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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Tuesday 21 January 2020

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The Secretary of State was asked—

Business Productivity: Birmingham

1. **Preet Kaur Gill** (Birmingham, Edgbaston) (Lab/Co-op): What recent steps she has taken to increase business productivity in Birmingham. [900273]

The Secretary of State for Business, Energy and Industrial Strategy (Andrea Leadsom): Birmingham's productivity increased at twice the national rate last year, and I am meeting our great West Midlands Mayor, Andy Street, next month to talk about how we can achieve even more. We have one of the country's most successful enterprise zones in Birmingham, where we are investing £433 million in local growth funds and increasing skills levels, employment opportunities and connectivity.

Preet Kaur Gill: Transport for West Midlands and the Open Data Institute found that between 2008 and 2018 congestion had led to 216,000 fewer people being within a 45-minute bus journey of the centre of Birmingham. Will the Secretary of State commit to properly resourcing new public transport infrastructure in Birmingham to enhance productivity and help the city's almost 2 million people to realise their potential rather than wasting their time sitting in traffic?

Andrea Leadsom: The hon. Lady raises a really important point, and she will know that the Department for Transport is looking closely at what more it can do to improve connectivity. I hope that she will be delighted, as I am, that the city centre and Curzon extension is creating 76,000 new jobs and contributing £4 billion to the economy each year, and that since 2010, according to the local enterprise partnership, there are 134,000 private sector jobs being created in the Greater Birmingham area.

Michael Fabricant (Lichfield) (Con): When my right hon. Friend meets my friend the Mayor of the West Midlands, Andy Street, will she discuss the possibility of opening a giga factory in Birmingham or the immediate area for the production of electric vehicles?

Andrea Leadsom: My hon. Friend is well aware of the Government's ambitions to have a giga factory in the UK. It is vital for the success of our economy that we are able to find these new areas of technological growth that can support the uptake of ultra-low and zero-emission vehicles.

Leaving the EU: Businesses in Scotland

2. **Owen Thompson** (Midlothian) (SNP): What support she is providing to businesses in Scotland to prepare for the UK leaving the EU. [900274]

6. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What support she is providing to businesses in Scotland to prepare for the UK leaving the EU. [900279]

The Secretary of State for Business, Energy and Industrial Strategy (Andrea Leadsom): The Scottish Government received almost £100 million to help to prepare for Brexit in the run-up to 31 October last year. I am delighted that we now have a good deal with the European Union, so we will be leaving the EU at the end of January, but the implementation period will mean that nothing changes for businesses until the end of 2020. We are working hard on our future trading relationship with our EU friends and neighbours.

Owen Thompson: With the final destination of Brexit still vague, it is a disgrace that the UK Government are still failing to give businesses the information they need to navigate Brexit, with firms needing more than the Chancellor telling them simply to "adjust". Will the Secretary of State finally accept the policy of the Scottish National party and the Institute of Directors of providing a £750 million one-stop shop for UK firms?

Andrea Leadsom: I am not surprised to hear that the hon. Gentleman is still determined to resist Brexit, but he will appreciate that this Government are getting on with it and ensuring that there is a great deal for businesses. On his point about Scottish businesses' preparedness, my Department's business readiness fund enabled various trade bodies, including the Scottish Chamber of Commerce and the Scottish fishing trade bodies, to receive hundreds of thousands in taxpayers' money precisely to enable businesses to be Brexit-ready.

Patricia Gibson: The Chancellor has been clear that some companies will benefit from Brexit and some will not, but the Fraser of Allander Institute has been clear that it estimates that as many as 100,000 jobs in Scotland will be lost as a result of Brexit. Can the Minister explain why she thinks it fair that Scotland will be hit so hard by a Brexit for which it did not vote?

Andrea Leadsom: I am sure that the hon. Lady will be delighted to see today's employment numbers—yet again, the highest numbers on record—and she will no doubt also be delighted to know that there has been a 12.7% increase in employment in North Ayrshire and Arran since 2010. Jobs are being created, supported by a UK Government who are determined to give people right across the United Kingdom the chance of future growth and prosperity in their area.

Andrew Griffith (Arundel and South Downs) (Con): Will the Secretary of State talk about the support that her Department is giving to quantum computing in the UK? This technology is growing at an exponential speed and opening up new opportunities in new sectors for the United Kingdom.

Mr Speaker: Just to help the new Member, his question should really be associated with the current question, so I presume that he is talking about Scotland as well.

Andrea Leadsom: I am grateful to my hon. Friend for his question. He may be aware that the Government are investing about £1 billion in a new quantum technologies fund, which will be of benefit right across the United Kingdom as we take advantage of these extraordinary opportunities, so many of which are coming out of the United Kingdom.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I would like to offer the shadow Secretary of State's apologies, because she cannot be with us today. But it is the Secretary of State who has been AWOL from business—missing in action during the general election and now again, as we prepare for Brexit, shelving the weekly meetings with business leaders. Meanwhile, the Prime Minister promised the workers of Nissan that he would

“make sure we have complete equivalence when it comes to our standards, our industrial requirements and the rest of it”,

but the Chancellor rules out continuing alignment with the European Union. Will the Secretary of State ensure that the necessary alignment for frictionless trade with the European Union continues after Brexit?

Andrea Leadsom: I welcome the hon. Lady, who is standing in for the shadow Secretary of State. It is very unfortunate that she decided to play the man and not the ball, because she is absolutely incorrect to suggest that it is my policy to reduce meetings with businesses. In fact, my Department's priority is to make the UK the best place to work and to grow a business, and I will be increasing the level of engagement and the range of engagement right across the business sector as we leave the European Union and get the best possible deal for businesses and for people.

Chi Onwurah: The Secretary of State did not even say the words “frictionless trade”, and her reassurances will not give businesses very much hope, but given that we know the Prime Minister's views on business—I think it would be disorderly to quote them in detail—we cannot expect meaningful reassurances. However, Nissan was given private reassurances back in July 2017. We were told at the time that they were too commercially sensitive to publish, but now we have only 10 days to go and Ministers are answering questions on them, so will she publish the reassurances given to Nissan, and if not, why not?

Andrea Leadsom: Businesses right across the United Kingdom will benefit from the new potential free trading deals around the world that we will be negotiating as we leave the European Union, but at the same time this Government are committed to getting the best possible free trading arrangements with our EU friends and neighbours for all companies—for Nissan and for all companies that currently trade with the EU.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The 10 days till Brexit will be followed by 10 years of trade chaos, negative growth, lower employment and investment paralysis. Given that the EU has already stated that the trumped-up Tory timetable will not allow for a comprehensive trade deal, will the Secretary of State finally establish a small and medium-sized enterprise support service to allow Scottish firms to navigate this mess?

Andrea Leadsom: It is a bit like a stuck record, if I can use 1970s terminology. SNP Members said that we would not get any kind of a deal. They said that the Prime Minister would not be able to reopen the withdrawal agreement. They said that we would never get out of the EU. The fact is that this Prime Minister has been able to negotiate a good deal with the European Union that works for businesses and people right across the UK, and we are opening up new opportunities. Just for once, be a little optimistic!

Drew Hendry: It is clear from that answer that our Government have no plans to save Scottish firms from the sinking ship that is Brexit Britain, but we do have the lifeboat of independence. On Scotland's right to choose, does the Secretary of State still believe that it is wrong to utterly rule it out and disrespectful to do so and is it still “never say never”, or are those laudable democratic principles to be sunk with the Brexit ship?

Andrea Leadsom: I would just draw the attention of the hon. Gentleman and those on his Benches to the very recent Deloitte CFO confidence survey, which demonstrates the biggest ever jump in business confidence, as a result of the certainty that we now have about the way ahead. Business certainty is absolutely key, and if he wants to do something for businesses, he should stop trying to hammer their confidence and start looking to work with the Government on the opportunities that lie ahead.

Climate Change

3. **Jacob Young** (Redcar) (Con): What progress her Department has made on tackling climate change. [900276]

12. **Harriett Baldwin** (West Worcestershire) (Con): What progress her Department has made on tackling climate change. [900286]

The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng): I welcome and congratulate my hon. Friend the Member for Redcar (Jacob Young) on winning his seat—a great result. We have reduced carbon emissions by more than 40% since 1990, while growing our economy by more than two thirds. We are currently decarbonising our economy faster than any other G20 country, and more than half our electricity now comes from low-carbon sources. We have the largest offshore wind capacity in the world.

Jacob Young: Net Zero Teesside is potentially a world-leading carbon capture, utilisation and storage project in my constituency. Not only will it reduce emissions,

but it will cut energy costs and help to secure our long-term industrial future. Will the Minister back Redcar's industry and fully support that project?

Kwasi Kwarteng: Absolutely—I would be delighted to back Redcar's big opportunities in CCUS. I was there last week when I had an instructive meeting with various stakeholders and industry professionals, and there is a huge economic opportunity.

Harriett Baldwin: Businesses such as Frank Matthews tree nursery in my constituency play a vital role in growing the trees that we will need to combat climate change. How will the Department ensure that the trees we plant are native, sustainable species?

Kwasi Kwarteng: As my hon. Friend knows, the Government are absolutely behind such initiatives. We have a well-developed forest nursery sector, and we encourage the planting of UK-grown trees, as proven by our £640 million Nature4Climate fund. That builds on our support for preserving areas of great natural beauty, such as the Malvern hills in my hon. Friend's constituency, and we hope to plant an additional 75,000 acres of trees a year by the end of the next Parliament.

Chris Evans (Islwyn) (Lab/Co-op): Small things make a big difference when it comes to climate change. Waunfawr primary school in my constituency has an eco-community, and it decided to switch from plastic bottles to glass bottles to provide its milk. It had lots of problems finding a dairy that would provide glass bottles, but eventually it did. How will the Department ensure that fewer single-use plastics are used by businesses, and by those in local government and the public sector?

Kwasi Kwarteng: I do not know the detail of what is happening in the hon. Gentleman's constituency, but I would like to hear more about it. We have made strong efforts in this area, and we must trumpet the fact that we are world leaders in combating climate change. As he knows, we will be hosting COP26, and I would be happy to take him offline, as it were, and pursue this conversation further.

16. [900290] **Alex Chalk (Cheltenham) (Con):** Decarbonising transport will be crucial if we are to meet our net-zero targets, but the cost of electric vehicles remains high. What more can be done to ensure that that cost comes down and is within reach for the majority of people in our country?

Kwasi Kwarteng: Plenty has been done, and I commend my hon. Friend and welcome him back to his seat after a hard-fought campaign. He will know that through the Treasury and the £400 million fund, we are extending the provision of charging facilities for electric vehicles—that issue is the single reason that prevents people from buying EVs. Manufacturers are clear about our intentions and our 2040 target for the full roll-out of EVs. We are looking to bring that target forward, and the cost curve is coming down.

Barry Gardiner (Brent North) (Lab): I am genuinely sorry that the Minister did not attend the International Renewable Energy Assembly earlier this month.

Had he done so, he would have learned that solar auctions are now achieving 1.7 cents per kilowatt hour, which is less than £14 per megawatt hour. Is it time to consider making a global green grid alliance an objective of COP26, and seeing whether a feed-in tariff from the UK could incentivise the development of an interconnection with Morocco to deliver such low priced electric power in the UK?

Kwasi Kwarteng: Obviously, I am delighted to see the hon. Gentleman back in his place. I was more troubled to see that his leadership campaign was perhaps not launched with the sufficient energy and enthusiasm he shows so often at the Dispatch Box. On building alliances, the Government's position is that we are always open to building alliances internationally. We are taking leadership with the COP26 conference. On the climate change agenda, we are taking coal off the grid. We are always open to building alliances internationally.

22. [900296] **Alexander Stafford (Rother Valley) (Con):** Does my right hon. Friend agree with the residents of Woodsetts and Harthill in Rother Valley that the best way his Department can tackle climate change is to make the moratorium on fracking permanent?

Kwasi Kwarteng: Absolutely. I welcome my hon. Friend to his place—another very successful campaign. On fracking, the moratorium is what it says: we are stopping it. The only way it can be resumed is by compelling evidence, which so far is not forthcoming. So the moratorium stays and fracking, for the time being, is over.

Support for Small Businesses

4. **Dr Rupa Huq (Ealing Central and Acton) (Lab):** What steps the Government are taking to support small businesses. [900277]

15. **Tom Randall (Gedling) (Con):** What recent steps her Department has taken to support small businesses. [900289]

21. **Katherine Fletcher (South Ribble) (Con):** What recent steps her Department has taken to support small businesses. [900295]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): Small businesses are the backbone of our economy, and the British Business Bank is supporting over £7 billion of finance to over 91,000 small and medium-size enterprises. Through our business productivity review, published in November, we set out the steps we are taking to boost small business productivity, including: funding a small business leadership programme, strengthening local networks and expanding the knowledge transfer partnership programme.

Dr Huq: I thank the Minister for her response. I was at a local business breakfast last week. Alongside the predictable issues of late payment, Brexit-readiness and parking, which I would have expected, I was surprised to hear naturally Conservative people lambasting the Government for refocusing priorities northward post-election, which they see as quite shameless and political.

How can the Minister ensure that the good idea of regional rebalancing does not end up clobbering small firms and sole traders in Ealing, Acton and Chiswick? The streets are not paved with gold there and they already feel under the cosh.

Kelly Tolhurst: I can reassure the hon. Lady that the Government completely back business, whether in the north or the south. We want businesses to grow wherever they are in the UK. That is highlighted by the fact that in her constituency alone there have been 193 start-up loans, representing £1.6 million. It is clear that the Government are willing to support entrepreneurs and all business owners who want to grow, wherever they are.

Tom Randall: On Saturday, I was out on Mapperley Top in my constituency speaking to small business owners and shopkeepers. One of the issues they raised was access to finance. What support is being given to help small businesses like those in Mapperley get access to finance?

Kelly Tolhurst: I thank my hon. Friend for his question and welcome him to his place. I am really pleased that, so quickly into being an MP, he is out talking to as many businesses as he can. Clearly, access to finance is a key priority for many businesses. I have already outlined the applications to start-up loans. One interesting element is that applicants for start-up loans are able to have a mentor. He will also know that we have taken action by offering small retailers a third off business rates for two years, starting in April. We are committed to increasing that to 50%.

Katherine Fletcher: Leyland has an above-average five-year success rate for small businesses, and a diverse and growing business base. What is the Minister doing to help and support smaller businesses to start to trade with the world and to identify export opportunities?

Kelly Tolhurst: I thank my hon. Friend for her question and welcome her to her place. I know she has a particular interest in this area, with her experience before coming to the House. The Government are committed to helping small businesses become exporters. Over 580,000 trade internationally already. The Department for International Trade supports that via a range of projects. We want all SMEs who are able to, to take that plunge. My Department will continue to work across Government and with SMEs to identify barriers to ensure we can address them and make it easier for all SMEs to trade internationally.

Tim Farron (Westmorland and Lonsdale) (LD): Small businesses are the backbone of the Cumbria tourism economy. They are appalled, as am I, by the Government's plan to make sure that there is a £30,000 salary floor for any overseas worker coming to work in the tourism economies of the Lake district or the Yorkshire dales. Does the Minister understand how much damage that will do to an economy in which 20,000 non-UK staff are working now? Will she meet me and people from the hospitality industry to make sure that we have a salary floor that does not cripple Cumbria's tourism economy?

Kelly Tolhurst: The hon. Gentleman knows that the tourism economy is particularly important for the UK. While I am happy to meet him, we hear representations

from the sector regularly. Despite the earlier comment to the Secretary of State about a reduction in our engagement with businesses, we are actually stepping that up. He will know that we will bring forward plans on immigration and the floor that he mentioned, but I am more than happy to hear his particular point.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): One thing that all businesses—large and small—depend on is having a skilled workforce. What is the Department doing to improve skills overall, and particularly engineering skills, on which more and more companies are now dependent?

Kelly Tolhurst: I welcome my hon. Friend back to the Chamber and thank him for his interest in this area. He knows that, as we leave the European Union, we want to ensure that we have a good distribution of engineering skills—not just in the south-east, but across the country—and help people to increase their skills. I am a great lover of apprenticeships, of what some small businesses are doing with apprenticeships, and especially of our degree-led apprenticeships involving organisations such as BAE Systems—which, I should say, operates in my constituency.

Photonics SMEs

5. **Carol Monaghan** (Glasgow North West) (SNP): What steps she is taking to support the development of photonics SMEs. [900278]

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): We are working with the Photonics Leadership Group to support the success of the UK photonics industry. The Government have invested £81 million in the establishment of a new national extreme photonics application centre. The Fraunhofer Centre for Applied Photonics is involved in 17 Innovate UK-funded products. In addition, UK Research and Innovation has invested £7.2 million in partnerships with St Andrews and Strathclyde Universities, working on fundamental biophotonics research programmes.

Carol Monaghan: The Minister has rightly detailed some of the great expertise that exists in photonics and quantum across the UK, and particularly across the central belt of Scotland. When these SMEs are looking to expand, they often attract foreign investment from countries such as China, so what oversight is there of the potential technological transfer, in terms of both our expertise and threats to our security? What work are the Government doing with the Treasury to ensure that the expansion of such SMEs can be funded from UK sources?

Chris Skidmore: I thank the hon. Lady for her work as the chair of the all-party group on photonics. She is absolutely right: the central belt across Scotland—centred on Glasgow, in particular, and the new Clyde waterfront innovation district—is absolutely critical for our national success in photonics. As part of our national quantum technologies programme, which the Secretary of State alluded to, some £50 million will be invested in a hub for quantum imaging at Glasgow University by 2024. On business involvement, I am determined, as the Science and Innovation Minister, that we not only look at how

we protect future intellectual property in this area and attract foreign investment through our international research and innovation strategy but, at the same time, look at new forms of protection through our innovation and regulation White Paper.

Small-scale Modular Nuclear Reactors

7. **Bob Blackman** (Harrow East) (Con): What steps the Government are taking to support the provision of small-scale modular nuclear reactors. [900280]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Nadhim Zahawi): It is delightful to see you in your place, Mr Speaker; this is the first opportunity I have had to congratulate you.

Small modular reactors have significant potential to reduce our carbon emissions, and help to achieve net zero by using advanced manufacturing techniques to unlock what is referred to as “fleet economics” and drive down costs in nuclear.

Bob Blackman: It is clearly very good news that Rolls-Royce, a world-renowned company, has taken up the challenge of developing small modular nuclear reactors for clean energy not only for the UK, but for export across the world. What assessment has my hon. Friend made of the opportunity for new jobs in the UK and for exports across the world?

Nadhim Zahawi: The Rolls-Royce consortium has proposed a significant public-private joint innovation programme worth more than £500 million to design a first-of-its-kind SMR. The consortium expects a working model to be up and running in the early 2030s, that the SMR programme would create high-value export opportunities and, at its peak, 40,000 jobs, and that each SMR would be capable of producing enough clean electricity to power 750,000 homes.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): In the last Parliament, the Defence Committee and Science and Technology Committee received evidence clearly indicating that there are threats from unmanned aerial vehicles in relation to nuclear reactors. If the Minister supports these small-scale nuclear reactors, will he advise the House on what discussions his Department is having with the Ministry of Defence about their impact on the security of national infrastructure?

Nadhim Zahawi: I am grateful for the hon. Member’s pertinent question. He is absolutely right; we do have discussions with the Ministry of Defence. The Minister for Business, Energy and Clean Growth and I are visiting Hinkley Point tomorrow, but the hon. Member raises an important issue that the nuclear constabulary is taking very seriously.

Clean Growth: New Jobs

8. **Mark Pawsey** (Rugby) (Con): What steps she is taking to help deliver new jobs in clean growth. [900282]

The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng): My hon. Friend will be pleased to hear that we are determined to seize the economic opportunities of the net zero transition. We hope to

create 2 million green jobs across the UK by 2030. He will also know that just last week the Office for National Statistics announced that, under this Government, 466,000 people in this country are employed in low-carbon businesses and their supply chains.

Mark Pawsey: The electrification of vehicles is an important area of clean growth, and the London Electric Vehicle Company, which is based in my constituency, is manufacturing the new electric taxi. It has created 500 new jobs, with 3,000 taxis now on London roads. The Prime Minister visited very recently and managed to drive one of the taxis without knocking down a wall. Does the Minister agree that if we are to make the switch to electric affordable for taxi drivers, thereby making a major contribution to reducing CO₂ emissions and improving air quality, the current plug-in taxi grant is a vital incentive?

Kwasi Kwarteng: I agree with my hon. Friend. I am delighted to hear that my right hon. Friend the Prime Minister drove the car without any incident or untoward events happening. The fact that more than 3,000 of LEVC’s Coventry-made electric taxis are in London is a fantastic milestone. I also agree that the Government’s plug-in taxi grant is vital to the uptake and roll-out of these vehicles.

Jessica Morden (Newport East) (Lab): Wind turbines, electrifying our railways and electric vehicles all need steel. What are the Government doing to help our steel industry at this challenging time?

Kwasi Kwarteng: The hon. Lady will be pleased to hear that we have a strategy, and she is right. Decarbonising industry in general is vital, but we remain committed to UK steel and steel production in this country, and that is something the Department is very concerned with.

Sir David Evennett (Bexleyheath and Crayford) (Con): I welcome my right hon. Friend’s comments on this important issue. Does he agree that this country has an amazing potential to continue to grow our economy dramatically by supporting new green industries?

Kwasi Kwarteng: My right hon. Friend is right. As I have mentioned before at the Dispatch Box, it is remarkable that we have managed to reduce our carbon emissions by 40% in the past 30 years while growing our economy by two thirds. That is living proof of the remarkable fact that that we can decarbonise, grow and promote economic expansion at the same time. This is something in which we in this country are world leaders.

Dr Alan Whitehead (Southampton, Test) (Lab): I am sure that the Minister agrees that there is a wealth of skills and transferrable jobs in existing energy industries that may well be supplanted by low-carbon energy industries in the not too distant future. What steps is he taking to capture those skills and transfer those jobs to low-carbon industries in the future?

Kwasi Kwarteng: The hon. Gentleman will be pleased to know that we have sector deals handling exactly that problem, for example in the oil and gas sector. We are making a successful transition from old industries to the new low-carbon-emitting, greener industries of the

future. Offshore wind, of which there are a number of examples—I believe that there is a supply chain near the hon. Gentleman’s constituency—is a great success: we have 35% of global capacity. That is part of the transformation of the economy that we are talking about.

Space Industry

9. Mark Garnier (Wyre Forest) (Con): What steps she is taking to support the space industry in the UK. [900283]

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): The UK space sector employs 42,000 highly skilled people, generating more than £300 billion for the wider economy. We recently committed ourselves to investing £374 million a year—a record 15% increase—with the European Space Agency over the next five years, and our national space council and space strategy will help us to lead the way in the evolution of this high-technology sector.

Mark Garnier: Following the welcome announcements in the Queen’s Speech about investment in the UK space sector, will my hon. Friend tell us the status of funding for innovation in the sector and of plans for the proposed UK space strategy?

Chris Skidmore: I thank my hon. Friend for his work as vice-chairman of a newly formed all-party parliamentary group, the parliamentary space committee. I know that he plans to fly to the United States next month to attend the launch of the European Space Agency’s solar orbiter, which was built in Stevenage. It is a fantastic piece of UK science engineering and was funded by the Government to the tune of £216 million.

I understand that the space industry has proposed a space innovation fund, and I am interested in working with the industry on that. The national space council will consider how we can build on existing commitments through a comprehensive UK space strategy, which will help to create thousands of jobs across the country.

Jim Shannon (Strangford) (DUP): It is good to hear what the Minister says about the space sector, but may I ask him specifically how all the regions of the United Kingdom of Great Britain and Northern Ireland will benefit from that potential, and, in particular, how Northern Ireland will benefit?

Chris Skidmore: Last year, during a fantastic trip to the Belfast region, I had an opportunity to meet representatives of Thales Alenia Space, which is working on some of the capsules that encase satellite technology. The hon. Gentleman was absolutely right to ask that question. Our national space strategy constitutes a one nation approach that will involve every part of the UK, from a horizontal launch site down in Newquay in Cornwall to a vertical launch site up in Sutherland in Scotland—we are also thinking about establishing a spaceport in Wales. Every part of the UK will be involved in space, and rightly so.

Greg Clark (Tunbridge Wells) (Con): We have a growing share of one of the fastest-growing markets in the world—the market for satellites—but no country in

Europe has the ability to launch satellites into space, and there is a race to be the first to do so. Will my hon. Friend update the House on when we expect the Sutherland site to be ready for the launch of the first UK satellite?

Chris Skidmore: I pay tribute to my right hon. Friend for his hard work on space when he was Business Secretary. He was responsible for working on the Satellite Applications Catapult increase, and for the £99 million satellite testing facility at Harwell, which will mean that satellites can be tested here rather than our having to go abroad. He also set out our mission to be the first country in Europe to have both horizontal and vertical launch. As for Sutherland, I am working closely with the highlands and islands authorities to ensure that we can achieve our vertical launch, and that we work with Lockheed and other partners to do so as soon as possible.

National Living Wage

10. Emma Hardy (Kingston upon Hull West and Hessle) (Lab): What recent assessment she has made of the level of compliance of businesses with payment of the national living wage. [900284]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): The vast majority of jobs that are eligible to receive the national living wage are in compliance with the law, with only 1.5% of eligible jobs paid below in April 2019. Anyone entitled to be paid the national minimum wage should receive it. Last year, we ordered employers to pay a record £24.4 million in arrears and issued £17 million in penalties to non-compliant employers.

Emma Hardy: I thank the Minister for her answer but, as she is aware, the enforcement system is not working effectively at the moment, and hundreds of well-known companies are still getting away with not paying their workers the national living wage. I welcome the steps that the Government have already taken, but I hope that the Minister will respond by setting out additional actions that the Government will take to ensure that nobody gets away with paying their workers less than they are owed.

Kelly Tolhurst: I want to make it clear to the hon. Lady that this Government will enforce the national minimum wage and make sure that employers that are meant to be paying it do so. I think that is shown by the penalties and arrears that were recovered last year. We have doubled the enforcement budget. I remain committed to making sure that employers are able easily to comply with the law, but where there is any sign of breach, we are enforcing and making sure that people get the pay they are entitled to.

Andrew Bridgen (North West Leicestershire) (Con): Will the Minister agree to meet me to discuss the situation in Leicester, where I believe that approximately 10,000 people in the clothing industry are being paid £3 to £4 an hour in conditions of modern slavery?

Kelly Tolhurst: I thank my hon. Friend for raising the subject; yes, I would be very happy to meet him. The sector has been the subject of focus. Her Majesty’s

Revenue and Customs, which is responsible for enforcing the national living wage, and cross-border agencies have been doing extensive work, but any details that my hon. Friend may supply would be helpful.

18. [900292] **Rachel Reeves** (Leeds West) (Lab): We hear warm words from the Minister, but the truth is that in the last 10 years, just nine firms have been prosecuted and fined for non-payment of the minimum wage. When those fines are levied, they are at only half the level that they could be. Why is that the case if this is such an important area for the Government?

Kelly Tolhurst: I note the hon. Lady's interest in this area, but I would just correct her: there have actually been 14 prosecutions for non-payment of the national minimum wage. I would also make it clear to the House that there are ways other than just bringing prosecutions to ensure that employers pay. Ultimately, we should focus on ensuring that businesses understand their obligations to their employees, that they pay the minimum wage, and that when they do not, we enforce correctly. I am determined to make sure that that continues to happen.

Stephen Crabb (Preseli Pembrokeshire) (Con): Pembrokeshire is one of those parts of the country where the substantial increases to the minimum wage have had a transformative impact on people with low incomes. Will the Minister join me in saluting the great many small businesses and microbusinesses across the county of Pembrokeshire that choose to do the right thing, because they support the aim of the policy, by implementing and enforcing the minimum wage?

Kelly Tolhurst: Absolutely. I thank my right hon. Friend for his comments and I very much recognise the role of the SME market in ensuring that some of the lowest paid workers get the minimum wage, and in happily sometimes paying higher than that. As the small business Minister, my priority is to ensure not only that we enforce the national minimum wage, but that we create the right environment in which SMEs can thrive so that they continue to meet pay requirements.

Rachael Maskell (York Central) (Lab/Co-op): It is simply not good enough: a decade—a decade, Mr Speaker—of workers being exploited under this Government's watch. So why has the Minister let the 87% of firms that break the law and fail to pay the minimum wage get away with it? What is she going to do about it and by when? One thing is clear: we, the Labour party, are the only party that will ever stand up for working people.

Kelly Tolhurst: I would thank the hon. Lady for her comments, but I wonder whether she is living in a land of fiction. It is the Conservative party that is standing up for workers. It is this party that has given the largest increase in the national minimum wage, rising to £8.72—an increase of 6.2%. As I have already outlined, our enforcement has doubled. We remain committed to enforcement, and it is a complete misrepresentation to say that in the past 10 years this Government have not enforced the national minimum wage. We remain committed to doing so, and for all the time that I am responsible, we will continue to do so.

Berwickshire, Roxburgh and Selkirk: Business Support

11. **John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): What recent steps she has taken to support businesses in Berwickshire, Roxburgh and Selkirk constituency. [900285]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Nadhim Zahawi): The Government are committed to spreading prosperity to all parts of the United Kingdom. We are investing £565 million through the borderlands growth deal and the Edinburgh and south-east Scotland city region deal, demonstrating our commitment to supporting growth and prosperity in the Scottish borders.

John Lamont: The Minister will know about the borders' fine, famous tradition of producing Scottish textiles, but this industry is being hammered by the US-EU trade war, whereby many businesses face a 25% tariff on their exports to the United States. What are the Government doing to support those businesses and, in particular, compensate them for these tariff charges?

Nadhim Zahawi: Scottish textiles are, as my hon. Friend rightly points out, an important part of the Scottish economy, our overall economy and our heritage. We will do everything we can to protect this micro-economy. The Government are working closely with the EU and the United States to support a negotiated settlement to the Airbus-Boeing dispute, and the Secretary of State continues to raise this personally with the United States Administration and is meeting the Trade Secretary later today.

Topical Questions

Mr Speaker: Question 1, Christian Wakeford. Not here.

T2. [900299] **Dr Rupa Huq** (Ealing Central and Acton) (Lab): They have a combined annual turnover of £60 billion and there are 100,000 of them, but this Government seem to have a bit of a blind spot when it comes to social enterprises. When will that change? Will they start by redirecting all questions on social enterprise away from the Department for Digital, Culture, Media and Sport, where they seem to have been shunted, and into the heart of this Department? They would then send a powerful message that profit-making can be socially responsible.

The Secretary of State for Business, Energy and Industrial Strategy (Andrea Leadsom): With your permission, Mr Speaker, I will first talk about my departmental priorities.

