

With all due respect, we must stop approaching these life and death issues in a daze. I gently suggest that this House needs to wake up to what is happening, because children are starving and families are having to turn to food banks. For heaven's sake, we are in the 21st century and this is one of the richest countries in the world. When will we get it right for those children and families? I am sorry if I am being a bit harsh, but we must take a good look at the important underlying crisis in this country. More importantly, we must make better decisions. We need to be aware of how decisions made here affect children throughout the whole United Kingdom.

I am speaking today from my knowledge of the matter in Northern Ireland, which comes from seeing it directly in my constituency office every week. The Thriving Life Church food bank in Newtownards tells me that the organisation that points the most people to it is our advice centre. That tells me, and hopefully this House, that I have my finger on the pulse of what is happening in my constituency, and that I understand that the food bank is doing an incredible job, but I also understand that people are under pressure.

We must take a better look at this important underlying crisis. The issue is not one that we can poke with daisies—if we poke it with a daisy, it will not move, because daisies have no strength. I say this with respect to Opposition colleagues—they may agree with me and they may not—but of course Jeremy Corbyn would make the matter worse, with his Marxist manifesto—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. The hon. Gentleman cannot stray into naming a Member. Has he given that Member notice that he intends to name him, and get into a political argument about his views?

Jim Shannon: I have not.

Mr Deputy Speaker: You are normally a very caring Member of Parliament. I think we need to keep to what we are discussing, rather than getting into what we think another Member may do, especially when we have not given notice.

Jim Shannon: Thank you, Mr Deputy Speaker.

Let us not look at this issue as if it could be worse; let us look at it as if the state of this country for poor children could be better, should be better and must be better as soon as possible.

3.38 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I am pleased to have this opportunity to participate in the debate, although I agreed absolutely with the right hon. Member for Birkenhead (Frank Field), who is a long-time campaigner on these issues, when he said that this debate should give us cause for shame.

The children's future food inquiry has done a considerable amount of work, gathering evidence from workshops with nearly 400 children across the UK, alongside polling young people's views and academic research on food insecurity to produce the report that we are debating today. Much of what it tells us, as well as being shocking, is, sadly, unsurprising. I know that the hon. Member for Congleton (Fiona Bruce) means well, but I am afraid that I had to disagree with her when she said that in previous generations things were not quite so bad. I may not be old enough to have a memory of the generations to which she is referring, but I suspect that things were equally bad if not worse, and people just talked about it less.

Fiona Bruce: I am not saying that there was not poverty, but what I am saying is this. My grandmother was born in 1900, and what I witnessed was that she knew how to make a little money go a long way in cooking nutritious meals that fed a family. That seems to be something that we have not passed on from generation to generation, but it is one of the solutions that we could seek to achieve for today's generation.

Patricia Gibson: What I will say in my speech may explain more fully why, although I respect very much what the hon. Lady has said and understand the point that she has made, I do not agree with it. I think that the problem of children growing up in hunger has always been with us, regardless of what generation we are talking about, but in this day and age we are no longer willing to accept it. That is why we have debates like this, and why the report was undertaken in the first place.

We can go back even further. I am a great lover of Charles Dickens. A mere glance at his work tells us that every single novel he ever wrote features a deeply neglected child in challenging circumstances. That is a direct result of his having been sent out to work at a very young age himself, an experience born of necessity to keep hunger at bay. He understood that the sanctity of childhood was lost for ever through poverty, hunger, and an uncaring society. Indeed, his childhood experience —his own truncated childhood—scarred him to such an extent that he never forgot it, which is why he always included in his novels a child who was a victim of a society that did not do enough to protect its children from poverty and want.

In her moving speech, the hon. Member for Stoke-on-Trent North (Ruth Smeeth) shared with us some real-life and very sobering examples from her constituency, which sounded as though they could have been lifted directly from a Dickens novel. That, in this day and age, is utterly and truly appalling. I agree with the hon. Member for Washington and Sunderland West (Mrs Hodgson), who said that the Government's role was critical if we were to face down hunger in our children. That view was echoed by the hon. Member for Strangford (Jim Shannon).

We know that parents want to do the best for their children, but we also know that it is much easier to do the best for our children if we have a reasonable standard of living and enough money to live on, which in turn will give us enough food to eat. In my constituency, child poverty levels average about 30% across each of the distinct towns. We know that that figure is set to rise, just as the figures will in every other constituency in the United Kingdom, which is absolutely disgraceful. My local authority area has the third highest rate of child poverty in Scotland, which is indeed sobering.

Let us not forget that poverty is not just about money. Today we are talking about the importance of food for children, but poverty does not just rob children of access to proper, nutritious, healthy food; it robs them of self-esteem, it robs them of opportunities, it robs them of hope, and it robs them of the secure sense of wellbeing that every child has the right to enjoy. That casts a shadow over them for the rest of their lives.

I know this, because I myself grew up in poverty, the youngest of eight children. After my father's death, my mother endured struggles with poverty that no one should have to endure—although, to her credit, I had no idea just how poor we were until I was grown up. That is not a hard-luck story. I share it as a way of showing that I understand, as many in the Chamber do, what poverty can do to a family. I know about the barriers that it creates for parents and, in turn, for their children.

The austerity agenda, which a number of Members have mentioned today, and the fact that families all too often feel punished for their poverty, only adds to the damage, the hopelessness, and the erosion of the idea that life could be so much more. The right hon. Member for Birkenhead spoke of people who have not only been condemned to hunger but all too often been condemned to destitution.

We know it is hard for parents to source healthy and nutritious food on an extremely tight budget that can hardly stretch over a normal week. This kind of hunger does not affect just those children whose parents are on benefits; we must face up to the fact that the working poor exist and many of their children are living in poverty.

To help combat this I am proud to say that the Scottish Government have expanded the provision of free school meals to those eligible for free early learning and childcare and free school meals for infants, and plan to monitor food standards in schools. I am pleased that the children's future food inquiry report acknowledged that.

In addition, there is to be more funding for more children to have access to healthy food during the school holidays. A six-week holiday for Scotland's schoolchildren with no free school meals can place an intolerable strain on families who are struggling. We cannot sit by and watch our children go hungry, so the children's charity Cash for Kids is being granted £150,000 to help local community organisations to support children during the school holidays with activities and access to meals, and this funding is the first allocation of £1 million over the next two years to tackle food insecurity outside of term time.

Every child in Scotland attending a local authority school has a right to a free school lunch in primaries 1, 2 and 3, regardless of their family's circumstances.

[Patricia Gibson]

After primary 3 these free lunches continue if the child's parents receive certain benefits. Many Members today have called on the Minister to similarly invest in support for children in England and Northern Ireland and I hope he listens to those pleas.

Alongside the £3.5 million fair food fund to tackle food insecurity, we are working hard in Scotland to ensure that everyone can feed themselves and their families to reduce the reliance on emergency provision. These initiatives matter as we see food bank usage rising. Largs in my constituency food bank usage has soared by between 200% and 300% since November last year. In this day and age that is an absolute disgrace. I cannot understand how any elected representative can be blind to or unmoved by the evidence showing the suffering and hardship caused by recent welfare reforms. It is no accident that the roll-out of universal credit, with its five-week wait for payment, has coincided with an increase in the use of food banks.

All claimants are expected to be on universal credit by 2023, including almost 10,000 more North Ayrshire and Arran households. That means that, sadly, this trend of food bank use looks set to continue, with no sign that the UK Government are prepared to pause and properly fix this system which is not fit for purpose and causes unnecessary hardship.

The food our children eat has implications for life chances, as does the food they do not eat. There is little point in trying to tackle the attainment gap if children go to bed hungry—it cannot be done—and I welcome the Scottish Government's joined-up approach in that regard.

The SNP Scottish Government announced only yesterday that there will be a new form of support, the Scottish child payment, which will provide £10 each week for all eligible children from low-income families under the age of 16 by 2022, and that payment will increase annually in line with inflation. This benefit will be fast-tracked so all eligible under six-year-olds will receive it by 2021. When delivered in full, 410,000 children will be eligible for this payment. This is yet another front we can open up in the war against hunger in our own children, and it has been warmly welcomed by groups such as Menu for Change, Save the Children Scotland, Oxfam Scotland, the Child Poverty Action Group in Scotland and the Poverty Alliance, which describes this new initiative as a "game changer" in the fight against child poverty.

This action from the Scottish Government is expensive, but it is also a political choice to do more to tackle child poverty. I hope the Minister will take note and ask if his Government can afford not to do this. The SNP Scottish Government do not control all the levers of benefits and taxation necessary to truly build the kind of fair society that I believe most people in Scotland want, but with the limited powers they have, they will always do what they can to mitigate poverty while delivering a balanced budget in a minority Administration.

Any debate or report on children's food and the need to tackle the health implications of the food they eat or the hunger they face is necessarily a discussion about the kind of society we wish to build. What kind of society thinks that children going hungry is ever acceptable? This is an important report, but for all that, it is only a report; it cannot be left to gather dust. It is time for this Government to engage in real reflection on the true cost of hunger to our children and our society, to act accordingly, to fully study the report and to take the necessary action to tackle child poverty and the resultant hunger that is poverty's bedfellow. It is an absolute disgrace that anybody ever has to go hungry in the United Kingdom. The mark of a civilised society is to combat that in a sensitive and robust way. The Scottish Government are choosing not to pass by on the other side when they see families in need of this basic necessity, and I urge the Minister today to do as much for other families.

3.51 pm

Mr Steve Reed (Croydon North) (Lab/Co-op): This is my first appearance at the Dispatch Box as Labour's children and families spokesperson, and I am glad that it is in a debate on such an important issue. It is shocking and unacceptable that child hunger still exists in our country to this extent. I would like to take this opportunity, if I may, to thank our previous spokesperson, my hon. Friend the Member for South Shields (Mrs Lewell-Buck), for her work in this role. She brought her experience as a social worker to the position, and she made a significant contribution to our manifesto in the general election.

I am grateful to all Members who have spoken in the debate. From my own party, my right hon. Friend the Member for Birkenhead (Frank Field) drew on his vast experience and powerfully highlighted the extent of child hunger, the damage it does to children and the link to welfare reform and benefit cuts. He called on the Government to act. My hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) reminded us how widespread holiday hunger has become for children from low-income families, particularly over the last decade. She shared some powerful and moving examples from our own experience. My hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) emphasised the importance of listening to children talk about their experiences. She asked the Minister a series of direct questions, which I hope he heard when the Whips were not distracting him. We look forward to his answers.

Members of both Houses and from all sides of the political debate have contributed to this important report, and I would like to congratulate my hon. Friend the Member for Washington and Sunderland West and the hon. Member for Central Ayrshire (Dr Whitford) on co-chairing the inquiry, as well as the hon. Member for Berwick-upon-Tweed (Anne-Marie Trevelyan), my hon. Friends the Members for Wrexham (Ian C. Lucas) and for Bristol East (Kerry McCarthy), my right hon. Friend the Member for Birkenhead, and my hon. Friends the Members for Stoke-on-Trent North and for City of Durham (Dr Blackman-Woods), who served on the committee. I must, in particular, thank the 15 young food ambassadors who also gave their assistance and their experience.

The committee's work now joins a body of important literature that highlights the shocking levels of poverty in our country. One hungry child is one too many, but UNICEF estimates that 2.5 million British children live in households where food is not always securely available, and the Trussell Trust points out that more than 500,000 emergency food parcels went to children alone last year. It is staggering that that can be happening here, in one of the richest countries in the world.

Food insecurity blights children's immediate and future lives. It can trigger mental health problems, and it can damage a child's physical health. It can lead to obesity and restricted growth, and it can retard healthy development. It affects children's school attendance as well as their ability to learn. Ask any teacher, and they will tell you that a hungry child cannot concentrate in class. In a BBC report on child poverty last year, one headteacher described their pupils as having grey skin. Another described the unhealthy pallor of the students in their school. Something is going badly wrong in our society if we are allowing this to happen to so many of our children. A society that loves and cares for its children does not let them go hungry, especially not to this extent.

The report reinforces the importance of the early years of a child's life, particularly the first 1,000 days. Those early years have a defining impact on a child's development, affecting everything from educational achievement to economic security to health. The report states:

"The food, energy and nutrients which children eat during this period determine how well they grow, how well they do at school and are also a good predictor of long-term health."

I invite the Minister to tell the House what has happened to the Government's review of the first 1,001 critical days—an excellent initiative commissioned by the right hon. Member for South Northamptonshire (Andrea Leadsom), the former Leader of the House. The Department's approach to early years has been lacklustre to say the least. A thousand Sure Start centres have been closed since 2010. As the Minister knows, they were places where young mums could receive advice and support on breastfeeding, healthy nutrition and their child's critical early development.

The report highlights how free school meal provision is inconsistent, and it expresses concern about how the free school meals policy works, including worries that the allowance is not always enough to buy a meal. As my right hon. and hon. Friends have said this afternoon, it is important to find out how much money is not spent and what happens to it, so that it can be redirected to support the children for whom it was originally intended. One way of tackling child hunger would be to introduce universal free school meals for all primary school children, paid for by removing the VAT exemption on private school fees, as proposed in Labour's manifesto. The outgoing Prime Minister is somewhat belatedly talking about increasing education funding, so perhaps the Minister can start today by matching Labour's commitment on free school meals.

As Members have mentioned, several months have passed since the inquiry published the final report. My hon. Friend the Member for Bristol East held a Westminster Hall debate on 8 May to discuss its findings and recommendations. During the debate, the Minister stated that he had asked his team in the Department to work with the Food Foundation to look into setting up a working group. I am sure that Members across the House would appreciate an update from the Minister on how that working group is proceeding. Members will also want to know whether the Government intend to involve the inquiry's young food ambassadors in future work, and what the Government intend to do with the five key asks of the #Right2Food charter.

Since the publication of the Food Foundation's report, the UN special rapporteur on extreme poverty and human rights, Philip Alston, has published the UN's findings on poverty in our country. That report exposes the cold reality of poverty in Britain today. It reinforces the findings of the Food Foundation, observing that children are showing up at school with empty stomachs and that schools are collecting food and sending it home because teachers know that their students will otherwise go hungry. Teachers, the report states, are not equipped to ensure that their students have clean clothes and food to eat, not least because many teachers rely on food banks themselves. The UN also predicted that, without urgent change, 40% of British children will be living in poverty by 2021. What a damning indictment it is of this Government that they are allowing that to happen in one of the richest countries in the world.

Jim Shannon: Does the hon. Gentleman recognise the good work done by faith groups? Their physical and financial contribution enables food to go directly to those who need it most. They play an important role.

Mr Reed: I absolutely acknowledge the amazing work done by faith groups, but many other parts of civil society, such as charities and other community organisations, are also stepping in to alleviate child hunger that, frankly, should not exist in the first place.

One hungry child is one too many, but 2.5 million British children regularly go hungry. The Food Foundation report shames this Government, but it is also a wake-up call, and it must lead to action.

3.58 pm

The Parliamentary Under-Secretary of State for Education (Nadhim Zahawi): I congratulate the right hon. Member for Birkenhead (Frank Field) on securing this important debate and thank all colleagues who participated in the inquiry, including the hon. Members for Washington and Sunderland West (Mrs Hodgson) and for Central Ayrshire (Dr Whitford). We have heard contributions from my hon. Friend the Member for Congleton (Fiona Bruce) and the hon. Members for Stoke-on-Trent North (Ruth Smeeth), for Strangford (Jim Shannon) and for North Ayrshire and Arran (Patricia Gibson).

I welcome the hon. Member for Croydon North (Mr Reed) to his role as shadow Minister for children and families. We may come to our roles from different policy perspectives, but we share a passion for wanting to do the best for the children and families whom we ultimately serve.

I know that hon. Members in the Chamber have a sincere and long-held interest in this area. The right hon. Member for Birkenhead was a member of the inquiry, and I thank him for his work and his continued significant contribution to shaping my tenure in office and, of course, to children's health and wellbeing.

The inquiry's report is the result of a detailed and thorough examination of how we ensure that all children and young people have access to healthy and nutritious meals. I extend my thanks to all the children, young people, practitioners and, of course, researchers who were involved in its production. I also thank the many hon. Members on both sides of the House, and colleagues in the other place, for their contributions to this important work.

I was pleased to attend the launch of the report in April, at which I was truly privileged to be fortunate enough to meet some of the young food ambassadors in

[Nadhim Zahawi]

person. I was moved by their experiences, and impressed by their confidence and clarity in setting out how they will continue to make an impassioned contribution in this area. I look forward to continuing my engagement with them.

The Government share the inquiry's overarching aims. All children should be able to access healthy, nutritious food at home and at school, as that is an essential part of building a country that works for everyone and in which every child and young person can reach their potential. The Government are already taking many steps to support children in accessing nutritious food and leading healthy lives. Of course, I recognise that there is much more that we need to do and can do.

When I spoke at the launch of the report back in April, I committed to providing a formal response in the autumn school term. Earlier this month, I again met representatives from the inquiry to discuss the recommendations further, and I have asked my team to work with the Food Foundation, including on exploring how we might provide greater oversight of children's food by involving the inquiry's young food ambassadors, as well as with other relevant Government Departments —my hon. Friend the Member for Congleton mentioned cross-Government work earlier.

I look forward to providing that formal response in the coming months. In the meantime, I wish to highlight some immediate actions we are taking. On 7 June, I wrote to all schools in England to highlight the inquiry's findings and to remind them of their responsibilities in relation to school food. Many schools are, of course, already delivering excellent practice in this area, including through creative menu options and a focus on healthy eating across the curriculum, and by making it easy for children to enjoy free school meals.

In my letter to schools, I highlighted the importance of creating a positive lunchtime experience by ensuring that dining areas are welcoming places and by giving children a genuine voice in shaping this provision. I also stressed that no child should be stigmatised because they are eligible for free school meals—the right hon. Member for Birkenhead is passionate about that—and that there should be no limit on the healthy meal choices available to these children. I also described my shock on hearing from some young people that they do not have access to free drinking water at school and often have to buy a bottle of water, as the hon. Member for Stoke-on-Trent North (Ruth Smeeth) mentioned. Schools are legally obliged to provide access to free drinking water on the school premises at all times, as I made very clear in my letter.

Frank Field: The Minister has quickly gone on to the important topic of having free water in schools, but was he also shocked about how poorer children—we do not know how many—lose entitlement if they are not in school on a given day, as the credit on their card for a free school meal is cancelled? I hope the National Audit Office will be looking at this issue; will he and the Department also do so?

Nadhim Zahawi: I am grateful to the right hon. Gentleman for that point. I intend to address that matter later in my remarks.

Finally, my letter highlighted the range of resources and guidance that is available for schools, including on meeting the mandatory school food standards and supporting children on free school meals, and curriculum resources for schools to help children to lead healthier lives. The Government have recently taken significant action to ensure that all children can access healthy food at school and beyond.

Mrs Hodgson: On the Minister's point about ensuring that schools deliver the healthy food required under standards set out in the school food plan, will the Minister ensure that Ofsted is suitably tooled up and equipped with the most knowledgeable staff, so that when they go into schools to do their inspection, no school will be rated as outstanding unless its food delivery and the food given to children is outstanding?

Nadhim Zahawi: The hon. Lady makes her point powerfully, as she has done in the past. She is right—we have to look at every lever available to make sure that we nudge school leaders towards the best behaviour in delivering healthy food.

In 2018, our holiday activities and food programme awarded £2 million to holiday club providers to deliver free healthy food and enriching activities to about 18,000 children across the country, as was mentioned earlier. Following the success of this first year, we have more than quadrupled the funding for the summer of 2019. As my hon. Friend the Member for Congleton mentioned, we are working with 11 organisations in 11 local authorities across the country—I am happy to write to her about those organisations. Both the hon. Member for Stoke-on-Trent North and the right hon. Member for Birkenhead said that they were disappointed that there had not been a successful bid from their constituencies for a holiday activities and food co-ordinator. I am sure they will appreciate that there has been a lot of interest in the programme from organisations, but my team is happy to talk to bidders who want more detail and feedback on their bids so that we can keep pushing forward in this area.

I am also proud of my Department's breakfast clubs programme. We are investing up to £26 million to set up or improve 1,700 breakfast clubs in schools in the most disadvantaged areas of the country, with the clear aim that those clubs stay sustainable over the longer term. The clubs ensure that children start the day with a nutritious breakfast. Such breakfasts not only bring a health benefit, but help children to concentrate and learn in school. I have visited one of these breakfast clubs, and one positive outcome from it was a rise in school attendance, with the fact that parents brought in their children early delivering much better attendance numbers. The children and teachers whom I visited were overwhelmingly positive about the benefits of such clubs.

We also remain committed to ensuring that the most disadvantaged children receive a healthy lunch at school. Last year, more than 1 million disadvantaged children were eligible for and claimed a free school meal, and that important provision has recently been expanded in three significant ways. First, in 2014, we introduced free meals in further education colleges. Secondly, in the same year, we also introduced universal free school meals to all infant children in state-funded schools.

Thirdly, under our revised criteria for free school meals, which were introduced last April, we estimate that more children will benefit from free meals by 2022 compared with under the previous benefit system. In fact, numbers released today show that 1.3 million children are benefiting from free school meals.[1]

On the point made earlier by the right hon. Member for Birkenhead, one recommendation in the inquiry's report was that any unspent free meal allowance should be carried over for pupils to use on subsequent days. Schools absolutely have the freedom to do this if their local arrangements allow for it—indeed, Carmel Education Trust in the north-east has adopted the practice. The right hon. Gentleman has raised an important point, however, and we should look into the matter to see how we can get all schools to adopt a similar practice, if they can. I should highlight that free school meals are of course intended as a benefit in kind, rather than as a cash benefit, but I am sure that the right hon. Gentleman understands that better than I do. Our critical interest is that schools meet their legal requirements to provide free and healthy meals to eligible children every day.

My Department is responsible for setting the mandatory school food standards, which have been mentioned. They require schools to serve children healthy and nutritious food. The standards restrict foods that are high in fat, salt and sugar—both you and I, Mr Deputy Speaker, could benefit from fewer foods that are high in fat, salt and sugar. We are currently in the process of updating the standards, working with Public Health England to deliver a bold reduction in the sugar content of school meals. This is part of a wider Government plan to tackle childhood obesity. Sadly, as was mentioned in the Westminster Hall debate, the other side of the coin with regard to children going without food is obesity among the most disadvantaged families and their children.

Patricia Gibson: The Child Poverty Action Group in Scotland has described the Scottish child payment, which was announced yesterday, as a

"game changer in the fight to end child poverty."