As we enter an exciting new decade, we are building a stronger, greener United Kingdom. To achieve that, my Department is focusing on three priorities. First, we are leading the world on tackling climate change, not just because it is the right thing to do but because it will create millions of new jobs and skills right across the UK. Secondly, we are solving the grand challenges facing our society—from life sciences to space, artificial intelligence and robotics—and improving lives across

the world. Thirdly, we are quite simply making the UK the best place in the world to work and to grow a business.

Social enterprises are a thriving part of the UK's economy. When I was a Back-Bench MP, and before I went into politics, I was closely involved in setting up and running a number of charities. She is absolutely right that we need to continue focusing on them as a key part of the economy.

I am always happy to hear lobbying from colleagues on both sides of the House about machinery of government changes, and perhaps we can meet another time to talk about that.

T4. [900301] **Mrs Maria Miller** (Basingstoke) (Con): Employers like the Sovereign Housing Association and our community furniture project are giving young people with learning disabilities in Basingstoke the opportunity to get work experience through the Government-supported internship programme run by the Basingstoke College of Technology in my constituency. Will my right hon. Friend join me in encouraging even more employers to come forward, not only in Basingstoke but across the country, to help more disabled people with learning disabilities to reach their potential at work?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): I thank my hon. Friend for raising this. The Government encourage businesses to be a force for good in our society. I warmly welcome the commitment from firms in her constituency to offer placements that connect these young people with the world of work, helping to identify their future roles.

T3. [900300] **Dame Diana Johnson** (Kingston upon Hull North) (Lab): Does the Secretary of State agree that local enterprise partnerships should be led by the business community in the area they serve?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Nadhim Zahawi): Yes, she does.

T5. [900302] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): Will my right hon. Friend update the House on what plans the Government have to secure the number of scientists, researchers and engineers we will require to reach the 2.4% GDP spend on research and development?

The Minister for Universities, Science, Research and Innovation (Chris Skidmore): I start by thanking my hon. Friend for all the hard work he is putting in as the Government's envoy for the "Engineering: Take a Closer Look" campaign, which is encouraging young people to consider science, technology, engineering and maths as a future career.

Our new fast-track immigration scheme, including a global talent visa and the removal of the cap on tier 1 visas, will enable a wider pool of scientific and research talent to come to the United Kingdom. We are also investing in the number of researchers we need for the

future, including £170 million for bioscience doctoral students and £100 million for artificial intelligence doctoral training centres.

T7. [900304] **Anneliese Dodds** (Oxford East) (Lab/Co-op): Community energy is crucial in the transition to a local, smart, zero-carbon energy system. Will the responsible Minister meet me and sector representatives to map out a way forward that enables community energy to play that crucial part?

The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng): I would be delighted to meet the hon. Lady to discuss these crucial matters. She is right to raise this question, and we should be having a cross-party dialogue to pursue this agenda.

T6. [900303] **Scott Mann** (North Cornwall) (Con): As many of the big banks withdraw their support for rural areas, the post office network is becoming increasingly relevant to communities such as mine. I know the Minister cares passionately about the rural post office network, so will she do all she can to ensure that it is supported in constituencies?

Kelly Tolhurst: I thank my hon. Friend for his question. The Government recognise the importance of postal offices in rural communities, both throughout the UK and in his constituency. There are more than 11,600 post offices nationwide. Access to branches exceeds the national standard that the Government set, with 99% of rural populations living within 3 miles of a post office. The Post Office is currently delivering further investment in rural branches, through the community branch development scheme, to underpin the long-term viability of our post offices, and I am keen to work with it to continue to support that.

T9. [900306] **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): As chair of the all-party group on disability, I have become increasingly concerned that entrepreneurs with disabilities are facing additional challenges in starting businesses, such as on access to business loans. Will the Minister meet our group and ensure that we have a truly inclusive economy? [R]

Kelly Tolhurst: I thank the hon. Lady for her question. I note her interest, her role and the work she has done on this issue, and I will be more than happy to meet her. It is important that everyone in the United Kingdom, no matter who they are, is able to access support from government. We want all entrepreneurs to thrive and I will be happy to work with her to be able to achieve that.

T8. [900305] **Richard Fuller** (North East Bedfordshire) (Con): Will the Government consider introducing a small business equivalent of the personal allowance, exempting small businesses from all taxes other than VAT and assisting small businesses such as Maynard's ice cream in my constituency in meeting the challenge of increases in the living wage?

Kelly Tolhurst: I thank my hon. Friend for his question and very much welcome him back to this place, as an extremely valued member of the Select Committee on

Business, Energy and Industrial Strategy, on which he served with me—I am pleased to have him back. He raises an interesting idea. The UK has a highly competitive tax environment, and we need to do more to support our small businesses with the cost of doing business. That is why the Government have committed to launching a fundamental review of business rates, and Treasury colleagues will be giving more details on that in due course.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Sub-postmasters across the country offer valuable services to many of our communities. The case they brought against the Post Office has now concluded and the courts have found that the Post Office was at fault for its aggressive prosecutions of sub-postmasters for errors in the Horizon IT system. These prosecutions saw some sub-postmasters unlawfully jailed, and many losing their homes, livelihoods and reputations. What support are the Government giving to those affected? What has been done to ensure that a scandal such as this is never allowed to happen again? Will the Government launch a full inquiry into the circumstances that led to this tragedy, and a full review of the governance and management of the Post Office—the judge was highly critical of that—and of the impact this will have on the post office network?

Kelly Tolhurst: The hon. Lady is correct; on 11 December, Post Office Ltd reached a settlement in the group litigation claim brought by 555 postmasters or former postmasters. This has culminated in a successful mediation, and a settlement of £57.7 million was reached, funded by the Post Office. The Government welcome the agreement by the parties to settle this long-running litigation. It is true to say that many have suffered through litigation, and Post Office Ltd has apologised for that. One key point is that this mediation occurred under the new chief executive officer, who is making sure that the recommendations made by the judge, and culture change and changes within the Post Office, happen.

Jack Brereton (Stoke-on-Trent South) (Con): Ceramic Valley enterprise zone has transformed a number of brownfield sites and created thousands of jobs in Stoke-on-Trent. Will my right hon. Friend the Secretary of State support our proposals to extend the zone, and its continuation in Stoke-on-Trent?

Nadhim Zahawi: Since it launched in April 2016, Ceramic Valley enterprise zone has been a fantastic success: it has attracted private sector investment and has already secured 1,000 new jobs in Stoke. The Government are prioritising levelling up, as the Prime Minister continuously reminds us. We will want to reflect on those things, such as Ceramic Valley enterprise zone, that have worked and see how we can support them further.

Kevin Brennan (Cardiff West) (Lab): One interesting statistic in the figures released today by the Office for National Statistics figures is that for the first time more than 5 million people in the UK are self-employed. Will the Minister responsible for small business undertake urgently to push forward the work she has been doing

on shared parental leave for freelancers and the self-employed? That will be particularly helpful to women in the workforce.

Kelly Tolhurst: I thank the hon. Gentleman for highlighting the self-employment market. We committed in our manifesto not only to look at self-employment but to make sure that the UK is the best place to work, and we will make sure that that includes flexibility. He will know that we are bringing forward an employment Bill. We are determined to make the UK the best place to work, and that includes shared parental leave and working with families to make it easier for women to get back into work.

Aaron Bell (Newcastle-under-Lyme) (Con): As the new Member of Parliament for Newcastle-under-Lyme, I am supporting the town centre by opening a shop there. I welcome what the Minister said about business rates, but will she also look into the taper on small business rates relief? If someone has a property worth £12,000, they pay no business rates, but if it is valued at £15,000 they pay £7,500 a year, which has made it difficult for the council to let units at the top end of that scale. Will the Department look into the issue?

Kelly Tolhurst: There will be a fundamental review of business rates, which many retailers will welcome. It will be a wide review and I am sure the issue my hon. Friend highlights will be looked into. I should highlight that we have managed to take a number of small retailers—I believe it is more than 685,000—out of paying any rates at all.

Sammy Wilson (East Antrim) (DUP): This week, thousands of climate hypocrites will zoom into Davos in hundreds of private jets to lecture the world about stopping the consumption of fossil fuels, oblivious to their own hypocritical behaviour. Will the Secretary of State assure us that she will not heed any of the calls for policies that would cost jobs in our energy-intensive industries, add costs to the fuel prices of the millions in fuel poverty, or add green burdens to consumers, farmers and motorists?

Andrea Leadsom: The right hon. Gentleman makes a vital point. It is not enough that we just look at our own behaviour here in the United Kingdom, where we are determined to meet our net-zero ambitions; we should also do all we can to lead the world in tackling the climate emergency. In our plans in the run-up to COP26, we have set out some really ambitious ideas for how we can not only work at home to decarbonise but help the rest of the world in their efforts to solve their own problems and behave better in the way they travel.

Robert Halfon (Harlow) (Con): Hard-working Harlow binmen and women have been harassed and bullied in a pretty shocking way by Veolia management over many months. Will my hon. Friend launch an inquiry into what has been going on and ensure that guidance is given to local councils throughout the country to stop any new contracts with Veolia until it stops bullying and harassing its workforce?

Kelly Tolhurst: I thank my right hon. Friend for his question. I am happy to meet him to hear more details on that matter.

Sarah Jones (Croydon Central) (Lab): Westfield is set to open a fabulous new shopping centre in Croydon, but the French owner of Westfield, Unibail-Rodamco, is worried about business rates, the state of retail and the impact of Brexit. Will the Secretary of State please meet representatives of Westfield and Unibail-Rodamco to talk about some of those concerns?

Andrea Leadsom: Yes, I am happy to do so.

Anthony Browne (South Cambridgeshire) (Con): My constituency is no less than the life sciences capital of the world. We have the global headquarters of AstraZeneca, 20,000 people working in the biomedical campus around Addenbrooke's Hospital and dozens of industrial parks and small businesses developing new therapies, helping people to live longer and healthier. Many of those companies are dependent on research grants, some of which come from the EU. Will my hon. Friend tell me what work the Government are doing to ensure that

South Cambridge remains the biomedical and life sciences capital of the world, and that companies have continuity of funding once we leave the EU?

Chris Skidmore: I welcome my hon. Friend to his place. He represents an area that is the life sciences crucible of Europe and, as science Minister, I am determined to ensure that that continues. I will meet the vice-chancellor, Stephen Toope, shortly to talk about Cambridge's own plans for investment for the future.

On European investment, I want to make it perfectly clear to the House that when it comes to Horizon 2020, including European Research Council grants and Marie Skłodowska-Curie actions, the withdrawal agreement ensures that we can continue within that framework. When it comes to looking at Horizon Europe, its successor scheme, we want to explore an association that is as full as possible. We may be leaving the EU, but we will not be leaving our European research partnerships.

Direct Payments to Farmers (Legislative Continuity) Bill

Second Reading

12.31 pm

The Secretary of State for Environment, Food and Rural Affairs (Theresa Villiers): I beg to move, That the Bill be now read a Second time.

This is a Government who are backing Britain's farmers. We will always recognise the importance of the work that they do to care for our countryside and our natural environment and, of course, to put food on our plates. We know that, if we are to level up the rural economy in the way we want to for our whole country, we must support the agriculture that is at the heart of our rural communities.

The Bill is a short technical piece of legislation with a simple purpose: to empower the UK Government and the devolved Administrations to pay basic payments to farmers for the 2020 scheme year. It therefore maintains the status quo for pillar 1 for this final period before we start to leave the common agricultural policy behind completely.

The core purpose of the Bill is enacted by clause 1, which puts direct payments legislation for 2020 on the domestic statute book. That provides a legal basis to make such payments for the 2020 scheme year. As hon. Members will be aware, almost all EU legislation was imported on to the domestic statute book by the European Union (Withdrawal) Act 2018, but funding for the 2020 basic payment scheme will come out of the 2021 EU budget. That would therefore have involved the UK in the next EU multi-annual budget cycle. In the negotiations, the EU and the UK agreed that they did not want that to happen, so the CAP provisions providing the basis to issue basic payments in the UK for 2020 were disappplied by the terms of the withdrawal agreement reached last year.

That policy decision has left a legal gap, which we are now proposing to fill. This legislation will provide clarity to farmers on funding support this year. If Parliament were to reject the Bill, no direct payments could be made by the UK Government or by the Administrations in Scotland, Wales or Northern Ireland. That would have serious consequences for farmers across the nation who have planned their businesses on the basis of continuity of direct payments for this scheme year.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The next European multi-annual financial framework will run from 2021 to 2027, but this Bill will allocate funds for one year only. What is the British Government's intention: will there be a multi-annual framework for farming support, or will the decision be made annually?

Theresa Villiers: In our manifesto, the Government set out our commitment to retain 2019 levels of support for farmers throughout the current Parliament. The exact basis of the allocation and division of those funds remains to be determined, but we will work closely with the devolved Administrations in taking decisions.

Harriett Baldwin (West Worcestershire) (Con): I welcome the certainty given to farmers and food producers for 2020. What advice would the Secretary of State give to

an estate agent in my constituency on how it should value a significant estate currently in receipt of quite a lot of common agricultural payments?

Theresa Villiers: It will be important for the estate agent in question to follow developments relating to the transition to a new system of farm support in England. I will outline that later in my remarks, but we view leaving the common agricultural policy as a vital opportunity to create a better system that more effectively supports our farmers and enables them to deliver crucial public goods, including for the environment and animal welfare.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Further to the points raised by other Members, long-term planning is very important for farmers. They might, for example, plan to build a hay shed two years hence. Moreover, any lowering of the value of the pound would have an impact on farmers, because the price of fertiliser would go up and any machinery not made in the UK has to be imported. May I appeal to the Government, therefore, that they calculate the value of the pound in any sums as they are worked out for our farmers?

Theresa Villiers: The hon. Gentleman makes an important point about farmers' need for certainty and continuity, which is one of the reasons why we have brought forward this Bill today. That is also why we propose a seven-year transition period to move away from the basic payments of the common agricultural policy and towards the new approach of environmental land management for England, which this House will have the chance to debate within the next few weeks.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): I echo the concerns raised about farmers' need for continuity, but may I ask a slightly different question? What protections for vulnerable habitats does the Secretary of State envisage this Bill supporting?

Theresa Villiers: The Bill is a vital stepping stone to getting us to the transition period in 2021, when we will start to introduce our national pilot for the environmental land management schemes, which will replace the common agricultural policy in the United Kingdom. We have every expectation that those schemes will enable farmers to do even more than they presently do to protect habitat and valuable biodiversity.

Neil Parish (Tiverton and Honiton) (Con) *rose—*

Theresa Villiers: I give way to the Chairman of the Select Committee on Environment, Food and Rural Affairs.

Neil Parish: I am the former Chairman at the moment. I very much welcome the Secretary of State's statement. It is great to have continuity. I want to return to the point made by the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) about the value of the payment. At present, the payment is made in euros; the rate used is the average rate in September. Does my right hon. Friend expect this year's payment to be virtually the same as that for last year? In the past it was based on the value of the euro at the time of the payment, but I imagine that that will not be the case this time.

Theresa Villiers: My hon. Friend is correct to say that taking over domestic responsibility for the payments means that the currency fluctuation, which has had such a significant impact in past years, is not likely to affect payment levels in the same way. None the less, we have yet to decide the exact levels of basic payments, although the Chancellor has set out the overall spending envelope with which to fund such payments.

Tim Loughton (East Worthing and Shoreham) (Con): As we move towards the transition period—more will be appearing in the Agriculture Bill—we obviously welcome the environmental sustainability measures. One thing that is not mentioned here is the fact that many farmers look after places of archaeological interests—scheduled monuments that have access for the public and need to be maintained. Does the Secretary of State envisage that the payment system will recognise that farmers are not just there to enhance agriculture and produce food; they are also stewards of historical and archaeological monuments, for which they need to be compensated?

Theresa Villiers: My hon. Friend will be pleased to hear that clause 1 of the Agriculture Bill, which Parliament will have the chance to consider very soon, does recognise the importance of access to the countryside, and to our culture and heritage, by listing that as one of the public goods that we can potentially support through our new farm support scheme. He makes an important point.

I am pleased to say that the Chancellor confirmed on 30 December that overall levels of funding available for direct payments for 2020 will be the same as those for 2019, so the Government will provide £2.852 billion of support, topping up remaining EU funding. That announcement from the Chancellor, combined with this Bill, provides reassurance to the devolved Administrations in Scotland, Wales and Northern Ireland that they will be able to issue basic payments to their farmers in 2020. All four Administrations have said that these payments will be made, and that is in addition to the £216.6 million of further funding secured in the summer for farmers in Scotland and Wales.

Scott Mann (North Cornwall) (Con): I welcome the £3 billion announcement from the Treasury supporting our farmers, showing again that the Conservative Government support our rural communities. In the transition period from the current system to the new one, could this be done on a multi-annualised basis, so that some of our farmers can invest in some of their infrastructure to prepare themselves for the challenges that lie ahead?

Theresa Villiers: In setting out the seven-year transition period, we have recognised the concerns that my hon. Friend raises about the need for a multi-annual period. We will be providing further information on how the transition to environmental land management will work in due course. No doubt the debates on the Bill will give us a further opportunity to discuss and develop how the transition period will operate in practice.

Cat Smith (Lancaster and Fleetwood) (Lab): Will the Secretary of State give way?

Theresa Villiers: Yes, and then I need to make progress.

Cat Smith: I thank the Secretary of State; she is being very generous. One of the concerns that my constituents will have is around the payments from the Rural Payments Agency, which has received huge cuts since 2010. The civil servants who are working to deliver payments to farmers obviously work very hard, and I have some very positive stories in casework that I could show her. However, a huge proportion of farmers in Lancaster and Fleetwood are concerned about the delays in payments. She talks about maintaining the status quo. Will she change the status quo by reforming and re-staffing the Rural Payments Agency to ensure that farmers can receive the money in a timely manner?

Theresa Villiers: I hear what the hon. Lady says. Clearly, there have been difficulties in the past, but I would say that the RPA's performance in recent months has been better than for many years, with, last year, 93% of farmers receiving payments by the end of December. But there is always scope to improve, and I will certainly follow this matter very closely, not just in terms of the 2020 scheme year but in relation to the role of the RPA as we move forward with the reformed system.

The additional funding that the Government have allocated consists of £160 million for Scottish farmers to correct a perceived historical injustice in relation to past years' allocations. The remainder was awarded following the recommendations of the Bew report. Neither commitment would have been secured without the strong campaign led by Scottish Conservative MPs to get a fairer share of agricultural support for their farmers. I pay tribute to all of them, including those who sadly did not retain their seats at the election: Colin Clark, Stephen Kerr, Kirstene Hair and Paul Masterton.

Provision for the uplift in funding resulting from the Bew report and the campaign by Scottish Conservatives is made in clause 5. What is more, as I have said, the Government have a manifesto commitment to match the current overall budget for farmers in every year of this Parliament, so the Bill is an essential mechanism to provide continuity and stability for our agriculture sector as the United Kingdom leaves the European Union.

The Bill is narrow in scope in terms of subject matter and duration. Its provisions are consistent with the approach agreed by Parliament in the European Union (Withdrawal) Act 2018. Clause 2 sets out the approach to be taken by the courts regarding the interpretation of EU law. Clause 3 will enable secondary legislation to make operability amendments and to allow us to keep pace with post-exit regulatory change concerning 2020 direct payments, should the UK choose to do so. For England, the Bill bridges the gap between the common agricultural policy and the start of the agricultural transition in 2021. It does not change our policy, nor does it alter our ambitious vision for the future of food and farming in England.

The next steps in our radical reform of farm support in England will be debated in this House on Second Reading of the Agriculture Bill. That legislation will finally enable us to break free from the common agricultural policy. It will ensure that we take back control of our farming policy and our farm support payments. That will enable us to replace the perversities and constraints of the deeply flawed CAP with a new system that pays public money for public goods. We will reward farmers

for environmental stewardship and high standards of animal welfare. Our farmers have always played a crucial role in safeguarding our countryside and our environment. As we deliver this far-reaching transformation, that role for farmers will become even more pivotal in delivering goals such as cleaner air and water, healthier soil and better access to the countryside.

This will be one of the most important environmental reforms in this country for decades, and it is a major benefit delivered by Brexit. It needs to play a central role in tackling the two great environmental challenges of our time: reversing the disastrous decline of nature and biodiversity and protecting our climate.

Duncan Baker (North Norfolk) (Con): I come from the rural constituency of North Norfolk, where farmers form one of the most important sectors. Does the Secretary of State agree that the Agriculture Bill brings an excellent opportunity to tackle climate change head-on and that, as an industry, the farming community has an important part to play in helping with our environment?

Theresa Villiers: My hon. Friend makes a strong point. We believe that our new system of farm support can work for farmers and our environment. We believe that we can do a thousand times better than has been the case under the CAP.

Bill Wiggin (North Herefordshire) (Con): My right hon. Friend must surely agree that the purpose of subsidy is to ensure that British agriculture can compete with agriculture in the European Union and, indeed, the rest of the world. Will she therefore ensure that her Department does the necessary research, so that when we move from direct payments for acreage to public money for public goods, the money does arrive on the farm? We cannot afford for our farmers to be poorer because of these excellent intentions.

Theresa Villiers: We will be looking carefully at all aspects of the scheme. This is a hugely challenging thing to deliver, which is why we will phase it in over seven years. Of course, it is essential to get the funds to the farmers who are delivering the public goods that we want to secure. Because change always brings its challenges, to ease the introduction of the new system, we will adopt a seven-year transition period, and the Bill is a vital step in smoothing the path towards the start of that period.

This legislation may be less radical than the forthcoming Agriculture Bill, but it is still vital for the livelihood of farmers across our United Kingdom. I hope that Members will give their backing to this short but crucial legislation, so that we can give our farmers continuity, certainty and support as we move towards exit day and our departure from the European Union. The Bill provides a stepping stone to a more profitable, more productive, more resilient and more sustainable future for farming in this country, so that our hard-working farmers can continue to produce high-quality, high-welfare, iconic British food that is prized around the world and appreciated so much by all of us here at home. I commend the Bill to the House.

12.50 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I feel immensely honoured and privileged to speak at the Dispatch Box in my first outing as the shadow Secretary of State for Environment, Food and Rural Affairs. I would like to begin by paying tribute to my predecessor, Sue Hayman, and my former shadow DEFRA team colleagues Dr David Drew, Jenny Chapman, Dani Rowley and Sandy Martin. Each was formidable in their own right and worked tirelessly to scrutinise the Government and get the very best for our farmers, our wildlife and our environment. I was proud to work with Sue when we first proposed that Parliament should declare a climate emergency, and myself, my party and the planet will be grateful for her work.

Mr Speaker, you would expect me to have a link to our incredible countryside, as a proud west country lad, and I do. I declare an interest, because I am very proud to be the brother of a sheep farmer and of someone who works in wool marketing, one of whom receives CAP payments.

There is an irony that the first piece of legislation we are considering now that the Government's Brexit Bill has nearly passed is one that extends the EU's farm payments system for a further 12 months. Labour will not oppose this Bill, because we think it is important that our farmers are paid, but there are still issues that I would like to raise with the Secretary of State. These are just the first rumblings of a stampede of Bills to come out of DEFRA. We still have the Agriculture Bill, the fisheries Bill and the environment Bill to follow.

I am pleased that the Government have accepted that Labour was right to argue repeatedly during our previous debate on the Agriculture Bill that we need long-term funding for direct payments, which has now materialised in the Bills that have been published. These Bills form the legislative framework for fishing, farming and the environment for the next 30 years. They come as our planet is on fire and our nation is plunging deeper into climate crisis. Every one of these Bills is an opportunity to protect our planet for the future, to cut carbon in bolder and faster ways, and to ensure that climate justice walks hand in hand with social justice, so that no one is left behind, whether in towns and cities or coastal and rural communities—and every one of these Bills falls short.

Seema Malhotra: My hon. Friend is making a good speech, and I join him in paying tribute to colleagues who are no longer in this place but have done so much work in this area, including Sue Hayman and others. Does he agree that it is incredibly important, as we debate these Bills, to ensure that there is an assessment of when the UK agricultural sector will achieve net zero?

Luke Pollard: I thank my hon. Friend for that comment. I was proud that our party went into the general election with a commitment to have a path to net zero by 2030, and thanks to some of the amazing work being done by farmers up and down the country, the National Farmers Union has a plan to get to net zero by 2040. But 2040 is too late. I want to send a message loudly and clearly to the Secretary of State that we need bolder and swifter action. The Bills that she is proposing fall short in ambition, planning and detail, and I hope that she will

[Luke Pollard]

take our criticism as a friendly gesture to try to improve these Bills, because they need to be improved if we are to tackle the climate emergency fully.

John Redwood (Wokingham) (Con): Does the hon. Gentleman think that people need to change their diets? How can we have more British-grown food?

Luke Pollard: I am grateful to the right hon. Gentleman for raising that point. We need to talk about food miles much more. We need to be buying local. That does not only mean buying from the region we live in, buying British and looking out for the Red Tractor symbol on the food we buy. It also means calculating the food miles of the trade deals that will be done in the future. It is nonsense to have trade deals that will encourage consumers to buy food from the other side of the planet, at huge carbon cost, when there is perfectly good, nutritious, healthy food grown and reared to a high standard in our own country. I will return to that point time and again in this Parliament.

Tonia Antoniazzi (Gower) (Lab): There are some excellent agricultural community groups in my constituency. I have visited one called Cae Tan, and I am so impressed. We talk about farm to fork, which is key. What can we do to encourage these brilliant organisations that are working so hard to make sure that we can eat local?

Luke Pollard: I thank my hon. Friend for making that point. Perhaps the Minister who winds up the debate will make some remarks on what the Government could do. We need to lead by example. It is fine sampling delicacies from around the world, but we need to understand that the seasonality of our food is important. Britain produces some of the finest seasonal food all year round, but sometimes it is produced at carbon costs that should not be absorbed into our carbon budgets in the future. Let us celebrate the food we grow in the seasons when we grow it, and let us encourage all our constituents to eat local and lead by example.

Sir Greg Knight (East Yorkshire) (Con): I welcome the hon. Gentleman to his shadow Front-Bench position. Does he agree that we could do a lot more to encourage people to buy and eat British by improving food labelling?

Luke Pollard: I am grateful to the right hon. Gentleman for mentioning that. At the weekend, I was talking about the fish that goes into pet food. As the Secretary of State will have seen from her press cuttings, I am concerned that there is not enough labelling on tins at the moment for people to understand what is in them, including the risk that there could be vulnerable and endangered species of fish in pet food. I hope she will take that seriously. Whether it is being fed to our children or our pets, we need to ensure that what is in the tin is what is on the tin, and that is not always the case at the moment.

I will make some progress before taking further interventions. The Bills presented by DEFRA reflect a new form of managerialism that has permeated the Department ever since the former Secretary of State, the right hon. Member for Surrey Heath (Michael Gove), left. I disagreed with him on a great many things,

but there is no doubt that under him, DEFRA was at the heart of government and at the forefront of media attention, with consultations aplenty and a whirlwind of ambition, cunning, drive and the cold wind of change. That contrasts unfavourably with where we are now.

Brexit should mean that DEFRA is at the beating heart of a new vision for governance after we leave the EU. With so much change expected for farming, fishing, food and environmental standards, every journalist in town and every Government Back Bencher should be beating a path to the Secretary of State's door. But they are not, and this is a challenge for the Secretary of State to show the bold leadership and the courage of her predecessor. These Bills do not do enough to cut carbon, and they do not do enough to protect vulnerable habitats. There is an opportunity in the process of revision to look on a cross-party basis at how we can do more, because our planet needs us to, and I hope that that opportunity will not be missed.

The Bill that we are considering today should be unnecessary. If the Government had made progress with the Agriculture Bill in the last Parliament, we would not need it now. The last Committee sitting of the Agriculture Bill was in November 2018. Instead of bringing the Bill back to the House of Commons to be reviewed and passed, the Government sat on their hands. That Bill would already be on the statute book, and we would already be moving on with "public money for public goods", if the Government had not been so cautious and timid about bringing it forward. We need bold vision in agriculture, similar to the vision in the Agriculture Act 1947 introduced by the groundbreaking Labour Government. Ministers need to show a greater degree of courage.

Labour supports the public money for public goods approach, with the addition of food as a public good. It was omitted from the last Agriculture Bill, and I am glad that Ministers have rectified that between the two drafts being published. If that Bill had been passed instead of the Government long-grassing it, there would be no need to extend the CAP for 12 months, because we could have moved on to a new system by this point.

The Bill also implements the recommendations of the Bew review, which set out the right steps to correct the historical wrongs for farmers in Scotland, Wales and Northern Ireland. That is long overdue. I would like the Minister of State, in his concluding remarks, to place on record a statement to confirm that this will not be paid for by English farmers. I believe that is what the Secretary of State hinted at in her opening remarks, but there is concern among farmers that extra money for farming is something that rarely appears from Governments, and I would like the Minister to make it clear that this is extra money and that English farmers will not have their funding cut to correct that historical injustice. I think that is what the Secretary of State was saying, but I would be grateful if that could be set out.

I am grateful to my hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) for mentioning the Rural Payments Agency, because in a Bill about direct payments to farmers, the omission of the Government agency that is responsible for them seems to be an oversight. Improvements in the past year have helped to speed up payments, but there is nothing in the Bill that guarantees a better service for farmers from the Rural Payments Agency. There are no service commitments or

guarantees of swift payments during a period of payment turbulence, and there is no certainty of support in the future. There is nothing in the Bill that provides adequate resources for the civil servants in the Rural Payments Agency, which has seen its budget cut from £237 million in 2010 to just £95 million in 2018. That is showing in the service that many farmers have received, including delayed payments. When we are subject to so much potential change in the payment system, it is important that the civil servants in that agency have the resources they need. In DEFRA questions over many years, I have heard hon. Members across the House raise legitimate concerns about the speed of payments and about ensuring that delays in payment do not adversely affect the sometimes fragile financial situations of our farmers. I think that is worth picking up on.

With this Bill, it looks as though Ministers are legislating for a new cliff edge. It provides for only another 12 months of certainty for farmers before the Agriculture Bill comes in. Introducing such a complex scheme as public money for public goods—for which we have seen no consultations or further details—means that it could be necessary for the Government to extend these provisions for another 12 months afterwards, but there is nothing in the Bill that allows them to do that. I know that the Prime Minister is no fan of extensions, but when it comes to the details of this proposal, I do not want to see the Secretary of State back here in six months' time needing to pass another piece of legislation because the systems are not in place as she intends today. Labour will table amendments to enable the Government to extend systems such as this with an affirmative vote of the House, to ensure that our farmers have the certainty they need. After the long-grassing of the Agriculture Bill and the Fisheries Bill, I am sure that the Minister will forgive us for not having confidence that Ministers will precisely deliver what they have set out in grand speeches. Labour does not stand in the way of a new system for payments, it is just that the Government's record in sitting on those Bills does not inspire confidence.

At the heart of what we are talking about today in fishing and farming is the climate emergency and the necessity to decarbonise everything that we do. The Conservative ambition to see net zero by 2050 is a long way away. I will be 70 in 2050, and as far as I am concerned, that is my entire lifetime away. That target is simply not ambitious enough. We need to be hitting net zero by 2030 to make any meaningful contribution to tackling the climate crisis. Minette Batters and the leadership of the NFU have provided a direction that shows that reducing carbon—to net zero by 2040 in their case, but earlier for some sectors in our agricultural sector—is not only possible but preferable. That can be done through supporting the livelihoods of small farmers in particular.

One area that was missing from the Agriculture Bill and is missing from this Bill is the protection of hill farmers and those who rear rare breeds. Those are two areas that we know will be under direct assault from the Government's proposed changes to the farm funding system. Hill farming and rare breed farming do not get a huge amount of airtime in this place, but they need it. Hill farming in particular has created the landscape of many of our rural areas over many generations, and it needs to be protected.

Richard Drax (South Dorset) (Con): The shadow Minister was talking about the public good. Given the beautiful countryside that we have, thanks to the many farmers in this country, and the millions of people who come here to enjoy it, I can think of no better cause than that the money should go to the hill farmers who make this country look so stunning.

Luke Pollard: I agree with the hon. Gentleman. I think that that was a remark directed more at his Front Benchers than mine, because there is an absence of such a provision in the Bill.

Lurking in the shadows of the Bill is the prospect of lower standards, lower environmental protections and lower animal welfare standards with a post-Brexit trade deal. There are many grand sentences and lofty ambitions, but the reality of a trade deal with Donald Trump's America is that farm standards would be lower, and there is a risk that our farmers would be undercut by farming methods that do not have the same animal welfare or the same focus on quality as UK farmers have at the moment. Conservative Members may shake their heads, but this issue is being raised by the NFU and farmers' groups right across the country. It is a valid and real concern in our rural communities, and this Bill and others still do nothing about it. Trade deals must not be allowed to lower standards. We do not want to be left with Donald Trump's rat hair paprika, hormone-treated beef or chlorinated chicken. The show of hands at the Oxford farming conference about the confidence farmers have in the Secretary of State and the ability to protect farmers in trade deals showed that there is still work to be done by Ministers to win the confidence of farmers in that respect.

Jonathan Edwards: The hon. Gentleman is making a vital point. During the Secretary of State's initial remarks, she had high praise for the Chancellor, but over the weekend the Chancellor said that the strategy of the British Government would be to disalign from Europe in all standard areas. We know that 90% of Welsh exports go into the single market. The British Government are about to cut the throats of Welsh farmers.

Luke Pollard: I am not really interested in Brexit soundbites, but I am interested in Brexit detail. It might be easy for the Chancellor to give a quote about divergence in the media, but divergence on farm standards means the potential for disruption at the border, difficulty in exporting our products and lower standards. It is important that Ministers come out and explain what divergence means in the context of agriculture, because divergence from high standards often means lower standards, and no matter what assurances are given, until it is written into a Bill that our standards will be protected and that there will be no divergence and no lowering of standards, there is every chance that people will doubt the motives of those who offer lofty soundbites but take different actions.

Alicia Kearns (Rutland and Melton) (Con): We talk about welfare standards and the standards of the food we are producing, but who decides those standards? Ultimately it is our farmers. It strikes me as slightly concerning when the Opposition continue to say that we are going to have lower standards after Brexit, because it is ultimately our farmers who decide what

[Alicia Kearns]

standards we have. I have full confidence that they want to continue to have the high welfare standards that we have at the moment. Our farmers have no interest in lowering standards. Does the hon. Member agree that this ultimately comes down to the farmers, and that they are not going to lower standards in any way?

Luke Pollard: I think the hon. Lady is agreeing with me, but from a different angle. I agree that our farmers want high standards. They pride themselves on the high standards of the food they produce and the animals they rear. The risk with a trade deal is that there will be access to the UK market for farmers producing food at lower standards and thus undercutting our markets. That is the concern of the NFU, and I would encourage her to speak to her local farmers about this, because I think there is a genuine risk of that happening.

Richard Drax: The shadow Minister talks about chlorinated chicken—we hear a lot about that—but would he like to comment on the chlorinated water that we all drink in this country?

Luke Pollard: The hon. Gentleman invites me down a cul-de-sac about water policy that I am not quite sure is worth going down, but I would advise him not to drink too much swimming pool water when he is next having a little dip.

The important thing here is that we want to maintain the high standards of British farming, as do British farmers, and we need to ensure that we have a farm support system that gives them certainty, so that they can invest and employ people to pick the crops and rear the animals. We know that up and down the country crops are rotting in the fields because there are not enough people working in the area. We also know that the seasonal agricultural workers scheme is not delivering the number of places that we need to support our industry and that the Agriculture Bill, although lofty in its ambitions, is light on any detail that would enable farmers to invest. There is an opportunity here for Ministers to clarify and build on this.

Ministers have set out that public goods money will come in over a seven-year period, but they have also said that there will be no changes to the funding period over the next four years. That means that they will be loading in massive change over the final three years of the period, which come, interestingly, just after the next general election. We agree that public money for public goods is the right approach, but farmers will quite legitimately be asking, “How is that going to affect us? What is the financial formula that will affect our region? What will it incentivise us to invest in, and what will it disincentivise us to invest in, and how can we plan?” How do we ensure that types of farming that are sometimes less profitable, such as the rare breeds and hill farming that was mentioned earlier, are protected and encouraged, and how are we recognising the potential disruption that Brexit could bring to the communities affected?

There are some real opportunities to get this system right in the next three months with these Bills, but there is also a real risk that we will be creating framework legislation that does not deliver for our rural and coastal

communities. On behalf of the Opposition, I make the Secretary of State an offer that we will work with the Minister and her Department to make sure that we are reflecting the concerns of farmers and fishers—those people who want high standards—and to make sure that we can support the legislation. We will not be opposing this Bill today, but I invite the Secretary of State to look again at the ambition and the drive of her Department, because if we are truly to tackle the climate emergency, we will need better than what she has achieved so far.

1.10 pm

Neil Parish (Tiverton and Honiton) (Con): It is a great pleasure to see you in the Chair, Mr Speaker. May I welcome the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) to his new post as shadow Secretary of State for Environment, Food and Rural Affairs? I want to pay tribute to Sue Hayman, David Drew and Sandy Martin, because I worked very well cross-party with them when dealing with the previous Environment, Food and Rural Affairs Committee, and I would like to put that on record.

Naturally, I very much welcome the Secretary of State's statement about the continuity of payments to farmers because I think this is very important. We stand at a great moment when we can create a much better policy than the common agricultural policy. This is a moment of truth, shall we say? We now have not only this Bill, which will allow for payments to be made for the next year in a very similar way to how they were made in the past, but then the transitional period of seven years from one type of payment to the other, which gives us a real opportunity to look at the way we deliver payments.

The Rural Payments Agency has finally got delivering the basic farm payment right. What does slightly worry me, however, is that the one payment it finds great difficulty with delivering is that for the stewardship schemes. Whether that is a combination of Natural England and the Rural Payments Agency, there does seem to be a problem there. We have time to iron it out, but we have to be absolutely certain, as we move to new policies that are going to be much more in line with the stewardship schemes, that we get the system right and get this paid on time.

The interesting point about the transitional period and new payments for farmers is that some farmers are perhaps under the slight illusion that they are going to be able to get exactly the same level of payment from the new system as they do from the basic farm payment. Of course, like it or not, probably over half the farmers in this country rely on the basic farm payment for part of their income. Historically, it has always been said that farmers should set aside those payments and should not put them into their budget, but, as a practical farmer for many years, I can assure Members that those payments have always gone into the farming budget. About the only time that the bank manager ever smiled at me was when that payment came in, because it was a good lump sum.

Bill Wiggin: Not only am I grateful to my hon. Friend for giving way, but I smile at him too. Does he not agree with me that the purpose of subsidy is to keep those farm businesses competitive with our international

competitors? Therefore, if he is right—I hope his Committee, when it is reconstituted, will investigate this—and this money does not go to those businesses, that competitive edge will be lost. From a food security point of view, if nothing else, it is vital that that money does arrive in the pockets of our farmers and then of their bank managers.

Neil Parish: My hon. Friend raises a very good point, which I am leading on to. As we deal with farm payments in the future, we have to make sure that we build on our environment and that we do not forget food production, healthy food and delivering British food at high standards. I think it is the NFU that says:

“You can’t go green if you’re in the red!”

That is the issue. We have to make sure that there is enough money flowing into farming businesses to ensure that we have good healthy food.

The one little criticism I have of the new Agriculture Bill is that there is possibly not quite enough in it on farming and food production. It is better than it was, and I give great credit to my right hon. and hon. Friends on the Front Bench who have worked very hard to get that into the Bill, but I still want to ensure that an Agriculture Bill is actually about food production and about agriculture. It is also about the environment, but I would like those to be equal parts of it, and I think that is the great challenge.

Julian Sturdy (York Outer) (Con): My hon. Friend is making a really important point. Does he not agree that we have to make sure we secure fair trading arrangements for food producers in future trade deals? If we do not do this, we can talk about the vast environmental policies we want, but ultimately if we do not get those correct future trading relationships, that could destroy British agriculture.

Neil Parish: My hon. Friend, who was on the previous Select Committee, raises an extremely good point. Again, not only does the income of farmers come naturally from the support payment, but much of it comes from what they sell. Of course, farmers would like to be able to make sure that they can sell their product at a good price so that they do not have to rely so much on public support, so these trade deals are going to be very important.

I do worry about the future trade deals, but provided we are sensible and put forward a trade agreement that maintains our high standards of environmental, crop and animal welfare protection, and that we make sure those products coming in from trade deal are meeting the same standards, then I have not got a problem. What I do not want to see is this being massively undermined by lower standards, because with lower standards come lower costs and, basically, that is what will put farmers out of business in the end.

I think there is a bright future for farming provided we get this right. I think we can, and I know that the agriculture Minister, my hon. Friend the Member for Camborne and Redruth (George Eustice), is very keen on reducing bureaucracy and on delivering a more simple payment. I am looking forward to all this coming before us so that the Select Committee can look at it in great detail, because this is a great opportunity.

I made this point in a debate last week or the week before, but we now have the interesting idea that we must have a three crop rule. The three crop rule was introduced because eastern Germany has produced maize after maize for a generation, and to break that continuous maize production, the three crop rule has been brought in. However, in a country like our own—especially on the western side of this country in particular, from Scotland right down to Cornwall—we find that there is so much grass production, including a lot of permanent grass, that we really do not need a three crop rule. It is completely unnecessary.

We also do not need re-mapping every three years when we make payments, and there is an issue there. I think farmers should be considered innocent until they are proven guilty. At the moment, they are guilty until they can prove they are innocent. They are always being checked on, and then fined if there is a slight discrepancy between the maps and the areas of claim. If there are some rogues out there—dare I say it, and I speak as a farmer, but every community has one or two rogues—and they are really defrauding the system, we should come down on them like a ton of bricks. However, for a lot of farmers, what they do is very genuine and the way they make their claims is very genuine, and even if there is a small discrepancy, we should not have to be checking on them all the time, giving fines and all of these things. There really is a great deal we can do there to simplify this, and I look forward to my hon. Friend coming forward with those ideas. We can make farming the solution for the countryside, and ensure that we deal with the environment. The Opposition talk about having zero carbon emissions by 2030. We cannot get there by then, but much of farming could get there by 2040. When we take payment from direct support systems, perhaps we could put those payments into getting agricultural and other buildings to store slurry and the like.

Anthony Mangnall (Totnes) (Con): Does my hon. Friend recognise that there must be a balance between the environmental and productivity aspects of how our farmers produce in this country? We now have a new opportunity to produce in this land like never before, and that is what leaving the European Union on 31 January will give us.

Neil Parish: My hon. Friend, the new MP for Totnes, makes a good point. When considering an agricultural policy that is, rightly, much more linked to the environment, we must ensure that we do not stop the means of production. We must look at new technologies. Some in this House will throw up their hands in horror when I talk about gene technology and other things, but there are ways to reduce the amount of crop protection we use, while still keeping a dynamic and productive agricultural industry.

Take oilseed rape, for instance. In this country we cannot use neonicotinoids, yet all the oilseed rape we import has largely been treated with a product that we cannot use here. We must be careful not to throw the baby out with the bathwater—we want a productive agricultural industry and to produce food in this country, and that will be the great challenge for us. As we look for a new policy, plant trees and help our environment, let us ensure not only that we plant those trees, but that we are smart about where we plant them. At the same time we

[Neil Parish]

can help to stop soil erosion and flooding, and we can make a real difference. During the election there was a sort of bidding war over how many trees each party could plant, and it got to some ludicrous figure in the end. I am not sure where we will plant all those trees, but I think we can plant them and do so smartly.

I have made this point in the Chamber before, but as we plant trees we must ensure that there is an income from doing so. Let us return to my dear bank manager. If I bought some land, had a big mortgage and said, “I will plant some trees and come back to you in 50 years when there might be an income”, I think he would say, “It’s probably best not to buy it in the first place, and do not borrow the money from my bank if you do so.” To be serious, however, if we are to look at land and those who own it, we must ensure that there is a support system, so that the right trees are planted in the right places. We also need a support system that takes people through a period of time, and ensures a crop of trees. People should be able to replant trees where they need to, or take wood from those areas, because they are sustainable. I am putting on my hat as a farmer and landowner, but at the moment people might be cautious about planting too many trees on their best land, because they cannot be certain that they will get an income from it in future, or that they will ever be able to cut those trees down. This is about ensuring that we improve the environment, but also that we have enough land for really good food production.

We have spoken a lot about the Agriculture Bill, and that is for the future. I expect you want me to shut up in a minute, Mr Speaker—[*Interruption.*] I am still waxing lyrical, because I am keen to ensure that we have good food and enough land to produce it. We also need affordable food. If I have any criticism of the Agriculture Bill, it is that it rightly focuses on high welfare and high standards, but also probably on quite highly priced food. This country has a highly competitive, productive poultry industry that delivers good poultry to good standards and at an affordable price. Dare I say that most of us in the House—I can talk about myself in particular—are fairly well fed, and we probably do not worry about buying food? To make a serious point, however, a lot of the population have to look at their budget and be careful about how much they spend. We can produce food in this country, even under intensive conditions, to a much better standard than the food we import. We must be careful that we do not exclude intensive production, but then import it from elsewhere in the world where there are much lower standards, including on welfare. That is key.

Julian Sturdy: It is also about importing environmental damage.

Neil Parish: My hon. Friend must have read my mind because—you will be glad to hear this, Mr Speaker—my final point is that as we consider ways to improve the environment in this country, we must remember that part of that involves food production. If we reduce our food production but import food from Brazil, where they are ploughing up the savannah and cutting down the rain forest, that will not improve the world environment—it will make it much worse. When we import food from drier countries, we also import their water to grow that food. There is a great drive to have a good agriculture

Bill that is linked to the environment, but we can also produce a great deal of good food in this country, and I think we have a moral duty to do so.

Several hon. Members rose—

Mr Speaker: Order. We have a second debate later, so perhaps we could work towards a time limit of 10 minutes. First, however, we have another Front Bencher.

1.27 pm

Deidre Brock (Edinburgh North and Leith) (SNP): Happily, Mr Speaker, my contribution is confined to the content of the Bill, so it will be quite a lot shorter. [*Interruption.*] Revolutionary, indeed.

I welcome the new shadow Secretary of State to his place, and congratulate him on taking on that important position. I look forward to working with him in future, and will he please pass on my best wishes to his colleagues, with whom I very much enjoyed working in the previous Parliament?

Here we are here again, just as I predicted back in the good old days when we discussed the old Agriculture Bill, which, as some Members will recall, we were told was “absolutely essential” before Brexit. It turns out, however, that it was essential only until the Prime Minister fancied an election, so here we are with emergency legislation that is being done in a rush to cover the Government’s failure to plan ahead.

Some former Scottish Tory MPs are no longer with us, and none of those left is in the Chamber to hear this debate, which rather surprises me. They said at the time that all Scotland needed was a schedule on the back of that essentially English Bill, because that would ensure continuity for Scotland without us Scots having to bother our pretty little heads about it. But here we are. The UK Agriculture Bill has been shelved and needs to restart, this panicked Bill is needed to allow payments to keep farms and crofts running, and UK agriculture policy is down the pan. Three and a half years of planning for Brexit, and the Government are still in chaos without a single clue about what is going on. In the Scottish Parliament, the Agriculture (Retained EU Law and Data) (Scotland) Bill is proceeding in a steady, measured and orderly fashion—the kind of thing that can only be dreamed of here. In the interests of keeping farmers and crofters in business, and seeking to ensure that some food continues to be produced—that being the point, I would argue, of most agriculture—Scotland’s Parliament has agreed to allow legislative consent for this Bill: sensible politics. The Bill needs to get through to safeguard livelihoods and food supplies, and that necessity should give the Government pause for thought as we trundle on towards the next attempt to get an agriculture Bill through. What is the purpose of agriculture support? Is it food production or is it something else?

We will not oppose the Bill, so I will keep my remarks short and confined to its substance, but I will lay down a marker or two. The convergence money that was swiped from Scottish farmers—I point out to the Secretary of State that that was not simply a matter of perception, but theft plain and simple—was to be returned under the Bew recommendations. It should still be paid to Scottish farmers and I will continue to pursue that.

They should also be paid interest and compensation for the initial theft, but, frankly, I hold out no prospect of that happening.

Clause 5 will allow an uplift in the moneys paid to farmers. Given the chaos that Brexit is bringing and the shutting off of the mainland EU markets by this Government's actions, we will be looking for that money to get a substantial boost just to keep the farming lights on. Scottish farmers and crofters have seen a succession of Tory promises made and discarded in recent years. That will not be allowed to continue. For the short period before the forthcoming independence referendum, SNP MPs will stay on the Government's case and we will continue to press for the needs of Scotland's farmers and crofters to be addressed. My hon. Friend the Member for Angus (Dave Doogan) addressed one of those points—the need for seasonal workers—at Prime Minister's questions last week, showing the benefits to Angus of electing an SNP MP who is willing to put in a full shift once again. We will be back over and over again.

There will be questions to be raised on farm payments in the Bill, as well as on the other issues on agriculture that Brexit threatens.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): We need to bear in mind that for crofters and farmers the big uncertainty will be the autumn markets if there are tariff barriers and trade hurdles with the EU. That should really leave an open-ended cheque for the gamblers in the UK Government, who have given blithe assertions that all will be fine—if it is not fine, it should not be the crofters and farmers who pay.

Deidre Brock: I absolutely agree with my hon. Friend. The tariffs could have a shattering impact on many of our most important agriculture industries in Scotland and the Government should be fully aware of the recompense they should be making to farmers and crofters as a result of that possibility.

There are questions to be raised not only on farm payments in the Bill, but on other agriculture issues that Brexit threatens: the import of fertilisers and other crop treatment products; the import of animal feed; the export of the high-quality produce we create in Scotland; the protection of the domestic market, which has been raised, from poor quality US produce; maintaining sanitary and phytosanitary standards; and protection from GM incursions.

Brexit's Pandora's box is open and the furies are taking flight. What hope remains for England is unclear, but Scotland has an option that we are likely to exercise soon. In the meantime, let us pass the Bill. Let us legislate in haste and amend at leisure. Let us get on with the business of keeping farmers and crofters in business, at least for the next wee while. Let us see if we can get to the other business in good time to avoid another round of disaster legislation.

1.33 pm

Edward Timpson (Eddisbury) (Con): Thank you very much, Madam Deputy Speaker, for allowing me to make what is, in essence, my second maiden speech—or maiden speech 2.0, to coin a modern phrase—and for the indulgence of the Chair in according a freer than usual range. Having been asked by the great British public to find my happiness elsewhere for the past

two and a half years, I am delighted and grateful to be given the opportunity by the good people of Eddisbury to have another go.

I would also like to acknowledge the contribution made by my predecessor Antoinette Sandbach during her own tenure in Eddisbury. As I discovered during the recent election, Antoinette is a passionate and committed campaigner, no more so than when speaking up on issues close to her heart. In particular, Members will recall her moving and powerful pleas to improve services for those who suffer baby loss. Our respective political paths may have diverged, but I want to take this opportunity to thank Antoinette for her service, and to wish her and her family well for the future.

My return to Parliament at this election has been rather less dramatic than my initial entry and exit. During the 2008 by-election, Fleet Street decamped to Crewe and Nantwich to dissect what became a national test for both Gordon Brown and David Cameron. In the end, Labour's class war campaign was roundly rejected. Within days, I found myself at Westminster in the Opposition Chief Whip's office being inducted by Patrick, now Lord, McLoughlin. The only other person present in the room was the then Member for Henley, now Prime Minister, who was there to head off to the Chiltern Hundreds, he having been recently elected as Mayor of London. Little did we both know that just over a decade later we would be back on the same Benches, both representing new constituencies with majorities the polar opposite of the ones we had when we first met.

Losing my seat in 2017 by all of 48 votes, after three recounts, was also a far from benign experience, and not one I am looking to repeat. While formatively humbling and professionally devastating, it did enable me to enjoy those precious early years with our fourth child, Nell, as well as opening up new roles for me to continue my mission to support struggling children and families, namely as chair of Cafcass—the Children and Family Court Advisory and Support Service—and chair of the newly formed National Child Safeguarding Board.

Eddisbury is one of those mystery seats that many people, including Members of this House, would struggle to place on a map. But as someone who has lived in Eddisbury, home to me and my family for 35 years, I am confident that it is Britain's best kept secret. Named after a pre-Norman conquest shire hundred and the hill up on the sandstone ridge that runs down its spine, Eddisbury occupies the bulk of the Cheshire plain, nestled between the Peak district to the east and the Welsh hills to the west. It has a proud history of dairy farming that to this day is the bedrock of the local economy; the source of about 3% of the UK's dairy products, including the famous Cheshire cheese.

Eddisbury farmers have found it tough going in a climate of market volatility and uncertainty about their future. That is why this Bill, and the Agriculture Bill set out in the Queen's Speech, are such crucial measures. They need to recognise and maintain the high food safety, farming and animal welfare standards we have worked hard to achieve, while ensuring we have greater control over farm practices in Eddisbury and right across the UK. We must use the year ahead to provide the dairy and wider agriculture industry with the longer term clarity, support and freedom they need to invest,

[Edward Timpson]

grow and prosper. If we genuinely back British farming, whether it be reducing food miles or tackling climate change, our farmers can deliver.

In contrast to the patchwork of fields, interrupted by the criss-crossing of canal boats, is the town of Winsford. With a population of over 30,000, well-situated close to the M6 and connected to the west coast main line, Winsford has come a long way since a salt industry was established there along the River Weaver in the 1830s. Now a logistics and manufacturing base, Winsford has over 4,000 people employed on the Winsford industrial estate, including Tiger Trailers, Rolls-Royce and Compass Minerals to name but a few. Its town centre, like many, is in dire need of renewal, and I look forward to working with the Government, and Cheshire West and Chester Council, to help revitalise a much needed commercial and community space that local residents can be proud of.

Winsford is also home to some amazing charities run with the help of armies of volunteers, such as the NeuroMuscular Centre of Excellence—where I held my surgery last week—St Luke's Cheshire Hospice and Home-Start Cheshire, of which I am a patron.

Eddisbury boasts a scattering of resplendent villages, from Farndon, Bunbury and Tattenhall to Audlem, Tarporley and Malpas, not forgetting Tarvin, Waverton, Wrenbury, Acton, Barrow, Tilston, Kelsall and Church Minshull—among many others. They thrive through the vibrancy and activity of local people, who care deeply about their community, yet they can become isolated without good connectivity with the world around them, whether that is through reliable and regular rural bus services, road networks in a decent, pothole-free condition, easy and timely access to GP services, or better—much better—broadband.

Eddisbury also has an enticing array of entertainment on offer, being home to Oulton Park racetrack, which hosts the British Superbike championship, Delamere forest, Cheshire's largest area of woodland—where I confess I once watched Rick Astley in concert—the majestic English Heritage site of Beeston Castle, CarFest North at Bolesworth, and the Cholmondeley Pageant of Power. Eddisbury is no sleepy backwater and we have plans to play our part in the north-west in levelling up our nation, whether that is economically, socially or potentially even politically, with the now inevitable relocation of the House of Lords to Cheshire.

You will know too, Madam Deputy Speaker, that my time in Parliament has been very much shaped by my lifelong passion and determination to improve the lives of vulnerable and disadvantaged children. I am reminded of the words I used during my first maiden speech to describe my motivation for speaking up for kids who need the most help:

“Having spent the past 25 years living with, and helping care for, many foster children, and the past decade working in the care system, I know only too well the fundamental importance of putting children first and giving them the childhood that they deserve.”—[*Official Report*, 16 June 2008; Vol. 477, c. 747.]

I see no reason to alter a single word. Indeed, my late mother, Alex, who opened up our home to over 90 foster children, instilled these virtues in me from an early age and helped to guide me through my nearly five years as Minister for Children and Families. It was therefore encouraging to see the commitments made in the

Conservative manifesto, not just to our farmers but to children's social care: the creation of family hubs; the prioritisation of loving, stable homes for children who find themselves in care; and a review of our care system more generally. I advise the Front Bench team that a blueprint already exists for delivering an excellent children's social care system, entitled—you've guessed it, Madam Deputy Speaker—“Putting children first”, which the Government published during my time as children's Minister in July 2016.

Since then, we have seen the number of good and outstanding children's services rise markedly, albeit from a low base, and the number of inadequate judgments fall by nearly half. However, we all know that the pressure on the system remains, and with around 400,000 of the 12 million children in England in the children's social care system at any one time, this is an area of public policy that we simply cannot ignore.

The good news is that the dedication, compassion and professionalism of those on the frontline of social work is there for all to see, but what they need, too, is the freedom and support that enables them to innovate in their practice, to use their professional judgment to make good decisions on behalf of children placed under their wing, and to grow trusted relationships with families in need of their help. Policy should promote such a culture, not stifle it. Only then can we have the confidence that every one of those 400,000 children will get the right level and quality of intervention, protection, placement and planning of their future when they need it, for as long as they need it. In doing so, we can continue to build the foundations that break down what all too often is a destructive cycle. Let us unleash every child's potential.

In acknowledging that I have strayed a little from the subject matter of this debate, I end by saying to all the people of Eddisbury, however you voted, and to all those children who do not have a voice but need to be heard: I am here for you—after all, that is my duty.

1.43 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a privilege to follow the hon. Member for Eddisbury (Edward Timpson). I recall the Crewe and Nantwich by-election in 2008—the weather was quite nice, and I congratulate him on his first victory. I spent some time in Eddisbury in, I think, '99 for the by-election, when Stephen O'Brien, his predecessor but one, was first elected, so I know where it is—there is a good chippy in Winsford, if I remember correctly. I genuinely mean it when I say that the hon. Gentleman was an excellent children's Minister. This will massively hamper any rise he may subsequently make, but if the Prime Minister should be thinking of a reshuffle, he could look no further than him. I also thank him for paying tribute to his excellent and very principled predecessor, Antoinette Sandbach, my former hon. Friend.

Let me make a little confession. Some years ago, before Brexit was even a thing—back in the day when the Prime Minister thought it was madness to even countenance leaving the European Union—I said that I could see one advantage in the United Kingdom departing the EU: I could see how we could spend the common agricultural policy money better than it is often spent through the current system. That does not mean that I predicted that a future Government would spend it better, but I could see how they could—that is an important caveat.

The Bill is necessary and provides a modicum of certainty for farmers as we leave the European Union in just a few days' time. It permits a small island of temporary predictability in a sea of uncertainty. It kicks the can a few yards down the lane, but it will do nothing to disguise the chasm that is opening up for farmers as we leave the EU. The Government believe that they have a mandate to "get Brexit done", but nowhere is the nonsense behind that statement laid bare more than in the case of our farming industry.

I will tell the House what Brexit has done: according to the Secretary of State last week at the Oxford farming conference, it has done for the basic payment scheme—which constitutes 85% of the income of the average livestock farmer—starting in less than 12 months. It has done for free access for British farmers to their most important export market—90% of Cumbria's farm exports are to the European single market. If the Chancellor of the Exchequer is to be believed, it has also done for our alignment with the single market and will therefore usher in a new era of red tape, costs on farm businesses and non-tariff barriers to trade.

The idea that a 12-month stay of execution for farmers equates to certainty is, frankly, laughable. Even if the Government were to make a commitment for the whole Parliament, anyone who thinks that even five years constitutes the long term in farming cannot be taken seriously.

The Government's stated position—reiterated again at the Oxford farming conference—is that the BPS will be phased out over a seven-year period from next January. I am privileged to chair the all-party group on hill farming and I was very pleased to hear the shadow Secretary of State, the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard), refer to the importance of hill farming to our country as a whole. In our view, it is a dangerous thing to start phasing out the basic payment when we have yet to clarify what will replace it: the ELMS—the environmental land management scheme—which will be available for some farmers in 2024, we are told, but not all farmers until 2028.

With all due respect, farmers lack confidence in Governments of all colours and their ability to deliver an as yet undefined new payment on time because they have consistently failed to deliver existing payments over the last two decades. Being told for certain that you will lose 85% of your income while being offered the dubious possibility that you might have something else in future is unlikely to get Britain's farmers dancing in the street.

The Bill is a necessary one-year fulfilment of the obligations of the withdrawal agreement. It is not a real commitment to farmers. Even if the Government were to bodge together extensions of one year at a time for the inevitable slippage on the roll-out of ELMS, what does that do for the ability of farmers to plan for the medium term, let alone the long term?

Why does this matter? It matters because over the transition period of seven years, the Government's plan will reduce Britain's capacity to feed itself in the future. We think far too little about food security. Some 50% of the food that we consume is imported. Twenty years ago, the figure was more like 35%. It is an extremely worrying trend. If the ability of farmers in the UK to make a living and compete is further undermined, this situation will only get worse. That will be bad for the

environment, for British farmers and for the security of our country, as we cut ourselves off from our most important trading partner.

We need to think of the bigger picture and the long-term impact. You can tick the boxes with legislation such as this and "get Brexit done", but that is a slogan with a heavy price tag—a price tag that in the case of our farmers could be fatal. The production of food must be considered a public good, but it is certain that the loss of BPS with an as yet undefined replacement will see people leave the industry. Some will flee before it gets too bad, others will be forced out when they cannot make ends meet. To put it bluntly, if we are to deliver public goods through farming, we need to make sure there are some farmers left to deliver those public goods by 2028. Without those farmers, who will deliver biodiversity programmes? Who will deliver natural flood management schemes? Who will deliver growth and maintain the woodlands and peatland necessary to absorb CO₂? In Cumbria, including the lakes and the Yorkshire dales, who will maintain our footpaths and our rare historic breeds? Who will beautifully keep and present the landscapes that inspired Wordsworth and inspire 16 million people to visit us every single year?