Will the Minister think about whether he could bring in something similar to help with child poverty throughout the UK?

Nadhim Zahawi: I am very much of the mindset that we should share best practice throughout the four nations, and I intend to visit to Scotland to look at what is being done there and to share what we are doing in England, too.

Many of the young people involved in the children's future food report queried why unhealthy food is cheaper and more readily available than healthier choices. Through our childhood obesity plan, the Government are taking forward significant action on the advertising and promotion of unhealthy foods to children.

In the few minutes I have left, I shall address some of the direct questions I was asked. The right hon. Member for Birkenhead asked about the future of the holiday programme, which will of course be part of the spending review considerations. We have already learned a tremendous amount from this year's and last year's programmes on holiday activities. That evidence will help me in my discussions with the Treasury.

My hon. Friend the Member for Congleton mentioned the programme's value for money. Our independent evaluation of the programme will report on that early next year. I am conscious of the time, however, so while I have detailed responses to her points and those made by other hon. Members, I will write to them rather than taking any more of the House's time.

I am enormously grateful to the right hon. Member for Birkenhead for securing the debate and all colleagues who participated. The Government are already taking important and significant steps, and we will continue to do so, while working with all those involved in this important report.

4.14 pm

Frank Field: Before I make a request of the Minister, I wish, like others, to thank those Members who participated in the debate: the hon. Member for Congleton (Fiona Bruce), my hon. Friends the Members for Stoke-on-Trent North (Ruth Smeeth) and for Washington and Sunderland West (Mrs Hodgson), the hon. Members for Strangford (Jim Shannon) and for North Ayrshire and Arran (Patricia Gibson), my hon. Friend the Member for Croydon North (Mr Reed) and the Minister himself.

In this Chamber, in Westminster Hall and in Committee, we have been debating the evil of hunger among children in this country for seven whole years; we are still doing so. Under our system, we know that it is the Cabinet that has the power to do things. We conclude our debate today in the knowledge that all too many children will be hungry tonight and tomorrow morning. As we approach the school holidays, despite the efforts of many voluntary bodies and the Government, the number of hungry children will significantly increase. Will the Minister undertake to tell members of the Cabinet that the House of Commons knows that if we as a country wish to abolish hunger as we know it, the place where a decision will be made is the Cabinet, so will they act?

Question put and agreed to.

Resolved,

That this House has considered the Children's Future Food report.

1. *[Official Report, 2 July 2019, Vol. 662, c. 9MC.]*

Serco and Asylum Seeker Lock-change Evictions

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

4.15 pm

Chris Stephens (Glasgow South West) (SNP): It is a great pleasure to see you in the Chair, Mr Deputy Speaker. I rise to discuss the very important and serious matter of Serco and its announcement to press ahead with asylum seeker lock-change evictions. In giving a bit of background, I will be mentioning a number of organisations that have expressed their concerns, both publicly and to me. They include: the Scottish Refugee Council, Positive Action in Housing, the Govan Law Centre, the Govan Community Project, Glasgow City Council and the Scottish Government and, of course, the Tenants Union's Living Rent campaign, whose badge I proudly wear today.

Earlier this month, Serco announced that it was going to restart its inhumane lock-changing programme, which could leave hundreds of asylum seekers homeless and destitute in the city of Glasgow. I and my colleagues in the Scottish National party want to prevent these evictions and future evictions from taking place. Serco currently has a contract with the Home Office for the provision of asylum accommodation in Scotland. The recent threat to evict 300 asylum seekers on to the streets of Glasgow without any consultation only strengthens the arguments that a public sector bid for those contracts would have been the best way forward.

As my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) who serves on the Home Affairs Committee knows, in January 2017 the Committee published a highly critical asylum accommodation report. It made system-wide recommendations; uncovered unacceptable housing standards and insufficient recognition of needs, such as mental health, torture, sexual violence and trafficking; and raised serious questions about the rigour, consistency and lack of public transparency in the Home Office's performance management regime of its three housing contractors across the United Kingdom.

I do not want to discuss the merits of live legal proceedings in this place—indeed that would not be right—but it is a concern that I have a constituent who is subject to live legal proceedings in Scotland's supreme appellate court, the Inner House of the Court of Session, and I am surprised that both the Home Office and Serco have decided to press ahead with these lock-change evictions while the matter is still to be settled in the courts. Labelling asylum seekers as "failed" is not the sort of language that we should be using when discussing some of the most vulnerable in our society. The asylum system and process can be very lengthy and very complicated, and using labels such as "failed" is entirely unhelpful.

The Scottish Refugee Council has also expressed its concerns on the matter. Serco's announcement on 12 June was made to Glasgow City Council and the Scottish Government, but not to Members of Parliament from Glasgow. We did not get that until we saw the press release. The public statement caused great concern. Of course, we were written to by the Immigration Minister on 17 June regarding the announcement and the lock-change eviction plan. It is clear that this is a co-ordinated action between the Home Office and Serco. Like the Scottish Refugee Council, I oppose these actions, and I want to focus on some of what Serco is up to.

No one should be rendered street homeless, and certainly never, ever without the protection of court due process. There is a wider strategic importance in Glasgow continuing to resist and overcome the clear housing and due process gaps in the current asylum system that will have relevance to other parts of the UK, especially other asylum dispersal areas such as the north of England, the midlands, south Wales and Belfast. We are clear that what is happening in Glasgow—with multinationals such as Serco intending to evict vulnerable people and render them immediately street homeless through callous, traumatising and possibly still unlawful lock changes—is an extreme symptom of a failed and broken Home Office approach to its responsibilities under the refugee convention and EU asylum legal instruments to prevent the destitution of those seeking refugee protection.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): I am grateful to my hon. Friend for his powerful speech and for bringing this debate to the House. He has mentioned some of the local authorities that have stepped up to the plate to take the dispersal of asylum seekers in local authority areas. Does he agree that other local authorities that might have been interested in becoming dispersal authorities and stepping up to that plate will be completely put off doing so by the horrendous process they have witnessed in Glasgow?

Chris Stephens: I thank my hon. Friend for raising that point. I will express later in my speech the real views of local government, but he is correct that there are local authorities that were considering becoming part of the asylum dispersal process that are now minded not to do so as a result of what they are seeing in Glasgow, with Serco's announcement of lock-change evictions.

There should never be anything inevitable about destitution, from any system of support—be that social housing, social security or asylum accommodation. The decade-long devaluation, underfunding and outsourcing of public service delivery of housing to women, men and children seeking refugee protection has been part of the wider austerity project that has penetrated deepest in communities of entrenched multiple deprivation across the United Kingdom, including Glasgow. We should always remember that it is these areas, however, that have consistently welcomed people seeking asylum through the Home Office's asylum dispersal programme.

As a consequence, those communities, council areas and third sector services have been stepping up to help, as we have seen in Glasgow. That is despite their unfairly having the responsibilities and costs of helping people shunted on to them by two of the most powerful institutions in the UK—namely, the Home Office and multinational companies such as Serco, which enjoys profits of £30 million, which basically exist only to win public service contracts, especially from UK Government Departments in immigration and asylum, defence, transport and other spheres.

The Scottish Refugee Council has had to increase its destitution service provision and influencing and advocacy activities, and accelerate its work with key partners such

as Positive Action in Housing, Shelter Scotland and JustRight Scotland, co-ordinating the charity and legal sector collaboration against these proposed evictions. It has met regularly since August 2018 to share information and take actions via litigation, legal policy and campaigning. Other members include the Legal Services Agency, Latta Law, Govan Law Centre, the British Red Cross, the Asylum Seeker Housing Project, the Refugee Survival Trust and, of course, the great Govan Community Project.

The Scottish Refugee Council considered the Immigration Minister's descriptions of the situation in the 17 June letter that was issued to Members of Parliament for Glasgow constituencies, and it is the council's strong view that there were inaccuracies in that letter, which I come to now. The Scottish Refugee Council recognised that the Home Office, through its advice contractor Migrant Help, has made efforts by letter and telephone to contact those at greater risk of evictions by lock-change notice since November 2018. However, these efforts stemmed largely from advocacy by Glasgow City Council and the Scottish Refugee Council to the Home Office, in the Glasgow asylum taskforce. Furthermore, the Scottish Refugee Council and other members of the taskforce persuaded the Home Office to initiate a support referral process. This was a pilot that comprised Migrant Help in Glasgow offering each individual at risk of eviction a one-and-a-half-hour appointment. The pilot had two phases: first, from November 2018 to January 2019, involving Migrant Help only; and secondly, from February 2019 to April 2019, after Migrant Help sought assistance from the Scottish Refugee Council.

The Scottish Refugee Council received 61 referrals from Migrant Help in the second phase of that process. That compares with 419 individuals assisted by Scottish Refugee Council destitution advisers from April 2018 to March 2019, 263 of whom were in Serco asylum accommodation. Through sustained funding from a charitable organisation and short-term resources from the Scottish Government, the Scottish Refugee Council has managed to stretch limited funds to prepare and lodge 120 applications for section 4 support, with 59% of those being successful—thereby lifting 72 individuals out of destitution or preventing them from falling into it. That has been achieved outside any Home Office support. I think that we would all want to continue to urge the Home Office, as the state party to the refugee convention and EU asylum legal instruments, urgently to provide resources that are genuinely commensurate with need, including the funding of independent advocacy support to help individuals in grave need.

Stuart C. McDonald: Towards the end of last year, the Home Affairs Committee recommended direct funding to organisations and city councils in dispersal areas because of the undoubted cost implications for participating dispersal authorities. Does my hon. Friend share my frustration that the work that the Home Office undertook to carry out with local authorities to calculate the funds that would be needed seems to have been put on the back burner and kicked into the long grass, despite it being necessary as a matter of urgency?

Chris Stephens: I agree that it is urgent, as my hon. Friend suggests. I am sure that the Minister will address that, because there is a very real concern about it, not just from independent advocacy groups such as the Scottish Refugee Council but from local government and the Scottish Government. I will come to that later.

The priority remains to help all those facing asylum destitution, especially those due to receive the 14-day notice-to-quit letter followed by the seven-day lock-change notice. Destitution advisers provide a holistic assessment of need and ongoing support and co-ordination, including for individuals under threat of eviction through lock changes by Serco. All these individuals are known to the Home Office. The process of submitting new evidence for a refused asylum claim is lengthy and complicated for most, and they might not have an option to return because of fear of persecution. To simply say that they "refuse" to leave is not accurate. We must emphasise that the actions of Serco are, in this sphere, functions of a public nature and therefore come under the scope of the Human Rights Act 1998. This legal status was confirmed in a Court of Session decision.

It is important that we highlight just some of the individuals who are under threat of eviction by Serco and the Home Office. We have been advised by the Home Office, and by the Minister at a meeting I had with her earlier this week, that those with vulnerabilities will not receive such letters, but that does not seem to be the case. I am going to mention a number of cases that have been presented to me by asylum charities. Everyone here knows the safety and belonging that a home brings, but today in Glasgow we are on the brink of a humanitarian crisis of hundreds of women and men who sought sanctuary in the UK. The Conservative Government have none the less retained their basic inhumanity in the asylum process. Since last week, they have been ruthlessly rolling out their privatised hostile environment in Scotland's largest city.

Courageous women like Mariam, who has fled abuse in Eritrea but been refused refugee protection by the asylum system, should never have received a notice to quit. Why? Because Mariam has depression, is receiving medication and is being helped by a community psychiatric nurse. Serco has ordered her to get out of her house through a lock-change letter, which means no protection against street homelessness, with no rule of law or court oversight, callously causing trauma and tearing her away with immediate effect from her only source of shelter. Do we leave people like Mariam on the streets, with their mental health going through the floor, to be a sitting target for traffickers or exploiters, when the outgoing Prime Minister said that tackling trafficking was a top priority? Does the Minister realise that those sorts of decisions feed exploitation and are a boon to organised crime, while destroying lives? Surely the decent thing is to ensure that Mariam's lock change is cancelled.

Another concern that has been brought to my attention is that letters are being delivered by two men in uniform, sometimes to women who live on their own. I have a real concern about that, and I find it completely and utterly unacceptable. For a woman who has fled her country to seek shelter and asylum in the UK, two men in uniform visiting the house with letters will mean something completely different from what it would perhaps mean to us. It is unacceptable, and I hope the Minister will have something to say about that.

I have a number of other cases to mention. A 34-year-old woman from Eritrea was issued with an eviction letter dated 12 June 2019—not 20 June, as MPs have been advised—telling her to leave her accommodation by

[Chris Stephens]

25 June. The letter wrongly stated that she had received a positive decision. It also incorrectly advised her that she must leave and that she would have to apply to Glasgow City Council for rehousing. Her hopes were raised that she had got refugee status. A week later, she received another letter dated 19 June, again telling her to leave by 25 June. This time, the letter wrongly stated that her asylum claim was refused and that she must leave her accommodation. In fact, she has an ongoing asylum claim and is due to attend a further submissions appointment in Liverpool on 4 October 2019. This woman's claim for asylum is based on her nationality and the fact that, as a Pentecostal Christian, she would be at risk of persecution should she return.

Another case presented to me is a 72-year-old gentleman who is an Iraqi national but has lived most of his life in Syria. He left Syria when the war started. He has lost contact with his wife and children in Europe and is in Glasgow alone. He speaks Arabic. Serco sent him a lock-change eviction letter dated 19 June, telling him to leave by 2 July 2019. He has a serious heart condition, for which he has had a heart operation. He also has a problem with his spine and breathing problems, which leaves him bedridden most of each day. He is particularly vulnerable due to his age, his ill health and English not being his first language, and he is traumatised by his experiences. It is a real concern that he will be unable to safeguard his own wellbeing and is at risk of neglect. Positive Action in Housing has asked Glasgow City Council's social work department to carry out a community care assessment and is seeking legal support.

Another case is that of a 58-year-old woman who received a letter from Serco dated 21 June telling her that her entitlement to support ends on 23 June—less than two days' notice. If she leaves her accommodation, she will be destitute. Her section 4 application is under way, and her legal case is ongoing. This woman left Gambia to ensure that her daughters cannot be subject to female genital mutilation practices.

Another case I have is that of a constituent who received a letter on 12 June, and who visited this Parliament as part of a delegation from the British Red Cross. She is an African lady, who identifies herself as a member of the LGBT community, and she feels she cannot go back to her country. She was issued with a letter on 12 June, not 20 June.

It appears that Serco is treating individuals with complex cases as one mass of people, and this is likely to lead to unjust decisions and vulnerable people with a genuine reason to be here being ejected from their accommodation. As a landlord, Serco is ill-equipped to pass judgment on someone's asylum status. Walking unannounced into someone's accommodation and rummaging through their private belongings does not make that person an immigration officer. The people Serco is attempting to evict are not subject to deportation orders. The Home Office support has stopped for now, but that does not mean that their cases—to put it in inverted commas—"failed". They can still engage with the legal process and apply for support to be reinstated. Appeals and judicial reviews do happen and are often successful.

I want to come on to the local government view. I have a letter, which I will place in the Library, from Susan Aitken, the leader of Glasgow City Council, and a note of the meeting of local authorities passing on their concerns about asylum accommodation contracts and processes. There are pressures in different areas, including the north-east, Yorkshire and the Humber, and Glasgow, as incoming contractors face the need to procure a large number of properties in a very short period of time. It is my concern that Serco is advertising the fact that the reason why it needs to remove asylum seekers from their accommodation is so that it can hand back the keys to the original landlords, which does not seem to me to be an acceptable reason.

There is very real concern from local government that the transition deadline will not be met in some areas and that contingency accommodation may have to be used. The distribution of asylum seekers across the country is very uneven, with some areas of high concentration, including Glasgow. Local authority leaders from other parts of the UK agree that we need to progress the funding issues, as local government is left to pick up the tab for the decisions made by both Serco and the Home Office. In their view, the Home Office is failing to address issues for which it has responsibility and seems unable to provide up-to-date data on the number and locations of asylum seekers. When data is produced, it is often incomplete and contradicts information available from other sources.

In the view of local authorities, nothing is being done by the Home Office to convince other local authorities in the UK to participate in the dispersal programme. However, as we have heard from my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East, the fact that asylum seeker lock-change evictions are going ahead has resulted in some local authorities suggesting that they would not want to participate in that sort of process. Local authorities participating in the dispersal programme are still waiting for the Home Office response to their request for funding, and they see no evidence that that has been taken to Her Majesty's Treasury.

I think it would be fair to say that we have a number of questions about what is going on in relation both to the contracts, and to this inhumane move to subject asylum seekers to lock-change evictions and make them homeless. However, before I ask those questions, I have to say that I am very concerned at the behaviour of Serco. I want to reiterate again that two men should not approach women living on their own or with children, going in with threatening letters and handing them over in that way. That is something I want to hear the Minister condemn, and I want that practice put a stop to.

Can the Minister answer the following questions? I have a number of questions for her. Does she intend to come to Glasgow to witness a lock-change eviction? When is she next coming to Glasgow to discuss the asylum accommodation contract with asylum charities and the council? Does she realise what it would mean for someone to come home and find that their locks have been changed? May we have a guarantee that no one in Glasgow who has vulnerabilities as defined by the Home Office safeguarding policy has or will receive 14 days' notice to quit, or a seven-day lock-change notice?

Will the Minister publish the Home Office safeguarding policy? To my mind, the four cases that I presented involve people who would qualify as having a vulnerability under that policy. Will the Minister say more about

what the Home Office defines as the over-staying group? Does it have a list of those in that group? Will she confirm whether refused case management and immigration enforcement teams are planning to start working through the over-staying list? Are they planning to detain people at their reporting events in Glasgow? Can she assure me that that will not happen, and that it has never been discussed since the first announcement about Serco evictions in July 2018? Can the Minister provide an assurance that no one in the over-staying group will be visited by immigration enforcement in their asylum accommodation, purely because they are classed as an over-stayer?

As a result of what has been put forward, the Home Office is required to make a decision. You will have heard the rumours, Mr Deputy Speaker, as I have, about the shredding machines in Departments being in overdrive and working overtime, prior to the new Prime Minister and new regime.

Mr Deputy Speaker (Sir Lindsay Hoyle): I have not heard that.

Chris Stephens: Well you have heard the rumour now. Given the facts presented today, the Home Office must now call a halt to these eviction notices. Everything we have been told by the Home Office in good faith about how this system will work in practice has been shown not to be the case. Letters were issued before 20 June, although we were told that they were not. We were told that those with vulnerabilities would not receive letters, but that was not the case. The style of how those letters are being delivered is completely unacceptable on any level, as I hope the Minister will agree. As a result of the facts I have put forward, which were given to us by asylum charities, will the Minister call a halt to these evictions?

The Home Office and Serco must know that they have picked the wrong city—the city of Mary Barbour and the rent strikes just over a century ago; the city of the great Glasgow girls who campaigned against child detention and ensured they got their school friend back. Thousands of volunteers have signed up to the living rent campaign, and they are on standby and ready to step in and prevent these evictions. The Government should be in no doubt that if Glaswegians are required to use their human rights, such as the right to peaceful assembly, to protect the basic human rights of others, that is what will be done, and I will join my fellow Glaswegians to prevent these evictions.

4.43 pm

The Minister for Immigration (Caroline Nokes): I thank the hon. Gentleman for securing this debate and providing me with the opportunity to clarify the current position in Glasgow regarding those who are no longer eligible for asylum support or accommodation.

The United Kingdom has a proud history of providing an asylum system that protects and respects the fundamental rights of those individuals who seek refuge from persecution. The Government are committed to working closely with communities and stakeholders to ensure that destitute asylum seekers are provided with safe, secure and suitable accommodation, and that they are treated with dignity while their asylum claim is considered. However, it is important to recognise that the majority of the affected cohort in Glasgow do not have status in the UK. They have sought asylum. Their claim has not been substantiated. They have exhausted the appeals process and they now need to take steps to return to their country of origin.

Stuart C. McDonald: Even if some of these individuals have not qualified and have not met the technical definition of what a refugee is, that does not mean they are not vulnerable people, it does not mean they do not have significant needs and it does not mean they should not be treated with dignity. Why do we have a cliff-edge process that means that, if an asylum claim is refused, no alternatives are looked at and there are no ways to try to work with that person to ensure they are looked after properly?

Caroline Nokes: At no point have I said that these people are not vulnerable. I have tried to set out that they have had an asylum claim that has not been found to be valid and that they have been through the appeals process. If the hon. Gentleman will give me some time, I will move on to discuss the various means of support that are available, particularly to those we heard about earlier: those who are vulnerable, those who have medical conditions and those who have children.

The system that operates in Glasgow is the same system that operates across the United Kingdom and has been operated by successive Governments since the introduction of the Immigration and Asylum Act 1999. Asylum seekers and their dependants who would otherwise be destitute are provided with accommodation and a weekly cash allowance by the Home Office while their asylum claim and any subsequent appeals are considered. This form of support is usually known as section 95 support. If an asylum seeker is granted refugee status, they are free to take employment and become eligible to apply for mainstream benefits in the same way as British citizens and other permanent residents.

If their asylum claim is refused but they have children at the time their appeal rights are exhausted, they remain on section 95 support until their youngest child reaches 18 years of age or they leave UK. Those without children who exhaust the appeals process lose access to section 95 support, but a very similar form of support, known as section 4 support, is provided so long as they take reasonable steps to leave the UK, or, importantly, show that there is a legal or practical obstacle that prevents their departure. Examples of such an obstacle include: those who are too sick to travel, those who need time to obtain a necessary travel document, and those who have made fresh submissions against the refusal of their asylum claim that have not been resolved.

Chris Stephens: I thank the Minister for giving way. This is an important point in terms of someone's status and their appeal. My understanding from what she says is that someone who has been refused an upper tribunal level could be subjected to an eviction letter. Is the Minister saying that those individuals have effectively 14 days to submit fresh evidence—an article 8 application or the like? Someone who has been refused an upper tribunal level still has the right to submit a fresh claim.

Caroline Nokes: The hon. Gentleman is right to point out that they have the right to submit a fresh claim, but I am very anxious to emphasise that what we cannot encourage is a circular process, where people submit

[Caroline Nokes]

claim after claim when a first-tier tribunal and then an upper-tier tribunal found their claim to be unfounded. Circumstances may change, I absolutely accept that, but it is important that, while we treat individuals fairly, the system is upheld.