Jim Shannon (Strangford) (DUP): This morning, the National Trust held an event downstairs. It was keen to show what it was doing on the environment. It has plans across its 500 properties to plant more trees and thereby be the lungs of the United Kingdom. There are many groups and landowners doing lots of things to help to tackle climate change.

Tim Farron: The hon. Gentleman makes an important point. Farmers are at the forefront of tackling climate change—they see the climate changing before their eyes, they are the eyewitnesses to our changing planet and the damage being done. In the uplands, in Cumbria and elsewhere, it is they who have the ability to help to protect the towns and villages from flooding by planting more trees, managing the land and more generally ensuring the carbon sink that will help to protect our planet. Without them, who will maintain the backdrop to the tourism economy in Cumbria, which is worth £3 billion a year and employs 60,000 people? Indeed, 80% of the working-age population of the Lake district currently earn their living there.

How can farmers be expected to invest in the long term if they can only look ahead one year at a time? Like most farmers, I accept that in the long term BPS needs to be replaced by public payment for public goods—no argument there—but "public good" needs to be defined widely enough for farmers to make a living, especially farmers in the uplands of Cumbria. I am not saying, therefore, that we should scrap ELMS and keep BPS forever, but I am saying that the Government should not delude themselves into thinking they can make radical change as seamlessly as they appear to think.

The Bill is necessary and we will support it—not just not oppose it—but it does not answer the need to pave the way for a new system. The Government cannot be permitted to do the bare minimum to fulfil the obligations of the withdrawal agreement, with no thought to the impact in real terms. The Government must protect British farming and therefore the environment—and therefore food security, rare breeds, heritage, landscape,

[Tim Farron]

our tourism economy—so will the Government now commit to transition arrangements that allow farmers to survive that transition? In short, I say to the Government: do not remove a penny of BPS from anyone until ELMS is available for everyone.

1.53 pm

Scott Mann (North Cornwall) (Con): I welcome the new shadow Secretary of State to his place. It is nice to have a fellow west country MP there and I look forward to working with him on the Agriculture Bill and the fisheries Bill and, importantly, on putting provisions on angling into the latter.

I am pleased to have been called to speak on Second Reading of this very necessary Bill. The Government's manifesto commitment to invest £3 billion in our farmers and farming communities over the lifetime of this Parliament is to be welcomed. Continuity is so important to our farmers now, with all the uncertainty in the marketplace, and the Government have proved again that they are committed to our farmers and our farming communities. We are moving from a rather ridiculous system where people are paid for land rather than public goods. Farmers in the UK receive £3.5 billion annually in farming support under the common agricultural policy. More than 80% of the support is paid directly to farmers, based broadly on land and land management. A lot of that is taken up by hedge funds and other financial organisations, which receive an annualised income. We have to move away from that system to something that supports our farmers and farming industry.

The previous CAP had nothing in place for soil erosion. We lose 2 billion tonnes of top soil into our rivers every year. We need a replacement to ensure that that does not happen. There is very little in there about habitats, save for the rather dysfunctional element of pillar 2 of the CAP funding; very little about production, other than silly things about people having to grow three crops; and nothing about catchment farming. I hope we are moving away from a system where our farmers have to map their land. I have dealt with countless constituents who have brought cases to me where their topographical land management has been done from an aerial viewpoint and where the numbers the RPA says they have they do not actually have. Moreover, many of my moorland farmers have been waiting three years for payments under pillar 2—the higher stewardship element. That is unacceptable. We need to move away from the historic system to a better system.

What do we want from a new agricultural scheme? I am no expert, but I tend to listen to people who are. I have regular meetings with farmers in my constituency of North Cornwall. They are the custodians of the countryside and understand what they want from a future agricultural system.

Jim Shannon: The National Farmers Union has a clear idea of what it wants from the changes, and its sister organisation back home, the Ulster Farmers Union, of which I am a member, has the same ideas on going forward. The hon. Gentleman has mentioned the importance of touching base with our farmers and those who own the land. How important is it that the Government listen to the NFU and the UFU?

Scott Mann: It is vital. My hon. Friend speaks from a position of strength. He is always in the Chamber speaking up for his farmers and fishermen and he makes a relevant point about the Government listening to the NFU.

My farmers want a less bureaucratic system and one that is locally administered, has local support, supports younger people to get involved in farming, supports more tenant farms and recognises that local factors and local contributions can be submitted. They want a scheme that supports diversification in farming through the planning system to allow them to diversify into other projects. As the shadow Secretary of State said, they want to move away from having to supply around the country to more localised supply chains and localised control.

I want to explore what “public good” might mean. I am proud to have the Camel cycle trail running through my constituency, from Padstow to Bodmin. It gets 500,000 visitors a year. We could do much more in the “public good” element in the Agriculture Bill to expand cycleways across the country—I am hoping there might be Members on both sides of the House who want to create a cycleway all the way from John o’Groats to Land’s End in Cornwall.

There is much to consider. We have a footpath network, which is administered by the local authority currently, that is not fit for purpose. The Government have an opportunity to take some control over that and for farmers to be paid for upkeep and better access to the countryside, be that cycleways or footpaths.

When I first became a Member of Parliament, I had the pleasure of taking part in a soil inquiry in the House of Lords, and heard about all the good-quality topsoil that was being flushed into the rivers every year. It struck me that farmers were investing in their soil but receiving no benefit from that investment. It would be nice to see some benefit resulting from improved soil quality.

Anthony Mangnall: Perhaps it would be an idea for farmers to consider new, innovative ways of looking after their soil, such as min-till farming. Does my hon. Friend agree that that would offer an opportunity for the future of farming and soil fertility?

Scott Mann: Absolutely. One of the issues that we discussed during the inquiry was how we could maintain better soil access. He is no longer in the Chamber, but the former Chairman of the Environment, Food and Rural Affairs Committee—or hopefully the new Chairman; I know that he is standing for re-election—mentioned the importance of planting more trees around rivers and ensuring that some of that soil erosion does not happen.

When I had the pleasure of visiting a higher-level stewardship scheme in Tregirls, near Padstow, I learnt about the reintroduction of the grey partridge—its numbers had diminished over the years, but the populations were growing—and the work that was being done to provide nesting grounds for corn buntings. I also had the pleasure recently of meeting representatives of the Westcountry Rivers Trust, who showed me some of the work that they were doing with upper catchment farming. I believe that if we can take the slurry pits out of some of our rivers, we will be able to improve water quality as well as the environmental management of farms. Those were

joint projects involving both the trust and South West Water, and I think that they will provide a good basis for a catchment-sensitive farming package.

I want to say something about the upper catchment in particular, and about the spawning grounds for salmon and sea trout. We have a big problem when our rivers are in spate and all the water goes into the river very quickly. The water then tends to flush out to sea very quickly as well, wiping out all the biodiversity in the river. I think that we should invest much more in our salmon and sea trout grounds so that their spawning beds are there for the future and the species are returned to the river as far as possible.

The Angling Trust said this about the Agriculture Bill:

“We believe this Bill presents a once in a generation opportunity to address the impact agriculture has on our freshwater environment and, therefore, on healthy fish populations. We welcome the emphasis on good soil management and restoration. We will be looking for a clear framework to effectively manage pollution from agriculture and from residential pollution and to ensure that any future...payments scheme incentivises good land management in relation to water and penalises poor practices. This must be supported by effective regulation and advice to farmers”.

I would be grateful to hear from the Minister whether the amounts for future years can be paid in one go. I intervened on the Secretary of State about this. One of my local farmers said to me recently, “If we know that the payments will be made over a longer period, would it not be wise to give farmers the option to have them rolled up into one payment so that they can invest in their farms at an early stage?” I thought that that was quite a sensible idea, because it would allow farmers to invest in their businesses when they needed to do so.

May we also have a scheme that allows payments on day one? I have engaged in numerous discussions with the Rural Payments Agency about that. It would be nice if we wrapped up this discussion very early so that farmers can receive direct payments on day one of the new legislation.

What am I looking for as the Bill progresses? I am looking for a locally administered scheme, with payments agreed from the previous year and made on day one, to be run in conjunction with organisations such as the Royal Society for the Protection of Birds, the Environment Agency, the Soil Association, the Westcountry Rivers Trust and the Woodland Trust. We could bring in Sustrans to look into whether a cycleway is a possibility. I am passionate about cycling, and I think that we have a real opportunity to open up our countryside so that more people have access to it.

We could also work alongside local anglers. Yesterday, the Norwegian fisheries Minister and I discussed what was happening to fisheries and agriculture in Norway. The Norwegians impose an obligation in regard to boats and quotas—financial organisations cannot invest in them. We might well want to consider that in the context of agriculture.

I am getting the nod from you, Madam Deputy Speaker, so I shall wind up my speech. Our farmers are going through monumental change, and I am pleased that the Government are investing in and supporting them. We have the ability to improve drastically on the existing model of the common agricultural policy and I look forward to being involved in that. We should show the

public exactly how good our farmers are. We know about higher animal welfare standards, but it would be good if farmers were given an incentive to invite schoolkids on to farms to show them some of the great practices in which they are engaged.

I am happy to support the Bill.

Madam Deputy Speaker (Dame Rosie Winterton): It is a great pleasure to call Dave Doogan to make his maiden speech.

2.5 pm

Dave Doogan (Angus) (SNP): Thank you very much, Madam Deputy Speaker. I, too, extend my welcome to the new shadow Secretary of State and wish him good luck in his post.

It is the greatest honour for me to stand here representing the people of Angus and the Scottish National party. My greatest ambition is to do the very best that I can for the people who have placed their faith in me, and also to play my part in delivering our country from the United Kingdom and back into the international community of nations. I thank all those in Angus who voted to send me to this place, and assure all those who did not of my unconditional service to all. I am so grateful to my amazing SNP Angus team, who worked tirelessly and in all weathers to ensure that we got the job done.

I must also pay tribute to my predecessor, Kirstene Hair, who represented Angus for two and a half years. In that time she sought to advance a range of important issues, the principal one being the seasonal agricultural workers scheme. That is a cause of vital importance to the people in Angus and one that I have already taken up with the Prime Minister. Kirstene fought a hard campaign to be returned to this place, and I wish her—and, more important, her staff—every success in the future.

Madam Deputy Speaker, you will of course recall with fondness my predecessor, and your former colleague, Mike Weir, who represented Angus with distinction from 2001 until 2017. I got to know Mike much better over the last three months as we canvassed the streets of Angus together. It is a measure of his sense of duty that after 16 years in this place, he still campaigns tirelessly for the people of Angus and the cause of Scottish independence.

I am delighted to follow the hon. Member for North Cornwall (Scott Mann) and to be making my maiden speech as we consider the Direct Payments to Farmers (Legislative Continuity) Bill, which relates directly to the challenges and opportunities facing many in my constituency. However, if the Secretary of State were still in the Chamber, I would suggest to her that the notion that the Bill affords any reassurance and continuity to farmers is for the birds.

My constituency of Angus showcases the best of Scotland's landscapes, with some of the richest farmland anywhere on these islands to the east, and the wild uplands, glens and mountains to the west—a haven for wildlife and outdoor pursuits. Our prime farmland extends right up to our dramatic coastline. If, Madam Deputy Speaker, you should ever be lucky enough to find yourself in the picture-postcard hamlet of Auchmithie, you may well see farmers ploughing along the clifftops amid the breathtaking spectacle of our unique landscape.

[Dave Doogan]

It is, however, the people of Angus who give life to those landscapes. Angus has a thriving voluntary sector, and there are many outstanding examples of community capacity taking control of key local issues, often in support of our most vulnerable. A healthy rivalry also exists between the burghs but, heeding my strong sense of self-preservation, I will resist airing any views on which might be the best! So, in no particular order, I will highlight just some of Angus's contribution to innovation, the arts, culinary excellence and Scottish history.

Brechin was the birthplace of Sir Robert Watson-Watt, whose discoveries led to the invention of radar, and the Davidson family, of Harley-Davidson motorcycles, hailed from nearby hamlet of Aberlemno. Arbroath, the largest settlement and a much-visited coastal town, is the birthplace of Alexander Shanks, inventor of the lawnmower, and James Chalmers, who created the concept of the adhesive postage stamp. Arbroath, also a retail centre, is home to the famous Arbroath smokie—the delicious smoked haddock delicacy which enjoys the EU's protected geographical status.

Forfar is the vibrant county town in the heart of the constituency. It is home to significant manufacturing and retail, and Angus Council's headquarters. But the jewel in Forfar's crown is the delicious, iconic meat-filled pastry crescent, the bridie. With all due respect to the six Cornish Tories—one is in the Chamber—your pasties are pleasant, but our bridies are brilliant!

Kirriemuir knocks it out of the park with its famous sons including Sir Hugh Munro, who recorded every one of the 283 Scottish mountains over 3,000 feet, 10 of which are in Angus; Bon Scott, the lead singer of AC/DC; and J.M. Barrie, whose works, including "Peter Pan", the House needs no further introduction to. Montrose is the birthplace of the acclaimed Scots writer Violet Jacob and home to the amazing natural tidal basin—a haven for birds and marine life where, at the appropriate sunset, someone may just be lucky enough to witness the most beautiful array of colours. In addition to its retail centre, Montrose has long been home to state-of-the-art pharmaceutical manufacturing.

And of course it was in Angus—at Arbroath abbey—that, 700 years ago, the nobles of Scotland became signatories to the declaration of Arbroath that was sent to Pope John XXII, which asserted Scotland's position in the world as an independent kingdom. While this work remains in progress, I believe a satisfactory conclusion to Scotland's position in the world is close at hand.

I am touched to have been so enthusiastically welcomed by Angus SNP colleagues as their candidate in the first instance, and by the wider electorate thereafter.

Scotland is a country that has always looked outward and welcomed others. My late father was Irish—born in partition, into the grinding poverty of British maladministration. He came to Scotland, working as an agricultural contractor, with his business reaching across the rich farmlands of Fife, Clackmannanshire, Perthshire and Angus. My enduring memory of him was his equal comfort in speaking with the laird or with the labourer, showing each the same respect. I have always sought to emulate his humanity and humility.

Separately, my mother also fled Ireland's poverty as a young adult. The refuge that she and her family found some 70 years ago was in Forfar, the county town of my constituency. Madam Deputy Speaker, my mother today is what you might call a big age, but the pride that she has in the fact that her youngest child is now the Member of Parliament for Forfar is not insubstantial. My family are indebted to, and a product of, Scotland's hospitality.

Like many children of immigrant parents, I was brought up to appreciate that while no task is beneath me, no target is beyond me, and that though no one is more worthy than I am, I am no better than anyone else. As we say in Scotland, "We're all Jock Tamson's bairns." And so it is with my country. Scotland is no better than any other nation but, let us be clear, we are not any worse either.

The people of Scotland are watching the events that happen in this place, and it is they who will be the final arbiters of Scotland's constitutional future. I look forward to celebrating with them in their wisdom and their ambition.

I conclude on a personal note. My children and my family have been tremendously supportive to me in my long journey to this Parliament. I must, however, express my limitless thanks to my wife. It is by the gift of her strength and kindness that I was able to give up my job in the Ministry of Defence 13 years ago and then go to university, become a councillor, start my business and disappear for months on end campaigning. Over these long years, she has kept our family's show on the road.

While I am here in this place, I must work within the system. I will do so in the service of my constituents and my country. I hope at all times to be collegiate and pragmatic, but do not confuse that with any acceptance of London rule. I will always seek to be constructive and courteous in transacting our business down here, but do not mistake that for submission or fondness for the status quo. I and my SNP colleagues are here to settle up, not settle down. We are here only to help to open the door to a progressive independent future for our country. And when Scotland walks through, into the progressive future of independence and the normality that that brings, the honour will fall to me and my SNP colleagues here gathered to firmly close the door of this place behind us and leave for the last time, taking Scotland's brighter, independent future with us. [Applause.]

Madam Deputy Speaker (Dame Rosie Winterton): Order. No clapping.

2.15 pm

Bill Wiggin (North Herefordshire) (Con): It is a pleasure to follow the new hon. Member for Angus (Dave Doogan). Making a maiden speech is terrifying; following one, particularly one as good as that, equally daunting. I commend the hon. Gentleman for saying that he will do his very best; that should apply to us all. He of course thanked voters and his predecessor, Kirstene Hair, who was a lovely and wonderful Member of this House. It is deeply important for all of us to heap praise on our predecessors, no matter how difficult it may be—it certainly was when I made my maiden speech—because we are all united here in doing the best we can for our constituents.

I liked listening to the hon. Member's description of the landscape, and the Harley-Davidson motorcycle reference was particularly dear to my heart. When I look at Angus I think of the second-best breed of British cattle, the Aberdeen Angus, which from Herefordshire is not a difficult one for me to tease him about. I look forward to his maintaining the status quo for at least the next five years here, and I wish him every success with his career, which I suspect will go from strength to strength.

Colleagues should bear in mind that declaring one's interests is very important in these debates—in fact, the most important thing. I am the lucky recipient of a very small cheque from the RPA once a year for my smallholding in Herefordshire.

I absolutely reject the purpose of subsidy in all fields except agriculture, because although our farmers produce the finest food in the world, they do so from a playing field that is anything but level, so we need to help them maintain the skills necessary to provide the food security that we may need at any time. It is easy to forget that epidemics such as foot and mouth, which hit our country in 2001, can happen anywhere in the world. We have also seen bluetongue and avian influenza, for example. Our food supply is always vulnerable. One cannot learn quickly how to farm; it takes years—generations—and great skill and appropriate qualifications. That is why, for the security of our country, we need to support our agricultural industry.

It is worth it. We put £3.5 billion into agriculture every year, but our food exports alone are worth £22 billion. We are 60% self-sufficient; 60% of the food we eat is produced here. I believe that the future for agriculture is that it will provide a healthier diet for our country. So as we will not only be providing the security that we need and a wonderful export market, but saving ourselves a fortune through the NHS, by ensuring that our population are healthier, better-fed and thriving. Of course, we can do that only if we control what comes into our country according to its quality and the production methods used.

That, if nothing else, is a good reason to support the Bill, but I am pleased to say that there is more. I, too, have had problems with the RPA—oh my goodness! I have also given it a fair few problems of my own, but it has always handled them extremely well and politely. However, the burden that the RPA lands on farmers, such as the one in my constituency who had to undertake the re-mapping of every hedge on his farm because the data had been lost, is horrendous. Having the power not to have to follow the EU's rules will be tremendously positive for all those working for the RPA, and we should not be looking at spending more money on it, but making its job easier by demanding less from it. I look forward to that as one of the future steps to easing the burden on our constituents and on farmers, by ensuring that the RPA regulations are more straightforward.

In any change to agriculture, the biggest thing is that we take the public with us. Food labelling is therefore the most fundamental thing to get right. The problem with food labelling is that our eyesight is not necessarily good enough to read the small writing necessary to include all the information we need on small amounts of food. That is particularly true of restaurant menus, on which we cannot see where, say, the chicken has come from. That is just taken as the restaurant's corporate responsibility.

The problem is that, until we conquer the challenge of industrial food production, we will not be able to protect standards, even if we want to, so I urge the Government to look carefully at how to ensure the public are properly informed. I suggest they pay particular attention to private Member's Bill No. 17, which seeks to address this issue in great detail not only in the labelling of food but in how meat is graded.

One problem we have with meat is that we care about how fat the animal is and how much meat and muscle it has, but we do not care about what it tastes like. That is a fundamental mistake when we expect people to eat it. We should be doing a great deal more on eating quality, as the Canadians and the Australians do. There is a huge benefit to eating quality, because the calmer and more placid the animal, the better it tastes. A calm and placid animal is considerably safer to have on a farm, which means the risk to farmers of being killed by their cattle—that risk is particularly serious for older farmers—is considerably reduced.

Nearly all the people who die on farms in animal accidents are farmers aged over 60. They die, whereas younger farmers are able to recover. We lose about seven farmers a year to such deaths, and we could do a great deal more just by having better-tasting meat. What a great success that would be.

On the subject of saving lives, I come to chlorinated chicken. I have a huge number of poultry producers in my constituency, and the nightmare for them is campylobacter, which causes food poisoning that kills about six people a year. If we chlorinate our chicken, we should save those lives. Do not be fooled by the anti-chlorination argument. There are terrible problems with hormones in beef, which I will not touch on—I will leave it to those who wish to criticise American food production—but chlorinated chicken is not the monster it is made out to be.

Deidre Brock: The hon. Member for South Dorset (Richard Drax) spoke about chlorinated chicken and how we put chlorine in our swimming pools, and so on. The main point to which people object is that chlorinating chicken disguises the poor welfare standards that lead to the amount of germs and bacteria in the meat that is presented to us.

Madam Deputy Speaker (Dame Rosie Winterton): Order. I remind Members that the Bill is about payments to farmers and not much wider farming issues. I am sure the hon. Lady has made her point.

Bill Wiggin: Madam Deputy Speaker, you have completely torpedoed my response because, of course, the only sector that is not subsidised is the pig and poultry sector. It is worth bearing in mind how long chickens live in those broiler houses: normally 29 days.

Adam Afriyie (Windsor) (Con): Having studied agricultural economics many years ago, the last time I saw a very healthy-looking animal was on my hon. Friend's farm. It strikes me that farmers are not just raising cattle or growing crops but are doing an awful lot of other activities that maintain our environment and maintain the health and beauty of the countryside. Does he agree that if we had control over the direct payments we make to our farmers, we would have better control over their activities and the levels of profit they can make?

Bill Wiggin: I absolutely agree. Another element to direct payments is that, by paying our farmers, to some extent we control what they are doing. I hope we will get away from that when we cease to be controlled by the common agricultural policy, but it does mean that, as taxpayers, we have a say in the beauty of our countryside. Of course, when one looks at the size of the tourist industry or, indeed, any of the other industries that live off our views or our environment, we see that this is a tremendous advantage. That is why it is critical that the Bill is passed.

Victoria Prentis (Banbury) (Con): I thank my fellow farmer for giving way. He mentioned that it is significant that farmers develop their skills over many years and often many generations. When considering direct payments, does he agree it is important that farmers are able to plan for their future by knowing what subsidies they are likely to receive so that they can tailor their farming practices accordingly?

Bill Wiggin: My hon. Friend makes a vital point, and it is why the Government have a seven-year tail to this policy. The Bill does not do as much as she and I would both like it to do in delivering certainty. That is a huge problem in my constituency. I have 10,500 people working on farms in my constituency, 88% of which is farmland. Some £23.2 million a year comes into my constituency in subsidy, and it is critical to those farm businesses that they know exactly what is happening.

One problem I face is the current trend away from eating meat, which is a disaster for British agriculture. I was stopped during the general election campaign by someone who said, “Mr Wiggin, you don’t like vegetarians.” I said, “That’s not strictly true, but I do have an issue with this desire to go to a plant-based diet, because it means importing soya from Brazil. It means living with the big pharmaceutical companies determining our diet.”

I am keen that we get back to direct payments for livestock farmers, particularly in Herefordshire, and that we return to British food for British voters, constituents and consumers, so I thoroughly look forward to seeing this Bill become law, and to the Agriculture Bill that follows, so that we can get a lot of these details on to the statute book for the benefit of all concerned.

2.26 pm

Ben Lake (Ceredigion) (PC): It is a pleasure to follow the hon. Member for North Herefordshire (Bill Wiggin). I agree with a lot of the points he raises, particularly on the importance of maintaining a level playing field for our farmers, both in trade and, as I will discuss, within the UK internal market in so far as it exists.

Seeing the crowded Government Benches reminds me that the hon. Member for Brecon and Radnorshire (Fay Jones) will shortly be making her maiden speech, and I congratulate my constituency neighbour on what I am sure will be a very impressive first outing.

The Minister can sit easy, because I confirm that Plaid Cymru will not be opposing the Bill today. In so far as the Bill is being introduced to ensure that farmers in Wales who are participating in the basic payment scheme in 2020 can be paid from December, we fully support it. I am glad the Bill has been introduced to offer some certainty to farmers in Wales.

I am also glad that we have this opportunity to discuss the broader elements of the Bill. This Bill and the Agriculture Bill, which we will discuss soon enough, will largely determine the future of agricultural policy across the four nations of the UK for years to come. The Minister will have previously heard me preach about the need to replace some aspects of the common agricultural policy, particularly some of the associated frameworks that, taken together, have provided the financial and legislative basis upon which the four national Governments of the UK have formulated their agricultural policies for some years.

I raise this today because, particularly when it comes to funding, divergences and distortions can arise if we are not careful. As the four UK countries develop their agricultural policies, the question of how they will co-operate to ensure the effective functioning of the internal market in these islands looms ever larger. I am sure that greater flexibility and a more bespoke agricultural policy for each of the four nations will be championed in parliamentary debates, and rightly so, but we should also ensure that some of the CAP’s objectives in preventing excessive market distortion and maintaining a level playing field for our farmers within the countries of the UK do not fall by the wayside as we transition to this new settlement. Before I am challenged on this by Scottish National party Members, let me make it clear that that is not to say that we should prohibit policy divergence of any kind. Rather, I am trying to say that the four Governments should come together to agree financial and regulatory parameters to facilitate the functioning of the internal market, while allowing each—

Jonathan Edwards: My hon. Friend is making an important point. Do we not need structures that enhance joint decision making, rather than just Westminster making decisions on behalf of the four countries?

Ben Lake: My hon. Friend has put it far more impeccably than I could. The important thing is having co-decision making on these issues and the agreements being jointly made between the four Governments of the UK, so as to ensure that the internal market is not undermined. Such an endeavour would require us to tackle issues such as the principles underpinning agricultural policies, the quanta of funding that can be allocated to different objectives and the specific challenges relating to cross-border holdings, of which the hon. Members for Montgomeryshire (Craig Williams) and for Brecon and Radnorshire will be aware. We can come to some sort of agreement on all these measures, which is what I am trying to emphasise this afternoon.

I am not pretending that this will be easy, far from it, but I am saying that it is deeply important that we do reach some sort of arrangement. Frameworks currently exist and they address the issues and questions I have just raised. They ensure that the national Governments can base their policies on a set of common objectives. In other words, they are boundaries within which the four nations and the Governments of the British Isles can tailor their policies to address the specific challenges that face their respective industries, while preventing harmful market distortion and disruption to supply chains. These questions need to be addressed anew to ensure that unfair advantages do not arise and that the internal market is not compromised. Many of the issues will have to be addressed as part of the discussions on the UK Agriculture Bill and in collaboration with the

devolved Governments, but this Bill does offer us a brief opportunity to raise some questions about the funding framework, to which I hope the Minister can respond as he concludes the debate.

As I have mentioned, the Bill allows BPS payments to come from domestic UK funds, and in that sense it is mainly a housekeeping exercise. One question that has been raised by stakeholders in Wales is whether the Bill requires devolved Governments to spend these moneys in this way or whether they have discretion as to how to spend them. I would be grateful if the Minister addressed that point.

The Bill also raises some questions about long-term arrangements for UK agricultural funding. My hon. Friend the Member for Carmarthen East and Dinefwr (Jonathan Edwards), and the hon. Members for Westmorland and Lonsdale (Tim Farron) and for North Cornwall (Scott Mann), have touched on the need for multiannual financial frameworks.

As the Secretary of State mentioned in her opening remarks, the Bill also implements a lot of the findings of the Bew review. It has been received warmly across the House, but in Wales there are severe concerns about the allocations and the decision that the review came to on the UK funding allocations. For example, the Farmers Union of Wales has pointed out that the total difference between average annual Scottish and Welsh farm payments has now diverged to about £16,200, which leaves the average farm payment for Scotland at about 175% of the average Welsh payment. This is not me begrudging farmers in Scotland something they deserve; the question I am raising is: is there not a case to be made for Welsh farmers receiving an equivalent amount of funding, so as to ensure that we maintain that level playing field that the hon. Member for North Herefordshire mentioned?

The distortions that the allocations outlined by the Bew review have made clear surely highlight the need for a proper financial framework, agreed by all four Governments, that secures long-term funding for agriculture across the four devolved nations and is based on a fair and objective formula that minimises market distortion. I have grave reservations that the Bill, on its own, will not do that, so I would welcome any insight that the Minister can offer on how the UK Government intend to tackle this. Furthermore, by what intergovernmental mechanism will these questions be resolved? If any disputes arise, how will they be settled? Do the Government acknowledge something that I raised in the Committee considering the previous Agriculture Bill, which is that some sort of more formalised intergovernmental agreement system, based on co-decision making and co-operation, could make multiannual financial settlements easier to implement and would ensure that we avoid the sort of market distortion that unions in Wales are so fearful of, which will ultimately make Welsh farmers worse off?

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): It is now a great pleasure to call Fay Jones to make her maiden speech.

2.35 pm

Fay Jones (Brecon and Radnorshire) (Con): Thank you, Madam Deputy Speaker. First, may I congratulate the hon. Member for Angus (Dave Doogan) on giving an excellent maiden speech, which set the bar high for me? I feel humbled and privileged to be here this afternoon,

serving as the Member for Brecon and Radnorshire. I am only the 17th person to have that honour, and it is an honour and a responsibility I will never forget. It is also very special for me to be one of the first three female Conservative Members of Parliament from Wales, and it is a pleasure to have both the others with me on the Benches this afternoon. Together we have made a mark in history that is long overdue, but very welcome none the less. I also thank my hon. Friend the Member for Wrexham (Sarah Atherton) for bringing in the throat sweets that are keeping me going this afternoon. I am delighted to have my first opportunity to speak in this House on this particular legislation, and to follow my hon. Friend the Member for North Herefordshire (Bill Wiggin) and the hon. Member for Ceredigion (Ben Lake).

I represent one of the largest beef and sheep farming constituencies in the United Kingdom, and this Bill will directly affect many thousands of my constituents, but I will return to that point in a few moments.

Before I go on, I want to pay tribute to my predecessor Jane Dodds. Jane's brief tenure in this House was marked by her principled and courageous stance. She continued in the long tradition of distinguished Liberal Democrats to represent Brecon and Radnorshire; many Members will remember Roger Williams fondly, and indeed the late Lord Livsey. I was struck during the election campaign by just how many constituents still refer to both Roger's and Lord Livsey's passion for Brecon and Radnorshire, something that I fully understand and share. Liberals and Conservatives in Wales have a tendency to fight hard, but there is a trend for co-operation. Indeed, Roger Williams was at one point the landlord of Jonathan Evans, who would serve as the Conservative Member for the constituency between 1992 and 1997. Jonathan left this place for the European Parliament, where, in 2003, he gave me my first job, as a stagiaire in his office in Brussels. That began a long period of job swapping between the Evans and the Jones families. Jonathan would later return to this place as the Member for Cardiff North, a seat once occupied by my father Gwilym, whom I am delighted to see in the Gallery this afternoon with my mother and brother. For me now to occupy Jonathan's former seat is a somewhat amusing development and puts a new spin on the phrase "keeping up with the Joneses".

Chris Davies, my immediate Conservative predecessor, is a man I look up to enormously. Like Lord Livsey, he was an outstanding steward for his constituency. You cannot go into a pub, a livestock market or a coffee shop without someone confirming that they know Chris well and saying what a good person he is. I will strive to be as devoted a champion for my community as Chris was.

I feel enormously fortunate to be in this House today for many reasons but largely because of the area I represent. Brecon and Radnorshire encapsulates everything I am passionate about, particularly farming, books and the military. As the largest constituency in England and Wales, there is an awful lot of Brecon and Radnor to admire. A view that will live in my mind from the election campaign comes from the top of Llanbister, right up in roof of Radnorshire. It is of the rolling green fields below, dissected by the River Ithon and neatly partitioned by hedgerows, but the beauty of that view is in its productivity and what it represents. Those lands are cultivated by farmers who keep us going, and who feed not just our stomachs, but our hearts and souls. I am enormously

[Fay Jones]

proud that Brecon and Radnorshire is home to thousands of farmers and farming families, all of whom ensure that our villages and towns have a positive future. In this Chamber, and in this job, I will be devoted to their service, championing what they do to produce world-class food and steward our precious natural environment.

Before I came into this House, I spent my career working for both the National Farmers Union and the Department for Environment, Food and Rural Affairs, but in Brecon and Radnor, we see that farming is the beating heart of Wales. It is not an antiquated sector that belongs to another time; it is a dynamic, interconnected industry that contributes more than £9.5 billion to the UK economy. Providing 58,000 jobs in Wales alone, it catalyses rural Britain. Tourists who flock to constituencies such as mine come because they want to see rolling green hills grazed by sheep and cattle, in a grass-fed, cattle-based system that is good for our health, our economy and, above all, our environment.

Brecon and Radnorshire is not purely farming. We are home to world-class cultural festivals such as Brecon Jazz, the Green Man festival and, indeed, the Hay literary festival. The Hay festival is known to many as the Woodstock of the mind. It is a bastion of literature and independent thinking, and the town itself is, too. With 22 independent bookshops, Hay-on-Wye is paradise for a reader like me. Over the coming years, I hope to welcome many Members to Hay for the festival, but I hope that as they arrive, they will think of the man who put Hay on the map: Richard Booth, the self-appointed king of Hay, who declared Hay an independent kingdom in 1977. One of the most beautiful bookshops in Hay still bears his name. Despite our having lost Richard in August last year, the independent spirit with which he imbued Hay-on-Wye is thriving even now. However, I would like to reassure my colleagues, the Whips on the Front Bench, that I will curb any independent spirit that I might once have had.

It was once said that the first world war might have been won on the playing fields of Eton, but the Falklands war was won on the hills of Brecon. We are a proud garrison town and our military links are obvious from the moment someone drives off the A470, when the Infantry Battle School and Brecon garrison are some of the first things they will see. Although the Brecon Beacons are breathtakingly beautiful, I am proud that our military strength comes directly from the training that they get in our outstanding national park. I wholeheartedly applaud the Government's efforts to acknowledge the service given by our military personnel. Our bravest deserve nothing but our respect and gratitude, and they can certainly be assured of mine.

There is one military link that I am especially keen to promote. During the election, I was pleased to meet a Major Khusiman Gurung, who served as Gurkha Major of the 1st Battalion the Royal Gurkha Regiment. The Gurkhas are well known for their strength in battle, but also for their devoted service to the Crown. With the strong Gurkha community living and working in Brecon, the relationship between Brecon and the Gurkhas is special and ongoing. It was cemented last year, when the town was twinned with Dhampus in Nepal. In many ways, I think it may be slightly easier to get to Nepal

than around Brecon and Radnor. I am very grateful to the Gurkha community for their service and look forward to supporting them as their Member of Parliament.

The Bill is small but mighty—much like myself, in many ways. It offers farmers the one thing they need: certainty. Farmers are able to withstand drought, disease and even Government interference, if they are able to plan. As we leave the European Union, this Bill gives the farming sector the confidence it needs to go forward. In the coming weeks and months, we will work closely with the farming sector, not against it. It is only with that sort of approach that we will make any difference to the enormous challenges that this country faces, particularly the impending threat of climate change. It is my firm view that farmers are a tiny part of the problem but an enormous part of the solution.

When I was elected as Member of Parliament for Brecon and Radnorshire, I won first prize in the lottery of life. I thank every single one of my constituents—those who put their faith in me and those who did not. It is the honour of my life to serve them all and to serve in this one nation Conservative Government.

2.44 pm

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): I congratulate my hon. Friend the Member for Brecon and Radnorshire (Fay Jones) on her wonderful maiden speech. I campaigned in Brecon and Radnorshire last year and can testify to the fact that as well as being a long journey from Lincolnshire it is an incredibly beautiful constituency, and it is very lucky to have such a passionate campaigner representing it.

Before I talk about the Bill, I should mention that I am married to a farmer who receives some money from the payments to farmers.

Adam Afriyie: He deserves them.

Dr Johnson: He does deserve them; my hon. Friend is right.

The Bill is narrow in scope but, as my hon. Friend the Member for Brecon and Radnorshire said, it is small but mighty. The Bill in essence fills a legislative gap caused by our leaving the European Union. When we leave, the rural payments from the EU, unlike some other payments that will continue to the end of the year, will need to stop at the end of January, because the payments that farmers apply for this year in March and that are paid at the end of the year will come out of the 2021 EU budget, of which I am pleased to say we will not be part. The Bill will fill a small legislative gap and continue the scheme for the whole UK.

Leaving the EU is a great opportunity for the United Kingdom. The voters in Sleaford and North Hykeham voted overwhelmingly for it and, at the general election in December, the Conservative party received a huge mandate to deliver it. This morning, I went to Conservative campaign headquarters, where I saw the clock counting down the 10 days until we deliver Brexit and take back control of agriculture policy, among other things. That will give us the opportunity to develop better agriculture support for farmers, help them with economic opportunities, improve the labelling and quality of our food and improve our exports and trade with countries outside the European Union.

The budget for farm payments currently stands at £3.5 billion a year, of which 80% is largely based on the acreage that the farmer farms. Last year, £21 million was given to farmers in Sleaford and North Hykeham alone. It is really important money because 42% of farms would not be profitable were they not to receive the money from the Government. This is not supporting unproductive business, but instead is supporting our farmers and helping them to deliver high-welfare, environmentally sound, healthy food production.

Carla Lockhart (Upper Bann) (DUP): The hon. Member referred to her constituency; she will well know that in Northern Ireland the agri-food sector and agriculture make up to £5 billion of turnover in the economy. Does she agree that it is vital to take into account the size and type of farm and land in the policy going forward? The Government should engage directly with farmers in Northern Ireland. In that vein, I invite the Minister to my constituency in Upper Bann to visit farmers and see the difference between farming in Northern Ireland and farming on the mainland. Does the hon. Lady agree on that point?

Dr Johnson: I cannot promise that the Minister will visit, but I certainly agree that there is great importance in looking at the different size of farms and the different types of schemes that will be right for each different type of farming as we leave the EU. I will discuss that later.

It is noticeable that we are the party of farmers—of supporting farmers and rural communities. That is obvious today as we look around the Chamber and see how well supported this debate is on the Government Benches compared with on the Opposition Benches.

Simon Hoare (North Dorset) (Con): Does my hon. Friend agree that one task of everyone in this place who supports British farming and agriculture is to make the clear argument, as she is, about the importance of the sector to an increasingly urbanised media, commentariat and, indeed, House of Commons? There are more urban MPs than there are rural. We need to make sure that the needs of agriculture in this country are well understood.

Dr Johnson: I could not agree more with my hon. Friend; he is absolutely right. I have a new map for my office wall that shows the constituencies by colour, as per the recent election result. It is noticeable that rural Britain is overwhelmingly blue in representation, because we are the party of the farmers. I am sure we will continue to make the arguments positively and that Ministers will continue to do the same.

Karen Bradley (Staffordshire Moorlands) (Con): I thank my hon. Friend for giving way. I would like to build on the comments of my hon. Friend the Member for North Dorset (Simon Hoare) in his recent intervention. My farmers in Staffordshire Moorlands contribute so much to the local economy. They often say that what they really want is a fair price for what they produce, but they need support to be able to achieve that. Does she agree that the challenges that the farmers in Staffordshire Moorlands face are different from those of the farmers in her constituency and that therefore we need a scheme for rural payments that recognises the differences across the country?

Dr Johnson: I absolutely agree with my right hon. Friend. The challenges in farming are certainly very different from the uplands to the lowlands and to the flat areas of some of the eastern counties, and we need schemes that reflect that without their being so overly complex that nobody knows which ones are right for them.

We have £3.5 billion, which comes in part from the UK Government budget and in part from the EU—although one should perhaps reflect on the fact that the EU money coming back to us was probably ours to start with. I have a few questions for the Minister. We have committed to keeping the budget the same in this Parliament. Is that the total budget that would have come from the UK Government and the EU, or is it just from the UK budget? It is likely that costs will increase over time—tractors and fertiliser become more expensive. Will the money come in the form of a cash budget, or will it increase in line with inflation over the next four years?

I also have a question about the currency. Today, €1 is worth 85 pence, but it might not be in September. Normally, the budget is set in euros and, in September, the currency is reviewed and the money for British farmers converted into pounds. This will affect our farmers' costs and competitiveness, so if, in September, it looks like they will receive less as a result of the currency changes between now and then, will that be adjusted accordingly?

I understand that when the CAP is abolished under the withdrawal agreement payments to farmers will be exempt from state aid rules, provided they are equivalent to the CAP. How would the currency fluctuations affect that rule?

I wish now to look at the different types of payments that are made. As I have said, 80% goes broadly to acreage, but 10% of people get 50% of that money, and the smallest 20% of farms get only 2% of the money. This fact is often published in the media. Indeed, £2.8 million is given to farmers in Westminster when there are no farms in Westminster. This does make it a less popular scheme, and it makes it very difficult for new entrants to farming—people who want to be farmers but who were not born into a farming family—and creates an increase in the drive for size of farms. That is why I welcome the changes that the Government are making. Their new schemes will be much more sensitive, because they will look at what the farmer delivers rather than how much land the farmer owns. That is a much more positive scheme.

Many of my constituents write to me almost every day with their concerns about the environment. This is something that the country can really get behind. They want farmers to produce good food and they want the environment to be supported, so giving farmers money on the basis of what they do, rather than on how much land they have, is a very positive change. Indeed, 96% of farms are run by families—combinations of parent, child and grandparent—who see themselves as generational custodians of the land, rather than the owners of property. They also care about ensuring that the land is well looked after and that the environment is cared for so that it can be a profitable and productive farm, producing great food in the next generation.

I know that my farmers locally in Sleaford and North Hykeham welcome the Government's scheme to produce clean air, clean water, quality soil, biodiverse habitat

[Dr Caroline Johnson]

and a beautiful rural environment and to continue all those things. None the less, I do have a couple of points on this matter, too. The first is about size and complexity. At the moment, one criticism of the scheme is that the money goes to the very richest farmers. If there is a plethora of different schemes—we recognise from the contributions made so far that there needs to be different schemes for different types of farming—or if they are too difficult to understand, only the largest farms with an office full of staff, who are able to weigh up the pros and cons of different schemes, will be in a position to take advantage of them. Farms run by small family combinations, or even a solitary farmer, will find it much more difficult to work out which scheme will work for them.

That is also true of the design of the schemes. For example, one of the laudable aims of the Government is to increase the accessibility of the countryside to the public. However, that is much easier for a huge landowner who does not live on their farm to achieve than it is for a farmer who lives in a very small farm and who may be suffering from the effects of rural crime and not really want people coming through their farmyard.

Ian Paisley (North Antrim) (DUP): I appreciate that the hon. Member has given way. She is making an absolutely excellent point about how these schemes work. I am sure that, like my farmers, farmers in her constituency will work out quite quickly which schemes benefit them the most. Does she agree that the key issue in this direct payments matter is to ensure a rebalancing of the relationship between the primary producer—the farmer—the supermarkets and the processors in between? If that relationship is right, farming really can flourish for all of our nation.

Dr Johnson: I thank the hon. Gentleman for his intervention. He is right that, for too long, farmers have not necessarily been treated fairly by all the supermarkets. The Groceries Code Adjudicator and some voluntary schemes by some of the supermarkets are improving the situation, but I do agree that there is still a long way to go to ensure that farmers receive a fair proportion of the reward for food production.

Will the Minister elaborate on what guidance and help will be available to smaller farmers to ensure that they can easily understand the scheme options, rather than having to go through lots of government papers?

Finally, I want to echo a couple of points that have been made on the multi-year settlements. Minette Batters, head of the National Farmers Union, and some Members in the Chamber today have talked about the importance of a multi-year settlement. This Bill does great things in ensuring that farmers know what they will get this year, but, as yet, although we know the size of the envelope, we do not know how the money will be targeted for the year after. When designing environmental schemes, I would encourage the Minister to design longer-term ones as far as possible, because if a farmer is to plant trees or plough up fields to create a meadow, they need to know that that will be there for a long time, and that they will not have to change it again, or be incentivised to plough that meadow up again in two years' time.

Virginia Crosbie (Ynys Môn) (Con): Does my hon. Friend agree that the farmers of Ynys Môn are vital to our economy and to our communities and that they and their families—she mentioned much about families and the family farm—need certainty to plan for their children's future and for their own future?

Dr Johnson: I thank my hon. Friend for her intervention. She is indeed right that we need certainty and a multi-year settlement. Farmers also need paying on time. There was a reference earlier to the RPA. As part of the Environment, Food and Rural Affairs Committee in the previous Parliament, I can say that we did an inquiry into how quickly those payments were made to farmers after they were applied for. I am pleased to say that, under the tenure of this Government, that has improved and the target of 90% was met. In fact, it was exceeded this year, but there have been huge difficulties with mapping. I look to Ministers to ensure that, as these new schemes are introduced, the Department is well resourced and has the right type of staff to be able to ensure that farmers receive payments promptly when they deliver these great public goods for our community.

Finally, I want to talk about one public good in particular. As a children's doctor myself, I am very concerned about the health of our children. Some 22% of five-year-olds in the United Kingdom now are obese. Only 8% of children get their five a day, and that has not massively changed over the past 30 years. However, what has changed is that, 30 years ago, 83% of that fruit and veg was produced in the UK, and now only 54% is grown here. That means that we have a huge capacity to improve the amount of home-grown fruit and veg. In fact, we could grow the sector by 66% overnight if people were to consume their five a day immediately. I encourage the Minister to think of the public good of producing extra food as well as producing environmental access improvements. We should think of food production, particularly fruit and veg production, as a great public good for our society, as it would really help to improve the health of our nation.

2.59 pm

Richard Drax (South Dorset) (Con): As I stood up, I received a text message saying, "Wind up". I do not think it referred to me personally, but I will not keep the House for too long. I refer Members to my entry in the Register of Members' Financial Interests; it is very important that I do so in this particular debate.

I welcome the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) to his place. It is nice to have a shadow spokesman who comes from the land and who understands how the farming community works. I also congratulate the hon. Member for Angus (Dave Doogan) on his excellent maiden speech, and my hon. Friend the Member for Brecon and Radnorshire (Fay Jones) on her very passionate speech. May I pick up on two points she made? First, as an ex-solider, I have marched up and down Pen y Fan more times than I care to remember, and my back is still paying the price. Secondly, she talked about curbing her independent spirit, but may I urge her not to do so and to stick with it?

May I rename this the "Common Sense Bill"? As the MP for South Dorset I have hosted farm meetings in my constituency over the past nine years, and the consistent

message to Government—the Minister has visited on two occasions, which has been extremely appreciated—is that common sense is needed in agriculture. There is not a farmer in the land who wants to destroy the soil, pollute the water or damage the air and ground—they just do not exist. Farmers live on the land because they love the land. They want to produce good food, and, on the whole, food standards in this country are among the highest in the world. Please can Ministers not forget that? While there are calls on climate change and one thing after another—and of course we accept that as farmers—can common sense dominate the legislation?

We are leaving the EU on 31 January. I for one, along with many others, have fought to do so, and I welcome that huge move. We will still be vulnerable, of course, to EU rules until December 2020, when hopefully a deal will be struck. In that time, can we please ensure that the EU does not impose more rules and regulations on the farming community, which it would have the power to do?

I will be brief. I want to pick up on the phrase, “public money for public goods”. The Policy Research Unit note lists measures such as enhancing air and water quality, improved access to the countryside, reducing flooding, tackling climate change and improving animal welfare. As I said at the start of my speech, every single farmer in this country is already doing that. They do not need any more heavy-handed legislation. When we leave the EU, will the Government please remove, as they said they would, the big boot of the state and give farmers the responsibility to produce food, as most of them already do? The words “food production” were missing from the previous Agriculture Bill, but I am glad that that is now being promoted.

The key thing is that food be bought at a fair price. The National Farmers Union has provided a sobering figure. I hope I am quoting it correctly, but it told me that were we to get a fair price for wheat now, it would be about £450 per tonne. At present, it is about £120, £130 or £140 per tonne, and that figure has not changed for decades. The point I am making is that we still get cheap food, which is one of the reasons why subsidies are given to farmers. As has been pointed out by my hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson), if that did not happen, many farmers would go bust.

I never hear any Government Minister—in fact, I do not hear anyone—talk about profit when it comes to farming. Everyone seems to think that food should just arrive on their plate, it should be cheap and there should be masses of it. Farmers have to be taken into account, and the Government have to think far more carefully about the future, to protect our farmers.

Simon Hoare: I am grateful to my county neighbour for giving way. He is talking with his customary sense on these issues. Does he agree that we all need to remember that at no time in our history have we spent a lower percentage of family income on our food? We need to make a better argument on the point that he is making, which is that provenance and quality have a price?

Richard Drax: I absolutely agree with my hon. Friend and neighbour. The point of the CAP, with all its faults, was to provide cheap food and to provide it consistently. One could argue that the system was flawed—in many ways it was—but that was the honourable aim of it.

I want to touch on one or two points connected to the Bill. We hear time and again about the need to reduce flooding. I hear the word “rewilding” being used more and more. Before long, I am sure there will be wolves back in Scotland. There is now talk of putting beavers back in Dorset. A beaver creates a dam. A beaver has younger beavers and they go off and create more dams. The rivers in Dorset are tiny, and if they are dammed and protected—as surely they would be by the environmental lobby—there will be flooding on an epic scale. Can we please look at evidence-based beaver rewilding, rather than just banging beavers back into Dorset or anywhere else without any thought for the consequences? While welcoming wildlife, which we all do, can we please have some common sense in its reintroduction?

Points have been made about the multi-annual budget. Farmers desperately need consistency and certainty of income because, as we have heard, they are reliant on the weather. The weather is not always particularly kind to farmers, but it is vital that they have incomes to survive.

We have all had experiences of the RPA. I sat on the Environment, Food and Rural Affairs Committee with my hon. Friend the Member for Tiverton and Honiton (Neil Parish). The RPA attended on many occasions, and each time it had fallen short. It has to make sure that the money gets to the farmers.

Ben Everitt (Milton Keynes North) (Con): Certainty is absolutely paramount. When the single farm payment was introduced, I asked my dad, who was the manager of a farm, “Have you got your single farm payment?” He replied, “Some of it.” We really need to sort out the RPA payment issues.

On a wider point, as my hon. Friend the Member for Tiverton and Honiton (Neil Parish) has said, if we value something, we should pay for it. My hon. Friend the Member for South Dorset (Richard Drax) has mentioned wheat prices and the true price of wheat. There is a cost to husbanding the countryside and we should recognise farmers’ traditional role as custodians of our countryside, nature and biodiversity. If we value that, we should find a way of paying for it and of communicating that to society, so that the role played by farmers in their communities and society can be recognised.

Richard Drax: I absolutely agree with every word my hon. Friend has just said. I have huge respect for the Minister, who is himself a farmer. On valuing farmers, they have to have access to grants to meet all the environmental rules. It takes more than a few hundred pounds to dig a slurry pit, for example; we are talking about tens or even hundreds of thousands of pounds to make sure it meets all the various criteria. Small farmers just do not have access to such vast sums of money. They either go bust or ask a bank if they can borrow money, and in most cases the answer will be no. Farmers, particularly small farmers, need access to grants to help them to farm efficiently and to address all the environmental concerns.

I have two final points to make. I absolutely concur with the shadow Minister on food security. Food in this country will be affected by scares all around the world and, in the worst-case scenario, war. We have been there before with world war two. I am not saying that we are

[Richard Drax]

going to go to war again, but all sorts of dramas and strategies around the world could lead to some sort of food shortage. Therefore, food security—looking after food production in our country—is absolutely crucial.

Finally, I agree with the NFU that there is no point in meeting all the extraordinary standards set in this country, with which I entirely concur, only to be undermined by imports from other countries, particularly third-world countries, where the standards are nowhere near as high as ours and they can reduce the price of their food. Of course, people purchasing food, particularly the large supermarkets, will be tempted to go down the cheaper route, so may I urge the Government to keep an eye on that?

3.9 pm

Alicia Kearns (Rutland and Melton) (Con): I congratulate my hon. Friend the new Member for Brecon and Radnorshire (Fay Jones), who gave a wonderful speech, and who will bring experience, and also a great deal of heart, to the role. The new hon. Member for Angus (Dave Doogan) spoke passionately about his geographically protected foods. I hope he will join the new all-party parliamentary group on geographically protected foods that I intend to establish.

This debate on the direct payments Bill is of such importance to my constituents. Rutland and Melton is an agricultural hub for our country, with arable, dairy, sheep, pig, poultry, bison and many more types of farmers, as well as—as it turns out—not just two geographically protected foods, but three, as I have learned since my maiden speech: Rutland bitter, Stilton cheese, and, of course, the pork pies, on which I refer Members to my entry in the Register of Members' Financial Interests. The agricultural sector not only powers Melton as the rural capital of food but powers our amazing cattle market in Melton Mowbray, which is visited every week by farmers from across the country.

Given the importance of agriculture in my constituency, as well as the referendum result where we voted to leave, I am pleased to support this Bill. It ensures that we honour the result of the referendum but also provides the continuity and support that our farmers need. The certainty that this decision on direct payments will provide for farmers will have real benefits, and not just to farmers. In Leicestershire, for example, there are over 1,000 people employed in cheese and meat factories, often working with locally sourced products in a way that respects the local environment. According to 2018 estimates, there are nearly 40,000 agricultural workers in the east midlands, and the vast majority are in my constituency.

While certainty is delivered, I am also pleased the Government have promised, along with this Bill, to introduce a new payment scheme that will encourage farmers to tackle climate change, protect our water and improve animal welfare. Giving farmers certainty matters, because food is a national security issue. There are countries out there that seek to undermine our economy by flooding the market or withholding goods to achieve their strategic intent, so protecting our farmers matters, to protect our environment, to feed our people, and for our shared national security.

I take this Bill to be the first step in fostering an agricultural step change in the United Kingdom that will transform the agriculture industry by recapturing our sovereignty, by defending the farmers, who are the lifeblood of many of our communities, and by protecting our country—particularly those in Rutland and Melton, for whom farming is their lifeblood and their life, and who proudly feed this country.

3.12 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to wind up for the Opposition on the very wide-ranging debate that we have had. I echo the words of my hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) about some of our predecessors in the shadow Front-Bench team: the former shadow Secretary of State, Sue Hayman; my good friend and near neighbour, Sandy Martin; and the inestimable David Drew. As Members may note, we have suffered a few casualties along the way, which is why I find myself at the Dispatch Box today.

Some may have thought that this Bill seemed like a warm-up lap for the Agriculture Bill, which we will be coming back to. However, we have had some excellent contributions, including three hon. Members making their first speeches in this House. The hon. Member for Brecon and Radnorshire (Fay Jones) gave a very exciting and vivid account of a beautiful constituency, speaking about the importance of tourism and farming to its economy, the huge cultural contribution it has made, and the very important contribution made by the military. We heard another moving account from the hon. Member for Angus (Dave Doogan)—witty, but also with quite a political sting in the tail that I am sure will be noted by many.

We also heard from the hon. Member for Eddisbury (Edward Timpson), mark 2. I echo much of what the hon. Member for Westmorland and Lonsdale (Tim Farron) said in his thoughtful speech, but particularly his words about the hon. Gentleman. He was a Minister early in my time here, but he was, I think, a highly regarded Minister. Although it is not customary for Labour Members to welcome some people back, I think he knows what I am getting at. It was an excellent speech very much painting the picture of a lovely constituency.

Alongside those speeches, we had a number of very powerful contributions, including perhaps some warnings from the Conservative Benches that there are certain views about these issues, particularly the importance of producing food in our agricultural system, the difficulties around currency fluctuations, and some of the difficulties around the Rural Payments Agency. I was particularly struck by the contribution from the former Chair, and aspiring Chair, of the Select Committee, the hon. Member for Tiverton and Honiton (Neil Parish), who spoke in his customary wide-ranging style across the whole range of issues. He made some telling points, particularly about the complexities of the stewardship schemes that the future models may well be based on, and—most importantly of all, as we heard from others as well—the issue of standards, which I suspect will dominate the debates ahead.

Looking back to the election campaign, I cannot help but reflect on the fact that, throughout, the Prime Minister described his plans as being “oven-ready”. I am not sure about his culinary prowess, but looking at

this Bill, it seems that the plans have been far from oven-ready. In fact, I would say that the bird was in very, very deep freeze, if not a long way from its conception, because far from being ready to go, the very first thing this Government are doing is introducing legislation to make sure that nothing changes. All that excitement about 31 January, and nothing changes—you really couldn't make it up.

But on this point we actually do agree with the Government; I think we can all agree on it: financial certainty for our farmers as the Government take us out of the European Union is extremely important. That is why this Bill matters and why we will be supporting it today. There is a clear funding gap between the ending of direct payments to farmers under the CAP and the Government's only-just-reintroduced Agriculture Bill, which will introduce a new system. That Bill, as we have heard, has been languishing on the sidelines for over 14 months. The question has to be asked: why the delay? Why the 14 months of inactivity, indecision and uncertainty, with payments not set to begin until 2021? So while it may not be desirable, it is right that farmers should not have to be made to pay for this Government's shortcomings and that this Bill be brought forward to continue CAP direct payments for this year. Of course, not much has been said to farmers about what the future is going to look like. Last summer's five-page glossy document, "Farming is changing" was a fairly brief account, frankly, and for people who are planning on a longer-term cycle, how difficult that must be.

Before raising a few points of detail about the Bill, let me say that people across the world know that we are facing a climate emergency and environmental crisis. It may be an unfortunate add-on for some Members, but we also know that modern destructive agricultural practices are, in some cases, contributing to this. In the past year, oceans have recorded the hottest temperatures on record, and insects and farmland birds have continued to decline. The result of the Government dropping the ball on this is that we are still years away from moving to a system in the UK where farmers are paid and supported to protect our environment, and we are now legislating for another stop-gap year of the CAP, which, as has been acknowledged, was simply not designed to address these important environmental issues.

The Government could have been bolder and used this Bill to fast-forward some of the environmental land management pilots that are set to replace the CAP. But as the National Audit Office's report, "Early review of the new farming programme", has shown, these are far from ready to go. The Government's plan, as outlined in the Agriculture Bill, is for a three-year pilot of the ELMs to start in 2021, but it seems that DEFRA's ambition for the level of take-up expected has already been scaled back. It was initially planned for 5,000 farmers to sign up by the end of the first year of the pilot in 2022, but that is now reduced to just 1,250. As we have heard, there are very many questions around the environmental land management schemes to which answers will need to be found to ensure that they succeed, not least whether the reduced pilot that is being talked about will provide sufficiently robust evidence across the full range of farm types and locations to properly inform the development of the new payment system. These are all points that we will develop at the Second Reading and Committee stages of the Agriculture Bill.

We welcome the key recommendations of the Bew review, which are being applied in the Bill to address some historical inequalities that we have seen in the distribution of EU funding. That clearly disadvantaged some areas, particularly Scotland and Wales. Again, however, it is disappointing that the extra funds that the Government have found for this are not being used more quickly for environmental purposes. I draw attention to a couple of points in the Bew review. Its second wider observation was:

"Ministers should try to avoid giving farmers in any one part of the UK an unfair competitive advantage when deciding future allocations."

That point was raised by the hon. Member for Ceredigion (Ben Lake). In their response, the Government acknowledge that post-2022 funding should avoid unfair competitive advantage, but quite frankly, it is very unclear what measures they intend to take to address this conundrum. Perhaps the Minister could clarify.

It is also unclear what the Government's answer is to the review's third wider observation, which advocates financially recognising both

"the social value of upland farming in particular and the challenges facing those practising it".

In their response, the Government skirt around this issue. They do recognise the

"vital role upland farmers play as stewards of the countryside and the range of social benefits that they contribute."

Some clarity on that would also be welcome. Do the Government agree with Bew on the social value of upland farming? What do they see as those "social benefits"? Again, could the Minister clarify?

Unsurprisingly, many farmers continue to be concerned about their future funding. The CAP undeniably had many flaws, and there is no doubt that environmental degradation in the past few decades has been severe. Indeed, I dug out a dog-eared copy of Labour's rural White Paper from November 2000—I suspect the Minister is far too young to remember it. Even then, Labour was warning that:

"Subsidies which simply reward production have damaged the countryside and stifled innovation."

What the CAP did do over many years, however, was give some financial certainty. As the Government push forward with the Agriculture Bill and a post-Brexit trade stance still swathed in unanswered questions, that is in danger of being replaced with the certainty of constant uncertainty. For this year at least, farmers and the rural economy are being spared that because, effectively, the CAP continues.

How ironic that the very first act of the Big Ben bongers is to keep things the same. Our fear is that far from bells of liberation ringing through parishes across our countryside, the real danger is that not a lot will happen nearly quickly enough. If things prove as complicated as seems likely, and the Government do not move swiftly on the Agriculture Bill, we may well find ourselves revisiting a sunset clause in this Bill and looking at a continuation of the current CAP direct payments yet again.

In conclusion, we support these proposals, although there will be much more to say when it comes to the detail of the Agriculture Bill. However, we do see this Bill as an early warning that the Government have already wasted years, and have moved too slowly and with insufficient urgency to tackle the key climate and environmental issues that we all now face.

3.22 pm

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): We have had a good and comprehensive debate, with a number of excellent maiden speeches along the way.

Many Members talked about the future of agriculture policy after the implementation period. That is a matter for the Agriculture Bill, which was presented to the House last week and will be debated in due course. A number of hon. Members made reference to trade deals and the vital importance of maintaining our standards as we enter them. I agree with that, and our manifesto set out clearly the Government's approach to maintaining standards as we negotiate future trade deals. These issues will be reflected in future trade mandates.