Decisions to refuse section 4 support attract a right of appeal to an independent tribunal. It is clearly reasonable to limit the offer of section 4 support to people who satisfy these conditions. Providing support indefinitely and without conditions to people who have no right to be in the UK is wrong in principle and risks undermining public confidence in the asylum system.

I have said that it is right that people who have no legal basis to remain in the United Kingdom are not supported indefinitely, but it is also right that they should be aware of their options, and the advice and support available to them. Advice on accessing further support or returning home with support is routinely provided to all whose claim has been refused. However, in the case of this particular cohort of people we have gone further. Since August 2018, we have been working with partners in Glasgow, including Glasgow City Council and the Scottish Refugee Council, to ensure that affected individuals are aware of the further support available to them.

Migrant Help, on behalf of the Home Office, has been reaching out to those affected to explain how they can continue to be supported and accommodated if they take the necessary steps to return to their country of origin. We have also provided information on our assisted voluntary returns scheme, which provides up to £2,000 in reintegration assistance.

Migrant Help has contacted 373 people to discuss these options and conducted 154 advice appointments. The Home Office has also held over 296 conversations about voluntary return. The scheme available is designed to assist those who require more help and includes supporting resettlement in the country of return by providing financial or "in kind" support from an overseas provider.

I should note that a minority of the affected individuals have received a grant of leave to remain, but have none the less refused to leave their accommodation at the end of their eligibility. We are working closely with Glasgow City Council on these cases and have an agreed process to move these individuals into appropriate local authority housing and to access mainstream benefits.

Chris Stephens: I thank the Minister for giving way again; she is being most generous. Will she clarify whether those who will potentially be subjected to a lock-change eviction notice over the next few weeks have the right to remain?

Caroline Nokes: As I was saying, a small number of people have been granted refugee status, but it is absolutely right that they then move on from accommodation that is designated for destitute asylum seekers, so that the next cohort of asylum seekers can move into that accommodation, and those refugees—who have the right to stay, live and work in this country—move into accommodation that is appropriate for their needs and is not designated part of this asylum support accommodation, which is specifically designed for a cohort of people who are still in the claims process.

As the hon. Gentleman will know, I have also written to all Glasgow MPs with a direct line of contact to Home Office teams, who can work on a case-by-case basis should they have any questions or concerns. All applicants involved have been notified that they can contact their MP for advice and that their MPs have a direct line to the Home Office.

Some concern has been raised about the legal position in relation to issuing lock-change notices, which I would like to clarify. In July 2018, Serco commenced a process of reclaiming properties from those whose asylum applications had been decided and were no longer entitled to support. This was after a similar process had been successfully rolled out in the north-west of England.

The process of issuing a lock-change notice, if an individual refused to leave a property at the end of their entitlement, was paused pending a legal challenge in the Scottish courts. That pause did not affect people's eligibility to receive asylum support, so those who became appeal rights exhausted or were granted leave to remain continued to receive the normal letter asking them to leave their accommodation. However, in that period, Serco did not follow this up by proceeding with lock changes if the individuals declined to leave.

In April this year, Lord Tyre dismissed two cases brought against Serco and the Home Office contesting this course of action. An appeal has been lodged and is currently sisted. As the cases were dismissed, Serco is now moving to resolve the circumstances of those staying in Serco properties. It is right that it does so.

Finally, I want to clarify the operational process, which I also set out in my recent letter to Glasgow MPs and MSPs.

Stuart C. McDonald: The Minister says that it is right for Serco to act in that way given Lord Tyre's judgment, but surely it would be right for Serco to wait for the outcome of the further appeal. Will she also address the issue of funding for local authorities, with the Home Office having undertaken to work with local authorities to assess the impact of dispersal on their resources? Why has that work been kicked into the long grass?

Caroline Nokes: The legal action that was started last year and the judgement concluded in April this year did not provide a barrier to Serco continuing with this activity. It chose to pause it. The further appeal does not provide a barrier and the judgment was very clear. It is right that Serco should seek to make sure that accommodation designated for asylum seekers is available to those who fall into that category.

Chris Stephens *rose—*

Caroline Nokes: I must make a little more progress.

Each week, Serco has provided the Home Office with a list of individuals who are overstaying in properties. The Home Office carefully checks that list against internal databases to ensure that the individuals have not lodged further submissions or new applications to remain, and that there are no known obstacles that would prevent them from leaving the United Kingdom. Once that is confirmed, the information is relayed back to Serco and a notice to quit is served, providing 14 days to leave the property. At the end of that period, if needed, a lock-change notice is served, providing seven days in which to leave the property before the locks may be changed. The first notices were issued on 20 June 2019.

Chris Stephens: The Minister can hold this line that the first letters were issued on 20 June, but I will place in the Library letters that were issued before that. Has she clarified with Serco when it issued the first letter, because the date of 20 June is simply factually inaccurate?

Caroline Nokes: I set out very clearly earlier—I cannot find the place in my notes right now—that Serco continued with the process because actually there was a cohort that came to everyone's attention in the summer of last year, but between then and now there have been additional asylum seekers in Serco accommodation who have submitted new claims that have been found not to be substantiated. The process is not set in aspic; it continues the whole time. Different individuals will have come in and new claims will have been made by that cohort. The hon. Gentleman refers to other individuals who received notices to quit, but it is important to reflect that that might have been because their claims were found to be warranted and they were given refugee status and so needed to move into mainstream accommodation. There will also be those whose asylum claim was found not to be substantiated and were not in need of protection.

It remains the position that all of the cohort can apply for section 4 support at any time, and if they do, the process will be suspended until the application is considered and any appeal against its refusal is decided.

Stuart C. McDonald: Will the Minister give way?

Caroline Nokes: I think that Mr Deputy Speaker is concerned that we are about to use more time than I am permitted.

I am proud of the contribution that our country makes to providing accommodation and support to those seeking asylum. However, when the courts have decided that an asylum claim is not well founded, it is important that the support is available only if the individuals take reasonable steps to leave the UK, or if there is an obstacle to their departure. I am of course always willing to consider practical ideas about how we can further encourage those whose asylum claim has been refused to accept the offer of support on these terms.

Question put and agreed to.

4.57 pm

House adjourned.

Westminster Hall

Thursday 27 June 2019

[Graham Stringer *in the Chair*]

BACKBENCH BUSINESS

Combat Air Strategy

1.30 pm

Robert Courts (Witney) (Con): I beg to move,

That this House has considered Combat Air Strategy progress and next steps.

It is an honour and a pleasure to serve under your chairmanship, Mr Stringer. I refer the House to my entry in the Register of Members' Financial Interests.

As we consider what aircraft will replace the Typhoon, it is appropriate for us to remember those who operate that aircraft now. I am particularly mindful that only a couple of days ago we heard the tragic news about the loss of two German Eurofighters and a pilot in a crash. The German air force remains a key ally, as it was during the cold war, and it is one of the best equipped in the world. Germany is one of our closest friends, as well as being a key NATO ally. I am sure that we are all mindful of the loss of that German pilot. We cannot know the reason for the crash at this stage, and we ought not to speculate, but it may be that we touch on issues such as training or serviceability as part of the debate. Whatever the reasons, it is a sad moment for all friends of Germany and of aviators. I would like us to remember them all at this time.

It is good to see so many Members here as we consider the combat air strategy, particularly given that so many were also present in November 2017 when the hon. Member for Stoke-on-Trent North (Ruth Smeeth) and I sponsored the original debate calling for a combat air strategy—in fact, it was for a defence aerospace industrial strategy; I will refer to that terminology, which is not just semantics, in a moment or two. Progress has certainly been made: the combat air strategy was published in July 2018, while Team Tempest—including the Royal Air Force, the Ministry of Defence, BAE Systems, Rolls-Royce, Leonardo UK and MBDA UK—and the mock-up of the Tempest aircraft were unveiled at the Royal International Air Tattoo last year.

However, there is much more to do. It is appropriate for us all to take stock at this stage, not least because other competitors in the field are forging ahead. This is the right moment to have this debate, given that only last week at the Paris air show the Franco-German team unveiled what has been referred to as their "squashed Raptor" design; anyone who does not know what I mean should take a picture of the F-22 Raptor and then look the Franco-German model, then they will see it exactly. The Turkish fighter concept was unveiled at the same time. In some ways, they are a year or so behind Team Tempest's efforts, but in some ways they are more developed. They seem to have dates for first flight outlined, which I think I am correct in saying we do not yet have. In any event, there is clearly no room for complacency.

I make one perhaps basic point, although it is not the most important: perhaps we could just call the aircraft that we are discussing "Tempest". The name has historic resonance—the Hawker Tempest replaced the Hawker Typhoon, as this Tempest should replace our Typhoon. It also provides a logical progression, from Tornado to Typhoon to Tempest. I appreciate that this is not the most important point that we will discuss, but it might make it easier for everyone if we do not have to wrestle with baffling military acronyms or phrases such as "combat air" or "FCAS"—future combat air system. I would rather that we did not have a minor international incident, as with Typhoon, by debating at the end of the programme what the aircraft will be called. In any event, I suggest that we call this aircraft Tempest, and I will refer to it as Tempest today.

Before we get into the details, we should look at why it is so important that we have a combat air strategy. Defence aerospace has accounted for about 87% of defence exports over the last 10 years, and the UK combat air sector has an approximate annual turnover of more than £6 billion. The F-35 programme directly employs around 2,200 people, with Hawk at 1,500 and Typhoon around 5,000. Hawk is estimated—through the 1,000 or so aircraft built or on order—to bring in £15.8 billion over its lifetime to the UK Government, for an outlay of around £900 million. Typhoon will have brought in £28.2 billion, against an outlay of £15.2 billion, showing a clear economic benefit, entirely leaving aside the geopolitical desirability of British sovereign capability. Those figures are before we consider the recent Qatar deal or any future sales over which discussions are ongoing.

However, the issue is not all about money: it is also about finding a way to develop, sponsor and bring on the technology that then has a spin-off in other areas of everyday life, as it has throughout history; the combat air strategy rightly points out that the software used in the Tornado, the Typhoon and the C-130J now provides the rail timetabling system for the London Underground. However, the battle that we often seem to fight in the House is over funding for these projects, in the face of the short-sighted argument that military equipment is simply a financial drain. Of course it costs money, but it brings in money, as well as maintaining vital national independence.

John Spellar (Warley) (Lab): I thank the hon. Gentleman for introducing the debate so well. He particularly highlights the contribution of the hardware side. Is it not also important that we maintain the military side, because of the impact right the way through the supply chain on many specialist subcontractors—often at tiers 3 and 4—that are also a vital part of civil aerospace, Formula 1 and the motor industry? Those are all areas in which we are internationally competitive and which help us to pay our way in the world.

Robert Courts: I agree entirely. We often do not realise the impact of the defence industry on each of our constituencies. Many of us will have in our constituencies sometimes quite small companies that make something as part of the supply chain for a much bigger machine. That is absolutely right, and we must work hard to protect that. As the right hon. Gentleman rightly identifies, it goes to the wider impact of technology on the rest of our lives.

[Robert Courts]

I would like each and every one of us, as individual MPs, to consider making arguments to the Treasury about how defence is accounted for. We have to start fighting the battle to turn the tide against the perception that defence and the defence industry simply cost money. I am very encouraged by the Secretary of State for Defence's comments in the current edition of *The House* magazine; I hope you will not mind if I quote her, Mr Stringer. She says:

"I think that the Treasury has been missing a trick. It has not really understood the full value of defence to the nation. The methodology that it uses is flawed. So, in advance of the spending review I will be setting out why I think it should change its methodology towards its assessment of the return to the UK of investing in defence. I think there's much more we can do to reap the benefits that defence brings to the UK prosperity agenda."

I entirely agree. However, I do not think it is a matter for only the Defence Secretary to deal with. It is a matter for each of us—whether we have military or the defence industry in our constituencies, or both—to keep making the case for what the defence industry and our armed forces bring to UK plc.

John Spellar: I thank the hon. Gentleman for giving way again. What he describes requires a really significant change in mindset in the civil service, and particularly in the Treasury, regarding procurement guidelines: they relentlessly refuse to take into account the impact on the prosperity agenda, which they talk about, or even how much they will get in as revenue from the taxes of people working in this country, rather than working in other countries. That goes across the board. Is not it time for a fundamental rethink, in line with how every one of our major international industrial competitors operates?

Robert Courts: Again, I am grateful. The right hon. Gentleman has made the point succinctly. I agree entirely, as I suspect all of us will today—and I think that the Secretary of State is on the same page as we are. Yes, it is time; that is exactly what I am asking for.

John Spellar: Has the memo got to the Minister for procurement?

Robert Courts: We are very much asking for a fundamental rethink of the way the Treasury accounts for the contribution of defence. It is probably time for me to make the old joke that we often make when having these debates. I am mindful of the words of my grandfather, who was in Bomber Command during the war. He used to say that the opposition, the opposing armed forces, were not the enemy; they were just people who were playing the same game but at the other end of the pitch. The opposition are just the opposition; the real enemy is the Treasury.

As I said, we often make that old joke in these debates, but it is true. We all find ourselves constantly having to ask the Treasury for more money, but also begging the Treasury, as we have done on both sides of the House, to see the value that defence brings to the economy—it is not just the cost—when programmes have to be invested in. It was a slightly flippant point, but this is the ongoing battle that we have to fight every time any of us stands up to speak about the defence industry or investing in the equipment that our armed forces will need for the future.

That understanding is vital. Although I am addressing my remarks to the Minister responsible for defence procurement, the ramifications of what I am saying go far beyond this Minister and his Secretary of State. They extend also to the Department for Business, Energy and Industrial Strategy, because we need people to have the skills required to build the systems that we are talking about. We need to look also to the Department for International Trade and the Foreign and Commonwealth Office, because of the diplomacy required to assemble the multinational team who are likely to be required to build the aircraft. Of course, the Treasury will always sit in the middle, because it is the one that holds the money, but this work will require top-level political direction to ensure that it takes place. We will want to see the next Prime Minister direct and ensure the cross-Government co-ordination required for this project to be a success.

We ought to look at the form of the project. The Franco-German team who announced their project last week have made it clear that it will involve the next-generation fighter, as it is called, but also remote carriers—they are sometimes called loyal wingmen; essentially they are unmanned aerial vehicles that feed off and support the main manned aircraft—and that that will encompass an air combat cloud, the manned aircraft accompanied by UAVs as a swarm concept. Although we are likely to look to do the same, the form of the project is not yet entirely clear, but it does have significant ramifications in terms of work share, intellectual property protection and, consequently, who the national partners are or can be.

I would like to talk first about national partners. We will all welcome the British drive and British lead, but it probably is not a wild stab in the dark to suggest that we will probably not design and produce a sixth-generation aircraft all on our own, only to equip the Royal Air Force, because sales and production of aircraft are inextricably linked to work share and to the ultimate sales partner. We are aware that conversations are taking place. The Swedish, the Italians and the Japanese are perhaps the obvious partners with whom we are considering working, but there is a real need for urgency.

In November 2018, the Spanish announced that they were considering options for replacement of their F/A-18 Hornet fleet and they were in discussions with the Dassault and Airbus team, who are a Franco-German operation, as well as Team Tempest. They stated that the key factor was the level of industrial participation that was offered. Of course, last week, they signed up with the Franco-German operation at the Paris air show. I have no way of knowing—the Minister may—whether that was as a result of a deliberate British decision. It may be that the level of expertise or financial input offered was unattractive to us, or it may be that it was a result of a Spanish decision to go elsewhere, but at the very least we can say that it is clear that there is competition between the rival British and Franco-German blocs, either to become the more established and advanced programme and to persuade the other to join in, but on their terms, or to ensure the success of their programme because national participation naturally brings orders.

The Franco-German operation is naturally looking at the same potential partners as we are, so it is essential that we have top-level political engagement, repeating Mrs Thatcher's work in the early stages of the Eurofighter programme in the 1980s. I will turn to the issue of political

engagement for a moment now. The Minister will have to forgive me. I know how deeply engaged he is, but this is something that goes beyond his hard work and his Secretary of State as well. It goes up all the way up to full Cabinet support and the support of the Prime Minister.

We can see the approach taken by France. President Macron launched the Franco-German project on 17 June, introducing the partnership of those countries with Spain and signing an agreement at the Paris airshow. There is no doubt that for the French and Germans, that is a national and European project in which they invest considerable prestige, and they will be determined to succeed and to claim for themselves, potentially, aerospace territory that has traditionally been the purview of the British, and they are deploying top-level politicians to achieve that.

The downside of the Franco-German approach is that they will want to be the architects of the project, shaping the capability and design of the aircraft. They may allow others to make the metaphorical bricks, but they will not allow them to sculpt the resulting edifice. We therefore have a golden opportunity to involve those who have outstanding aerospace sectors that either are under-appreciated—such as, perhaps, the Italians—or have not achieved the cut-through that they deserve, which may be the case with Sweden. However, as I have said, that will require political engagement at the very highest level to bring them together.

Just as the Franco-German project is a symbol of those countries' increasing integration in political as well as military terms, so it is vital that the Tempest project is, for us, a symbol of an outward-looking, co-operative, internationally minded UK post Brexit, a practical illustration of the frequently uttered words that although we are leaving the European Union, we are not leaving Europe, and proof that European co-operation and a European identity exist and thrive outside the political union of the EU.

The current terms of the combat air strategy suggest that it would not be possible for Britain to join the Franco-German project, for reasons such as retaining UK IP—I will return to that point in a minute—but the very last thing that the country or industry needs is lukewarm political commitment leading to a British folding into a rival project, with all that that would mean for our national industry. I am wary of warm words. We are heading in the right direction, and the document that we have seen is very valuable, but history has shown that what I am warning about has happened all too often in the past. There is no avoiding the fact that top-level political commitment is needed not only now, but in the months and years ahead.

We have the biggest air show in the world at the Royal International Air Tattoo in July, as well as the Defence and Security Equipment International exhibition, which international leaders will be visiting, but I would like to see our national leaders going abroad to visit other countries to seek and gain their support. When that is got right—as it has been with Australia for frigates and Wedgetail—we can see the benefits, in terms of not just capability but international influence, as we are a country that does not just work within the Five Eyes intelligence network but provides top-class capability. We stand to gain skills and prosperity as well as international influence if we can manufacture and support aircraft. Hawk shows us how successfully that can be done.

The ambition to secure international influence is shown on page 25 of the combat air strategy, as part of the colourfully illustrated national value framework. I am glad to have that in front of me, and I know the Minister does as well. I am pleased to see it, but currently these are just words; they need to be supported by the top-level political leadership of which I have spoken. I would like to dwell for a moment on the wording of paragraph 38 at the top of page 25, which reads:

> "The framework allows the Ministry of Defence to compare the relative benefits of a range of options from procuring 'off-the-shelf' to partnering with allies. When placed alongside detailed cost analysis it will enable us to determine relative value for money of the options and consider trade-offs."

That seems to me to be very broadly drafted and to encompass about five possible options. The Minister might tell me that there are others.

First, that could encompass life extensions to Typhoon. Although that would be welcome for the purpose of bringing on new technology, it is not something that we should be looking at long term. Secondly, it could mean no aircraft—a re-heated Sandys report. I think that was wrong then and remains wrong now. Thirdly, that wording could simply mean buying off the shelf. In fact, the phrase "off-the-shelf" is used. There has always been a good argument, on the face of it, that we can buy good kit cheaply from the Americans. That is true, so far as it goes, but it would leave us without a domestic industry or the ability to make our own combat aircraft, and would remove the international influence that I have spoken of, which is the main advantage of a combat air strategy. I suggest that that option ought to be no more than a last resort.

Fourthly, partnering with allies might mean being a junior partner, as is the case with F-35. That is fine. We might have the advantage of large workshare, but be unable to shape the aircraft for our needs, obtain international influence or protect our leading high-tech capability, which we all want to protect. Fifthly, there is the option of being a leading partner, which is what Team Tempest seems to be aiming for. I would favour that option.

The wording leaves a lot of room for manoeuvre. Perhaps—heaven forbid!—it was deliberately drafted like that. I am pushing for the fifth option, where the UK is a lead partner. Other hon. Members and I are pushing for political leadership to that end. We do not want a strategy that sounds good in practice but ends up leaving sufficient space for a far less ambitious position, which does not provide the Royal Air Force with the capability it needs or protect the sovereign industry, about which hon. Members in all parts of the Chamber have spoken so powerfully. We have seen that in the past.

Any hon. Members who have been in debates with me before will remember my aviation history lessons—I will not give them another. *[Interruption.]* I am sorry to hear that that is regretted. Perhaps I will do so another time; I have spoken for long enough already. The whole point of the combat air strategy, which the hon. Member for Stoke-on-Trent North and I pushed for way back in November 2017, was precisely to avoid that happening again. Can the Minister confirm that the Government are determined to pursue the lead partner option and whether any of the options that I have posited have been ruled out?

We will need to consider whether the offer of an airframe alone will be enough to make a success of this strategy, or whether it will need further expansion.

[Robert Courts]

I suggest that we ought to be looking at a system, rather than an airframe, so that we can include other capability and diplomacy. We can look at the Qatari Typhoon sale as an example. As part of that multibillion pound contract to supply Qatar with Typhoon and Hawk, No. 12 Squadron is integrating Qatari personnel, including pilots and ground crew at RAF Coningsby, before moving to Qatar.

That is a package of training and co-operation with UK counterparts that has not been seen since the second world war, when the RAF last formed a squadron with another nation. Perhaps we need to be a little careful and assess the success of that project, to ensure that it is working for the RAF as well as for industry. However, we have seen from that sale that the need for training—particularly the desire for training associated with the world-class quality mark of the Royal Air Force—may be a major part of any deal in the future, whether regarding aircraft alone or as a package. We ought to consider that sort of thing as part of the combat air strategy as well.

Saab has added GlobalEye airborne early warning and control aircraft to its offer of Gripens for the Finnish air force, which Typhoon is already also competing in. If we are to offer Tempest to other nations in due course, will it include, for example, an air combat cloud, and if so, who will we be able to share that IP technology with? Would we want to offer, for example, tanker or ISTAR—intelligence, surveillance, target acquisition, and reconnaissance—transport assets as part of the package? Would we want to offer training packages or training aircraft?

That last point is important, and it is why I return to the title of the debate. I am not simply focusing on semantics here. The debate held in November 2017 called for a defence aerospace industrial strategy. That encompasses more than just combat air, which is what this strategy principally deals with. This deals with the airframe that will become Tempest, but I suggest that an overall strategy ought to consider what will replace, among other things, Hawk. I ask the Minister to approach that issue again.

The point of having a defence aerospace industrial strategy is to understand what air power we will need as a nation in the future. That includes not just the frontline fast jet aircraft, but the training aircraft and the training regime that will be needed to accompany it.

I would like to talk about the industrial base and the skill base before I conclude—I am conscious that other hon. Members want to speak. I welcome the Eurofighter Typhoon development plan that was launched last week, with the NATO Eurofighter and Tornado Management Agency. We need to ensure that Typhoon has ongoing investment in the years ahead. It might seem counter-intuitive, but everyone here will realise that, to an extent, the airframe is simply a framework into which other things are put. That is not entirely true, because there is technology around low observability, engine nozzles, stores carriage, and optimisation for air-to-air or air-to-ground; but to some extent it is true.

Much of the technology we will see on Tempest will not really be brand new, but will have been debuted on Typhoon, so it is essential that the Typhoon and Future Combat Air System teams are in constant contact with each other, rather than being in separate silos, to ensure that the capability is rolled out as it becomes available, so that it is bedded in and matures on Typhoon, which therefore not only benefits from the upgrades, but leads us to a seamless transition from Typhoon to Tempest in about 20 years' time—it is extraordinary to say that.

The political engagement that I have spoken of also needs to be deployed in order to continue to see Typhoon exports, and to produce and continue to protect the industrial skills base that will be needed for Tempest. That brings me to the importance of engagement with science, technology, engineering and maths in education. Students throughout the UK should realise that this is their aircraft. It is something that they can work on and perhaps even fly. We cannot wait until people are in their teens or 20s before trying to get them interested in defence aerospace.

I am grateful to Royal Air Force Brize Norton for engaging enthusiastically with Carterton Community College to design a STEM programme, which was so successful that it has been mentioned in the report from Chief of the Air Staff to Her Majesty the Queen. I appreciate that that is not possible everywhere, but where there is a local asset, whether in the defence industry or a military asset, let us try to link up local schools and enthuse young people about the possibilities of the exciting national project that Tempest will be.

That will also require a Government assessment of the skills that we will need and consideration of how we will keep them. We cannot consider what skills we will need until we have decided whether to build radar, airframes, pilot support, or mission control systems and so on. That must all start now, which is the reason for my gentle prodding today.

I have four asks of the Minister, beyond the more detailed Team Tempest updates that he will remember having promised when we discussed military manufacturing in May, in particular on the outline business case that the report said would be produced by the end of last year. I hope that the Minister will relay to the Department that top-level political support and re-engagement are needed to require international partners to come on board. We need improved cross-departmental working, with the Treasury seeing the benefits to British industry as a project of national value, rather than seeing the defence industry simply as a cash drain. We also need next-stage funding; the £2 million that Team Tempest has had is only seedcorn money, and more will be needed to move to the next stage. Finally, the wider requirements of the defence aerospace industrial strategy should be considered alongside the Tempest combat air strategy.

We are on the cusp of a very exciting national project. I look forward to the Minister's comments and to driving this forward with colleagues in all parts of the House.

1.59 pm

Ruth Smeeth (Stoke-on-Trent North) (Lab): As ever, Mr Stringer, it is a pleasure to serve under your chairmanship. It is an honour to have worked with the hon. Member for Witney (Robert Courts) on this issue for what is now a significant period of time. As an Opposition Back Bencher, there are very few opportunities to make a real difference or change Government policy. One of my most confusing moments as a Member of Parliament was when the former Defence Secretary, the right hon. Member for South Staffordshire (Gavin

Williamson), gave me credit for the change in policy—so I will now be taking credit for everything that everybody is doing on the issue.

I alert the House to my registered interests; I have the great honour to be the GMB lead in manufacturing. I must also apologise for the fact that, since business is quite interesting in this place at the moment, I have managed to get into the bizarre position of co-sponsoring debates in this Chamber and the main Chamber at exactly the same time. You have kindly given me permission, Mr Stringer, to go between the two debates as the afternoon progresses, so I will be going from combat air strategy to child food poverty in an easy step from one room to the next.

I welcome those who are watching from the Gallery—not least the Unite reps from Brough, who have travelled quite far to hear about the future of their sector, about what we care about and about what we are doing to fight for them. It is a great thing for us all to meet skilled men and women who deliver day in, day out, contributing in different ways to our national security—it is something I love to do. I have had the pleasure of visiting the team at Brough and other BAE sites to see how it works.

We asked for a defence aerospace industrial strategy at the beginning because it has several different components for Members from all parties, ranging from our national security to our sovereign skills and the wider defence family. We can forget that the reason for our sovereign skills capability in the sector is our own national security. It is about the men and women who come together at times of national crisis to develop the capabilities that our armed service personnel need to protect us. It is never, ever just about the platforms; it must always be about the people who design them, make them and use them to keep British citizens safe. We need to look at our defence industrial strategy in the round, so we should be talking about our defence family, not just our military family or the defence manufacturers.

What have we achieved so far? What have I achieved so far? Some 1,000 people are currently working on Tempest. We must not underestimate the fact that none of them was doing this two years ago. We came to this House and said that a new fast jet takes 30 years from conception to build. This Government did a wonderful thing in appreciating that as soon as we have commissioned and bought one platform, we need to consider the next.

Carol Monaghan (Glasgow North West) (SNP): I am loth to interrupt the hon. Lady when she is making such an eloquent speech, but the annunciator seems to think that she is somebody else—it may be confused by her being in two places at once. Perhaps whoever is operating it could amend that.

Ruth Smeeth: I am not sure that my hon. Friend the Member for Leeds West (Rachel Reeves) has ever spoken on defence industrial strategy—well, she has now—but it would be very helpful if I had a clone so that I could be in both Chambers at once today. I thank the hon. Member for Glasgow North West (Carol Monaghan) for highlighting that point.

Tempest has 1,000 people and £2 billion already invested and committed, both from the sector and from the Government. Moving forward, that will lead to potentially 22,000 jobs in the wider supply chain. When we talk about sovereign skills and investing in UK plc, that is exactly what we mean.

As the hon. Member for Witney highlighted, we asked for a strategy, not a platform. We asked how the Government would look at our combat air strategy in the round, and what the defence aerospace plan was for the next 30 years. I am delighted with what we have—but, as ever, Minister, it is not enough. We have seen recently how difficult it is to train new pilots and how long the waiting times are. In no small part, that is because of the delay in replacing the Hawk training platform.

The Hawk has done our country a huge service for many years and is still flown by the Red Arrows—although I think they could do with an upgrade, too. However, the Hawk is probably coming to the end of its natural life, and there are competitors that have positioned themselves, even to provide training for the F-35. We need to talk about what replacement aircraft we will need for the F-35 and what Tempest will finally look like. We need to talk about all this in the round, not just for a single platform.

The very talented men and women at Brough need some guarantees about their future. They need to know—as does the whole wider supply chain, not just BAE Systems—what we are talking about for the sector's future, so I have specific questions for the Minister about plans for a training platform. What conversations is he having with the wider industry about what we will do to develop a new platform? If we are not going to do that, are we really talking about buying something off the shelf? That will be no good for sovereign skills as we seek to leave the European Union.

My other question to the Minister is about Brexit—sorry, I mean Tempest, although I have many questions about Brexit. There are currently four significant players involved in the design process. We have a huge opportunity with Tempest that we have not had before, because it is a blank piece of paper. Our weapons systems can be built into the platform, not added to it; the way the ejector seats operate can be included at the beginning, rather than the end; and the way we refuel can also be included at the development of the new platform. As we saw with the Rafale, not only does adding an in-air refuelling system make the product ugly, but—not that I am partisan—it adds challenges to stealth capability and the ability to be located on radar. We have an opportunity to do this all at the beginning, so we should be talking not just about the four companies, but about how we work with our small and medium-sized enterprises and the extraordinary companies driving change, and how they can access the programme with the four main partners.

With the Select Committee on Defence—our Chair, the right hon. Member for New Forest East (Dr Lewis) is in his place—I had the privilege of visiting the Paris air show last week, as did the Minister. We saw the opportunities available for UK plc, and we also saw where our international allies are looking to fill gaps in areas that we are not ready to participate in. Can the Minister share with us what conversations he is having with our international allies about working collaboratively?

We are leaving the European Union, I hope, at the end of the year, but that does not mean that we are leaving the continent of Europe. Continuing to work with our allies to develop a platform over which we can be in more control than we have been with the F-35 gives us the opportunity to build our security and

[Ruth Smeeth]

financial relationships with allies by which we are currently challenged. Will the Minister inform us what we are doing?

It is a great thing to be able to talk about defence, work on a cross-party basis with so many colleagues, and continue to work with the hon. Member for Witney on the issue. We are grateful for what has happened so far—we just want more.

2.9 pm

Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): It is a pleasure to speak in this important debate after my great friend the hon. Member for Stoke-on-Trent North (Ruth Smeeth), and I congratulate my hon. Friend the Member for Witney (Robert Courts) on securing it. It could be described as a continuity debate, because it gives us the chance to review progress on the combat air strategy, for which the hon. Lady and my hon. Friend both pushed the Ministry of Defence so successfully two years ago.

The strategy document published last year sets out a clear industry relationship proposition. It even committed funding for development—always an exciting thing to see in the military space—and committed to trying to keep sovereign capability in the UK as far as possible. This is clearly important and part of the MOD's commitment to the UK prosperity agenda. The strategic defence and security review clearly sets out clearly that we have three key objectives: to protect, to project and to promote. Our armed forces personnel do all three in all that we ask of them, and the reach of UK military plc through the soft power of global industry leadership from UK defence businesses is without question.

The combat air strategy's focus on the issue of industry sustainability, through the commitment to British defence companies and the opportunities for export and economic outputs from technological developments, is to be welcomed. Following on from the comments by my hon. Friend the Member for Witney, I will share most proudly the story of the production of a very small but critical part of the Typhoon wing, which is made in a small business in Alnwick. It has always made fishing rods, but it has a particular turning machine that makes this very fine and critical piece of the Typhoon wing. Across the UK we are all connected, in ways that may be unexpected for many colleagues, to the extraordinary defence industry that we are so proud of.

The combat air strategy is an important part of the sustainability discussion, and the MOD has begun to adopt a more focused and joined-up approach. We saw that first with the shipbuilding strategy, which was published by Sir John Parker at the end of 2016. As one of the members of the all-party parliamentary group on shipbuilding and ship repair—I am the only woman and the only Conservative in that group, of which I am proud to be a part—I am pleased that the MOD has welcomed our review of that strategy. Much of our focus was on the question of sustainability for industry, since new classes of ship only come along every 30 years, but they have such high capabilities that we now only build a few of them. For far too long we have failed to consider export markets for those models or similar ones to ensure that the yards remain open, expert shipbuilding skills are maintained and new generations of shipbuilders are brought on.

The current feast-or-famine nature of military demand threatens our ability to maintain the sovereign capability to produce warships, and the national shipbuilding strategy significantly reduces the scope of ships that the UK is qualified to build. That could threaten the long-term viability of those fragile shipyards. The very shape of today's UK shipbuilding industry is the result of rationalisation, following a period of policies that urged shipbuilders to compete with each other, with the result that some yards went bust.

Furthermore, the Government's inability to provide certainty for industry through a secure timeline of contracts endangers the UK's position as a world leader in shipbuilding. When it comes to future orders, driving the industrial drumbeat would enable private sector shipbuilders and the wider supply chain—always a critical part of the industry—to invest in infrastructure, facilities and emerging naval technologies, and renew the UK's competitive advantage.

The secondary economic impact and tax returns to the Exchequer would provide further benefit to the UK as a whole. I reiterate what my hon. Friend the Member for Witney said earlier: to get the best value and the most effective outcomes, the Treasury models absolutely need to adapt and change to ensure that there is understanding across the whole of Government. I know that the Minister is at one with the Secretary of State, who is trying to pitch that battle in a new way.

The argument goes so much further, because one could confront the combat air industry with the same challenges. A new aircraft carrier costs £3 billion—there are two of them—but each F-35 that will travel in her costs around £100 million; the hon. Member for Stoke-on-Trent North regularly picks fights with me about this, but the cost is around £100 million. Those jets are only such good value because we buy them from the USA, from a programme that produces thousands of them, in order to get some benefit in relation to the enormous development cost of the F-35.

The combat air strategy already asserts that sovereign capability for a sixth-generation combat aircraft just is not going to be realistic as a UK-only proposition, and that we will end up working in partnership with our allies to develop and build such a plane. I reiterate my hon. Friend's comment about wanting to make sure that we are a lead partner in that development. Although we see a level of work sharing on the F-35, there are risks to creating a big gap in our capability and production by buying in from the USA. In so doing, are we all working to the same basic principles and seeking similar freedom of action? That is the really challenging part of the military question. Will we all be working together in NATO against a common enemy, or should we be considering that the question of being able to fight alone must never be ignored? The eye-watering costs of such technologically extraordinary planes means that we need to consider honestly the sort of warfare we could conduct if needed.

In the maritime space, the Royal Navy is looking once again at the question of quantity, as well as technological quality and advantage. For some challenges, high-end war-fighting kit is not the necessary weapon. Of course, the simpler and cheaper warship also has value as an export commodity for smaller countries whose defence budgets will never reach those of the top 10 spending nations.

What is the answer to that question in the combat air space? Eurofighter Typhoons, which came into operational service in 2003, are now expected, with a bit of a stretch, to stay in service until 2040. The F-35s are coming on stream as the Tornado is retired, and I imagine that we can expect them to have a life span of at least 30 years. However, with this strategy we are simply considering a sixth-generation replacement for Typhoon in 20 years' time. Typhoon's gestation to service has taken longer than that, thanks to the vagaries of multinational partnership.

If historical timelines are anything to go by, we are certainly cutting it fine, and the nature of international co-operation also risks slowing progress. However, my central concern is that technology and the nature of warfare are changing so fast; and the nature of airspace, its congestion, and the rapidly improving reach and resilience of unmanned drones make me wonder whether a manned sixth-generation fighter jet is where we should invest all our thinking and cash.

If the Navy cover on and below the sea, and the Army cover all that is land, the Royal Air Force must cover air and space. There is an excellent nascent and growing team of people in the space division within the RAF, but space does not seem to feature in the strategic thinking at all. Perhaps the Minister will reassure me that a space strategy will come to us soon, but even if he does so, it would somewhat miss the point. For me, "combat air" means combat activities above ground and sea. That will, without doubt, be more than 33,000 feet up in the decades ahead.

My hon. Friend the Member for Witney and the hon. Member for Stoke-on-Trent North first called for a defence aerospace strategy, and that is what we need. The threats to UK plc, to our economy and to the direct safety of our citizens are as likely to come from those Russian "Bears" trundling over the horizon and into Scottish airspace—our quick reaction alert pilots at RAF Lossiemouth are ready to go and politely escort them away—as from attacks on our satellite systems or long-range targeted disruption using the space above us, in ways that mean that a manned fighter jet is simply not the answer.

If the roles of air power are to incorporate intelligence, surveillance and reconnaissance—or ISR, which is so much easier to say—and control of the air and up into space with cyber-technologies that we have not yet dreamed up, we must consider how we invest UK taxpayers' cash into an industrial base that can be flexible, creative and adaptable at pace, and that can be sustainable for our sovereign capability needs.

Back in 1940, my great-grandfather—a mathematician, a vicar and a schoolmaster—was asked to expand his wartime role as an RAF padre to set up and run a training school to provide maths lessons for the young men who needed to understand and be able to use trigonometry in order to navigate a Spitfire. They were sent to the school before reporting to their squadrons. This training was not a particularly high-tech activity, but it was vital to enable those young airmen to fly their planes safely and use the tools at their disposal effectively against the enemy. I set the Department the challenge of telling us how it proposes to empower the RAF to plan for, maintain and build up skillsets—as yet, they are unknown—in the men and women who will be flying or controlling future combat air technology.

The strategy document has nothing at all on training, maintenance and development of present-day pilot skills. In the House in recent weeks, we have discussed with Ministers the lack of trainers for our pilots, who have to use private training facilities and displace private training programmes, thereby stunting wider civilian flying training business models.

Surely the Minister agrees that if we are to prepare for the unexpected—the as yet unthought-of—we must ensure that we are planning flexible training programmes for this generation of our serving RAF personnel and for the generations to come. They may well not be pilots, as we consider that word now—the strutting pilot walking confidently to his or her cockpit to take to the skies to battle an enemy, or to use firepower to provide air cover for ground or maritime forces—because that role may be in its last throes. Unmanned equipment and war-fighting far from battle zones may become the norm.

My concern with all these strategies—do not get me wrong; they are a great step forward—is that they do not address the changing nature of war and persistent conflict, or the question of what tools, weapons and skills we need to plan for in order to maintain our operational advantage over enemies unknown and as yet unidentifiable. We are really talking about a weapons system and how we plan to get to its birth, rather than wider strategic questions.

The textbook consideration of strategy challenges us to consider the ends, ways and means of our plans. It seems that in our strategic documents, we are discussing the means of fulfilling a strategic intent, with some discussion about the ways in which we will do so. However, we are fundamentally ignoring part of that equation—I do not doubt that it is the most difficult—in our discussions. Surely, a strategic document from the Ministry of Defence, which is one of the world's leading defence organisations and has the best service personnel in the world working for it, ought to be setting out in a broad-brush manner, at least, what ends we should be considering. That is not just a new, faster, whizzier, cleverer and more tech-filled piece of kit—designed in the UK, I hope, and made or at least built in part here—but the big questions of what our intent and reach will be.

I ask the Minister to come back to the House with the next phase of the combat air strategy—perhaps, as he keeps being reminded, with its new title. That strategy should help parliamentarians to gain confidence that there is clear thinking and planning about more than just the next generation of a fighter jet to replace Typhoon, since that may not be the sort of warfare we need in 20 years' time, and that the Department is not acting in a piecemeal way on technology or its commitment to the UK defence industry, but is thinking in the coherent, long-term way that, for too many decades, we have not had. It should build into the strategic statements for land, sea and air—they are most welcome—a clearer indication that the Department is working to draw together and support our strategic thinking. We look forward to the full aerospace strategy in due course.

2.21 pm

Dr Julian Lewis (New Forest East) (Con): It is a pleasure to make a brief contribution to this debate under your chairmanship, Mr Stringer. All three previous speakers

[Dr Julian Lewis]

have shown absolute mastery of the detail, which I cannot hope to match in this context, so I intend to draw out some of the broader issues and seize a particular current opportunity: the forthcoming election of a new leader of the Conservative party and Prime Minister.

Occasionally in politics, a window of opportunity opens, usually when aspiring leaders of the nation wish to generate support from those whom they presume to lead. We on the Select Committee on Defence met on Tuesday and decided that we would write to both of the final candidates in the leadership election. I have in front of me the text of the similar letters sent to each, picking up on the Foreign Secretary's bid for the support of defence-minded MPs. In those letters, we spell out the fact that the Defence Committee, whose members represent four different parties, has for several years been absolutely united about the fact that we need to be spending more on defence.

In particular, the Committee believes that we ought to have as our target figure not the bare 2% of GDP that we currently just about manage to spend, but a figure approaching 3% of GDP, the proportion of gross domestic product that used to be spent by the United Kingdom—not during the cold war, when that figure was 4.5% to 5%, but as late as the mid-1990s, several years after the cold war had come to an end.

The complexity of weapons systems in any of the dimensions that we might care to identify—land, sea, air, cyber-space, or space itself—is increasing. If we do not have an adequate financial base for defence, it is difficult to see how any of those projects can hope to be brought to fruition. That applies as much to what from this moment onwards I will call "the Tempest strategy" as it does to every other system.

In a few moments, I will come back to the terms of the letter that I sent. However. I want to emphasise what my hon. Friend the Member for Berwick-upon-Tweed (Anne-Marie Trevelyan) has just said by noting that as these advanced weapons systems get more complex, their numbers get fewer, and they have to be planned longer and longer in advance. Needless to say, they also cost a great deal more. I am a little more familiar with the cycle involving warships than I am with aircraft, but we can see the same pattern. For example, there are two types of submarines: nuclear-powered attack submarines and ballistic missile submarines. No sooner have we completed the construction of a class of one of those vessels than we have to construct a class of the other.

Graham Stringer (in the Chair): Order. I do not wish to interrupt the right hon. Gentleman, who is making some interesting points, but the question is "That this House has considered Combat Air Strategy progress and next steps." I hope the right hon. Gentleman will focus his remarks on the objective of the debate.

Dr Lewis: All will become clear very soon, Mr Stringer; you have my assurance.

Just as we must not interrupt that cycle, whether it be for a nuclear-powered submarine that is an attack submarine or a nuclear-armed submarine that is a ballistic missile submarine, we must not interrupt it for frigate or destroyer construction. We face exactly the same problem with aircraft strategies: we have gone from the Typhoon to the F-35, and even as we are introducing the F-35—the fifth-generation aircraft—we must already be planning for the sixth. That is despite the fact that, as has been pointed out, one of the existing aircraft still has at least 20 years to go in its lifespan, and the other has only just begun a period in service with the Royal Air Force lasting probably twice that. The question that arises, therefore, is how the new generation of aircraft can be financed.

With that, we come back to the issue of what we are being promised. Whenever Prime Ministers or Defence Secretaries are in place, we are told constantly that all is fine and everything in the garden is rosy and flourishing, yet when Defence Secretaries leave their position, they immediately call for increases. Recently, one brave Defence Minister even said at the Dispatch Box that we are not spending enough on defence. Now, we find that the Foreign Secretary is saying that within the next five years we ought to increase defence spending by a quarter, and he even made a speech at Mansion House suggesting that over 10 years, the rate of increase should be that much greater.

Looking at the Tempest strategy, we have to ask ourselves how an aircraft of that degree of complexity, requiring so long to be designed and brought into service and demanding so much in the way of our resources, will be financed. The sole issue that I wish colleagues to consider today is that, if it takes 30 years to conceive and build the sixth generation of our air power, we will have to invest a great deal of money in it. We on the Defence Committee have worked across party lines to try to change the terms of the debate on funding aircraft, land systems and naval systems, as well as dealing with the issues that arise from what are commonly called the 21st-century threats in space and cyber-space.

It is a matter of concern that there have been indications that the permanent part of defence and security machinery has been advocating that we move away from our traditional profile and stance: of investing in such systems as those aircraft to a greater degree than the rest of our NATO European allies. Normally, as we know, the overall burden of NATO's expenditure has been borne by the US superpower; the continental allies have put forth something below the minimum guideline and we have been somewhere in between.