The Bill before us is about a very simple issue and covers one year only—namely, 2020. It is required as a consequence of the withdrawal agreement, because article 137 disapplied the direct payments regulation and the horizontal regulation. The reason it disapplied that particular regulation is down to a quirk of EU CAP funding, in that the basic payment scheme payments for 2020 are funded out of the 2021 budget year. The UK will not be part of the multi-annual financial framework from 2021. It will therefore not contribute and must fund the scheme domestically for this year. The Bill simply makes the common agricultural policy, as we have it today, operable for the current year.

Secondly, the Bill addresses the issues highlighted in the Bew review. It creates the powers necessary to change the financial ceilings to implement in full the recommendations of the Bew review, so that there will be an uplift in funding for Scotland and Wales to reflect their severely disadvantaged area status. The shadow Secretary of State asked whether that fund would be new money or whether farmers in England and Northern Ireland would have their funds top-sliced to pay for it. I can confirm that the uplift for Scotland and Wales will be paid for with new funds. There will therefore be no loss to the BPS payments for English or Northern Ireland farmers.

The shadow Secretary of State, whom I welcome to his position as a fellow west country MP, claimed that the Bill before us would have been unnecessary had the Agriculture Bill passed in the last Parliament. However, he will be aware, having debated these issues with me in the Bill Committee, that in the last Parliament it was envisaged that the withdrawal agreement would be concluded, agreed and implemented before the Agriculture Bill concluded.

For reasons I am sure no one in this House need be reminded of, the withdrawal agreement became a quite protracted debate. In the event, because certain forces in the last Parliament came together to try to block Brexit altogether, that issue had to be resolved before Bills such as the Agriculture Bill could progress. I am pleased to say that it was eventually resolved through the general election. This Government now have a clear mandate to leave the European Union at the end of this month, and to do so with the withdrawal agreement that the Prime Minister negotiated in October.

It is also wrong for the shadow Secretary of State to say that had we passed the Agriculture Bill earlier, we would have been in a position to begin the agricultural transition sooner. Both our White Paper and the Agriculture

Bill always envisaged the transition period starting in the 2021 scheme year. We are back on course. There is therefore no need for the Bill to cover anything other than the current year. The Agriculture Bill, which we will debate shortly, will deliver everything we need for future years.

Neil Parish: I very much welcome what the Minister is saying, because the transitional period from 2021 to 2028 is exactly the way to do it. The key will be making sure that we have the new policies in place in time for farmers to take up the new payments.

George Eustice: My hon. Friend makes an important point. Obviously, the transitional period is a feature of the Agriculture Bill that we will debate in the coming months.

The performance of the Rural Payments Agency was highlighted by the shadow Secretary of State and a number of other hon. Members. I pay tribute to Paul Caldwell, the chief executive of the RPA, and his team for the huge progress that they have made to get the current CAP system stabilised and back on track. They have just lodged their best performance for many years, with more than 93% of farmers paid by the end of December and many more paid since then. The environmental and countryside stewardship schemes have been stabilised, with those payments back on track too. In recent years, making sense of a hopelessly bureaucratic common agricultural policy has certainly had its challenges, but I urge Members to refrain from criticising the RPA while it tries to deal with those bureaucratic challenges, and I thank it for the work that it has done.

That brings me to the point raised by my hon. Friend the Member for Tiverton and Honiton (Neil Parish) about the scope to simplify schemes. The truth is that, in this particular year, the horizontal regulation and all the CAP regulation will come across, and the scope to change or simplify is very limited. There will, however, be a margin of appreciation, with the absence of draconian EU audit requirements, for us to consider how we implement those things. There will be some modest changes, but the big changes he seeks, such as addressing the problems of the three-crop rule and wider regulatory problems in the scheme, will be provided for in the Agriculture Bill and are a matter for the future.

The shadow Secretary of State and a number of other Members alluded to rare breeds. I am sure that the shadow Secretary of State has read the new Agriculture Bill, and I am sure he will read it again closer to its Second Reading. He will presumably have noted that we have made an addition to the list of objectives for public goods, to include native breeds and genetic resources, so that we will be able to directly support and recognise the public good value of rare and native breeds.

The hon. Member for Edinburgh North and Leith (Deidre Brock) made the point that this legislation is important for all parts of the UK. I am pleased to say that both the Scottish Parliament and the Welsh Assembly have granted a legislative consent motion. This Bill is uncontentious. We will have many disagreements on elements of the Agriculture Bill, but this piece of legislation is necessary for all parts of the UK.

The hon. Lady also mentioned wider issues, including seasonal agricultural workers. I would like to pay tribute to Kirstene Hair, the former Member for Angus, for the

considerable work that she did on that issue. The Conservative party and the Government are now committed to quadrupling the size of the seasonal agricultural workers scheme from 2,500 to 10,000. That was largely due to the work done by Kirstene Hair. I am pleased to welcome the hon. Member for Angus (Dave Doogan) to his seat, and I am reassured to hear that he has already picked up on this issue, since the soft fruit industry in his part of the Scotland is vital. I commend him on an admirable speech.

I also commend the excellent maiden speech by my hon. Friend the Member for Brecon and Radnorshire (Fay Jones). She spoke with passion about her constituency, and I know that she will be a champion for it. As a former DEFRA official, she will certainly bring plenty of expertise to the House on Bills such as this.

It is a great pleasure to welcome back my hon. Friend the Member for Eddisbury (Edward Timpson). I have fond memories of the month that I spent assisting him in the Crewe and Nantwich by-election in 2008, the first time he was elected, and it is great to have his expertise back in the House. My hon. Friend the Member for North Cornwall (Scott Mann) raised issues about the rolling up of payments in future agriculture schemes. That is provided for in the new Agriculture Bill. I know that he is passionate about public access for schoolchildren and perhaps even cycling, and I will discuss those issues further with him.

My hon. Friend the Member for North Herefordshire (Bill Wiggin) is a committed enthusiast for our native breeds, the pasture-based livestock system and food labelling. We will debate those issues further on Second Reading of the Agriculture Bill. The hon. Member for Ceredigion (Ben Lake) asked an important question about whether this money will be required to be spent on the basic payment scheme. It has to be paid and spent within the parameters of the direct payment regulations. In theory, there is some discretion in how the Welsh Government spend it. In practice, the rules of the direct payment scheme are so prescriptive that the scope to do anything different is very limited. I point out that, under the Bew review, there has been an uplift for Wales, albeit less generous than the one for Scotland.

My hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson) asked about the budget and currency fluctuations. Article 13 of the state aid rules was retained through the European Union (Withdrawal Agreement) Bill, and we do not believe that there will be any implications of having fixed the exchange rate in the year just gone for the forthcoming year. My hon. Friend the Member for North Dorset (Simon Hoare) talked about the importance of profit in farming, which I concur with. In conclusion, I hope that I have covered as many of the different points raised as possible, and I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

DIRECT PAYMENTS TO FARMERS (LEGISLATIVE CONTINUITY) BILL (PROGRAMME)

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

That the following provisions shall apply to the Direct Payments to Farmers (Legislative Continuity) Bill:

Committal

(1) The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee, on Consideration and up to and including Third Reading

(2) Proceedings in Committee, any proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings in Committee of the whole House.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings in Committee of the whole House.

(4) Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House, to any proceedings on Consideration or to other proceedings up to and including Third Reading.

Other proceedings

(5) Any other proceedings on the Bill may be programmed.—
(*Leo Docherty.*)

Question agreed to.

DIRECT PAYMENTS TO FARMERS (LEGISLATIVE CONTINUITY) BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Direct Payments to Farmers (Legislative Continuity) Bill, it is expedient to authorise the payment out of money provided by Parliament of:

(1) sums required by the Secretary of State for making payments to farmers under the direct payment schemes provided for by the Direct Payments Regulation (Regulation (EU) No 1307/2013) as incorporated into domestic law by the Act;

(2) any increase in the sums required for that purpose where the increase is attributable to a decision made by virtue of the Act to increase the total maximum amount of direct payments in the United Kingdom;

(3) administrative expenditure of the Secretary of State incurred by virtue of the Act in connection with the operation of those direct payment schemes;

(4) any increase in the sums payable out of money so provided by virtue of any other Act where the increase is attributable to the Act and arises in connection with the operation of those direct payment schemes.—(*Leo Docherty.*)

Question agreed to.

Grenfell Tower Inquiry: Phase 1 Report

3.35 pm

The Secretary of State for Housing, Communities and Local Government (Robert Jenrick): I beg to move,

That this House has considered the Grenfell Tower Inquiry's Phase 1 Report.

It is now over two and a half years since the tragic fire at Grenfell Tower, and I believe I speak for all Members of this House when I say that we once again offer the 72 victims, the bereaved, the survivors and everyone affected our profound condolences. They remain in our thoughts and prayers. They seek answers, accountability, justice and action to ensure that this terrible tragedy is never repeated. That is why yesterday I set out our immediate plans to improve building safety in this country. Getting this right is a priority for this new Government and the Prime Minister, and it is something that I will personally be taking forward at pace.

Dame Margaret Hodge (Barking) (Lab): I am grateful to the Minister for giving way so early in his speech. He refers to the statement he made yesterday. I welcome the decision in that statement to consult on ensuring that building regulations are relevant to buildings of a lower height, but he talked about that being relevant to new buildings and not to existing buildings. He will know from the fire at Samuel Garside House in my constituency that that was an existing building, and that it went up in just six minutes. If the fire had happened in the middle of night, it could have led to huge loss of life. Fortunately it did not, but I ask him to consider whether the regulations should not also be relevant to existing buildings, as well as to new buildings of a lower height.

Robert Jenrick: I will come to that issue in a moment. The right hon. Lady and I have worked together on this and she has been a strong advocate for her constituents after the fire in Barking.

The announcement we made yesterday goes further. It says that we will be working with experts to develop a far more sophisticated measure of safety in buildings than simply the crude one of height alone that has existed for decades in this country. Once we have arrived at that, it will inform all the actions that building owners will have to take. It is the responsibility of building owners to take a view of building safety through an independent assessment of risk in that building that bears in mind all the characteristics of the building, whether it be the height, the residents in the building, the fire safety system or—as with the fire in Barking—balconies and other materials that are used on the building.

Lucy Powell (Manchester Central) (Lab/Co-op) *rose—*

Andy Slaughter (Hammersmith) (Lab) *rose—*

Bob Seely (Isle of Wight) (Con) *rose—*

Robert Jenrick: If I could perhaps make some progress, I will come to the points around building safety in a moment and return to the hon. Member for Manchester Central (Lucy Powell).

As I have said, getting this right will be a priority for the Government, for the Prime Minister and for myself. We will be introducing two Bills: one to deal with the immediate fire safety issues that we have identified, and another that will bring in the biggest change to building regulations in almost 40 years. Having met families of the bereaved and survivors, some of whom join us in the Gallery today, I remain acutely aware of our responsibility to ensure that they continue to receive the support they need and to see the change that they rightly demand. They have shown incredible resilience and acted not just with great dignity but with great courage. Their voices are being heard, and they must continue to be. On 30 October last year I stood in the House with the Prime Minister following the publication of the Grenfell inquiry's phase 1 report, which covered the events of the night. Our immediate response was to accept in principle all the findings of the report that relate to the Government. Since then, we have worked at pace to deliver the Government's response, which I am setting out today.

Sir Martin's report provides a detailed, minute-by-minute account of what happened on the evening of 14 June 2017. It is built around the testimony of survivors and of the fire and rescue team involved in the response. The report made very important recommendations, including new duties for building owners; operational changes for the London Fire Brigade and, indeed, for fire and rescue services more widely, as well as for emergency services across the country; and addressing the continued presence of unsafe cladding on buildings.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Will the Secretary of State give way?

Robert Jenrick: If I may, I will come to my hon. Friend in a moment.

I will now turn to the actions the Government have taken since receiving the report. First, in response to Sir Martin's findings that there was compelling evidence that the external walls on Grenfell Tower were not compliant with building regulations—this was an important finding—we are wasting no time in addressing this. The Home Office will introduce the fire safety Bill in the coming weeks so that the necessary changes are made as soon as possible. This Bill will leave building owners in no doubt that external wall systems, including cladding, and front doors to individual flats in multi-occupied residential buildings fall within the scope of the Regulatory Reform (Fire Safety) Order 2005. This means that they must assess the risk and they must take precautionary measures to keep people safe. The fire safety Bill will also make clear the enforcement powers that can be taken locally against building owners who have not remediated unsafe ACM—aluminium composite material—cladding. This Bill will be the first step towards the new regulatory framework that will implement the recommendations of the Grenfell Tower inquiry phase 1 and the regulatory requirements to do so.

Lucy Powell: I thank the Secretary of State for the tone in which he is conducting this debate, and indeed in which he has been leading on these issues since he took over. Could he clarify whether this new body will mean that residents such as mine in Skyline Central 1, who are each facing £25,000 bills being passed on by the will have recourse to the building owner, who would have to meet the cost of their now unsafe building?

Robert Jenrick: That will depend on the exact legal relationship in the building in question, and I am very happy to work with the hon. Lady to help investigate that. It is the responsibility of building owners to take action and, as she rightly mentions, many have for various reasons passed that on to leaseholders. I am acutely aware, as I said in the House yesterday, that some leaseholders feel trapped and unable to fund the mediation works that now need to happen, and that costs should not be a bar to that. As I said yesterday, we are now working with the Treasury to see if there are ways of providing financing to support those individuals.

Marsha De Cordova (Battersea) (Lab): I thank the Secretary of State for being generous with his time. On that very point, he mentions having conversations with the Treasury to look at different options—he said this in his statement yesterday—but is there any set timeline for the conversations that he will have with the Treasury on this point? I ask, because leaseholders have been in this position for two years and seven months, so the sooner we can resolve how to support them so that they do not have to front the costs of any remediation works, the better. What is the timeline that he has with the Treasury to ensure that this can be sped up, because it has been over two years?

Robert Jenrick: I cannot give the hon. Lady an exact timetable, but it is worth saying that we have already—I will come on to this in my remarks—made available £600 million for building owners in both the social sector and the private sector. On expert advice, I have targeted that public grant funding towards ACM-clad buildings of over 18 metres. I will say again that all of the expert opinion I have seen has confirmed the decision that those are the most unsafe buildings and that they should be the priority for public funding. A number of building owners are already helping to remove cladding in their own buildings, and coming up with funding arrangements to help leaseholders to meet those costs, such as low-cost or zero-interest loan schemes. If the Government can assist in that, I think we should do so, because we want to see this cladding removed as soon as possible.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): May I slightly extend that point, as these issues reach across the Floor? Since the terrible Grenfell disaster, people in a privately owned block of flats in my constituency have faced massively increased insurance costs. They have been unable to get anyone to give them a confirmed view about the cladding, or to receive information from the fire brigade about the real nature of the threat and danger. Everybody has run for cover, and as result those people have already spent a vast amount of money—they are not wealthy people. They have now been told that the cladding does not pose a threat, but they have a backwash of costs and are still affected by this issue. Will the Secretary of State consider whether insurance companies, and others, should have been charging leaseholders those extra costs until it had been confirmed that there was a real threat?

Robert Jenrick: I would be happy to take up the individual case raised by my right hon. Friend, and the wider point. We are working closely with the insurance

industry. This issue involves a range of materials, the most dangerous of which is ACM cladding, which was on Grenfell Tower. That has been the focus of public money. It is the responsibility of all building owners to have an independent assessment and ensure that the building is safe—it sounds as if that is what happened, perhaps belatedly, to the building in my right hon. Friend's constituency. That assessment should provide the answers, after which remediation work, if necessary, needs to happen at pace. If I can help to support that in any way, I will.

Sir Bernard Jenkin (Harwich and North Essex) (Con): This inquiry is not about finding blame; it is about finding causes and rectifying the situation. In this case, the problems that have been created regarding the wider building stock and liability are no fault of property owners, tenants or leaseholders, and that leaves a liability that falls on the Government, at least to a degree. Otherwise, there will be widening injustice, bankruptcy and failures across a whole sector of housing, because we are trying to remediate the failure of regulation in the past.

Robert Jenrick: The question at the heart of my hon. Friend's remarks is what the judge will determine in the second phase of the inquiry. What went wrong that led to that cladding being on Grenfell Tower? Was it a failure of Government or of regulation of the construction industry, or a combination of those things? I do not think we can prejudge what the judge will determine over the course of the detailed second phase of the inquiry that is about to commence.

Kevin Hollinrake (Thirsk and Malton) (Con): I have followed these matters over the past couple of years, and in my experience the Secretary of State has done more to try to resolve these problems than any of his predecessors, all of whom tried to tackle a thorny issue. He is right to say that ACM is probably the most dangerous cladding, and we should deal with that first. Advice Note 14 does not deal with ACM, but it does effectively say that other combustible materials should not be on the outside of high-rise buildings. The official guidance was more equivocal than that, which leaves long leaseholders in a difficult situation with unsaleable properties—I draw the House's attention to my entry in the Register of Members' Financial Interests in that regard. We must consider this issue. Yesterday the Secretary of State said that he would look at doing more, and we will need to.

Robert Jenrick: I pay tribute to my hon. Friend who is a long-standing campaigner on this issue. Next month we will publish the final result of the testing process that my Department has been undertaking over many months with the Building Research Establishment. That will lay out for all to see evidence that I have already seen about the safety, or otherwise, of a range of different materials. I believe it will demonstrate that ACM is by far the most concerning material and should come off buildings as quickly as possible.

Bob Blackman (Harrow East) (Con): Will the Secretary of State give way?

Robert Jenrick: I had better make some progress, but I will return to my hon. Friend in a moment.

The Bill we will bring forward later this year will be the first step towards the new regulatory framework that will implement the recommendations of the phase 1 report's legislative requirements. Under the Bill, building owners and managers will be required to share information with fire and rescue services on external wall systems, and undertake regular inspections of flat entrance doors. The Home Office will consult on the detail of the proposals in spring this year.

That legislative action will address many of the inquiry's recommendations and forms part of the wider Government response to ensure that action is taken against unsafe cladding. My Department has already introduced a ban on combustible materials on the external walls of new buildings over 18 metres, and, as I have said, made available £600 million in Government funding to support that work.

Sir Martin's report concluded that it was not just the materials of the building that contributed to the tragedy: more people could have survived the fire had the London Fire Brigade conducted a full evacuation earlier in the night. He recognises existing Government guidance stating that fire and rescue services should have contingency plans for when a building needs full or partial evacuation, and noted that the London Fire Brigade policies were in this respect deficient.

Andy Slaughter: In the Minister's statement yesterday there was not anything that I saw about evacuation and changes to the "stay put" policy, which would be a huge change that would have implications for means of escape, alarms, sprinkler systems and so on. When can we expect the Government to pronounce on that?

Robert Jenrick: I will come on to that point in just a moment, if I may.

Sir Martin recommended that the Government produce national guidelines for carrying out the evacuation of high-rise residential buildings. I am now working closely with colleagues in the Home Office on those guidelines. My Department and the Home Office have formed a steering group with the National Fire Chiefs Council and other experts, which met for the first time in December. The group agreed on the scope of an evidence review into "stay put" and evacuation. Let me reiterate, however, that the advice from the National Fire Chiefs Council is that "stay put" remains an appropriate policy providing compartmentation is maintained. In fact, Sir Martin highlighted that effective compartmentation is likely to remain at the heart of fire safety and the response to fires in high-rise buildings. I think that that is an important point that we should all bear in mind in how we communicate on these issues to members of the public.

A number of recommendations made by Sir Martin were for the London Fire Brigade, and for fire and rescue services more widely across the country. The firefighters serving that night showed exceptional bravery and dedication. I would like to pay tribute to their courage, as my right hon. Friend the Prime Minister did last year. However, the report made very clear that there were failures in the London Fire Brigade's response. Significant changes are needed in its policies, guidance and training, including on evacuation procedures. We know that fire and rescue services across the country need to have the

training and processes in place to be able to respond as effectively as possible to fires in residential buildings. The control rooms that co-ordinate emergency responses must have the processes in place to deal with all incidents effectively.

I am pleased that London Fire Brigade has already rolled out fire survival guidance training, and is reviewing its policies and guidance in the light of the inquiry's recommendations. It is important that all our emergency services have proper protocols in place to ensure that they can work together and communicate effectively in an emergency. The Home Office is working with the interoperability board to ensure that those lessons are learned. While these recommendations are not aimed directly at the Government, clearly the Government have a role and we will not sit back.

Mrs Theresa May (Maidenhead) (Con): I am very grateful to my right hon. Friend for giving way. As Home Secretary I chaired the board of JESIP, the Joint Emergency Services Interoperability Programme. What is clear from Sir Martin Moore-Bick's report, page 698, is that the protocol was not followed on the night of the Grenfell fire. He recommends changes to that protocol. Have the changes been put in place? Equally importantly, have frontline officers and staff of the three emergency services had the changes drawn to their attention, so that they know what they must do when they are working together in a major incident?

Robert Jenrick: My right hon. Friend makes a series of extremely important points. Those issues have been brought to the attention of all the emergency services; they are now working through them. The Home Office is helping to co-ordinate that work and, like her, I hope that those lessons are learned as quickly as possible so that if we are ever presented with a tragedy on this scale again all the emergency services can work together as one, in a co-ordinated way.

Fire and rescue services need urgently to address these issues and must set out their plans to do so. There have been some welcome developments, including, for example, that the London Fire Brigade now carries smoke hoods on its fire engines; that five pumps and a drone, rather than four pumps, are now deployed to fires in high-rise buildings; and that the London Fire Brigade has already taken steps to ensure that personnel understand the risk of fire taking hold in external wall systems. My hon. Friend the Minister for Crime, Policing and the Fire Service will address the House at the end of the debate on the work he is doing with the sector.

The work I have outlined shows the urgency with which we are addressing Sir Martin's recommendations. The Government did not wait for the phase 1 report to begin addressing the most pressing building safety issues. We took immediate action in the aftermath of the fire with a comprehensive and independent review of building safety, chaired by Dame Judith Hackitt.

Bob Seely: It seems to me that ACM cladding, which my right hon. Friend addressed earlier, goes to the heart of the matter. How many high-rise buildings with unsafe ACM cladding have been identified and have had remedial treatment? How many others does he think still have to be identified, and what steps is he taking to do so?

Robert Jenrick: We are working very closely with the social sector and private owners. I am afraid that, frustratingly, progress has been extremely slow, as my hon. Friend and others across the House know. The fund that we opened for the taxpayer to pay for the remediation has so far seen only four successful applications. However, there is evidence that progress is moving at a pace that we have not seen before. There are now only 10 buildings in the private sector that have not begun the process of remediating, which means drawing up a plan and beginning with or contracting workers who can come on site and take away the cladding. There are exceptional circumstances with all those 10 buildings because, unfortunately, they have been identified only recently as having ACM cladding, so they have come to the process only over the course of the autumn. I want that work to proceed at a pace that we have not known before. As I said yesterday, we are now commissioning an independent building safety construction expert to advise my Department on how we can get that moving very quickly.

It was clear to me when I became Secretary of State—this was confirmed by Sir Martin’s report—that we need to go further to bring forward a series of very significant reforms and ensure that the work moves at pace. In response to Dame Judith Hackitt’s report, we are creating, immediately, the new building safety regulator. As I announced yesterday, we have chosen that that will be established within the Health and Safety Executive. The new regulator will raise building safety and performance standards. It will oversee a new and more stringent regime for high-rise buildings and for higher risk buildings more generally.

Non-compliance is an issue in the industry, and the building safety legislation announced in the Queen’s Speech will ensure that the new regulator has the appropriate powers to sanction those responsible. This is a new and significantly tougher regime, underpinned by improved enforcement, dedicated to ensuring that our buildings are made with the necessary high safety standards and that the people within them always feel safe.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): My right hon. Friend refers to people who suffered from the fire. Can he confirm how many of those families are still waiting for permanent housing? If there are any, what is he doing to find them a permanent home speedily?

Robert Jenrick: Of the households who lived in Grenfell tower, 10 are yet to move into permanent accommodation. Of them, one is in hotel accommodation; the others are in high-quality temporary accommodation. Without going into the personal details of each household, which would not be appropriate, I can tell the House that I have personally reviewed the circumstances behind each of them, and my right hon. Friend the Housing Minister and I have worked closely with Kensington Council to review them again several times since coming to office. They are complex cases with a range of individual circumstances behind them, but we are hopeful that many of them will move into accommodation in which they feel comfortable as soon as possible.

Yesterday, I announced a series of new measures, including the appointment of a construction expert, to quicken the pace of the remediation of ACM cladding.

I announced that I was minded to lower the height requirements for sprinklers in residential buildings from 18 metres to 11 metres, and I will set out a full proposal on how we intend to deliver that in February.

As I have stated, I have had the privilege of meeting survivors and their families and friends as well as people from across the community of north Kensington, and from the schools, such as Kensington Aldridge Academy and St Francis of Assisi Catholic Primary School, that provide a safe and caring space for children affected by the tragedy to reflect and remember their loved ones, to the worshippers at the Al-Manaar north Kensington mosque, who came together to support the community after the fire and continue to do so. One thing has been clear to me: this is a community of people who look after one another, who will continue to support one another and who will never forget what happened on the evening of the fire.

We owe it to them to ensure that their views are heard throughout our work, that justice is delivered and that the system is changed so that such a tragic fire can never happen again. That means reforming our building safety regime, but it also means reform of social housing to ensure tenants’ voices are heard and that their landlords provide good-quality, safe accommodation with strong and robust sanctions in place to hold them to account where that does not happen.

The Prime Minister and I have committed to bringing forward a social housing White Paper. This will set out further measures to empower tenants, hold social landlords to account and support the continued supply of social housing. This will include measures to provide for greater redress and better regulation and to improve the quality and safety of social housing.

Lucy Powell: Most people would welcome the White Paper that the Secretary of State has just announced, but will he consider extending it to those living in private blocks? Many more people are now living in high-rise blocks in city centres such as mine, but leaseholders have no rights against the building owners and very little recourse, and there is no teeth when the leasehold valuation tribunal or any other body finds in their favour. The need of private tenants and leaseholders for recourse is just as great.

Robert Jenrick: The hon. Lady makes several important points. Much of the work of the social housing White Paper will apply to private leaseholders, and of course we have a separate stream of work on reforming leasehold. We have already said we will shortly publish a draft Bill on leasehold reform, and we await the further reports from the Law Commission and then in time from the Competition and Markets Authority on leasehold, which will inform our work and I hope lead to significant legislation to reform the leasehold market later in this Parliament.

Dame Margaret Hodge: I am extremely grateful to the Secretary of State for giving way again. As he will remember, one of the issues that arose from the fire in Barking was the fact that none of the leaseholders had household insurance, so when they lost all the contents of their homes or the contents were damaged they had no recourse to insurance to replace them. Is he giving any consideration, in any of these reforms, to introducing a system whereby not only is building insurance imposed

[*Dame Margaret Hodge*]

on leaseholders—presumably in social housing that would be covered by the local authorities—but victims of fires do not end up losing all their belongings and having no money with which to replace them? These are people on the edge who really are finding it hard to manage.

Robert Jenrick: I did look into that issue when the right hon. Lady raised it after the fire in Barking. I am acutely aware of the number of individuals who do not have household insurance—that was brought home to me after the floods in Doncaster last year, when we encountered many households that did not have it. I do not think that it is for the state to intervene—I am not sure how practical it would be for household insurance to be provided centrally, regardless of the value of the contents of individuals' homes—but I am happy to think again, and to speak to the right hon. Lady if that would be helpful.

My Department continues to hold regular meetings with the crucial stakeholders, including Grenfell United, to discuss our emerging proposals, and to ensure that the reform we are introducing is what is needed to deliver meaningful change. I am grateful for their engagement and commitment. It was at their request that we did not rush to publish the social housing White Paper, but are continuing to work with them to ensure that they will—I hope—be able to support it in due course. I will report back to the House shortly with our conclusions.

We know that for the families, the relatives and the survivors, change cannot come quickly enough, and we know that there is still a huge amount to do. We have heard that already, in the opening of this debate. The recent fire in Barking and the fire in Bolton at the end of last year only serve to remind us of the urgency with which we must act, and will continue to guide our work.

Phase 1 of the inquiry was just the first part of a complex process to uncover the truth of what happened. Next week, phase 2 hearings will begin as the work of the inquiry continues. Those hearings will help us to understand how the building was so dangerously exposed to the risk of fire. I have no doubt that Sir Martin will leave no stone unturned in his work. There will be tough questions for those involved in the refurbishment of the tower, and for the manufacturers of the materials used; but there will also be questions for central and local government to respond to, and I will support the work of the inquiry in any way I can.

We also continue to work alongside others to bring about changes that will protect the public, and I will ensure that further updates on the steps taken to implement the chairman's recommendations are shared with the House at the earliest opportunity.

Paul Scully (Sutton and Cheam) (Con): As has already been noted, a number of survivors and families from Grenfell are present today. They will be looking for leadership from both their local council and this place. Can the Secretary of State reassure us that he will continue to speak to all the people and organisations involved in the north Kensington area?

Robert Jenrick: I will certainly make that commitment to the bereaved, to the survivors, and to the community of north Kensington. I have met a number of those groups on a number of occasions since becoming Secretary

of State, and last week my right hon. Friend the Prime Minister and I met a group of survivors, bereaved people, local residents and members of the community.

I think that I speak for the whole House in once again offering the bereaved and the survivors our most profound condolences. Their pain and loss were unimaginable to us. We owe it to them, and to all whose lives have been affected by the fire at Grenfell Tower, to match these sentiments with action, on a scale and at a pace commensurate with the tragedy, and to do everything in our power to ensure that this never happens again.

4.9 pm

John Healey (Wentworth and Dearne) (Lab): This is a grave and important debate. I welcome the Government time for it, but I regret that the Prime Minister is not here to lead it. The public inquiry into Grenfell reports to him; it is the Prime Minister's responsibility. A national disaster on the scale of the dreadful Grenfell tower fire demands a national response, on a similar scale. That has not happened, and that too is the Prime Minister's responsibility.

More than two and a half years since that dreadful fire, the widespread grief and disbelief in the immediate aftermath that something so dreadful could happen in 21st-century Britain has become an increasingly widespread frustration. There is, as the Secretary of State said, still a huge amount to do. I never thought I would be standing here, two and a half years after that Grenfell tower fire, facing a Secretary of State who is still unable to say all the steps have been taken so that we can, as a House of Commons, as a Government, say to the country, "A fire like Grenfell can never happen again." The fact that he cannot say that—the fact that there is still so much to do before we can all say that—shows the extent of the Government's failure on all fronts since that fateful fire on 14 June 2017.

There have, regrettably, been other major residential fires since then—mercifully, without casualties—in Manchester, in Crewe, in Barking, in Bolton. It was clear to me, speaking to the students who were in that fire in Bolton, days after it happened, that had it not been for their quick thinking that early Friday evening, there would have been casualties in that fire, too.