It has been disturbing to see arguments being put behind the scenes that we should come to terms with the fact that we should not in future seek to outdo our continental European allies and should lower our expenditure to the level they invest. Personally, I feel that would be a disastrous mistake—it would mean that we would no longer be able to rely on retaining an industrial base that could produce and develop weapons systems of a complexity to keep us at the cutting edge of air power, sea power and land power, let alone protect ourselves in space and cyber-space.

Jack Lopresti (Filton and Bradley Stoke) (Con): In this debate, we have spoken about sovereign capability, the industrial base, the agenda for jobs and apprenticeships and the economy. In his position as Chair of the Defence Committee, would my right hon. Friend say that we should always be seeking the capability to conduct unilateral operations? On that basis, is it not crucial, in terms of sharing intellectual property and technology with our partners in building the new generation of aircraft, to have the most reliable strategic partners who will enhance our capability to conduct unilateral operations?

Dr Julian Lewis: That is a critical point, because the argument to which I have obliquely referred—I was tempted to refer to it more explicitly, but I decided not to, bearing in mind your stricture, Mr Stringer—and which is being put forward by civil service mandarins is not only that we should spend less, but that we should recognise the fact that we will only ever be involved in major conflicts along with allies and so we do not need the full spectrum of capability on land, at sea or in the air.

The problem with that approach is that it assumes that if we were to go into a conflict alongside allies at the beginning, those allies will remain available throughout—right until the end. What happens, however, if one of those allies is overrun and occupied, as has frequently happened in major conflicts in the past? If we are relying for the sake of our air power, for example, on a particular injection of expertise and capital from a particular ally who is no longer available, our defence capability could be fatally undermined.

I will conclude with this point. We are trying, as always, to construct a system for the air, as in the other dimensions, that is the most advanced the world has ever seen. That means that we have to be prepared not only to pay for it, but to recognise that we cannot expect to anticipate the context and circumstances under which the crisis will arise where the system will be put into action. We cannot anticipate that, so equally we cannot anticipate whether our allies who might be available in one type of conflict will be available in another and, even if they are available in that other context, whether they will remain available until the fight is brought to a close.

As we get involved in more complex and expensive systems—systems that take longer to design, develop and produce—we also must recognise the limitations on our scenario prediction ability. That is why we must invest enough and recognise that a full spectrum of military capability is essential, including, of course, in relation to the Tempest aircraft strategy.

2.34 pm

Mark Menzies (Fylde) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I almost said "under your premiership", and there is indeed a leadership contest under way—but even the Conservative party has not stretched our opportunity to get involved that far. I apologise to the Chamber for my lack of voice; I have rapidly sucked two throat lozenges and drunk a bottle of water in the hope that that will make my vocal cords relaxed enough to contribute. I am just about there.

It is a huge pleasure to lend my support to my hon. Friend the Member for Witney (Robert Courts) in this debate, which he secured. The combat air strategy matters to my constituents at BAE Systems in Warton, to the many who work at Samlesbury and to the colleagues who work over at Brough and build the Hawk, whose final assembly takes place at Warton. It also matters to the RAF, which I have the great pleasure of serving as part of the armed forces parliamentary scheme.

Above all, the combat air strategy matters to the nation. As has been said by some previous speakers, it is not only about building a platform for defence, but about having the means of sovereign capability where we can invest our research and development across a whole spectrum of areas—everything from avionics to the actual platforms themselves, through to new materials and in-flight systems and IT development. In many of those areas, the United Kingdom is without question a world leader.

Indeed, some of the technologies that have come out of previous air platforms, particularly the Harrier, have been rolled in to future programmes, such as the F-35. The nature of the beast that we are dealing with is one that gives us great longevity and considerable return on investment in almost every aspect. I am sorry that the right hon. Member for Warley (John Spellar) is not with us at the moment: the point he made about Treasury models and business cases is incredibly important. When looking at the cost of and investment in combat aircraft, we have to consider the amount of revenue generated throughout the whole supply chain and the new technologies that emerge and can be rolled in, even into non-military applications. The value to the nation is much greater than the Treasury ever gives it credit for.

With that in mind, I was thrilled when last year at Farnborough, the Prime Minister—I had the privilege of being there with her—announced the Government's intention to pursue the combat air strategy. It is good for the Government and the industry that the £2 billion investment has been forthcoming, but considerably more resources will have to flow through.

Before I talk about Tempest, I want to mirror the words of the hon. Member for Stoke-on-Trent North (Ruth Smeeth) about the importance of Hawk. It is beloved by the nation because it is a symbol of the Red Arrows, but it is also unique because it is the one aerospace platform that is truly British. From design to final assembly, Hawk is not part of a large multinational pan-European consortium, but is 100% British. We need to ensure not only that we retain the true sovereign capability demonstrated in Hawk, but that we think about what the future of Hawk looks like and what its successor aircraft will be.

Hawk fills an incredibly important role. Not only is it a trainer aircraft, which every modern air force across the world requires—Hawk is the platform of choice in training for the Typhoon, the F-35 and similar types of aircraft—but it has other uses as light tactical support and, in many air forces around the world, as a display aircraft, which is a great way to represent a country's air force. However, that will be the case only if we are now serious about investing in and developing a successor platform.

Hawk has had many life extensions—I think we are on to its fourth or fifth mark. That is wonderful, but at some point we will need to look at investing in and developing a new platform. My request to the Minister is that that becomes a priority for the very clever people who work in Main Building, and that we start to identify what that looks like. It would be not a crying shame but criminal if the replacement for Hawk were something that we bought off the shelf, even if from our closest allies. We can, and must, do better than that.

My big ask to the Minister is that, as part of a combat air strategy, we think of that trainer solution. In pounds, shillings and pence—without reverting to old money—let us also think about the export value that that kind of platform can generate. As I mentioned, every air force around the world requires that capability—not just as a trainer but, in countries with less advanced

[Mark Menzies]

defence requirements, as light tactical support. If the Minister could take that away as a challenge, I would be truly grateful.

Typhoon, which is the current defence mainstay of the Royal Air Force, is final-assembled in Walton. I have always been incredibly proud to represent the men and women who build and final-assemble that magnificent aircraft. It is very important that, as part of any combat air strategy, the aircraft remains current, which we can achieve by ensuring that we anticipate future mission requirements and invest in that capability.

I thank the Minister and the Government for a number of announcements in the last couple of years that will enable Typhoon to remain current, but we need to ensure that that remains the case throughout the life of the aircraft. The aircraft can then not only adopt current weapon systems but ensure, as I think my hon. Friend the Member for Witney mentioned, that it incorporates upgrades that will be the prelude to what we will see in sixth-generation aircraft.

Finally, anyone who was at Farnborough last year and saw the mock-up of Tempest could not fail to be impressed. It was an incredible-looking platform, but truly impressive was its capability to be in effect the mothercraft, supporting a range of unmanned aerial combat vehicles, to gather data and intelligence and to work in an autonomous way, keeping the pilot safe but still delivering the critical aspects of the mission. A lot of that technology comes out of the Taranis programme, which was also operated out of BAE Systems at Walton.

In a combat strategy, all the programmes feed into each other; nothing really operates in isolation. I congratulate the Minister and the Government on developing such a strategy. Without it, I am afraid that down the road would be very costly or unacceptable decisions, such as buying off the shelf from countries overseas. Sovereign capability is everything. We must have the ability to design, build and operate in isolation if required, and to invest in jobs, apprenticeships and new technologies. The combat air strategy allows us to do that.

I encourage the Minister to stay on the path that the Government are on, and to fight for that additional slice of the Government expenditure cake. I am far more ambitious than 2.5%—I think it should be much closer to 3%. As the world becomes a more dangerous place, as the stretch on our armed forces becomes all the more obvious, as challenges such as cyber become even greater, and as new theatres such as space begin to emerge, it is important that the United Kingdom is prepared. We can be prepared only if we plan, invest and do the right thing. I know that the Minister will do that.

2.44 pm

Carol Monaghan (Glasgow North West) (SNP): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate the hon. Members for Witney (Robert Courts) and for Stoke-on-Trent North (Ruth Smeeth), who has had to leave us, on introducing the debate and being tireless campaigners on the issue for a number of years. It is appropriate that we are having the debate in Armed Forces Week, in which we are getting many opportunities to talk about the impact of our military.

The hon. Member for Witney highlighted in great detail the importance of the combat air strategy. As he stressed, the benefits of the aerospace sector to our economy cannot be overstated, and he gave us some important figures that are worth repeating. He said that the sector has accounted for 87% of defence exports over the past 10 years and that the UK combat air sector has an annual turnover of more than £6 billion. That supports 18,000 jobs directly, and there is of course a multiplier effect in the local economy and tax revenues. All recent combat air programmes in the UK have delivered significant returns on Government investment.

The hon. Member for Stoke-on-Trent North highlighted the number of people already working on Tempest and the number that we expect to see working on that programme over the next few years. It was great news when, as part of the combat air strategy, the former Defence Secretary, the right hon. Member for South Staffordshire (Gavin Williamson), announced the launch of Tempest last year, along with £2 billion of funding to develop the technologies necessary for the UK to lead the development of a next-generation combat air system. I hope to see a positive outcome for those plans in the comprehensive spending review this year, and subsequently in the first major programme approval gate at the end of 2020.

There are issues surrounding funding. The hon. Member for Berwick-upon-Tweed (Anne-Marie Trevelyan) talked about the feast-or-famine approach to spending, and the right hon. Member for New Forest East (Dr Lewis) talked about how, as soon as we start one programme, we should consider the next. That drumbeat of planning and procurement is so important. We should not be scrabbling about for money when funding our defence. We need to commit to a much longer funding stream, to ensure proper planning of the spending within the Department.

Frankly, we are seeing too much of a siloed approach to spending, not just in Defence but in many Government Departments. I will briefly highlight the fleet solid supply ships, which we are talking about building outwith the UK. Given the economic impact of building in our own shipyards, it is ludicrous to consider countries such as South Korea, with its state funding of bids. It will fund those bids because it understands the tax revenues and economic multipliers. We need a far less siloed approach.

It should also remain a priority that any exports take into account where the equipment will be used. I am looking for some clarity on that, especially in the light of the recent Court of Appeal ruling, which found that the Government

"made no concluded assessments of whether the Saudi-led coalition had committed violations of international humanitarian law in the past, during the Yemen conflict, and made no attempt to do so".

There is no justification for exporting arms to countries that repeatedly and flagrantly violate international humanitarian law.

[Mr Peter Bone *in the Chair*]

The partnerships and collaborations involved in the combat air strategy will play an essential part in determining the UK's place on the international stage in the immediate future. It is therefore essential that our defence policy remains in step with our European allies and our closest neighbours. I was pleased that a number of hon. Members made reference to that this afternoon.

The combat air strategy recognises the UK's

"unique network of capability collaborations"

and pledges to

"work quickly and openly with allies to build on or establish new partnerships to deliver future requirements."

It is important that the Government make good on those intentions and follow through on the proposals for the combat air acquisition programme as an international collaborative programme with the UK as a prime partner.

Our interests must remain aligned with our European partners—our closest neighbours—even after Brexit. That is not just because of defence interests. It is also because, through building such collaborations and alliances, our research is far richer and far better. Being able to draw upon skills from across Europe means that we end up with a product that is far better than it would be if we were simply working on our own.

The hon. Member for Witney talked about the skills required for the Tempest programme and the importance of involving schools. As a former teacher, I agree 100%. We need to be in schools, and not just at secondary level. We need to be in primary schools. We need to be working with young people to make them aware of the sector and to help them to see the opportunities that the sector offers. In particular, we need to be trying to tap into a resource that we are not using enough: the females. We need to be targeting girls so that the aerospace sector has a far more balanced workforce. That is not important just because we want to see diversity and people getting on. It is important because different types of people bring different types of ideas and will look at things in different ways. We must do that.

The hon. Member for Berwick-upon-Tweed mentioned space. I had not actually considered the space implications, but she is quite right. As our understanding of space and our development of space vehicles increases, we need to consider how that is going to play out. I was very pleased when last year the Government committed £2 million to the development of a space port on the A' Mhòine peninsula in Sutherland. There are real opportunities, not just in terms of our forays into space but also in terms of building up a skills hub around that.

The hon. Member for Fylde (Mark Menzies) made me think of space when he talked about the mothercraft. It took me back to my "Star Trek" days. We were left in no doubt about his passion for the Hawk by the end of his remarks.

Of course, any strategy will succeed only if it receives the full backing of those expected to carry it out. The strength of our armed forces absolutely relies upon the strength of our personnel. Frankly, as I said yesterday—I think the Minister was there for that debate—we need to do more to improve the welfare and treatment of our personnel, not just in the RAF but across all the armed forces. The Minister will know that the SNP has been pushing for an armed forces representative body that would allow them a proper say in how personnel are treated and their welfare, and would feed into Government policy. It would not allow for strike action—we can have a federation that does not allow that—but would allow us to consult and bring on board the personnel.

Our defence capability and longevity must be strengthened by proper investment and proper ambition. It was great to see the combat air strategy launched, but it should not need the hon. Members for Witney and for Stoke-on-Trent North to be pushing in order to move it forward. It should already be part of the Government's programmes. There is a strong overlap in defence when we look at our European Union allies and the UK. Whatever happens in the coming months, we must ensure that nothing is done that would put that collaboration in jeopardy.

2.55 pm

Fabian Hamilton (Leeds North East) (Lab): It is a pleasure to serve under your chairmanship, Mr Bone; I notice there has just been a change of Chair, and I thank your predecessor for the good work he did for us as well.

I congratulate the hon. Member for Witney (Robert Courts) on tabling and introducing this timely and important debate. Of course, he has a strong constituency interest—but, as he pointed out, so do we all. He mentioned at the start of his contribution the loss of the two German Eurofighters and of the pilot. The Opposition share his concern for the loss of that pilot and for the suffering that has been caused. As he rightly pointed out, it is a very sad moment indeed, and Germany is an important ally and NATO partner.

I also agree with the hon. Gentleman's point about Tempest—it is a good name for the new aircraft, for all the reasons that he pointed out. I think we all agree that we should call it Tempest from now on, rather than a combination of initials or different terms. Tempest is a very good way of describing it.

The SNP spokesperson, the hon. Member for Glasgow North West (Carol Monaghan), reminded us of what the hon. Member for Witney said: that the contribution of defence aerospace to our economy is much bigger than any contribution that the taxpayer makes towards its development. We are all aware of its multiplier effect. The hon. Gentleman pointed out that we need to develop, sponsor and bring on the technology not only for military applications, but—this was very important—for much broader applications. That is something that the Opposition certainly believe in, and I know that others across the House do too. Technologies with military applications might be initiated with start-up investment using taxpayers' money, but they can be vastly echoed in the civilian sector, to benefit us all. That is really important; there are many examples of it, and we want to support fully it. As the hon. Gentleman said, military equipment is not a drain on our resource but an important part of our economy. I think we would all agree that the real enemy is the Treasury, which often does not see the value of defence expenditure, which it should, as it is vital to us.

My hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth) pointed out that Unite representatives from Brough are here today—the skilled men and women who are so important to the manufacturing of the Hawk aircraft. I recognise some of the faces, having visited the factory myself. It is not far from my own constituency in Leeds. I certainly echo what she said: without those skills, without those men and women and their dedication, without the teamwork, we would not have the products at all.

I was privileged to see, and indeed sit in, the advanced Hawk, and I would like to see a lot more work going into that—not just a representative version of it, but developing it for full use and full capability, not just for the Red Arrows, but to be sold abroad too. It is a remarkable piece of equipment.

[Fabian Hamilton]

The hon. Member for Berwick-upon-Tweed (Anne-Marie Trevelyan) talked about protecting, projecting and promoting, which is part of the document on the combat air strategy, and she is absolutely right. She also told us about the importance of the supply chain and pointed to the example of the part of the Typhoon wing made in her constituency, in Alnwick. She said that we are all connected to the defence industry, which is absolutely true.

The Chair of the Defence Committee, the right hon. Member for New Forest East (Dr Lewis), said that we need to be united and need to spend more. The Opposition certainly agree with that. He said we need the adequate financial base for defence expenditure, and we would always try to support that.

We also heard from the hon. Member for Fylde (Mark Menzies), who talked about the 100% Britishness of the Hawk aircraft. We are all very proud of it. Why can the Red Arrows not replace their current Hawks with new models, which would help to create the work that is so badly needed in the Brough order book? We want to see that continuity while we look for further orders, so I am glad that the hon. Gentleman made that point. We should not buy these products off the shelf; we should develop them 100% in the United Kingdom. Our sovereign capability is vital.

Our aerospace and defence sectors are truly world leading, and they are vital to our security and national prosperity—every hon. and right hon. Member who has spoken in the debate has agreed with that. The Opposition welcomed the publication of the combat air strategy last year, but we raised some concerns at the time that it might have been better to publish an overarching defence industrial strategy—some hon. and right hon. Members have referred to that—to give the wider industry the certainty that it requires. That is indeed one of the problems, is it not? We need that certainty and continuity, otherwise we might stand to lose the vital skills on which we depend.

The Opposition expected to see some development on the combat air strategy in the modernising defence programme report, but that turned out to be rather underwhelming at best, with many pages filled by photographs and material that summarises the current and past activities of the armed forces. This remains pertinent, because the Ministry of Defence recently entered into a $2 billion single-source agreement with Boeing for its E-7 Wedgetail, which we understand will replace the airborne warning and control system aircraft. The Government effectively excluded any alternatives from the outset, which we think is a real shame. I am sure the Minister will want to comment on that in his winding-up speech.

The new Secretary of State has used recent speeches at the Royal United Services Institute to talk up the possibility of buying British and has referred to the importance of defence to the broader prosperity agenda, which is something we have all reflected this afternoon. We hope to see concrete proposals that will put prosperity, as well as sovereign capability, at the heart of our procurement policy. I hope the Minister can update us on the Secretary of State's agenda on that.

I welcome this week's announcement that the F-35 aircraft have joined the fight against Daesh in their first operational missions, making use of their superior reconnaissance capabilities. We are currently in the process of obtaining 48 F-35Bs, some of which have already arrived, and they are all expected to be delivered by 2025. The Ministry of Defence has previously committed to purchasing 138 F-35 aircraft, but it has been rather tight-lipped about the 90 that it has not yet ordered. Can the Minister confirm that the UK will order all 138 F-35s? If that is the case, can he confirm the timelines for their delivery? Can he also confirm whether other variants of the F-35 are being considered, particularly given the reports suggesting that the RAF is quite keen on having some F-35As, which have a longer range than the B variant and which seem to be the preferred option for many of our allies?

Chapter 3 of the combat air strategy document is entitled "International by Design". The strategy formally announced the Team Tempest project, which is looking at developing our next-generation combat air systems. Sweden has shown an interest in collaborating on this project. Meanwhile France, Germany and now Spain are developing their own joint initiative. Given our close links with those European allies through NATO, the Combined Joint Expeditionary Force and common security and defence policy missions, what assessment has the Minister made of the separation of these two projects on our interoperability with our European allies?

Finally, an effective combat air strategy must ensure that the RAF is properly staffed. The strategic defence and security review target for full-time trained strength RAF personnel for 2020 is 31,750. The recent quarterly personnel statistics released in April demonstrate that we are currently more than 5% below that target. The figure is virtually the same as the one in January, so will the Minister concede that it is now highly unlikely that that commitment will be met by next year? Will he confirm how the Ministry of Defence is undertaking to improve recruitment in the RAF, and indeed across all services?

3.5 pm

The Parliamentary Under-Secretary of State for Defence (Stuart Andrew): It is a pleasure to serve under your chairmanship, Mr Bone. I offer my thanks and congratulations to my hon. Friend the Member for Witney (Robert Courts) for introducing this debate. I echo his opening comments about the recent crash of the German Eurofighter, and the sad loss of life. Our thoughts go out not only to the German air force and the German people, but to the pilot's family, at what must be an incredibly difficult time. We will take close notice of the reports that come out of that incident; my hon. Friend was absolutely right to say that we should not speculate at this stage, but we will seek to understand the issues that caused the crash and learn from them for the safety of our pilots.

I am grateful to my hon. Friend for securing the debate, because he has shown a tremendous amount of personal enthusiasm and dedication on this issue. I know that because he writes to me quite regularly and asks to meet, and he rightly challenges us about it. He does that not only from a personal interest, but because he clearly cares passionately about the benefits it will bring for his own constituency, which I know he works incredibly hard to support. I hope I can assure him that the Government share that ambition and the commitment to ensuring that we continue to have a world-leading combat air sector.

We want to build on the United Kingdom's excellent reputation, and on its excellence and innovation. That reputation has been underpinned by more than a century of significant investment by both the Government and the industry, but by 2018 it was clear that some important decisions were needed if the UK was to retain its position as a world leader in combat air, while retaining sovereign choice in how we deliver the future capabilities that the Royal Air Force will need.

At the heart of the Government's response is the combat air strategy, which, as many hon. and right hon. Members have already said, was officially launched at the Farnborough International Air Show last year. It sets out an ambitious vision for the sector, with plans for driving a comprehensive approach across Government and our industrial base, together with international partnering in the future.

The strategy provides a clear roadmap for the future, aligning national programmes and investment decisions to sustain a sector that is profoundly important to the UK's economy—as my hon. Friend rightly pointed out, it accounts for around 85% of our defence exports over the past decade and directly supports 180,000 British jobs. At the heart of the strategy is the launch of the next-generation combat air acquisition programme, which will define and deliver the capabilities required when the Typhoon fighter leaves service.

The strategy also reaffirms the Government's commitment to the future combat air system technology initiative, under which £1.9 billion was invested in demonstrator projects using the latest technology. More generally, the strategy highlights the clear need for profound transformational change in the way the Government and the industry jointly approach the combat air enterprise.

I will move on to some of the points that hon. and right hon. Members raised during the debate. I note what my hon. Friend said in his speech about the Franco-German project; I absolutely accept that there is no room for complacency, and I can personally reassure him that I am not complacent about it. I always wish our friends and allies the very best of success, and we will see how the move from fourth generation to sixth generation goes. We will always continue to work with allies on a host of different projects.

My hon. Friend was right to make the point, which I accept, that we should look at a better model for understanding the contribution that the defence industry makes to the United Kingdom. He described how the UK economy benefits from our investment in defence, and he mentioned some big figures. I gently encourage all Members to continue to have conversations, as I am sure they do already, with my colleagues in the Treasury about the difficulties that we sometimes find in the Treasury Green Book. I will leave that there for now.