Sir Martin Moore-Bick and his inquiry staff have done a huge amount of work on the first phase of the inquiry; on behalf of the Labour party, I pay tribute to that. Despite our reservations about the inquiry, we recognise that the inquiry is on an almost unprecedented scale. The phase 1 report—the subject of this afternoon's debate—was 1,000 pages long. It was based on 123 days of hearings, evidence from more than 140 witnesses, half a million documents and nearly 600 core participants. However, Sir Martin Moore-Bick and his team simply could not have produced such a thorough and thoughtful report without the testimony of the Grenfell families and survivors. So, most of all today I pay tribute to the Grenfell survivors, to the families of the victims, to the community of North Kensington, who have conducted themselves with such dignity during this very painful inquiry. I say to them: you have suffered almost unimaginable trauma and loss, but we thank you for having the courage to share this, and the resolve to turn your grief into a fight for justice and for change. It is they who should be at the forefront of our thoughts and of our debate this afternoon.

I also pay tribute, as Sir Martin Moore-Bick does, to the courage of individual firefighters and emergency services on the night. They really did put their lives at risk in many ways—often breaking the operating procedures they were meant to follow—in order to help get people out and save lives that night. I, like the Secretary of State, am glad that the London fire and rescue service has not just accepted all the recommendations in full, but already begun to implement them.

I want to take the House back to the immediate aftermath of the fire, more than two and a half years ago, and to three big promises made by the then Prime Minister, the right hon. Member for Maidenhead (Mrs May), on behalf of the Conservative Government. First, on rehousing and support for the survivors, she said, as Prime Minister, the week after the fire:

“All those who have lost their homes...will be offered rehousing within three weeks.”—[*Official Report*, 22 June 2017; Vol. 626, c. 167.]

Ministers had to pull back from that initial promise, and they then said everybody would be rehoused within a year.

Thirty-one months on from the fire, as the Secretary of State has confirmed this afternoon, and notwithstanding individual circumstances, survivors of the fire have still not all been found adequate, permanent housing. Some of those families spent Christmas in temporary accommodation or in hotels. It is no good the Minister for Crime, Policing and the Fire Service—a former housing Minister—or the Secretary of State for Housing, Communities and Local Government shaking their head. I acknowledge the individual circumstances, we all do, but they have had four reports from the Grenfell recovery taskforce, each and every one taking the Borough of Kensington and Chelsea to task for not doing enough at enough speed to rehouse and help those families.

Secondly, on justice, the present Prime Minister said in the debate at the end of October that

“we owe it to the people of Grenfell Tower to explain, once and for all and beyond doubt, exactly why the tragedy unfolded as it did”.—[*Official Report*, 30 October 2019; Vol. 667, c. 378.]

The Grenfell survivors do, indeed, want answers, but they also want justice. They want change and they want those responsible to be held to account and, where justified, prosecuted. They are right to expect that, and they have been promised it, but it still seems so far off.

Ahead of the setting up of the public inquiry, the then Prime Minister promised

“to provide justice for the victims and their families who suffered so terribly”

and she rightly said on behalf of the Government:

“I am clear that we cannot wait for ages to learn the immediate lessons”.—[*Official Report*, 22 June 2017; Vol. 626, c. 168.]

That public inquiry, initially expected to report at Easter 2018, did not in fact report until 18 months later, in autumn 2019. It has been phased into two reports, which means we have only a partial, incomplete judgment, and we still have not got to the bottom of what went dreadfully wrong and why.

I have to say to the Secretary of State and the Government that these problems have been compounded by recent thoughtless decision making by the Prime Minister. Just before Christmas he picked a new panellist for the inquiry who in her previous post, we are told,

accepted funding after the fire from the charitable arm of the company responsible for manufacturing the insulation on the outside of Grenfell Tower.

Yesterday, the Secretary of State said:

“I know the Prime Minister is aware of the issues”.—[*Official Report*, 20 January 2020; Vol. 670, c. 33.]

He must do better than that. The Grenfell inquiry must command the confidence of those most affected by the fire. The vice-chair of Grenfell United has said in the last week:

“How can she sit next to Sir Martin Moore-Bick when Arconic will be on the stand and is one of the organisations we need answers from in terms of what caused the deaths of our loved ones?”

The Prime Minister should apologise and reverse the decision to appoint Benita Mehra.

Thirdly, on cladding and the safety of other tower blocks, the then Prime Minister, again on behalf of the Government, promised directly after the fire:

“Landlords have a legal obligation to provide safe buildings... We cannot and will not ask people to live in unsafe homes.”—[*Official Report*, 22 June 2017; Vol. 626, c. 169.]

Yet thousands of people continue to live in unsafe homes, condemned to do so by this Government’s failure on all fronts since Grenfell. Why? Why, two and a half years later, are 315 high-rise blocks still cloaked in the same Grenfell-style cladding? Why do 76 of these block owners still not have a plan in place to remove and replace that cladding? Why have 91 social block owners still not replaced their ACM cladding when the Secretary of State said it would be done by the end of last year? Why have the Government not completed and published full fire safety tests on other unsafe but non-ACM types of cladding? And why has no legislation to overhaul the building safety rules been published, let alone implemented, more than 20 months after the Government’s own Hackitt review was completed and accepted in full by Ministers?

After pressure from this side, the Secretary of State did set deadlines for all Grenfell-style ACM cladding to be removed and replaced: he set the deadline of the end of December 2019 for social sector blocks and of June 2020 for all private sector blocks. He has missed the deadline for social sector blocks and, if the current rate does not change, it will take a further three years for them all to be done. He is also set to miss the June 2020 deadline and, if the current rate does not improve, it could take 10 years to complete the work on those blocks. He said a moment ago that Grenfell families want “answers”, “accountability” and “action”, but at every stage since Grenfell Ministers have failed to grasp the scale of the problems and the scale of the Government action required. At every stage, the action taken has been too slow and too weak.

Kevin Hollinrake: The right hon. Gentleman talks about action and about the guidance. Surely he must welcome the Government’s action in banning combustible materials in external surfaces, which his Government had the opportunity to do during their tenure but did not do?

John Healey: I do indeed welcome the ban, for which we argued for some time. It was something the Hackitt report did not recommend, but Ministers wisely decided that they would not follow that recommendation. It is a no-brainer that we should not be putting combustible cladding on the sides of buildings in that way.

[John Healey]

I welcome some of the action that has been taken. I know that the Secretary of State is approaching this with a serious intent. He did indeed announce what he calls “more measures” yesterday and he said he is

“minded to lower the height threshold for sprinkler requirements in new buildings”—[*Official Report*, 20 January 2020; Vol. 670, c. 23.]

But this is for new build only. He is considering, with the Treasury, whether leaseholders will get any funding help, and he is having yet another consultation exactly on that issue of flammable material. I say to him that we have had 14 consultations already since the Grenfell fire. We had 21 announcements on building safety in this Chamber before yesterday’s announcement. I say to the Secretary of State that he and his Government still have some way to go to give people confidence and to convince those people affected by unsafe cladding that there will be change.

Hilary Benn (Leeds Central) (Lab): My right hon. Friend referred to the position that leaseholders find themselves in, and we discussed this yesterday following the Secretary of State’s statement. Those who now discover that they are living, to their surprise and horror, in unsafe buildings do not just face the problem of having to pay out for a waking watch, which is very expensive; even with the new guidance to mortgage lenders, who is going to buy a flat in a block where, in addition to taking on the normal costs, the new owner will have to pay for the waking watch and will have no idea at this stage, until the matter is clarified, who is going to foot the bill for replacing the cladding in those buildings? So we have a continuing problem, in the wake of the terrible Grenfell tragedy, as more and more people discover their lives completely on hold. Does that not make the case for Government help to get them out of this mess urgent and necessary?

John Healey: My right hon. Friend anticipates the argument I was going to move on to. For such leaseholders, the situation he outlines assumes that they can sell in the first place and that the wannabe buyer can get a mortgage. Many are finding now that they are trapped in these blocks. Some of the steps the Secretary of State is now taking may help with this, but, fundamentally, there is a serious flaw in our leasehold legislation. In the particular circumstances we face here, we have the failure to match the legal responsibility that landlords or block owners have for the safety of those blocks with the financial responsibility for ensuring that they, not the leaseholders, pay for that. I have a proposal for the Secretary of State that requires Government action to deal with that problem and shall explain it in a moment.

First, though, a more general point. Since the fire, Grenfell survivors have seen three Secretaries of State and four Housing Ministers, all serious and sincere as individuals about the lessons to learn from Grenfell, but all fettered by the same flawed Conservative ideology and Government policy. They are too reluctant to take on vested interests in the property market; too unwilling to have the state act when private interests will not act in the public interest; and too resistant to legislation or regulation to require higher safety standards. Only the Government can fix the broken system of building safety. Only the Government can make good the cuts to

fire services. Only the Government can renew social housing. Only the Government can make landlords meet their legal and financial obligations.

Here is a five-point plan for action for the Secretary of State. First, widen the Government-sponsored programme to cover comprehensive tests on all non-ACM cladding and publish the full results. Secondly, give councils the power to fine and take over blocks whose owners refuse to make them safe, in order to get the work done. Thirdly, pass legislation to end the injustice of flat owners paying for the costs of works simply to make their home safe, and bring in financial help for hard-pressed leaseholders billed by landlords for essential interim safety measures such as waking watches. Fourthly, set up a £1 billion fire safety fund, including to retrofit sprinklers in social housing blocks. Fifthly, establish a new national fire safety taskforce, reporting directly to the Prime Minister, responsible for auditing every high-rise and high-risk building and enforcing the replacement of all types of deadly cladding. If the Secretary of State will do that, he will have our backing.

Kevin Hollinrake: The right hon. Gentleman has talked about some pretty decisive action against building owners he says will not take action to remove cladding. That is possible with a social landlord, because they have a direct connection to and responsibility for the maintenance of the building, but who is he talking about in the case of a block of leasehold apartments? The only person with a connection—the only landlord he might speak to—might be the owner of the ground rents on that property. They are technically the freeholder, but the freeholder has no maintenance responsibility whatsoever, so there is no legal action he could take to force the freeholder to take remedial action on the block.

John Healey: That is precisely why new legislation is required to enable action where it is needed. [*Interruption.*] The hon. Gentleman grimaces, but I take the argument and the principle from a recommendation of the Select Committee of which he was a member, which said in a unanimous report that for privately owned residential homes, if a landlord ultimately will not keep the properties up to scratch, a local authority should have the power to take over those properties and make them good. If the principle can apply for individual properties, it can apply for tower blocks when something this serious and urgent is required.

Kevin Hollinrake *rose*—

John Healey: I will not give way anymore; I am going to end my speech because a lot of people wish to speak in the debate.

Post election, the Government and the Prime Minister have a majority, but with that mandate comes responsibility. We in the Labour party will continue to hold the Government hard to account for their continued failings following Grenfell. More widely, I say in particular to the Grenfell survivors and the families of the victims, just as I said in the days immediately after the fire: we in the Labour party will not rest until all those who need it get a new home and long-term help; all those culpable are brought to justice; and all measures necessary are in place, so that we can, with confidence, say to people that a fire like Grenfell can never happen again in our country.

4.29 pm

Mrs Theresa May (Maidenhead) (Con): May I first say, Madam Deputy Speaker, what a pleasure it is to see you in the Chair and welcome you to your new role as Chairman of Ways and Means?

I thank the Secretary of State and the Government for bringing this further debate to the House. It was good that we had an initial debate in the previous Parliament, on 30 October, when this phase 1 report was published by Sir Martin Moore-Bick. However, as the Prime Minister recognised at the time, it was not possible to go into the detail of this very detailed and lengthy report to the extent that the House would have wished, and a further debate was necessary, so I am grateful to the Secretary of State for giving us that opportunity. I was able to speak in the debate on 30 October, so I will limit my comments here today, because I know that other Members wish to speak.

I want to raise two issues. I have already touched on the first in my intervention on the Secretary of State. It is the question of interoperability and the communications between the emergency services. I am pleased to hear that the Home Office is working with his Department to look at this issue. Sir Martin Moore-Bick's recommendations included some changes to the wording of the protocol. That should be relatively easy and, I hope, quick to achieve, and should be relayed to all those who are likely to have responsibility for major incidents and therefore be responsible for putting that protocol in place.

The other issue I want to touch on today goes absolutely to the heart of what happened at Grenfell Tower. There are many quotes that I could use in reference to this, but I am looking at page 584 of Sir Martin Moore-Bick's report. His essential conclusion, which he did not need to go into in phase 1 of the report but did, was that he could see

"no rational basis for contending that the external walls of the building met requirement B4(1), whatever the reason for that might have been."

Requirement B4(1) is the regulation that requires the external walls of a building

"to adequately resist the spread of fire over the walls...having regard to the height, use and position of the building".

It seems to me that absolutely at the crux of this issue—Sir Martin Moore-Bick acknowledges that it is a key issue for phase 2 of the report—is why that building in which so many people were living did not meet the building requirements, because it had on it material that would not adequately resist the spread of fire. It was not just the material, but other issues such as the positioning of the windows, which was changed when the refurbishment was done in a way that actually made it easier for fire to escape from a flat and take hold of that combustible cladding.

Sir Martin Moore-Bick goes on to say that

"on completion of the main refurbishment, the external walls of the building did not comply with requirement B4(1) of Schedule 1 to the Building Regulations. A separate question is how those responsible for the design and construction of the cladding system and the work associated with it, such as the replacement of the windows and infill panels, satisfied themselves that on completion of the work the building would meet requirement B4(1)."

This seems to me to be absolutely crucial.

In his intervention, my hon. Friend the Member for Harwich and North Essex (Sir Bernard Jenkin) used the phrase that the inquiry is not there to place blame. Actually, the inquiry is there to find out what happened, why it happened and how it happened. Phase 1 has shown what happened. The crucial issue for phase 2 is how, despite the regulations and the requirements that were there, we still had this building with cladding that did not meet the building regulations. The questions must be: who took decisions along the line that led to that being possible; were the decisions taken because there was a misinterpretation or a misunderstanding of building regulations; was it about the drafting of the building regulations; and did people properly inspect the buildings? Further on in the report, on page 590, Sir Martin Moore-Bick says:

"The failure to appreciate the nature of the risks posed by the cladding at Grenfell Tower was due in part to the approach adopted by the LFB to the discharge of its obligations under section 7(2)(d) of the 2004 Act."

He notes further on that

"there was no attempt to carry out a visit which comprehensively addressed each of the listed matters to ensure that the information relating to the refurbished building and the assessment of the risks it presented was accurate and up to date...no good explanation was given for the failure to carry out a comprehensive assessment of the tower after the refurbishment had been completed."

He goes on to say that individual members of the London Fire Brigade had not received training and that they cannot be blamed, because they could not be expected to assess the risks.

What this shows is a failure of the system, and this is where I slightly take issue with the shadow Secretary of State. He referred to the Government being able to make decisions and regulations. Yes, Ministers decide policy and this House passes legislation. We can pass all the legislation we like, but if it is not properly implemented on the ground, it is of no effect. That is the issue that lies behind the tragedy at Grenfell Tower. We should be worried not just because of all those people who lost their lives and the many families whose lives have been absolutely turned upside down because they lost everything and have had to rebuild their lives; we should also be worried about other areas. The purpose of this place is to pass legislation for the betterment of our society and the protection of our citizens, but we rely on others to ensure that it is then implemented properly.

It is essential, as Sir Martin Moore-Bick himself states, that

"the principal focus of Phase 2 will be on the decisions which led to the installation of a highly combustible cladding system on a high-rise residential building and the wider background against which they were taken."

That, it seems to me, is absolutely crucial. The shadow Secretary of State has said that this inquiry is taking longer than any of us would have wished. Crucially, however, Sir Martin Moore-Bick is ruthless in getting to the truth, and that is what we want, not just for the victims and survivors of Grenfell Tower but for the wider good of our society. We need those answers and I have every confidence that, given the integrity he has shown, Sir Martin Moore-Bick will come forward with them. Then, of course, this place and the Government will have to respond to the inquiry's findings.

[Mrs Theresa May]

As I said on 30 October, the detail in this report and the ability to start to find answers are only possible because people who went through hell have been willing to stand up and give their testimony and to fight for justice. This House and the Government owe them that justice.

4.38 pm

David Linden (Glasgow East) (SNP): There were many things on which I profoundly disagreed with the right hon. Member for Maidenhead (Mrs May) when she was Prime Minister, but I pay tribute to her for staying in this new Parliament not only to serve her constituents but to see through some of the issues with which she grappled as Prime Minister. For that I have an enormous amount of respect for her, despite our political differences.

I wish to start, have others have done, by paying tribute to the dignity and conduct of the survivors and the families who are bereaved as a result of the tragic event at Grenfell Tower on 14 June 2017. I have no doubt that giving evidence to the inquiry will have been difficult for all involved, but it is important that we leave no stone unturned in order to get justice for the parents, children and siblings whose family members perished on that fateful evening at Grenfell. A separate criminal investigation by the Metropolitan police is ongoing, and I do not intend to say anything that would prejudice its outcome.

It is important that we learn from this horrific event and make sure that something similar is never allowed to happen. Families need reassurance. Time and again the report reminds us of the events surrounding the Lakanal House fire in 2009. Let us not forget the six poor souls who died as a result of that fire. Sadly, there are some striking similarities between Lakanal House and Grenfell Tower that make this all the more upsetting. There is absolutely a legitimate debate to be had about the cuts to fire budgets, which the current Prime Minister cannot necessarily absolve himself from, but it is also clear that lessons were not learned from Lakanal House. For example, chapter 8 of the Grenfell inquiry concludes that similar shortcomings were displayed by the LFB control room when responding to callers from Grenfell Tower in 2017 as in 2009 at Lakanal House. Likewise, again we hear of an authority not adhering to building safety regulations. Indeed, as the right hon. Member for Maidenhead said, in chapter 26 Sir Martin says that there was compelling evidence that the external walls of the building at Grenfell failed to comply with requirement B4(1) in schedule 1 to the building regulations. That is negligence, pure and simple.

Planning and preparation are covered in chapter 27 of the report, which makes reference to the fact that national guidance requires fire services to draw up contingency evacuation plans for dealing with fires in high-rise blocks that spread beyond the compartment of origin, thereby causing a “stay put” strategy to become untenable. It is a damning indictment when the report concludes that the LFB’s preparation and planning for a fire such as that at Grenfell Tower was “gravely inadequate”. Indeed, the report goes on to say that

“otherwise experienced incident commanders and senior officers attending the fire had received no training in the particular

dangers associated with combustible cladding, even though some senior officers were aware of similar fires that had occurred in other countries”.

Chapter 28 of the report rightly acknowledges the extraordinary courage and selfless devotion of the firefighters on the scene, but there were clearly serious shortcomings at command and control level. For example, in the chronology of events around 2 am—I found it incredibly difficult to read that bit—we learn of two LFB officers who, without communicating, had simultaneously assumed command and control of the situation. Likewise, at varying points throughout the night, the utter chaos and disjointed nature of the response is laid bare. The Metropolitan Police Service declared a major incident at 1.26 am without telling the London Fire Brigade or the London ambulance service. The London Fire Brigade then declared a major incident at 2.06 am without telling the Metropolitan police or the London ambulance service. Finally, the London ambulance service declared a major incident at 2.26 am without telling the London Fire Brigade or the Metropolitan police. Sir Martin is absolutely right to conclude that all of this was a serious failure to comply with the joint working arrangements and protocols designed for major emergencies in London. It is right, therefore, that further scrutiny will now continue.

As the emergency services pointed out last year, it is regrettable that the first findings of fault seemed to be with the brave emergency services who ran towards the fire that night rather than focusing on the makers of unsafe cladding, but we, as Members of this House, can only deal with the inquiry—an independent inquiry—as it has been structured. So the SNP certainly welcomes the publication of the first stage of this report.

However, the damning verdict of survivors and bereaved is that this Government are simply going through the motions regarding their response. Let us not forget that people are still living in dangerous homes. The public inquiry has been beset by delays, and promises to give council tenants a bigger voice have not yet been delivered. As the shadow Secretary of State said, thousands of high-rise residents are still living in towers wrapped in banned Grenfell-style cladding, with figures this month showing that 315 high-rise residential and publicly owned buildings are unlikely to meet building regulations because they are clad in combustible aluminium composite panels. People’s health also continues to suffer as a result of the stress of living in unsafe buildings, with residents saying that they have turned to alcohol and drugs. The Government themselves have admitted this, with the Housing Secretary on record as saying:

“I feel as if we need to do a lot more and a lot faster to make sure that people are safe. If, God forbid, there was another incident anything like the Grenfell tragedy tomorrow, how would you explain how that could have happened two and a half years later?”

I absolutely agree with him on that. So, as we move on to phase 2 of the inquiry, let us truly listen to the bereaved and the survivors from Grenfell tower.

I want to touch on the situation in Scotland, which, although devolved, is still of interest to constituents watching at home north of the border. In my own constituency of Glasgow East, I have 10 high-rise blocks in Sandyhills, Parkhead and Cranhill, and the safety of my constituents is absolutely paramount. Last October, the Scottish Government introduced new regulations

that will make Scotland's high-rise buildings even safer. I warmly welcome that, and it goes some way towards reassuring those who live in the high-rise blocks that I mentioned.

I say to the Secretary of State that I am not the only Scottish MP who is aware of a degree of consternation among constituents relating to advice note 14. I understand that homeowners have been left with flats deemed to have zero value, due to the way in which advice note 14 was written and rolled out. That has left surveyors with no idea as to what is required for a building to be deemed safe or how to value a property properly. The knock-on effect is huge, particularly when it comes to selling properties. I would be grateful if the Secretary of State or one of his Ministers was willing to meet me and a number of colleagues from Scotland to discuss the technical aspects of advice note 14, which I appreciate might be a bit complex to discuss on the Floor of the House.

Alison Thewliss (Glasgow Central) (SNP): My hon. Friend will know that a number of my constituents have been in touch to say that they cannot sell their properties. A couple told me that their house sale had fallen through because the implications of advice note 14 meant that the other party was not able to get a mortgage. Does he agree that a lot more needs to be done to reassure the industry, as well as the people who are stuck in those houses unable to move and those who would like to move in but are unable to get mortgages?

David Linden: Absolutely, and I pay tribute to my hon. Friend, who was my predecessor in this role. When she covered the statement by the Secretary of State yesterday, that point was made. He has indicated that there will be meetings next month, with a view to reviewing this issue. I urge him and his Ministers, if a review is ongoing, to please take into account the representations that our constituents are making to us.

Robert Jenrick *indicated assent.*

David Linden: I see the Secretary of State nodding. I hope that is him agreeing to a meeting with me and my colleagues, and that we can look at this issue before the guidance is rolled out in the coming months.

I am conscious that other colleagues wish to contribute to the debate, so I will conclude by thanking Sir Martin Moore-Bick and his team for their work thus far. I very much hope that we see rapid and thorough progress as we enter phase 2 of the inquiry in the coming days.

4.46 pm

Felicity Buchan (Kensington) (Con): I start by paying tribute to my constituents. I believe most hon. Members are aware that Grenfell Tower is in my constituency of Kensington. The Grenfell bereaved and survivors, and their friends and neighbours, have suffered hugely, but they have always conducted themselves with huge grace and dignity. I pay tribute to them, some of whom are in the Gallery today.

The report will never make good the loss of so many lives on 14 June 2017. It will not take away the pain and anguish that the bereaved and survivors and the community continue to feel. But if there is any meaning that can come out of this appalling loss of life, it is that a tragedy of this nature can never be allowed to happen again.

As my right hon. Friend the Member for Maidenhead (Mrs May) said, we must establish the truth of what happened, not only through phase 1 but looking forward to phase 2. We must learn the lessons and, very importantly, we need to implement the recommendations with a sense of urgency.

I welcome the fact that my right hon. Friend the Secretary of State has accepted all the recommendations from the first phase of the inquiry. I encourage him to implement those recommendations quickly and decisively. I am concerned that there continue to be residential high-rise buildings that have ACM cladding, so I ask him to ensure that local authorities use their enforcement powers to take action on those buildings.

I welcome the Secretary of State's statement yesterday, as well as his review and consultation on combustible cladding and whether the threshold should be decreased from 18 metres to 11 metres. Will he consider reviewing whether the ban on combustible cladding and the threshold for sprinklers should also apply to all blocks of flats, all schools, all hospitals and all care homes?

Let me move on to talk about the Fire Brigade. There is no doubt that individual firefighters on the night showed the most remarkable courage and bravery. Where most of us would have run away from that towering inferno, they went in, and I want to pay great tribute to them. But it is also clear that there were institutional failings within the London Fire Brigade. I met Andy Roe, the new commissioner of the London Fire Brigade, just yesterday. I was struck by his openness and his desire for change. He immediately said that he accepted all the recommendations of the first phase of the inquiry, and he accepted that, at a corporate level, the Fire Brigade needed to work to regain the trust and confidence of the north Kensington community. He assured me that he would drive change, and we agreed that, as the MP for Kensington, it is my responsibility to hold him to account.

I want to raise one other matter, referred to by the right hon. Member for Wentworth and Dearne (John Healey), which is the appointment of Ms Benita Mehra to the panel of the Grenfell inquiry. I am sure that Ms Mehra is a very well-qualified engineer, but I must reflect to the House that the north Kensington community is very concerned that she has a conflict of interest, since while she was president of the Women's Engineering Society, it received a donation of £71,000 from the charitable arm of Arconic, which provided the external cladding of Grenfell.

It is vital that the north Kensington community has faith in the second phase of the inquiry. One of the lessons that we learnt from Grenfell is that decision making cannot be only top down; it needs to be community-facing. I know that the composition of the panel does not lie within the Secretary of State's jurisdiction, but rather with the Cabinet Office, so I ask the Cabinet Office to consider that appointment very carefully.

As the new Member of Parliament for Kensington, I am going to spend a lot of my time and focus on fire safety, building regulations and the social housing sector in general. I look forward to working with Members across the House to ensure that all housing in this country is safe and truly fit for purpose.

4.53 pm

Mr David Lammy (Tottenham) (Lab): I am very grateful for the opportunity to speak in this important debate. I am pleased to follow the hon. Member for Kensington (Felicity Buchan), and I hope that I can work with her on issues in relation to Grenfell, as I was able to work with her predecessor. Her contribution was a very good start.

On the morning of 14 June 2017, I woke up at around 5.30 am, and when I checked my phone, I saw dozens of message notifications. My wife's phone, just next to it, would not stop buzzing. I shook her awake and we began to scroll through our messages. We were in complete shock as tears flooded down our faces. The first images and videos we were confronted with were of a burned-out shell of a building that we had known for much of our lives. Grenfell Tower had turned black, and its windows were fluorescent with orange light. My wife and I were just two of the many hundreds of people who woke up that morning to find out that a friend or relative had been burned alive.

In the wake of the fire, I assumed that this man-made disaster would be a defining moment in how we thought about housing in this country. In my view, it exposed a tale of two cities. In the wealthiest borough of one of the richest cities in the world, 72 people were forced to live in a tower wrapped in flammable cladding, and their complaints about safety in the blocks were ignored by the authorities in the months and years before. Back in the summer of 2017, I would never have imagined that the response, including that of the Government, would be so appallingly slow. I cannot believe that I am standing here in the next decade and that the Government still cannot say that all the necessary action has been taken to prevent another fire like Grenfell from happening again. In a sense, that is a summary of what the Secretary of State has said.

Members will have heard some of the statistics already today, but they are worth repeating so that the message gets through. We know that 91 out of 159 social sector buildings found to have Grenfell-style ACM cladding have still not had it removed, and that 174 out of 197 private sector buildings—those are the ones we know about—are in the same situation. On any analysis, this must be defined as cruel and unusual punishment for the families living in those buildings. I ask all of us in the House this afternoon, particularly those of us who are parents, to imagine the stress and strain of being in a building that could go up in the way we saw Grenfell Tower go up. This means that for more than two and a half years, thousands of concerned families have had to go to bed at night afraid that what happened in June 2017 might happen to them.

I am afraid that much of the blame for this inaction lies with the Government. It took them one entire year to provide the funding for councils and housing associations to remove the cladding, and it took them two years to announce a fund to help privately owned blocks. Ministers set a deadline of the end of 2019 to make social blocks safe and a deadline of June 2020 for private blocks. What is the explanation for why the first target has been missed and the second looks likely to be missed?

The inaction on cladding is matched only by the treatment of the survivors of the fire. Families have expressed frustration and anger at the chaos and lack of

organisation over the past three and a half years. Much of this, of course, lies at the door of the borough of Kensington and Chelsea. Inquest is a charity that supports many of the families, including 55 of the 72 families who lost a relative. Its report contained serious criticism of the Government's response at both local and national levels. Families have been made to feel like bystanders rather than participants in the inquiry proceedings. They have not been given adequate notice of hearings or fast disclosure of legal papers, and many have been locked out by technical jargon and inadequate language support. Most shockingly, 31 months later, nine Grenfell households are still living in temporary accommodation. When are these families going to be allowed to get on with their lives?

At the start of the last election period, we were shown the truth of how some in the Government really think about the night of the Grenfell Tower fire. The right hon. Member for North East Somerset (Mr Rees-Mogg) blamed Grenfell residents for lacking "common sense" by obeying the orders of the fire service to stay put. Defending him, the hon. Member for North West Leicestershire (Andrew Bridgen) explained that it was because he is more "clever" than the Grenfell victims. I have got to tell you, Madam Deputy Speaker, that I was appalled by these statements. In a different era, what would have followed making statements like that was the honourable thing, which is a resignation.

I am obviously glad that the Government have accepted all of the recommendations made by phase 1 of the inquiry. I of course congratulate Sir Martin Moore-Bick on a very thorough first phase report that is some 1,000 pages long, but there are things that we need to take away from that. While I, too, would not want to do anything but add my own tribute to those firemen who rushed towards so many people, as I said in the last debate, I am hugely disturbed that my friend Khadija Saye heard fire officers on her floor in the early hours of the morning, but those officers did not come to her door and, as it were, drag her and her mother out of that building. Had she left earlier, I am absolutely convinced that she would be alive today and would not have lost her life on the ninth floor.

I am concerned that we now need to create a new independent body—a national oversight mechanism—to make sure not just that the Government accept the recommendations, but that the recommendations are implemented. Because of all we have heard about previous fires, previous reviews, previous inquests, previous recommendations and then inaction, it is really important that we have some kind of body that sees, this time, that implementation flows as result of what everyone has been through.

We also need to reintroduce the Public Authority (Accountability) Bill to create a duty of candour from state and private bodies. It is of course important that we do not allow the sequencing of this inquiry to scapegoat the brave firefighters who risked their lives that night. The bulk of the responsibility lies with decision makers in successive Governments and private companies that cut corners on fire safety. By doing this, individuals in positions of power, in my view, committed gross negligence manslaughter.