I will come on to skills a little later, because I want to address some interesting points made by my hon. Friend. I took no offence whatever when he said that the importance of our future combat air strategy cannot be promoted only at my level. It absolutely has to be a national endeavour, and it has to be at the highest level of Government. I can assure him that my right hon. Friend the Prime Minister has raised the issue at meetings with her counterparts from other countries, and it is incumbent on the new Prime Minister to do exactly the same. The Chair of the Select Committee, my right hon. Friend the Member for New Forest East (Dr Lewis), rightly said that it presents us with an opportunity to really push the issue and see this as a national endeavour, with senior cross-Government figures pushing the project forward and encouraging more international partners.

My hon. Friend the Member for Witney talked about paragraph 38 in the strategy. I reassure him that the national value framework not only describes options, but assesses which ones reach the right balance between prosperity, capability, affordability and, of course, international influence. I assure him that I will continue to put forward the message that this is an opportunity for us to keep UK skills and industry at the heart of the initiative.

My hon. Friend talked about STEM issues. Several right hon. and hon. Members have said that we need to attract younger people into the subjects that they will need to take part in projects such as this. As I go round industry, I get a sense that industry has woken up to that. A lot of industries are now determinedly engaging with primary schools and running competitions to get it into the minds of young people that this is an exciting opportunity for their future. When I was at BAE Systems in Lancashire it was interesting to see the training centre right next door. It benefits not only BAE Systems, but other industries across the north-west, and I hope we will see more of that sort of thing.

Carol Monaghan: For many years, we have had engagement events in which industry goes to schools, does some sort of bells-and-whistles project activity and goes again, but the impact has not been great. The kids love taking part, but there has not really been any knock-on effect. The outcomes are far better when relationships are built up over time. It is important for engagement to be not just about going in and back out, but about getting to know the young people over an extended period of time.

Stuart Andrew: I take that point completely, but I think the hon. Lady has a pessimistic view of what is happening. In the industries that I have visited I have seen a lot of new apprentices, and it has been encouraging to see female apprentices taking up the opportunities. I accept that we have a long way to go, but I get a sense that there is more of a commitment to work with schools through the years to encourage young people to take up such posts. When I visit factories, the most enjoyable part is meeting the apprentices, because they are full of enthusiasm and they recognise that they are taking part in a national endeavour to secure our nation's future.

Jack Lopresti: My hon. Friend the Minister visits my constituency a lot, but he does not have to keep writing to me before he comes. May I suggest that the next time he visits, he drops into Aerospace Bristol, an £18 million STEM learning centre that houses the last Concorde that flew? It has been heavily supported by local industry and local government, and it is really worth a look. It pays tribute to the past, but, crucially, it also inspires the next generation of engineers and scientists.

Stuart Andrew: I am always happy to visit my hon. Friend's constituency. I will certainly try to make room for that, as I said in the debate yesterday, if I am still here in a few weeks.

Carol Monaghan: I thank the Minister for allowing me to intervene once again. What he is talking about is indeed happening and we are starting to see things change. However, when I visit industries they often introduce me to the female engineer. If we are talking about "the female engineer", we have problems. A female engineer should be so commonplace that there is no reason to introduce visiting dignitaries or MPs to such people.

Stuart Andrew: I completely take that point, but, as I say, I have seen a greater number of females in the industry. There are not enough, and I accept that there is more to be done, but I do get a sense that things are going in the right direction. However, we should never be complacent, and the hon. Lady makes a valid point. It is something I continue to press with industry.

The hon. Member for Stoke-on-Trent North (Ruth Smeeth) is not here, but I was quite amused by the fact that she was mistaken for the hon. Member for Leeds West (Rachel Reeves). When I was first elected to this House, I was constantly mistaken for my hon. Friend the Member for Pendle (Andrew Stephenson). In fact, he sent me a text message once to say, "Thank you for doing such a brilliant speech for me on HS2 yesterday", because he got the credit for it. So I know that such mistakes can happen.

The hon. Member for Stoke-on-Trent North pointed out that we have representatives from Brough here today, who have been brilliant advocates of the work that they do in the factories there. I am acutely aware of the issues that they face and the uncertainty for the people who work there. I hope that I have demonstrated my commitment to try to get the exports to Kuwait. I have been there on a couple of occasions and have met them here. I constantly meet BAE Systems to talk about the programme and will continue to do so because the matter is of great concern to them.

The hon. Member for Stoke-on-Trent North also pointed out that the issue is not only about platforms and that we should also talk about the skills, designers and engineers that we need and can really help us. She talked about the four national players currently in the Tempest and what the SME involvement is. Again, I am absolutely passionate that the SME involvement needs to be extensive. I was pleased to open a conference where about 150 SMEs came along to learn about the opportunities and what we are looking for. Since then, the conversations with at least 100 of the SMEs have continued.

Just this week, I chaired a meeting with the four national players and MOD representatives; I pushed the point that we need to make sure that we get the very best out of those SMEs. From what I can see, that is where a lot of the exciting technology and development is happening, and they can sometimes be more responsive in delivering the technology that we need for the platform. I assure her that I will continue to make that point in any meeting that I have.

My hon. Friend the Member for Berwick-upon-Tweed (Anne-Marie Trevelyan) talked about the national shipbuilding strategy and how we learn lessons from that. There has been some controversy about it and I have had some challenging debates and sessions in front of the Select Committee, but I also had a good meeting with the representatives of the all-party parliamentary group for shipbuilding and ship repair. There is a lot in its report that we can examine and transfer into the strategy.

My right hon. Friend the Member for New Forest East rightly talked about the leadership election and the opportunities it presents. I welcome the debate on defence spending. Even before I was in this position, I believed that defence spending needed to increase and be appropriate to the risk that we face. At the end of the day, the first duty of any Government of this country is to protect the nation and our people. I will certainly encourage both candidates to increase the funding. I want to see that.

I was concerned to hear my right hon. Friend mention that some say that we should lower our expenditure and expectations; he will be glad to know that I have not heard that in the Department. If I did, I suppose I would coin the phrase, "No, no, no."

My hon. Friend the Member for Fylde (Mark Menzies) secured a debate not long ago on a similar topic and I know how important it is to his constituents—that was one of the first visits I did in this position. He rightly talked about the Treasury models and I look forward to him lobbying Treasury Ministers. He also said, as did other hon. Members, that the strategy is not just about a new platform in Tempest, but about keeping Typhoon current and upgrading and modernising it throughout its life, so there is an easy transition into Tempest, or whatever that may be. That is at the heart of the strategy to ensure that we are maximising those opportunities.

The hon. Member for Glasgow North West (Carol Monaghan) was absolutely right that the comprehensive spending review will be significant. The Department is already preparing for that to make the point that we need the funding that we have been talking about. She also talked about European partners and concern about what leaving the European Union might mean. I gently point out that a lot of our collaboration with our European neighbours happens bilaterally or through NATO. I see no reason why our leaving the European Union would bring an end to that collaboration. We will continue to do it through NATO and bilaterally, and we will look to partner nations across the globe to ensure that we continue to maximise it.

The hon. Member for Leeds North East (Fabian Hamilton) is indeed my constituent and I am happy to represent him in this House—I am sure he is not so happy about that.

Fabian Hamilton: We are trying to do something about it.

Stuart Andrew: Yes, I know.

I heard the hon. Gentleman's point about the replacement for the Red Arrows, but that is not a priority; there are a lot of pressures on our budget and we have to ensure that we continue some of the projects that we already have, of which he mentioned several. That said, we are not giving up on the export opportunities for Hawk and we are working closely and regularly with BAE Systems to make that happen, as I said.

The hon. Gentleman also mentioned Wedgetail, about which there has been a lot of debate. We did not shut out competitors because, frankly, there were none. There was no other proven capability that could provide the same level that we need and that Wedgetail provides. We could have done a longer competition, but that would have delayed the acquisition of that critical platform. The old platform has been letting us down for a long time.

The one that we have is used by the Australians and has a proven capability that meets our needs. That is why we decided to go for it directly.

The hon. Gentleman rightly talked about prosperity. My right hon. Friend the Member for Ludlow (Mr Dunne) produced that wonderful report. We are already working to many of his recommendations and we will continue to explore some of his other points. A key thing that we are doing is working closely with the Department for Business, Energy and Industrial Strategy through the defence growth partnership and looking to create the joint economic hub, which will get the information we need as to the true value of defence to the UK economy.

The hon. Member for Leeds North East also asked about the F-35s. I confirm that we will stick to the figure of 138. I cannot indicate at this stage which variants; we will make that assessment nearer the time. I hope that answers his point.

I will return to our progress in implementing the strategy since its launch with regard to the four areas I have already touched on. We are looking at the long-term replacement of Typhoon. We delivered the strategic outline case at the end of last year and we are working hard to complete the outline business case by the end of 2020.

As all hon. Members know, £2 billion of future investment has been approved. Importantly, since the announcement 1,000 people have taken up new jobs to look at that area, and that figure will be 1,800 by the end of the year. Among the industry partners that we are directly in contact with, that includes 400 jobs at BAE Systems and 260 jobs at Leonardo all over the country. As well as securing those jobs, we are trying to demonstrate the significant technological advances that have been made, including Rolls-Royce's demonstration of an advanced embedded electrical starter-generator in a military engine, which allows the engine to be started through electrical power rather than high-pressure air. That could allow the removal of several mechanical components in next-generation engines and could equally apply to civil aero engines, as hon. Members said.

As I said, we continue to work with the SME community and we are looking at skills. I am pleased to say that this year, Leonardo will recruit a record 104 graduates and 62 apprentices. The majority of those will be involved in the Team Tempest project and activities. Similarly, BAE Systems is training a record 3,000 young people around the UK; this year, it is planning for about 700 apprentices and 300 graduates. Again, that can be only good news.

I will not dwell on the matter much further because I am conscious that I have spoken for some time, but I hope that the launch of the combat air strategy demonstrates the Government's commitment to looking at the future and ensuring that we keep that seamless skillset in our country. We will continue to update the House regularly as we make more progress. I confirm that detailed updates will be provided on the opening day of the Royal International Air Tattoo at RAF Fairford on 19 July, and that the Secretary of State will lay a detailed statement before the House, which I hope will provide more information.

I conclude on a positive note: the strength of our combat air sector is confirmed by our recent export successes, including the sale of £6 billion-worth of Typhoons and Hawks to Qatar, and the £500 million contract that we were awarded for the avionic and aircraft component repair work for the UK's F-35 hub in north Wales—again, creating a centre of excellence.

We have had a useful and wide-ranging debate, and I am glad to have been able to show our commitment and inform the House of the progress that has been made. The Government firmly believe that the strategy will ensure not only that the RAF retains its world-leading capability into the middle of the 21st century and beyond, but that our military aerospace sector retains its rightful position at the cutting edge of technology development across the globe.

3.29 pm

Robert Courts: I thank the Minister for his full and comprehensive answer. One of the things I love about debates such as this is that no matter how much I rack my brain to try to cover every point, I never do. Every hon. Member brings to the table something new and interesting that I have not managed to cover, and I always learn something. I am very grateful to all hon. Members who have taken part, and to the Minister for his response.

I echo the words of the hon. Member for Stoke-on-Trent North (Ruth Smeeth), who said that the Government have done a wonderful thing. The spirt of our remarks is of celebration and—I hope the Minister will forgive me—gently pushing for a bit more. That is where the enthusiasm takes over. The Government did a wonderful thing in listening to a debate secured by Back Benchers from both sides of the House, responding to it and producing a detailed plan, which, as the Minister said, has led to the employment of 1,000 people in new jobs, rising to 1,800 by the end of the year. It has created something from nothing, and that is a great example of the Government listening to Parliament. I thank the Minister, the Department and everybody who has worked very hard on it for all their work.

That does not mean that we will not keep pushing for more; I make no such promise. I ask that the Minister consider some of the broader issues that we have mentioned today, particularly those relating to the broader defence industrial strategy. We are talking about a platform, vital though it is. The Minister is right about the vision that it gives us for the future, but perhaps it should be wider.

I am grateful to the hon. Member for Stoke-on-Trent North for emphasising that SMEs must be deeply embedded in the strategy, and to my hon. Friend the Member for Berwick-upon-Tweed (Anne-Marie Trevelyan) for rightly mentioning the historical context. We must consider whether we will be fighting as part of a NATO alliance with allies, or whether we will be fighting alone. We always hope that we will be fighting with allies in a NATO context but the Falklands is the obvious example of a time when we were not, for a reason we could not foresee. If history teaches us one thing, it is that whatever comes around the corner probably will not be the thing that we are expecting. My hon. Friend was right to point that out.

My hon. Friend was also right to talk about space, which we have not dealt with, but with which the Royal Air Force and the Ministry of Defence are increasingly engaged. It is of increasing importance.

I am also grateful to my hon. Friend for rightly raising the issue of whether we should have a manned platform or not. My personal view is that we are not

[Robert Courts]

quite there yet, for a number of reasons. For issues of morality and accountably, people are probably not quite ready for us to take men and women out of platforms altogether. There are also questions about technology: who we work with and whether we can afford to allow that high level of technology out of the country. We are not quite there yet, but she is quite right that that will be more and more important. I think she said that we should not put all our effort into that. I think the Minister will agree that Tempest includes an unmanned element—it is an airframe that can be flown manned or unmanned—and I believe that the Minister and the combat air strategy are correct in taking that approach.

I am always humbled to speak in the presence of the Chair of the Defence Committee. He is right to argue, as he always does, for the financial base. I think his target is 2.5%—

Dr Julian Lewis: Three.

Robert Courts: Sorry, it is 3%—that is even better. We all agree about that. My right hon. Friend's overarching point is that we cannot expect the industrial base to be there in the way that it has been in the past. In the past, the Government have been able to allow the industry to create the incredible machines that the Air Force has used and exported, but because of the extraordinary complexity and cost, the Government now have a greater role in identifying what we will need and why. He is right that more Government input will be required.

My hon. Friend the Member for Fylde (Mark Menzies) echoed the point about increased funding—I quite agree. I am also grateful to him for emphasising that the Hawk is the last all-British aircraft. Perhaps it will not be the last; let us hope not. It is a flying British ambassador that does wonders for our international influence and our standing as a country every time it is seen at an air show.

I am grateful to the hon. Member for Glasgow North West (Carol Monaghan) for emphasising both the multiplier effect of jobs in the supply chain, and primary school involvement. She is absolutely right that the younger that people get interested, the better. In her intervention on the Minister, she put her finger on something: in the past, industry or the military went into the school and everyone had a great day, enjoyed themselves and remembered it, but the next week they moved on to something else. I am conscious that it is no longer like that—not at Carterton Community College, which has a partnership with Brize Norton. Perhaps one of my letters will follow to the Minister, who might like to come and see the interplay between the base, the industry on the base and the local school, where they are starting to build almost a supply chain of engaged, technically aware pupils. That is very much what we aim to do at Carterton, and I am grateful to the hon. Lady for putting her finger on that.

I am grateful to the hon. Member for Leeds North East (Fabian Hamilton) for mentioning the F-35 model point. I did not go into detail on that because it is slightly away from the topic, but he has given me an idea. I might apply for something on that issue in the near future.

That brings me to the Minister, and again I am grateful to him for everything he said. He gave me another idea: I might apply for a similar debate, but I will work with the House authorities to see if I can get a Treasury Minister to answer instead of him. That would be valuable. I have issued an invitation to him to come and see Carterton, which I know he would enjoy. I am grateful to him for agreeing in principle that more money should be spent on defence. I emphasise that, and I make that plea again. We have gone as low as we can, given the world we face and the complexity of our armed forces' requirements. We need more money in defence, but—this is not aimed at the Minister—we must reassess the way in which its contribution to the entire country is measured. I thank you, Mr Bone, and everyone who took part in the debate.

Question put and agreed to.

Resolved,

That this House has considered Combat Air Strategy progress and next steps.

3.37 pm

Sitting adjourned.

Written Statements

Thursday 27 June 2019

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Environment and Climate Change: Government Response

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): The Government are in no doubt that the we face an environmental and climate emergency—from climate change to biodiversity decline, from poor air quality to plastic pollution—which requires urgent action. The decisions we make today will affect the future of our planet for generations to come.

The Government's approach is defined not by the words we use, but by the actions we take. That is why, in October last year, we commissioned the independent Committee on Climate Change to provide advice on the implications of the Paris agreement for our long-term emissions reduction targets, and why the Government have now responded to that advice by setting a new legally binding target for net zero greenhouse gas emissions by 2050, via an amendment to the Climate Change Act that came into force on Thursday 27 June 2019. This will bring an end to the UK's contribution to the emissions that cause climate change.

This latest action builds on the leading role we have taken in solving global environmental challenges, as we move towards a cleaner, resource efficient, more resilient and environmentally sustainable form of economic growth.

The UK was the first country in the world to introduce legally binding long-term emission reduction targets through the Climate Change Act 2008. Between 1990 and 2017, we reduced our emissions by 42 per cent while growing the economy by 72 per cent. We have been independently assessed by PwC as leading the G20 in decarbonising our economy since 2000. The independent International Energy Agency has recently stated that the UK is a world leader in decarbonisation of energy supply, both in terms of actual emissions reductions and ambitions set out in our future carbon targets.

We are continuing this proud record of action; we are now the first major economy in the world to have legislated for a net zero target. This commitment has been made possible by many years of hard work from Members across both Houses of Parliament and beyond.

Clean growth is at the heart of our modern industrial strategy, backed by the UK's biggest ever increase in public investment in research and development. Whether it be through our global offshore wind industry, our leadership on green finance or our unrivalled research base that is leading the charge on electric vehicles, we are showing the economic benefits of cutting emissions while growing our economy. Low carbon technology and clean energy already contribute more than £44 billion to our economy every year. We already have almost 400,000 jobs in the low carbon economy and its supply chain, and by one estimate this could grow to two million jobs in 2030.

We are taking clear steps to build on this leadership and meet our future carbon budgets, building on our clean growth strategy. Last year we published our Road to Zero strategy, which sets out a clear pathway to zero emissions from road transport, alongside plans to develop one of the best charging networks in the world. In the power sector, £92 billion has been invested in clean energy since 2010, and earlier this year we published the £250 million offshore wind sector deal, which commits the industry to providing a third of electricity by 2030. We are continuing to improve the route to market for renewables, by making up to £557 million available for further contracts for difference, with £65 million budgeted for the latest allocation round 3. And the Chancellor announced the future homes standard, ensuring that by 2025 all new homes are future-proofed with low carbon heating and world-leading levels of energy efficiency.

Climate change and biodiversity decline globally are interlinked threats for wildlife and people. We must solve both challenges or we will solve neither. The recent IPBES report shows we must redouble our efforts at home and internationally. This is why we are introducing the landmark Environment Bill, the first in over 20 years. The Bill will include measures to improve air quality, put the protection and enhancement of biodiversity at the heart of the planning system, improve waste management and resource efficiency, and improve surface waste ground water and wastewater management. The Bill will put environmental ambition and accountability at the heart of Government, establishing the office for environmental protection and introducing statutory environmental principles. We are exploring options for developing a framework of targets to drive environmental improvement alongside sustainable growth.

The Bill will also place the Government's flagship 25-year environment plan onto a statutory footing. The plan signals a step-change in ambition, setting out how we will improve the environment within a generation, by creating richer habitats for wildlife, improving air and water quality, and curbing the scourge of plastics in the world's oceans. The first progress report, published in May 2019, finds that 90 per cent of our priority actions have been delivered or are on track for timely delivery.

In December 2018, the Government published a comprehensive resources and waste strategy as a blueprint for moving to a more circular economy which keeps resources in use for longer, eliminating all avoidable waste and doubling resource productivity by 2050.

We have laid the Agriculture Bill in Parliament, which sets out our plans to reward land managers for protecting and restoring the environment and farming sustainably. This year, we will also start developing a new emissions reduction plan for agriculture, in which we will set out our long-term vision for a more productive, low-carbon farming sector. We are putting our new environmental land management scheme at the corner of our agricultural policy, providing public money for public goods, including the protection of habitats which will support our biodiversity goals and climate change mitigation and adaptation. This will help deliver a key outcome set out in the 25-year environment plan.

We have kick-started the creation of a vast northern forest—which will see 50 million trees planted from Liverpool to Hull over the next 25 years—and announced £50 million to help plant new woodlands through the

woodland carbon guarantee, with £10 million to plant new trees in our towns and cities through the urban tree challenge fund.

We have committed to publishing an England peatland strategy, which will set out our vision to reverse decline in peatlands and restore them, providing a range of public benefits including carbon storage, biodiversity rich habitats and flood mitigation. Work is underway on four large-scale peatland restoration projects across England, to which we have allocated £10 million, and will restore 6,498 hectares of degraded peatlands. We will also be setting up a lowland agricultural peatland taskforce.

The work of Natural England and its staff in protecting our invaluable natural spaces, wildlife and environment is vital and its independence as an adviser is essential to this. As set out in the 25-year environment plan, it will continue to have a central role in protecting and enhancing our environment for future generations. DEFRA and Natural England have responded to the need to balance public spending and to manage resources rigorously. Natural England has transformed the way it does business, working in partnership and deploying resources where they will have greatest impact.

We should celebrate the progress we have made, but we must go further if we are to deliver net zero and leave the environment in a better state than we found it. With further ambitious domestic policy and concerted international action, solving the challenge of climate change and environmental degradation is possible.

It will require Government—and political parties of all colours—to work together with all sectors of business and society. And we must fully engage young people too, which is why a new youth steering group, led by the British Youth Council, will be set up to advise Government, for the first time giving young people the chance to shape our future climate policy.

It is the year 2020 that the nations of the world must come together to agree stronger action for climate, nature and ocean protection. The UK is committed to leading action globally on halting the loss of biodiversity and developing an ambitious new post-2020 global framework for biodiversity under the convention on biological diversity. We continue to drive action with global partners on climate change and other environmental concerns, as we bid, in partnership with Italy, to host the 26th session of the UNFCCC conference of the parties in 2020 under a UK presidency. If we are to meet the challenge of climate change, we need international partners across the world to step up to our level of ambition.

We will build on the strong frameworks of the clean growth strategy and industrial strategy to deliver the necessary transformation of our economy. Our forthcoming Energy White Paper will outline the Government's vision for the energy system in 2050 and the actions that will enable the system to evolve during this next decade in order to achieve our 2050 net zero target.

Acting together, we can seize this once-in-a-generation opportunity to tackle one of the greatest threats to humanity.

It is actions like these that will deliver the changes we need to see and help to secure the future of the world we leave to our children and grandchildren.

[HCWS1675]

Implementing Geological Disposal

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Andrew Stephenson): In 2010 the UK Government committed to report on progress in implementing geological disposal in response to a recommendation by the House of Lords Science and Technology Committee. Geological disposal is the Government's policy for the long-term management of the higher activity radioactive waste that has accumulated over many decades through the use of nuclear technology in industry, medicine and to generate clean electricity. Today the Government are publishing their eighth report.

In December 2018, the Government published, "Implementing Geological Disposal: Working with Communities", which sets out the policy framework for the future implementation of geological disposal. This also signified the launch of a new process to identify a suitable location for a geological disposal facility in England. The Welsh Government launched a similar process in January 2019. Scotland and Northern Ireland are not participating in the geological disposal programme.

The commitment to report to Parliament on progress on implementing geological disposal was made in relation to a previous siting process which ended in 2013. Since then the Government have carried out a full policy review and with the launch of the new siting process are now implementing this new policy.

Moving forward, Radioactive Waste Management Ltd, the delivery body for the GDF, will provide more focused reports on the progress of the siting process to replace these annual reports.

I will place a copy of "Implementing Geological Disposal: Progress Report" in the Libraries of both Houses.

[HCWS1663]

CABINET OFFICE

Public Appointments: Diversity

The Parliamentary Secretary, Cabinet Office (Oliver Dowden): Today I have published the Government's response to Lord Holmes' review into opening up public appointments to disabled people, alongside a refreshed public appointments diversity action plan 2019.

In 2017 the Government published their public appointments diversity action plan making the moral and business case for more diverse public appointments and also setting out our goals and a 10 point action plan on diversity. As part of that action plan, we commissioned Lord Holmes to review the barriers preventing disabled people from taking up public appointments and he reported back in December 2018.

The Government have now responded to Lord Holmes' recommendations and I take this opportunity to thank him again for his invaluable work and efforts in this important area.

We remain committed to bringing more people from diverse backgrounds into public appointments. The Government have set out how they will take forward

Lord Holmes' recommendations and will include these actions in a refreshed public appointments diversity action plan 2019, published today and deposited in the Libraries of both Houses.

The Government accept the principle of all the recommendations that Lord Holmes has made and believes that there is wider applicability to removing barriers for all groups, not just disabled people. The diversity action plan recommits the Government to their ambitions that 50% of all public appointees are female and 14% of public appointments should be from ethnic minorities by 2022. In December 2020, the Government will also consider the case for setting an ambition in relation to disabled people, once they have taken steps to improve the data.

Attachments can be viewed online at http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-06-27/HCWS1670/.

[HCWS1670]

Single Departmental Plans

The Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office (Mr David Lidington): The Government have today published an updated set of single departmental plans for 2019-20, covering the duration of the Parliament.

These set out each Government Department's objectives and how they will achieve them. Taken together, they show how Departments are working to deliver the Government's programme.

This year, following recommendations from the National Audit Office, the Public Accounts Committee, and the Institute for Government, CO and HMT officials have worked with Departments to improve single departmental plans in three key areas: to ensure that they are more specific, more focused on departmental priorities and include improved performance indicators.

Building on the introduction of equality objectives last year, this year all Departments' plans include diversity and inclusion indicators to track the Government's progress in making the civil service the UK's most inclusive employee. Each plan too reflects the Government's ambition on diversity in public appointments that, by 2022, 50% of all public appointees are female and 14% of all public appointments made are from ethnic minorities. They also indicate how Departments are contributing to the domestic delivery of the sustainable development goals. For the first time, Departments' plans incorporate the principles of the public value framework. This is just one of the steps we are taking to have a greater focus on outcomes delivered for taxpayers' money.

Single departmental plans allow Parliament and the public to track Departments' progress and performance against a number of indicators. Their annual report and accounts, which will be published in due course, show how a Department has performed against the objectives in their single departmental plan over the course of the last year.

Single departmental plans will be revised annually to reflect new priorities or changes in responsibilities.

[HCWS1667]

DIGITAL, CULTURE, MEDIA AND SPORT

The Times and The Sunday Times/Evening Standard

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): I wish to make a statement on media matters.

The Times/The Sunday Times application to vary 1981 conditions

On 10 January 2019, News UK submitted an application to vary certain conditions put in place in 1981 by the then Secretary of State for Trade. The proposed changes would allow *The Times* and *The Sunday Times* to share journalistic resources, subject to the agreement of each newspaper's editor.

Having considered this application (using my quasi-judicial power as Secretary of State as set out in the Enterprise Act 2002) alongside the representations made to the invitation to comment published on 17 January 2019, I concluded that there had been a material change in circumstances since 1981 that would justify the variation as the effect of the proposed changes did not, in my view, materially impact on the public interest considerations as set out in section 58 of the Enterprise Act 2002.

In my written statement to the House on 11 April 2019, I announced that I was minded to accept News UK's application to vary the 1981 undertakings. However, in considering the proposed new undertakings as a whole, I also noted that the existing governance arrangements lacked clarity and certainty over roles and responsibilities. Before agreeing the application, I therefore made it clear to News UK that their proposals needed to be suitably updated and enhanced to reflect corporate best practice.

I asked officials at the Department for Digital, Culture, Media and Sport (DCMS) to take forward discussions on these issues with News UK in order to consider proposals from News UK which would address my concerns. Following the conclusions of these discussions, News UK have submitted revised undertakings which, in my assessment, represent a sufficient improvement on those contained in the original proposal and which substantially meet my concerns. I therefore propose to accept the revised News UK undertakings.

Before doing so, and in line with the Enterprise Act 2002, I have today published a consultation notice on the Government website seeking representations on the proposed undertakings. I have also published the revisions to the Times Newspaper Holdings Limited articles of association, which give effect to the agreed changes.

Views are sought on the revised News UK undertakings and the supporting documents by 10 am on Monday 15 July 2019. Responses should be sent to media-mergers@culture.gov.uk or to the DCMS media team, Department for Culture, Media and Sport, 100 Parliament Street, London, SW1 2BQ.

I will consider any representations received on the revised undertakings before this deadline, and will consider whether any further modifications are required in light of them, or if the undertakings are now sufficient. I will keep the House informed of further developments with this matter.

Acquisition of 30% shareholder stake in the Evening Standard.

On 13 June I instructed my officials to write to Lebedev Holdings Limited (LHL) and Independent Digital News and Media Limited (IDNM), the owners of *The Evening Standard* and *The Independent*, to inform them that I was "minded to" issue a public interest intervention notice (PIIN). I can confirm today that I am issuing the PIIN.

This relates to concerns I have that there may be public interest considerations—as set out in section 58 of the Enterprise Act 2002—that are relevant to the recent acquisition of a 30% stake by the International Media Company (IMC) in LHL and the linked transaction involving the acquisition of a 30% stake by Scalable LP in IDNM and that these concerns warrant further investigation.

I invited the parties to submit representations to me, which they have done. I acknowledge the points they have raised about the structure of the transactions and the turnover of the companies. Nonetheless, I still consider that there are reasonable grounds to suspect that a relevant merger situation has been created. I have also noted what they have told me about protections for editorial independence, including the provisions in their shareholding agreement. However, I continue to believe that it may be the case that the public interest considerations of freedom of expression and accurate news reporting are relevant to this merger. I thus consider it appropriate for me to intervene in this matter.

At this stage, my decision to issue the PIIN triggers the requirement for the Competition and Markets Authority (CMA) to report to me on jurisdictional and competition matters, and for Ofcom to report on the media public interest considerations in section 58 of the Enterprise Act 2002: (2A). The need for (a) accurate presentation of news; and (b) free expression of opinion. I have asked both the CMA and Ofcom to report back to me by 23 August 2019.

My role as the Secretary of State in this process is quasi-judicial and procedures are in place to ensure that I act independently and follow a process which is scrupulously fair, transparent and impartial.

I will update the House once I have received both reports from the regulators and have had time to consider the recommendations.

[HCWS1677]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Agriculture and Fisheries Council

The Minister for Agriculture, Fisheries and Food (Mr Robert Goodwill): I represented the UK at the Agriculture and Fisheries Council in Luxembourg on 18 June.

The Council discussed the European maritime and fisheries fund (EMFF) budget for 2021-27, and agreed a partial general approach. The EMFF is part of the wider EU multiannual financial framework 2021-2027, and is intended to ensure the proper implementation of the common fisheries policy's objectives. While there was disagreement about the level of support for certain aspects of the fund, such as engine replacement and vessel acquisition, Council approved the partial general approach with a qualified majority. Although the EMFF will not apply to the UK once we have left the EU, I supported the proposal in line with the position adopted by the majority of member states.

The Commission then briefed the Council on the progress of the common fisheries policy (CFP) and consultation on fishing opportunities for 2020. While there were a number of successes such as record profits for the industry and improved governance of fisheries through multi-annual plans, the Commission also outlined that challenges remained. In 2020 it will be the first year that all stocks must meet maximum sustainable yield (MSY) while the full implementation of the landing obligation (LO) continues. In an exchange of views, member states generally welcomed the Commission communication and restated their commitment to the CFP objectives. I intervened to express the UK's support for maximising stocks at MSY, but noted that certain exceptions are necessary, such as in mixed fisheries whereby catches must be managed appropriately and in consideration of low volume quota species. I also called for a formal review of the landing obligation to inform how compliance can be improved.

In public session the Council discussed a presidency progress report on the common agricultural policy (CAP) post 2020 reform package. Open questions across all three CAP legislative files meant that a Council partial general approach on the texts could not be reached at this stage. Most delegations marked areas where they wanted further debate under the incoming Finnish presidency. These include the new delivery model which would give member states more flexibility in the way they use EU funds, achieving environmental outcomes, the exemption of small farmers from conditionality, voluntary coupled support/market orientation, and gender equality.

A number of items were discussed under "any other business":

> The Lithuanian delegation informed Council of the parlous state of the cod stock in the eastern Baltic sea. Lithuania urged the Commission to present an emergency support package for fisheries relying on eastern Baltic cod, including direct EMFF support.
>
> The Commission informed member states about the joint recommendations under article 11 of the CFP regulation in the field of environmental legislation (habitats and birds directives). The Commission highlighted that only a few joint recommendations on fisheries conservation measures had been submitted so far and encouraged member states to submit further joint recommendations.
>
> The Spanish delegation informed Council about the outcome of the congress on the post-2020 CAP green architecture which focused on the environmental and climate change challenges faced by European agriculture.

[HCWS1664]

EXITING THE EUROPEAN UNION

General Affairs Council

The Secretary of State for Exiting the European Union (Stephen Barclay): I represented the UK at the General Affairs Council (GAC) in Luxembourg on 18 June 2019. Until we leave the European Union, we remain committed to fulfilling our rights and obligations as a

full member state and continue to act in good faith. A provisional report of the meeting and the conclusions adopted can be found on the Council of the European Union's website at:

https://www.consilium.europa.eu/en/meetings/gac/2019/06/19/

Multiannual financial framework 2021-27

Ministers discussed the multiannual financial framework (MFF) for 2021-27, ahead of the June European Council. The presidency had streamlined the options on the negotiating table ahead of the June European Council. Ministers agreed that the negotiations should conclude by the end of the year. However, issues that remained unresolved included: the prioritisation of funding between cohesion, common agricultural policy (CAP) and current spending; the framing of the debate on rebates; Horizon Europe; and restating of positions on own resources. The Commission underlined that the new European Parliament (EP) would be ready to restart discussions between the European Commission and the Council of the European Union in July.

Preparation of the European Council on 20-21 June 2019: Conclusions and European Council follow-up

The Council finalised preparations for the European Council on 20-21 June and Ministers broadly accepted the latest draft of conclusions. The agenda comprised: the next institutional cycle; MFF; climate change; the European semester; disinformation and hybrid threats; and external relations.

Member states discussed the projected timeline for the MFF and many requested a special November summit to facilitate further progress on negotiations. On climate, some member states pushed for a commitment to climate neutrality by 2050, as well as upholding the Paris agreement. Other member states continued to resist these proposals and insisted that an EU strategy should not pre-empt their own work in this area.

I intervened in support of the ambitious climate targets and highlighted the UK's recent commitment to climate neutrality by 2050. I stressed the importance of EU leadership in tackling climate change. I also supported improving the EU's security culture and enhancing its resilience against external hybrid security threats. I highlighted that countering disinformation remained a key priority for the UK and welcomed the language welcoming the adoption of the restrictive measures regime for cyber threats. On external relations, I underlined the need to continue to tackle Russian aggression and to support the full implementation of the Minsk agreement. I welcomed the inclusion of the relationship with Africa and reference to the five-year anniversary of the downing of flight MH17.

Enlargement and stabilisation and association process

Ministers agreed conclusions on the western Balkans and Turkey, in response to the Commission's 2019 enlargement package. The conclusions take note of the Commission's recommendation to open accession negotiations with the Republic of North Macedonia and Albania, based on its evaluation of the positive progress made. They also welcome the Prespa agreement between Greece and North Macedonia. The Council will revert to the issue with the intention of reaching a clear and substantive decision no later than October 2019.

European semester—Horizontal report on country-specific recommendations

Ministers discussed the Commission's horizontal report on the macro-economic situation of the EU, which draws on country-specific recommendations (CSR), and decided to pass the report to the European Council.

[HCWS1676]

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs Council

The Minister for Europe and the Americas (Sir Alan Duncan): My hon. Friend the Minister for Africa attended the Foreign Affairs Council (FAC) on 17 June. It was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy (HRVP), Federica Mogherini. The meeting was held in Luxembourg.

Current affairs

The High Representative and Foreign Ministers discussed the most pressing issues on the international agenda. They referred to the situation in Venezuela, stressing their concern as the political and humanitarian situation continues to deteriorate. They reiterated their call for a political, negotiated solution within the framework of the Venezuelan constitution that would ultimately lead to free, fair and credible presidential elections and their support for efforts in this direction.

The High Representative and Foreign Ministers referred to the Helms-Burton Act, underlining the EU's commitment to protect its businesses and to draw on all appropriate measures to address the effects of the Helms-Burton Act, including in relation to the EU's WTO rights and through the use of the EU blocking statute.

They also discussed the situation in the Republic of Moldova, following the formation of the new Government. They reiterated the EU's readiness to work with a reform-committed Government, on the basis of the EU-Moldova association agreement.

The High Representative also referred to the first anniversary of the Prespa agreement, which was signed by Greece and North Macedonia exactly one year ago.

EU global strategy

Foreign and Defence Ministers discussed the EU global strategy, in light of the High Representative's third annual progress report: "The EU Global Strategy: three years on, looking forward". They took stock of progress made in the last three years and reflected on future perspectives, adopting conclusions on EU action to strengthen rules-based multilateralism.

Ministers also focused on security and defence co-operation, and welcomed the substantive progress made to enhance the Union's security and its role as a security provider and global actor, including through its common security and defence policy.

Common foreign and security policy effectiveness

Foreign Ministers discussed the common foreign and security policy (CFSP)'s effectiveness, reflecting the shifts underway in the global landscape. Ministers reflected on practical ideas for enhancing the effectiveness of the

EU's CFSP and in particular, on how to increase coherence and consistency to strengthen unity.

Sudan

Ministers expressed their deep regret at the deteriorating situation following the violence on 3 June and underlined the opportunity for positive change in Sudan. The UK Minister led the widespread condemnation of violence and called for accountability, welcoming the messaging in the EU28 statement released immediately after the FAC. She suggested the EU consider targeted measures against those guilty of the most serious crimes and human rights violations.

Ministers expressed support for the AU's leadership role and their efforts (alongside Ethiopia) to secure agreement for a civilian-led transition authority, delivering on the aspirations of the Sudanese people. There was broad agreement that the EU should provide immediate assistance to support humanitarian needs, while preparing a longer-term package to support a civilian transition authority.

Informal lunch on the middle east with the Jordanian Foreign Minister Ayman Safadi

Foreign Ministers had an exchange of views with the Foreign Minister of Jordan, Ayman Safadi. They focused on latest developments in the region, including Syria, tensions in the Gulf region, and prospects for the middle east peace process.

Council conclusions

The Council agreed a number of measures:

The Council adopted conclusions on security and defence in the context of the EU global strategy.

The Council adopted conclusions on a new EU strategy on central Asia, adapting the EU policy to new opportunities that have emerged in the region.

The Council adopted conclusions on the EU's engagement to the Black sea regional co-operation.

The Council adopted conclusions approving EU human rights guidelines on safe drinking water and sanitation.

The Council decided to revoke the framework for restrictive measures against the Maldives that it had adopted on 16 July 2018.

The Council approved and authorised the signature on behalf of the EU of a joint declaration with the Pacific alliance.

The Council adopted a decision on the position to be taken, on behalf of the European Union, in the Trade Committee established under the interim partnership agreement between the EU and the Pacific states, to take account of the accession of Samoa and of future accessions of other Pacific island states.

[HCWS1666]

Sanctions and Anti-Money Laundering Act: Human Rights Violations

The Minister for Europe and the Americas (Sir Alan Duncan): I am today laying before Parliament a report, "Report on Regulations Made under the Sanctions and Anti-Money Laundering Act 2018 in Relation to Gross Human Rights Violations", as required by section 32 of the Sanctions and Anti-Money Laundering Act 2018.

The report details the 17 regulations laid under section 1 of the Sanctions and Anti-Money Laundering Act 2018 during the reporting period from 23 May 2018 to 22 May 2019, including seven regulations which state a relevant human rights purpose. In this time, the Government prioritised preparation on sanctions for a no-deal exit, specifically on making the necessary secondary legislation to carry over existing EU sanctions into UK law on exit day.

We have also included information on additional actions the Government have taken related to human rights sanctions. I can confirm to the House that HMG are actively considering establishing a UK autonomous human rights sanctions regime. Whilst the UK continues to be a member of the EU or during the implementation period, EU sanctions will apply in the UK, including those regimes which have a human rights element. We will look to use the powers provided by the Sanctions Act to the fullest extent possible during this period, but there are some limitations on the measures that we can impose autonomously.

[HCWS1665]

HEALTH AND SOCIAL CARE

Junior Doctors Contract Review

The Secretary of State for Health and Social Care (Matt Hancock): I am delighted to tell the House that we have successfully brought to an end the junior doctors dispute, following a review of the 2016 contract. The British Medical Association announced yesterday that junior doctors had overwhelmingly—by 82%—backed a four-year deal incorporating pay increases, and improved flexibility and conditions. The vote by BMA members means that the BMA and NHS employers will now move to collectively agree the amended junior doctor contract.

Throughout negotiations we have worked closely with the NHS and the BMA to agree an offer which recognises the dedication of our 39,000 junior doctors to their patients and our nation's health.

The agreement also includes improved working conditions. The contract changes prioritise doctors' physical and mental wellbeing through introducing new limits on working hours, more breaks and making it easier to get time off for important moments in their lives.

This is a "something for something" deal—guaranteed pay increases in return for contract reform which will help improve productivity, recruitment, retention and motivation. There will be around £90 million of investment into the contract including a new pay point for the most senior doctors in training, an allowance for those working less than full time to support flexible working and increased pay for those working the most weekends or whose shifts end in the early hours of the morning. Taken alongside an 8.2% four-year pay rise, this will give junior doctors and current medical students the support they fully deserve.

The NHS would be nothing without its dedicated workforce. For our junior doctors, as well as all our staff and volunteers, I want the NHS to be an incredible place to work. This deal marks another step in our long-term plan for the NHS, which will safeguard our health service and benefit us all for generations to come.

[HCWS1668]

HOME DEPARTMENT

Biometrics Commissioner: Annual Report

The Minister for Policing and the Fire Service (Mr Nick Hurd): My noble Friend the Minister of State, Home Office (Baroness Williams of Trafford), has today made the following written ministerial statement:

> I am pleased to announce that my right hon. Friend the Home Secretary is today publishing the fifth annual report of the Biometrics Commissioner, together with the Government's response.
>
> The Commissioner, Paul Wiles, is appointed under section 20 of the Protection of Freedoms Act 2012. His responsibilities are:
>
> to decide applications by the police for extended retention of DNA profiles and fingerprints from persons arrested for serious offences but not charged or convicted;
>
> to keep under review national security determinations made by chief officers under which DNA profiles and fingerprints may be retained for national security purposes;
>
> to exercise general oversight of police use of DNA samples, DNA profiles and fingerprints. His report is a statutory requirement of section 21 of the Protection of Freedoms Act 2012.
>
> I am grateful to Mr Wiles for this report, which we have published in full.

Copies of the report will be available from the Vote Office. The Government's response will be placed in the Libraries of both Houses.

[HCWS1669]

Crown Dependencies and Overseas Territories: Beneficial Ownership Information

The Secretary of State for the Home Department (Sajid Javid): Today I am laying before the House the 18-month statutory review of the implementation of the exchange of notes on beneficial ownership between the United Kingdom, Crown dependencies and relevant overseas territories.

In 2016, the UK, the three Crown dependencies (CDs: the Bailiwick of Jersey, the Bailiwick of Guernsey including Alderney but not Sark, and the Isle of Man) and the six overseas territories with global financial centres (OTs: Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Gibraltar and Turks and Caicos Islands) committed to enhance the effectiveness of long-standing co-operation between law enforcement agencies (LEAs) in sharing beneficial ownership information for corporate and legal entities incorporated in their respective jurisdictions. These bilateral arrangements between the UK and each of the OT and CD jurisdictions are called the exchange of notes (EoN) and came into force on 1 July 2017. Law enforcement authorities for each participant can submit a request for information to another participating dependency or territory, who can also do likewise with the UK.

The UK, CDs and participating OTs jointly completed a six-month internal review of the EoN arrangements covering the period 1 July 2017 to 31 December 2017. A written ministerial statement covering that review was laid before Parliament on 1 May 2018.

Under section 445A of the Proceeds of Crime Act 2002, I am required to prepare a report covering the first 18 months of implementation of the EoN, including an assessment of their effectiveness, to cover the period 1 July 2017 to 31 December 2018.

Officials from the joint anti-corruption unit in the Home Office carried out this review in collaboration with officials from the other participating jurisdictions. During the course of this review, the CDs and OTs have reiterated to the UK authorities their commitment to the EoNs, as demonstrated by their positive and proactive approach to implementation and engagement in the review process.

I am pleased to provide the following key findings of the review and recommendations for the future of these arrangements.

The findings and recommendations of this review are based on material supplied by, and discussions with, all of the participating jurisdictions. The position varies across these different jurisdictions, and not all of the findings and recommendations of this review apply to all. Where a jurisdiction already complies with the points covered by a particular finding or recommendation, it should continue to do so.

Key findings

> UK law enforcement agencies (LEAs) report that the EoN have been extremely useful in accessing the information needed to support ongoing criminal investigations.
>
> This process gives UK LEAs rapid access to beneficial ownership information on over half a million entities based in the three CDs and six participating OTs. This represents 87% of businesses in scope of the scheme. Plans are in place for this to reach 100% by December 2020. In addition, these jurisdictions have reciprocal access to information on 3.8 million UK entities through the UK's people with significant control public register.
>
> During the first 18 months of operation, 296 requests were made, of which 118 asked for multiple pieces of information in a single request. This equates on average to nearly four requests per week. Responses were provided for all requests made, and all but four were provided within the agreed time frame.
>
> As many of these requests are in support of long-running investigations, it is too soon to quantify the full outcome in terms of successful investigations, but interim indicators are positive.
>
> The statutory review notes a number of challenges during the first six months (July-December 2017), including some information being shared with caveats on its use and the occasional use of out-of-date contact address lists when making or responding to an information request. Substantial progress was made on all of these issues following an internal review, but some residual administrative issues remain.
>
> This review did not identify any instances in which a search, or any details about a search, became public knowledge, including in relation to the beneficial owners of companies being investigated.

This review has made seven recommendations:

> All registers should be completed by the end of 2020 at the latest;
>
> participants may wish to review best practice on verifying information in the beneficial ownership registers;
>
> if third parties need to be contacted to respond to a query, the requesting LEA should be informed before communication takes place, and suitable legally binding agreements should be in place to prevent disclosure;
>
> LEAs should use the correct contact details when making requests;
>
> existing dialogue and engagement should continue;

consideration and discussion on the appropriateness of expanding the scope of EoN to include civil tax cases or beneficial ownership information for trusts should continue; and

evidence should continue to be gathered on the impact of the process with regard to long-term benefits.

Participants in the EoN arrangements will take forward the recommendations of this statutory review, and will take responsibility for tracking progress. The next joint internal annual review of the EoN arrangements will take place next year and will cover the performance for 2019.

It should be noted that this review is in addition to ongoing monitoring of the practical application of the commitment by all participants.

Copies of the statutory review will be available from the Vote Office and it will also be available on the gov.uk website.

[HCWS1671]

National Crime Agency Retention of Specialist Skills

The Secretary of State for the Home Department (Sajid Javid): I am today laying before the House of Commons a departmental minute on the use of contingent liability by the Home Office for the NCA retention of specialist skills (ROSS) litigation.

The litigation relates to 15 claims from current NCA officers and the application of an abatement to those officers who chose to retire and return under the NCA's ROSS scheme.

The NCA's precursor, the Serious Organised Crime Agency (SOCA), implemented ROSS in 2009, drawing on guidance from the Home Office. A section of the ROSS policy enabled officers, where there was exceptional need, to retire and return to their posts, whilst accessing their pensions (including the lump sum element). Those officers who retired and returned under ROSS had their salaries abated to reflect the pension income.

[HCWS1672]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Housing Market: House Building and Leasehold Reform

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): Making sure the housing market works is a key priority for this Government. Today I am announcing a number of additional measures the Government are taking to ensure we deliver the homes this country needs and promote fairness for people, wherever they live.

The Government have set an ambitious target to deliver 300,000 homes a year by the mid-2020s. Last year more homes were provided than in all but one of the last 31 years. In September 2018, the Prime Minister announced an additional £2 billion to support long-term strategic partnerships with housing associations through to 2029. Today we are launching the bidding process for £1 billion of this funding through Homes England and are working with the Greater London Authority to launch bidding for a further £1 billion for housing associations in London as soon as possible. This marks the first time any Government have invested such long-term funding in new affordable homes through housing associations, supporting the development of more ambitious long-term plans to build the homes this country needs.

We are also announcing today that the Government will be providing £2.85 million to support the development of 19 new garden villages. These new communities stretch from County Durham in the north to Truro in the south-west and together have the potential to deliver 73,554 homes.

Planning is also a core part of ensuring we deliver our home-building ambitions but the process is currently too costly and decision-making takes too long. The forthcoming accelerated planning Green Paper must explore new approaches to meeting the cost of the planning service. We will invite innovative proposals to pilot new approaches to meeting these where this improves performance, including considering whether local authorities could recover a greater proportion of these costs and reinvest the additional revenue into improving the speed and quality of planning services.

The Government have also been clear that we must cultivate a housing market which provides people with the fair and decent housing they deserve. Yesterday, the Prime Minster announced that we will shortly be consulting on the removal of section 21 of the 1988 Housing Act. This will end so-called "no fault evictions". As part of the consultation, we will also review the existing grounds for possession and provide additional grounds for when landlords need to move into or sell their property. We also plan to reform the court process for housing cases to make it more efficient, ensuring landlords can swiftly and smoothly regain their property where they have a legitimate reason to do so.

When moving home, some tenants struggle to provide a second deposit to their new landlord, while they wait for their first deposit to be returned. These tenants risk falling into debt or ultimately finding themselves trapped in their current home, missing out on the opportunity of finding a better place to live or a new job. We want to understand the scale of this problem, as well as seeking new approaches. That means tenants do not have to provide a second full deposit to move home. This could include approaches to allow tenants to directly "passport" their deposit between tenancies.

To protect the rights of homebuyers and hold developers to account when things go wrong, we also announced our intention to introduce a new homes ombudsman and, when parliamentary time allows, to legislate mandating that developers of new build homes belong to this ombudsman scheme. Today, we have taken a further step, and published our consultation to inform the proposed UK-wide legislation, including on the design and delivery of the ombudsman, the approval mechanisms and standards that it must meet and on whether a code of practice for developers should be underpinned in legislation. The consultation will run until 22 August 2019 and is available on the Government's website here:

https://www.gov.uk/government/consultations/redress-for-purchasers-of-new-build-homes-and-the-new-homes-ombudsman.

We are also acting on our commitment to end exploitative and unfair leasehold practices which have no place in a modern housing market. Today, we are publishing our response to the technical consultation on reforms to the leasehold system. As announced in December 2017, we will legislate to ensure that unless there are exceptional circumstances, all new houses will be sold on a freehold basis. Through the consultation, we have also decided that:

Ground rents on future leases will be reduced to a peppercorn of £0, meaning leaseholders will no longer be charged a financial sum for which they receive no material benefit;

Freeholders on private and mixed-use estates will receive rights to challenge the reasonableness of estate rent charges and the right to apply to the first-tier tribunal to appoint a new property manager;

Freeholders and managing agents will be required to provide leasehold information within 15 days and set the maximum fee for providing this information at £200 (plus VAT).

Finally, we have previously said the new help to buy: equity loan scheme from 2021 will not be used to support the unjustified use of leasehold houses. Today, we are announcing that we are seeking to vary contracts with developers to ban the sale of leasehold houses, except in the rare cases where this can be justified, within the current help to buy scheme.

Taken together, this package ensures we make progress not just on delivering more homes, but on ensuring decent and fair housing for the people and communities that need them. This is an important part of helping communities to thrive, putting them at the heart of new developments and building a housing market that works fairly for all.

[HCWS1674]

INTERNATIONAL DEVELOPMENT

International Bank for Reconstruction and Development: Contingent Liability

The Secretary of State for International Development (Rory Stewart): Today I have laid a departmental minute relating to the intention by the Department for International Development (DFID) to create an additional contingent liability of $1,912,245,702.50 with respect to the World Bank's International Bank for Reconstruction and Development (IBRD). This contingent liability would be in the form of "callable" capital, which is a commitment to make a capital contribution to IBRD in the very unlikely event that the IBRD is unable to meet its financial obligations.

The additional callable capital would permit the United Kingdom to subscribe to the additional shares allocated to it in the 2018 IBRD general and selective capital increases. This would support the United Kingdom's global influence by allowing it to retain its single seat on the World Bank Board and help enable a modest increase in IBRD support to its clients consistent with our development, prosperity and security priorities.

A call from IBRD from shareholders for this capital is considered very unlikely. IBRD has a triple A credit rating, with a very diversified portfolio of investments across a large number of countries. As of 30 June 2018, it held $43.5 billion in equity and a general reserve of $28.6 billion [1]. If the liability were to be called, provision for any payment will be sought through the normal Supply procedure.

[1] International Bank for Reconstruction and Development (IBRD) management's discussion and analysis and financial statements, June 30 2018

[HCWS1673]

JUSTICE

Female Offender Strategy

The Parliamentary Under-Secretary of State for Justice (Edward Argar): Today marks the first anniversary of the publication of the Government's female offender strategy. With its roots in Baroness Corston's seminal review of vulnerable women in the justice system in 2007, our strategy set out plans to improve outcomes for women at all points of the justice system, based on our vision to see:

Fewer women coming into the criminal justice system;

fewer women in custody, especially on short-term sentences, and a greater proportion of women managed in the community successfully; and

better conditions for those in custody.

Female offenders can be amongst the most vulnerable in society, in both the prevalence and complexity of their needs. Many experience chaotic lifestyles involving substance misuse, mental health problems, homelessness and offending behaviour, which are often the product of a life of abuse and trauma.

Frequently, women in custody are sentenced for non-violent, low level but persistent offences, often for short periods of time. If we take the right approach to female offenders, one that addresses their vulnerability, follows the evidence about what works in supporting them to turn their lives around, and treats them as individuals of value, it could have substantial benefits for victims, families, and offenders themselves. The strategy launched a programme of work that will take some years to deliver. On this first anniversary, I should like to celebrate the improvements that are already taking place, including on our key commitments below:

We published, last December, a new policy framework for prison and probation staff working with women. This sets out duties, rules and general guidance for staff, and includes accompanying guidance covering a range of issues, such as "caring for perinatal women in prison".

Lord Farmer's review for women, commissioned by the strategy, was published on 18 June. I am immensely grateful to Lord Farmer for undertaking this review, which looks at how supporting female offenders in custody and community to engage with their families can lower recidivism, aid rehabilitation and assist in addressing the issues of intergenerational crime. We will look closely at how we can best give effect to Lord Farmer's findings and recommendations.

We committed to develop a "residential women's centre" pilot in at least five sites across England and Wales, offering a robust alternative to short custodial sentences. We have recently concluded our first phase of consultation with local voluntary and statutory agencies, partners and providers from a range of backgrounds and specialisms across England

and Wales to inform the scoping of this project. We will continue to consult with partners as we refine the design and delivery of the pilot.

Our strategy recognises the valuable role that sustainable community services, such as women's centres, can play in supporting vulnerable women to turn their lives around. We have invested £5 million in community services for women in 2018-19 and 2019-20. This funding is helping to sustain and enhance existing services, as well as supporting the development of new services in areas without provision. I am looking at opportunities to further increase sustainability of this sector, and would like to see agencies coming together to provide much needed multi-year funding.

Partnership working is a key theme of our strategy, and yesterday we held a major conference to promote multi-agency, whole system approaches (WSA) for local agencies including health, police and crime commissioners and local authorities, to provide them with tools and information to enable them to develop a WSA in their local areas. We are working with other Government Departments, stakeholders and local justice, statutory and voluntary agencies, to develop and publish a national concordat on female offenders by autumn 2019. This will facilitate better joined up working and collaboration at both national and local level to improve outcomes for female offenders.

Work is under way to improve outcomes for female offenders and women at risk of offending across the justice system, aimed at taking a gender and trauma informed approach to female offenders, such as trialling a new checklist for pre-sentence reports on women, to ensure that sentencers receive high quality advice addressing all relevant issues, including details of dependent children, and a new training package, POWER, so that staff working with female offenders have the skills and knowledge they need.

I am grateful to those parliamentarians who continue to take a close interest in this work. I would also pay tribute to the members of the advisory board on female offenders, who provide invaluable advice and challenge on implementation of the strategy's aims. Together, we can make a real and lasting improvement for these often vulnerable women, and their families.

The female offender strategy is available at: https://www.gov.uk/government/publications/female-offender-strategy

[HCWS1662]

Petitions

Thursday 27 June 2019

OBSERVATIONS

DIGITAL, CULTURE, MEDIA AND SPORT
TV licences for over 75s

The petition of the residents of East Kilbride, Strathaven and Lesmahagow,

Declares that free TV licences to households with someone aged over 75 should remain for the foreseeable future; notes that this scheme should remain in governmental hands rather than being privatised via the BBC; further that the removal of the free TV licences will have a negative impact on some of the poorest pensioners in the constituency and across the country; further notes that one of BBC's proposals in the consultation is means-testing the concession by linking the free licences to pension credit; further that the Department for Work and Pensions own estimates show that nationally 40% (two in five) of those entitled to receive pension credit are not in receipt of the benefit and would be excluded; further that access to media, especially if frail or housebound, can reduce loneliness in older age and improve wellbeing.

The petitioners therefore request that the House of Commons urges the Government to reverse the planned decision to end the funding of the free TV licence to households with someone aged over 75 and the privatisation of this to the BBC

And the petitioners remain, etc.—*[Presented by Dr Lisa Cameron, Official Report,* 3 May 2019; Vol. 657, c. 1218 *.]*

[P002444]

Observations from the Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright):

In the 2015 funding settlement, the Government agreed with the BBC that Government funding for the concession would be phased out between 2018 and 2020, with control of the concession passing to the BBC from June 2020. The Government and the BBC agreed this was a fair deal for the BBC. In return, the Government committed to close the iPlayer loophole and committed to increase the licence fee in line with inflation, among other measures. Parliament subsequently legislated on this matter, so the future of the concession from June 2020 is the legal responsibility of the BBC.

The BBC announced on 10 June 2019 that from June 2020 only those who are over 75 and in receipt of pension credit would continue to receive a free TV licence.

The Government are very disappointed that the BBC will not protect free television licences for all viewers aged over 75. We recognise that television is a vital link to people of all ages, but particularly so for older people who value television as a way to stay connected with the world. That is why we have guaranteed the over 75 concession until June 2020 and that is why we believe that the BBC can do more to support older people, and why we have asked them to do so.

On the concerns about loneliness, the Government recognise loneliness as one of our biggest public health challenges and we are working to help people of all ages to have meaningful social relationships and to avoid loneliness. We were the first Government to appoint a Minister to lead work on tackling loneliness and last year we published a world first Government strategy and secured £20 million of new grant-funding for projects run by charities and community groups to bring people together. The strategy contains over 60 policy commitments, covering many aspects of people's lives, from transport to health to education.

On the point about the take up of pension credit, not all those who are entitled to claim this benefit are doing so and we would like to see take up increase. The Government are absolutely committed to ensuring that older people receive the support they are entitled to. The DWP uses a wide range of channels to communicate information about benefits; including information on https://gov.uk/, in leaflets and by telephone. DWP staff in pension centres and Jobcentres are also able to provide help and advice about entitlement to benefits, as are staff in local authorities who administer housing benefit.

The DWP has developed a pension credit toolkit to help agencies and welfare rights organisations working with older people in their communities every day to ensure they support older people in this matter and drive take up. https://www.gov.uk/government/publications/pension-credit-toolkit

People who believe that they may be eligible can use the pension credit calculator https://www.gov.uk/pension-credit-calculator or call 0800 99 1234 to check if they are eligible, get an estimate of what they may receive and help on how to claim.

TV Licences for Over 75's

The petition of the residents of Linlithgow and Falkirk,

Declares that free TV licences to households with someone aged over 75 should remain for the foreseeable future; notes that this scheme should remain in governmental hands rather than being privatised via the BBC; further that the removal of the free TV licences will have a negative impact on some of the poorest pensioners in the constituency and across the country; further notes that one of BBC's proposals in the consultation is means-testing the concession by linking the free licences to pension credit; further that the Department for Work and Pensions own estimates show that nationally 40% (two in five) of those entitled to receive pension credit are not in receipt of the benefit and would be excluded; further that access to media, especially if frail or housebound, can reduce loneliness in older age and improve wellbeing.

The petitioners therefore request that the House of Commons urges the Government to reverse the planned decision to end the funding of the free TV licence to households with someone aged over 75 and the privatisation of this to the BBC.—*[Presented by Martyn Day, Official Report,* 10 April 2019; Vol. 658, c. 425 *.]*

[P002449]

Observations from the Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright):

In the 2015 funding settlement, the Government agreed with the BBC that Government funding for the concession would be phased out between 2018 and 2020, with control

of the concession passing to the BBC from June 2020. The Government and the BBC agreed this was a fair deal for the BBC. In return, the Government committed to close the iPlayer loophole and committed to increase the licence fee in line with inflation, among other measures. The Government are clear that the future of the concession from June 2020 is the responsibility of the BBC.

Parliament made this decision and legislated to put it into effect. Transferring responsibility for the concession was debated extensively during the passage of the Digital Economy Act 2017, which was agreed by Parliament.

The BBC announced on 10 June 2019 that from June 2020 only those who are over 75 and in receipt of pension credit would continue to receive a free TV licence.

The Government are disappointed that the BBC will not protect free television licences for all viewers aged over 75. We recognise that television is a vital link to people of all ages, but particularly so for older people who value television as a way to stay connected with the world. That is why we have guaranteed the over 75 concession until June 2020 and that is why we believe that the BBC can do more to support older people, and why we have asked them to do so.

On the concerns about loneliness, the Government recognises loneliness as one of our biggest public health challenges and we are working to help people of all ages to have meaningful social relationships and to avoid loneliness. We are the first Government in the world to appoint a Minister to lead work on tackling loneliness.

The Government are taking important steps to tackle loneliness, which can particularly affect older people. Last year, we published the world's first Government strategy on loneliness, as well as securing £20 million of new grant-funding for projects run by charities and community groups to bring people together. The strategy contains over 60 policy commitments, covering many aspects of people's lives, from transport to health to education.

On the concerns about the take up of pension credit, the Government are committed to ensuring that older people receive the support they are entitled to and the DWP targets activity on engaging with people who may be eligible to benefits at pivotal stages, such as when they claim state pension or report a change in their circumstances. The DWP uses a wide range of channels to communicate information about benefits to potential customers, including information on https://gov.uk/, in leaflets and by telephone. DWP staff in pension centres and Jobcentres including visiting officers are able to provide help and advice about entitlement to benefits, as are staff in local authorities who administer housing benefit.

One of the best ways to reach eligible customers is through trusted stakeholder working in the community and we have developed the pension credit toolkit, as an on-line tool for agencies and welfare rights organisations to use in order to encourage pension credit take up. It can be found at: https://www.gov.uk/government/publications/pension-credit-toolkit.

The toolkit contains resources for anyone working with pensioners and includes guides to pension credit. It also contains publicity material and guidance designed to help older people understand how they could get pension credit and help organisations support someone applying for pension credit as well as ideas for encouraging take-up. The toolkit also provides links to information about disability and carers benefits.

Most recently we have provided to relevant stakeholders a fact sheet about pension credit and the changes introduced on 15 May for mixed age couples to ensure that accurate information is available in the places where people are most likely to seek information.

Potential customers can use the pension credit https://www.gov.uk/pension-credit-calculator to check if they are likely to be eligible and get an estimate of what they may receive. People wishing to claim pension credit can do so by calling 0800 99 1234.

ORAL ANSWERS

Thursday 27 June 2019

	Col. No.
EXITING THE EUROPEAN UNION	777
Article 50 Extension	790
Citizens' Rights: Elections	790
Customs Union: British Ceramics Confederation	791
Economic Effect: Scotland	791
EU Settlement Scheme	785
Future Relationship: Public Vote	777
GATT: Article 24	786
No Deal: Agriculture	788
EXITING THE EUROPEAN UNION—*continued*	
No Deal: Economic Impact	787
No Deal: NHS	781
No Deal: Pharmaceutical Products	789
No Deal: Preparedness	782
No Deal: Resilience	784
Security Co-operation	779
Topical Questions	792

WRITTEN STATEMENTS

Thursday 27 June 2019

	Col. No.
BUSINESS, ENERGY AND INDUSTRIAL STRATEGY	37WS
Environment and Climate Change: Government Response	37WS
Implementing Geological Disposal	40WS
CABINET OFFICE	40WS
Public Appointments: Diversity	40WS
Single Departmental Plans	41WS
DIGITAL, CULTURE, MEDIA AND SPORT	42WS
The Times and The Sunday Times/Evening Standard	42WS
ENVIRONMENT, FOOD AND RURAL AFFAIRS	43WS
Agriculture and Fisheries Council	43WS
EXITING THE EUROPEAN UNION	44WS
General Affairs Council	44WS
FOREIGN AND COMMONWEALTH OFFICE	46WS
Foreign Affairs Council	46WS
Sanctions and Anti-Money Laundering Act: Human Rights Violations	47WS
HEALTH AND SOCIAL CARE	48WS
Junior Doctors Contract Review	48WS
HOME DEPARTMENT	49WS
Biometrics Commissioner: Annual Report	49WS
Crown Dependencies and Overseas Territories: Beneficial Ownership Information	49WS
National Crime Agency Retention of Specialist Skills	51WS
HOUSING, COMMUNITIES AND LOCAL GOVERNMENT	51WS
Housing Market: House Building and Leasehold Reform	51WS
INTERNATIONAL DEVELOPMENT	53WS
International Bank for Reconstruction and Development: Contingent Liability	53WS
JUSTICE	54WS
Female Offender Strategy	54WS

PETITIONS

Thursday 27 June 2019

	Col. No.
DIGITAL, CULTURE, MEDIA AND SPORT	7P
TV licences for over 75s	7P
DIGITAL, CULTURE, MEDIA AND SPORT—*continued*	
TV Licences for Over 75's	8P

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Volume 662
No. 321

Thursday
27 June 2019

CONTENTS

Thursday 27 June 2019

New Writ [Col. 777]

Oral Answers to Questions [Col. 777] [see index inside back page]
Secretary of State for Exiting the European Union

Business of the House [Col. 799]
Statement—(Mel Stride)

Backbench Business
Co-operative and Mutual Businesses [Col. 818]
Motion—(Gareth Thomas)—agreed to
Children's Future Food Report [Col. 866]
General debate

Serco and Asylum Seeker Lock-change Evictions [Col. 891]
Debate on motion for Adjournment

Westminster Hall
Combat Air Strategy [Col. 387WH]
General debate

Written Statements [Col. 37WS]

Petitions [Col. 7P]
Observations

Written Answers to Questions [The written answers can now be found at http://www.parliament.uk/writtenanswers]