While this House makes much of Sir Martin Moore-Bick's inquiry, let us not forget that there is a police investigation into the decisions that have been made—

I hope that at some point the House is updated on how that police investigation is proceeding—because for many, justice will be served when survivors see arrests and prosecutions and see those responsible for this crime given the justice that many of us believe they deserve.

5.3 pm

Dean Russell (Watford) (Con): First, may I say to the families of the victims, from Watford and I am sure from everywhere in the UK, that they will forever be in our hearts following this terrible tragedy? I have heard today and over the past few years the terrible stories from this event, which really touched my heart, and I want to share one of the stories today.

Less than a year ago, I met one of the firefighters who was first on the scene at Grenfell. My conversation with him was not part of a review or of my being a politician; it was one man talking to another, by chance. He went into huge detail about what he saw that day, and in the following days as he dealt with the tragedy on site. I will share some of what he told me, but not all the details because I do not want to cause any more hurt to the families. After he had spoken, I shed many tears—I feel no embarrassment in saying that. As my hon. Friend the Member for Kensington (Felicity Buchan) said, those brave firefighters enter the buildings from which we want to flee, and put their lives in danger to save others.

That firefighter told me about going into Grenfell when the fire was raging. He saw it get worse, and he had literally to grab people and carry them out of the building, down stairs that were pouring with water and slippery, while flames raged around him. We must protect these heroes over the coming years, and learn from the mistakes that were made. Mistakes absolutely were made at the top level, but people on the ground—first responders, paramedics, police, and firefighters in particular—put their lives at risk for people they would never have met.

From that story I learned that the challenge was not just during the event but afterwards as well, and from going back and having to recover bodies—people will have the scar of that in their minds forever. Having just been told the story, I still sometimes wake up in the night with nightmares, so I cannot imagine how those who were actually there and did that felt, and still feel.

I heard that, since that day, those firefighters who were so brave and saved so many lives have been suffering from post-traumatic stress disorder. Some have left the fire service, and some have had issues with relationships or with alcohol. They are struggling with the reality of what they saw, which in some ways sounded akin to a warzone. If they were soldiers we would probably give them support to deal with that.

I say to hon. Members, to the families, and to firefighters who were at the scene, that throughout history the biggest failure has been a failure to learn from our mistakes. When we look ahead at this review, we must not fail to learn from those mistakes. We must be able to tell the families and those who survived that those deaths, those awful tragedies, were not in vain, and that we will learn from this and ensure it does not happen again.

I wanted to share that story because a lot has been said today, quite rightly, about building regulations, buildings and cladding, but the real tragedy is in the lives that were lost, and lives that have been so damaged

over many years, and will remain damaged for years to come. Let us learn and move forward. I hope that those on the Front Bench will put provisions in place, and take these matters forward in the review. We must put people first, and ensure that, along with that of the victims and the families, the mental health of firefighters is looked after, and that they are supported moving forward.

5.8 pm

Andy Slaughter (Hammersmith) (Lab): I will begin by expressing my admiration and respect for the survivors and families of the victims of the Grenfell Tower fire, many of whom I have had the honour of meeting over the past two and a half years. I also pay tribute to my friend and colleague, Emma Dent Coad, former MP for Kensington, who made Grenfell the focus of her two and a half years in this place. She will continue to do that as a local councillor, resident, and champion of Grenfell. In a way, it is not surprising that Grenfell became the focus of Emma's life, because it is such an all-encompassing tragedy with so many aspects to it, some of which we are trying inadequately to explore in this debate.

I know that one of the first things Emma would say is, as my right hon. Friend the Member for Tottenham (Mr Lammy) mentioned, what about the residents who have not been permanently and properly rehoused? What about the future of the site? What is going to happen to the tower? From my constituency a few hundred yards away, we see it every day. It is a very visible part of the landscape. I do not know why it was not mentioned by the Secretary of State in opening the debate. Perhaps the Minister, in closing, will deal with those points. We need to know, for the whole area and indeed for the whole country, how we are going to move forward.

I felt, with due respect to the right hon. Member for Maidenhead (Mrs May), that yes, she is right to talk about issues of cladding and responsibility for those who manufactured, fitted, commissioned and so on, but that is only one aspect. We all have to share blame. The Government have to share blame, as well as local authorities, tenant management organisations, cladding companies and everybody else who has been engaged in this situation. I do not want to take too much time, so I will focus on just three issues—building type, evacuation policy and the cause of fires—but clearly there are many more.

The Government have only scratched the surface of what needs to be done. Perhaps in the first few months or even the first year it was not clear exactly what remedial actions needed to be taken, but I think it is becoming increasingly clear now. We have talked about height and the fact that there are types of high-rise buildings that are not included. Yes, in terms of either the removal of cladding or a ban on combustible materials for new build, but what about offices, schools and hospitals? What about high-risk buildings, of whatever height, such as care homes? Should we not be looking at all types of building with dangerous forms of cladding where there is a substantial risk? Should we not be looking at other forms of cladding beyond ACM and HPL—high-pressure laminate? Other dangerous building materials are in use at the moment.

There is a constant feeling that the Government are taking things very slowly and step by step, and perhaps getting there but not getting there nearly fast enough. Should we not look at the testing regime? There has

[*Andy Slaughter*]

been a lot of criticism of the BS 8414 test, because it does not necessarily replicate the conditions that exist in buildings as they have been constructed. Buildings sometimes have faults in construction, but also features such as vents and windows that are not reflected in that test. Why is the Euroclass classification system, which clearly differentiates non-combustible from combustible materials, not the driving force in deciding what is and is not fit for purpose? Why are we concentrating only on new build when there are so many existing buildings that have different types of materials with different degrees of combustibility? Yes, it is a huge task. As soon as one begins to look at it in detail, it ramifies in every direction. But surely if we are going to ensure the safety of the hundreds of thousands of people who live and work in high-rise buildings—or stay in them, if they are hotels—we have a duty as a society to do that? There is a feeling that this is not being done at the speed it could be by the Government because it is too difficult, too complex and too expensive.

I mentioned earlier in my intervention the issue of evacuation. The Government have accepted the recommendations in part 1 of the inquiry report. They include, under evacuation, the development of “national guidelines for carrying out partial or total evacuations” and that

“fire and rescue services develop policies for...evacuation”.

It also recommends that owners and managers do the same and that there are alarm systems that can be used to alert residents about evacuation—indeed, that policy can specifically be developed for managing a transition from “stay put” to “get out”. Two and a half years on, I want to know when that will be done. When are we going to have that response from Government?

The situation is complicated and it has, as I indicated, many implications. If a building is going to be evacuated, residents clearly have to be alerted, there has to be an alarm system, and there has to be a secure means of escape. The problem at Grenfell was that there was one relatively narrow staircase. High-rise buildings are being constructed now with one fairly narrow staircase. When will we get new design guidelines that allow for the possibility of secure evacuation?

I heard what was said about compartmentation. “Stay put” may well remain the general policy, but even if there are one or two exceptions a year, we have to be prepared for and be able to deal with them. It is unthinkable that another Grenfell could take place in this country in our lifetime, and that will only be the case if we deal with all the issues that have arisen.

Are we going to have sprinkler systems fitted, and not just, as the Minister indicated—I hope he will stick to this—for buildings of 11 metres and above? Are we going to retrofit? I spent the morning at the all-party fire safety and rescue group. We had an interesting presentation from the chief fire officer of Staffordshire, who said that there are 47 high-rise residential buildings in Staffordshire—that is not very many; it is perhaps not a county that is renowned for its high-rise buildings. Nevertheless, that has been taken sufficiently seriously, and by the end of this year—I think this is right—30 of the 47 will be retrofitted with sprinkler systems. Why is that not being done across the country? Why is that not being led by the Government?

There is no example in which, when sprinkler systems have worked in residential buildings, they have not worked to suppress fire. There are complications where there are leaseholders who decline to have sprinkler systems fitted in individual flats, but they can be fitted in communal areas and where leaseholders allow, or in tenanted properties. It is perfectly possible to have that done, at no great cost. I think it is unforgivable not to—that goes back to the point made by the right hon. Member for Maidenhead. We will wait to see what is in part 2 of the report, but it is very likely that flammable cladding and insulation—which had been put on the outside of Grenfell—was the primary cause of fire spread and that without that we would not have had the tragedy. However, if there had been evacuation plans and sprinkler systems in that block, it is also likely that a number of those deaths would have been prevented. We have to take every possible step that we can.

Finally, I think it is now accepted that the cause of the fire in Grenfell was a fridge-freezer. The cause of the major fire in Shepherd’s Court, a tower block in my constituency, the year before was a tumble dryer. We now have the second major recall within a year of electrical goods: over 500,000 Indesit washing machines have a fault and there have so far been nearly 80 fires—that we know of—or “thermal incidents”, as they are known. There is increasingly a trend where electrical goods, whether this is due to poor design, poor manufacture or faults in the way that they are operated, are causing huge numbers of fires. These can lead—particularly in high-rise buildings or buildings with dense populations—to tragedies of the type we have seen. It is not the Minister’s Department—it is the responsibility of the Department for Business, Energy and Industrial Strategy—but it clearly needs work across Government. When will we see firm actions such as the compulsory registration of electrical goods so that recall can be done effectively? These issues are the responsibility of Government. The buck should not be passed on to anyone. We need not just firm but quick action. I hope that some of the lessons in part 1 of the inquiry will be learned and that the Minister and the Government will take action quickly.

5.20 pm

Bob Blackman (Harrow East) (Con): I am pleased to follow the hon. Member for Hammersmith (Andy Slaughter) and I completely agreed with much of what he said. We must learn what mistakes were made and then make improvements across the board so that others never suffer the same terrible tragedy that happened at Grenfell.

I want to express both sympathy for the Grenfell victims and admiration for their demeanour. I have met many of them. If such a thing happened to most of us, I do not think we would be able to cope. I express my admiration for the way they have conducted themselves since this terrible tragedy and sympathy for the people who lost their lives and their families. It must be the most horrendous experience possible to die in such circumstances, and we must always remember that that is what happened.

I served on the London Fire and Emergency Planning Authority between 2004 and 2007. The Minister served on the same board subsequently.

The Minister for Crime, Policing and the Fire Service (Kit Malthouse) indicated dissent.

Bob Blackman: No? The Minister shakes his head. I thought he had served on that board subsequently.

The key point I remember from serving on that body is how difficult it is, in London in particular, to deal with fires in high-rise buildings—buildings so high that the fire brigade cannot put ladders up—and with the people in those buildings and how we train firefighters to deal with that type of tragedy. We cannot replicate what our brave firefighters faced on that night in training. It cannot be done. We can try to prepare them for it and teach them what to do in certain circumstances, but replicating what they had to do and suffer is almost impossible. Training and ensuring firefighters are fit and healthy and able to cope with such conditions is obviously at the forefront of what our fire brigades have to do. As others have mentioned, we must praise the bravery of the firefighters who went into a living hell to combat the fire and get the people out from Grenfell that night.

As the hon. Member for Hammersmith mentioned, we should remember that the fire was caused by an electrical fault, which raises a question, as he said, about the testing of appliances and how we make sure they are fit for purpose. If we buy goods and services, we expect the supplier to have made sure they are safe, and if they are not, there is a liability on the suppliers and manufacturers. We should look at that issue. Another concern is the testing of wiring not just in high-rise buildings but in all buildings. I will come back to that in a moment.

As was found in the inquiry and as we heard already, there was much confusion on the night about what was going on with the fire brigade. The firefighters went into the initial flat to combat the fire, and in many ways that was routine. We should remember that it was not the first fire in Grenfell; there had been others there and in other blocks across London and up and down the country. The compartmentalisation of these units should mean that a fire is contained within the unit. Then the fire can be put out and everyone made safe. That is the fundamental point of the “stay put” policy encouraged and promoted by the fire brigade. What the fire brigade did not know was that the fire had spread to the external cladding. As those firefighters were leaving, others were trying to go in and deal with the fire that had engulfed the tower block. There were clearly confusions. We hear and read in the report, which makes horrific reading, about the circumstances of the senior officers on site, about what training they had been given and about what they could do in such circumstances. I do not criticise them, but they were clearly underprepared and ill trained to deal with the terrible tragedy that was unfolding before them.

I have had the privilege of serving on the Housing, Communities and Local Government Committee for the last nine and a half years, and we have looked at building regulations on several occasions. We have also conducted two inquiries on the Grenfell fire. Not only have I been present for the statements, urgent questions and updates that we have heard from various Secretaries of State and other Ministers, but I have had the opportunity to go through a lot of the detail that has emerged about Grenfell. The Committee made recommendations on two separate occasions, and there is clearly concern about the pace at which the Government have moved.

There have been plenty of consultations, but I am concerned about the fact that they have not necessarily, at all times, moved swiftly enough. People up and down the country are still living in tower blocks with unsafe cladding, and two and a half or three years on, that is absolutely unacceptable. We must speed up the process of removing that cladding and making those blocks safe.

The Select Committee had the opportunity to interview Dame Judith Hackitt. She is an admirable individual who gives robust answers, looks at the evidence and is clearly to be respected. I welcome the fact that she will head the new regulator, because that will make a clear difference.

Changes in building regulations also need to be implemented swiftly. I welcome what the Secretary of State said about ensuring that the necessary regulations are in place, but I think that we should look again at part P, which was the subject of one of the Select Committee’s past inquiries. The regulations applying to gas fitters are stringent, but those applying to electrical fittings are very lax. People can qualify as electricians after two or three days’ training, and then conduct electrical works in both Houses, and in flats and high-rise buildings. As long as someone comes along and signs off the work, that is deemed acceptable, but in my view it is not acceptable. Most householders in this country do not understand what responsibilities they take on for electrical safety when electrical work is conducted in their own homes. I want us to look into that, because although it was not a fundamental cause of this fire, electrical work may be the fundamental cause of other fires if it is not done properly.

My right hon. Friend the Member for Maidenhead (Mrs May) put her finger on the issue of the cladding on Grenfell. The inquiry has made it clear that the cladding did not comply with building regulations, and we have found in our inquiries that that is true up and down the country. I have made this point repeatedly: if the cladding was not compliant with building regulations, someone must have signed it off as being compliant. Someone gave it approval. I am afraid that whoever gives approval for these things must be brought to account, because if they are not compliant with building regulations, someone in a position of responsibility is saying that a building is safe when clearly it is not. I do not want to go into what happened at Grenfell, because there are police inquiries and part 2 of the inquiry will continue, but clearly this is a matter of concern up and down the country.

One fundamental concern that I have is that some leaseholders and other individuals who believed they were buying a flat or other property that was perfectly safe, are now being told that they might have to pay towards removing the cladding and replacing it with a safer type. The fact is that someone, somewhere said the cladding was safe according to the building regulations—and if they did, who is responsible, and why should leaseholders be funding the work? Clearly, there is a failure of corporate governance across the piece in preventing that from happening.

Another fundamental issue is fire doors. When fire doors at Grenfell were tested originally, because there was a concern that they should be able to resist fire for 30 minutes, they actually resisted fire for 15. There is a fundamental issue, therefore, of whether such fire doors

[Bob Blackman]

are fit for purpose. If fire doors do not keep back fire, fire will spread and people who are trying to get out of those buildings will not have time to do so safely.

When we have looked at the various building regulations and the changes that need to be made, we have been looking at them in relation to tests that have been conducted on cladding and so on. We must challenge: are those tests fit for purpose? Do they replicate a real fire, when there is fire all around, as opposed to direct contact of flame on a door or cladding? When there is fire all around, does that fire door or cladding get consumed in a way that no one envisaged in tests? I would challenge whether our tests are now fit for purpose to justify the assertion of safety for people up and down this country.

A wide variety of buildings need to have their cladding removed and made safe.

Kevin Hollinrake: My hon. Friend raises the point, as did my right hon. Friend the Member for Maidenhead (Mrs May), about whether ACM cladding complied with the building regulations. He would probably agree that the evidence we have taken in the Select Committee is that the building regulations, particularly Approved Document B, are ambiguous. It is clearly set out within Government guidance that there are two ways that external walls may meet the building regulations, and one of them is that each individual component of the wall meets the required standard, but in Approved Document B it certainly appears that the required standard is a combustible standard. That is the difficulty that we are wrestling with, which might explain why so many buildings up and down the country have combustible cladding on their external surfaces.

Bob Blackman: I thank my hon. Friend, who is an expert in this field. In the previous Parliament, his expertise was much appreciated by all his fellow members on the HCLG Committee. He draws attention to a fundamental issue, which we must be cognisant of. Where there is lack of clarity or confusion, people not unreasonably ask, “What should we do? What standard do we put our buildings up at? What tests do we apply? What is reasonable?”—because everything is risk-based. We need to look at that in some detail.

In my opinion, the “stay put” policy that is implemented by both the London fire brigade and other brigades must be examined in detail. If, under compartmentalisation, a building is safe and a fire breaks out in one part of it, it is a sensible policy that the fire is eliminated in that part of the building and other people do not try to escape from the building unnecessarily. If a fire spreads from one compartment to another, that is when the building has to be evacuated straightaway. That is the examination that has to take place.

Grahame Morris (Easington) (Lab): That point is not in dispute, and it was forcefully made by the coroner in the aftermath of the Lakanal House fire in 2009. Those recommendations landed on the desk of the then Secretary of State, and nothing was done about it. There is complicity here. The roots of this terrible tragedy lie in Whitehall and Westminster, and we should not gloss over that.

Bob Blackman: I will not go into who was at fault and when. We need to look at what we should do now. We can all look back at the history of various different events; that fire was in 2009, which is quite a long time ago, and subsequent inquiries may have taken place.

I have two points. First, it was a mistake for the Government not to require new schools and new developments to have sprinkler systems fitted. We should re-examine that, because sprinkler systems control fires and prevent them from spreading, giving people time to escape by dialling down the extent of the fire.

Secondly, and this is of clear importance, we need to get it right. We have to examine the regulations, when they come, and the legislation that follows in great detail. We need to make sure the regulations are fit for purpose and will stand the test of time, because we are building more and more high-rise buildings and will place more and more people at potential risk unless we get them absolutely right.

We must learn the lessons from this terrible tragedy and make sure that it cannot happen again. We must make sure that our brave firefighters and the other emergency services are properly co-ordinated, as the report recommends, and we must make sure that the lessons are learned so that other people do not suffer what the victims of the Grenfell fire suffered on that terrible night in June 2017.

5.37 pm

Ms Karen Buck (Westminster North) (Lab): Like my right hon. Friend the Member for Tottenham (Mr Lammy), I woke at 5 am on that terrible night to phone calls from friends and colleagues who were at the scene of the fire. They were watching events that they had never imagined could happen in one of the wealthiest and most developed countries in the world. Those calls came partly because mine is the neighbouring constituency and Grenfell Tower is only a few hundred yards from the constituency border, but also because Grenfell Tower was in my constituency before the 2010 boundary changes and I obviously knew it well. We have a shared community across much of north Westminster and north Kensington.

We must make sure that, with the passage of two and a half years and a new Parliament, we never forget the sheer horror of what people saw and experienced. Tribute has rightly been paid to the dignity and courage of the survivors, the families and the community, but we must never forget what happened. We must not let the passage of time dull that experience, and we should not lose our sense of urgency.

Some of us gathered only 24 hours after the fire, even before Parliament had properly reconvened after the 2017 general election, to discuss what action needed to be taken. There was a palpable sense of urgency, including from the Government, about what must be learned from the fire and how similar events must be prevented. As has been acknowledged, including by the hon. Member for Harrow East (Bob Blackman), that sense of urgency has unfortunately faded.

The steps that needed to be taken, either to serve the survivors in their desperate need for rehousing or to protect the interests of the thousands of people who live in high-rise blocks, both private and social, across the country, have not been implemented. Although it is completely right that the inquiry has to take what time

is necessary to be sufficiently rigorous and make sure that the lessons learned are the right ones, there are steps the Government can take, and should have taken in that intervening period. They have failed to do so. We must demand and require that the Government act quickly where they can.

I wish to make three quick points, because many important points have already been made and I do not want to replicate them. The first relates to the issue of sprinklers, which has been referred to in this debate already. We know from the recommendations of the Lakanal House coroner's report that sprinklers can be supported and should be implemented. We know from the Government that the installation of sprinklers in new builds is being encouraged, and that the height requirement for sprinklers to be installed in new builds is rightly being reduced. That is good and I support it, but why is that same approach not being applied to the retrofitting of sprinklers in existing blocks? How can this be justified? Why are residents in blocks that already exist not being awarded the same level of protection, given that we know from the experience in Australia, where a broadly similar fire occurred, that sprinklers can be effective?

Progress on implementing the retrofitting of sprinklers, left to local authorities, has become mired in complications. We know that Wandsworth Council's decision to go ahead with sprinklers was overturned in the first tier tribunal only a couple of weeks ago. Unusually, I give credit to Westminster Council—its former leader, the new hon. Member for Cities of London and Westminster (Nickie Aiken), is in her place—as it was intending, and still potentially is, to go ahead with the retrofitting of sprinklers in high-rise blocks. That has been delayed because of the complexity of multi-tenure property.

I raised that issue yesterday during the statement and I wish to expand upon it for a moment today, because I think the Government fail to understand that there is not a binary division between private blocks and social housing blocks. The latter are, almost without exception, multi-tenure. There are 15 high-rise social housing tower blocks in my constituency. Those blocks contain within them at least a third—sometimes a half or even more—properties that have been sold under the right to buy. Some of those properties are now in the hands of management companies or corporate landlords, and some of them are owned by overseas companies. Some of them are privately tenanted and some of them are owned; some of them are still owned by those who had the original right to buy. Almost all of them have different leases. So there is massive complexity there and at the moment the legislative framework simply does not allow local authorities to go ahead, even if they wish to and have put the money aside to do so, with carrying out the necessary works to retrofit sprinklers and, in some cases, fire doors—reference has also been made to alarm systems. That has to be sorted out. Two and a half years on, it has not been. So even the local authorities that are willing are not able to go ahead with that work. The Government simply must understand that and take necessary action to move this forward.

The second point I wish to make concerns the issue of evacuation and “stay put”. The Government are proceeding with a review of that policy. I understand that policy and the issue about compartmentalisation. The question I have to put to the Government is this: do they understand

what the behavioural impact is on those residents who watched Grenfell burn, be it on TV or from the 15th and 20th storeys of the tower blocks in my constituency overlooking Grenfell? Do the Government understand how people will react in real-life situations if a similar fire occurs now? Two and a half years later, we are still not clear exactly what policy we are adopting. That policy may be different in different circumstances. The Government need to be really clear about how they are going to advise residents—fast-changing residents, residents in different tenancies and residents in private residential property, as well as long-standing tenants—to respond if an event occurs.

It is absolutely right that the policy of the fire brigade in these circumstances is central, but I put it to the Government that people have been advised by a Government Minister that it was lacking in common sense to stay in a burning building. How will those people react? How will the Government make sure that people are properly advised and informed about the latest policy?

Nickie Aiken (Cities of London and Westminster) (Con): I wish to reiterate what the hon. Lady has said, having been the leader of Westminster City Council and very much involved in the aftermath of the Grenfell tragedy, helping to run the response centre. She is absolutely right about the confusion of the different tenures in many blocks. I am proud that in Westminster we have put sprinkler systems into our social blocks. Glastonbury House in my own ward in Pimlico is purely social tenure—it is an old people's home—and we have put in sprinklers and that issue is now over, but she is absolutely right that we have this confusion.

We also have confusion about being able to go in, as the local authority, to check the fire safety of homes that have become privately owned under the right to buy. There has to be legislation that takes that into consideration and gives local authorities powers to go in and look at the fire safety of all tenures—not just social rented but also shared ownership. As we move on to more shared-ownership schemes to house more people across central London in particular, there will be an ongoing issue, so I ask the Government to act and I back what the hon. Lady says.

Ms Buck: I am grateful to the hon. Lady for that intervention and hope that Ministers are listening, because that is cross-party consensus among people who have more experience than most of representing areas with multiple high-rises with high levels of tenure complexity, and who are calling for action to be taken.

Finally, there has been talk in this debate, and certainly in the inquiry report and elsewhere, about the higher level of risk-assessment work that needs to be done, whether in terms of fitting sprinklers or other safety arrangements, and about the levels of inspections that need to be undertaken. I remain to be convinced that the Government have a proper plan for capacity for those people who will carry out that level of inspection. My worry is that even when the legislative change comes—it is too late, but it is coming—there will still be a bottleneck because the Government have not planned out the resource necessary to do the risk assessment and the inspection work. What assessment have Ministers made of the training and human resources necessary to

[Ms Buck]

ensure that we do not find that, even in the aftermath of legislation, we are still a year, two years or three years late in carrying out the work because there simply are not the skilled and trained people required to carry out the work?

There is a powerful responsibility on everyone in the House, but especially the Government, to honour the memory of those who died in the Grenfell fire by acting not just thoroughly and rigorously but swiftly, even at this relatively late hour, to make sure that measures are in place so that nothing like the Grenfell horror can ever happen again. It is clear from today's debate that there is a long way to go. I hope that, when the Minister responds to the debate, he will be able to give some answers to those who have spoken and assure them that that lesson has been learned.

5.49 pm

Kevin Hollinrake (Thirsk and Malton) (Con): I pay tribute, as others have done, to the residents of Grenfell, and particularly to members of Grenfell United. They have managed not only to cope with this terrible tragedy, but to make some sense out of it afterwards and to depoliticise it. That is a lesson for this House. We should depoliticise this issue because the source of these problems is pan-governmental. We have some way to go to get this right. We have to do what is right, not just what is easy. There will be some tough challenges before we get to the bottom of this issue.

As I have said, the Secretary of State has done more than anybody else in trying to tackle this issue. Also on the Front Bench today is the former Housing Minister, my hon. Friend the Member for North West Hampshire (Kit Malthouse), who did a tremendous job in bringing forward the remediation fund, which was initially for the social element of the remediation works. We are going further all the time. I was heartened by the Secretary of State's comments yesterday on his seven-point plan, which has taken us further in understanding that we have not got to the bottom of this issue yet; I really do not think that we have.

We all say that this terrible tragedy should never be repeated. I listened carefully to the words of my hon. Friend the Member for Watford (Dean Russell), whom I welcome to his place. If we are to make sure that this does not happen again, we absolutely must confront the lessons of this tragedy.

It is right that the Government acted in terms of a ban on combustible materials; they were very quick in doing that. The Select Committee called for it, but simultaneously the Government brought it forward. It was absolutely the right thing to do, as was the decision to replace ACM on every building—social or private—in the UK. The question now is on other combustible cladding on high-rise buildings around the country. It is difficult to challenge the findings of Sir Martin Moore-Bick in his very comprehensive report, but I think that it is ambiguous: I am not sure whether he is right in chapter 2.16, where he says that the building

“failed to comply with Requirement B4(1) of Schedule 1 to the Building Regulations”.

I shall tell Members why I think that. That is not definitive; that is why I say it is ambiguous. According to the Government's own guidance, there are two ways

to meet the requirement on fire spread—there are two ways that external walls may meet the building regulations. One is for each individual component of the wall to meet the required standard of combustibility. The guidance is in section 12.6 of approved document B, which says:

“The external surfaces of walls should meet the provisions in Diagram 40.”

If we look at diagram 40, it is clear that the standard allowed is class B, which is a combustible standard, so it is ambiguous. This answers the question of my right hon. Friend the Member for Maidenhead (Mrs May) and my hon. Friend the Member for Harrow East (Bob Blackman) as to why this happened. We have to look in detail at exactly why this happened. We cannot simply say, as advice note 14 does, that combustible materials were not allowed to go on the outside of buildings. It refers only to materials of “limited combustibility”—A2 and above. Diagram 40 refers to class B, which is clearly below A2 in terms of standard. Therefore, there is ambiguity between advice note 14 and approved document B and diagram 40.

Yes, combustible insulation is clearly banned in terms of a component test. As for cladding, there is ambiguity to say the least. Of course, on the back of advice note 14, we are saying to people who live in buildings with combustible cladding that those properties do not meet the standard, which makes them unsaleable and puts long-lease holders in this terrible situation—this invidious situation—where they are left totally in limbo. Even if that were not the case, there would be a difficulty with this. Clearly, the situation with the guidance is so serious. We recognise now that it was a mistake to allow combustible cladding on the outside of high-rise buildings. That is why the Government rightly brought forward the combustible ban. Building regulations, however, work prospectively, not retrospectively. How can we say that it is wrong to allow combustible cladding on new high-rise buildings but okay for old ones? We simply cannot countenance that, but leaseholders are being put in that situation.

People keep saying that freeholders—the building owners—must pay. However, as I have pointed out time and again, both in the Select Committee on Housing, Communities and Local Government and on the Floor of the House, while social landlords must pay, and the Government have put in some money for them, in most cases freeholders—the owners of a property's ground rent and the ground on which the building stands—have no legal responsibility to carry out remedial maintenance work on a high-rise building. We can talk tough all we like and say, “We're going to make them do this and make them do that”—Opposition Members have said that, and I have heard Conservative Members say it, too—but there is no legal way to do that. I do not know of a way to impose on anybody a retrospective legal requirement in a contract. It is simply not possible in our legal framework, and that leaves leaseholders in limbo.

We are going to have to look again at the issue and do something for long-lease holders, many of whom will have bought their properties on a high loan to value and who do not have the £20,000 or £30,000 to pay for the remedial work of removing combustible cladding from each flat and replacing it with limited combustibility cladding. So we will have to look at this again. I welcome the fact that the Government have said that they are

looking at it again and will look at the testing. It is absolutely right that we wait to see the results of the testing on a lot of the systems—I get that. If it turns out, however, that some of the buildings are unsafe, it is absolutely right that we look again at the issue. I know we are talking about a lot of money, but to put people in a situation where they feel at risk and have a property they simply cannot sell, cannot be right. It is right that we in this place do what is right, not what is easy.

5.57 pm

Matt Rodda (Reading East) (Lab): It is a pleasure to follow the hon. Member for Thirsk and Malton (Kevin Hollinrake). I welcome his willingness to look at a wider range of policy responses to try to deal with this terrible problem.

I would like to start by paying tribute to the Grenfell families. It is almost impossible for us to imagine what they have been through. Their steadfastness and determination are a wonder to us all, and I pay tribute, from the bottom of my heart, to them, the whole Grenfell community and the firefighters who so bravely served local people on that dreadful day. I thank the Secretary of State for his work and the tone in which he spoke earlier. I concur with the views of many hon. Members on both sides of the House.

I want to focus on two areas that have been discussed but that I believe need to be developed further. The first is the scale of the problem. The fire was truly dreadful. We have heard moving accounts of how people heard about loved ones who were caught up in this disaster. The aftermath affects the whole country and we need to consider the full scale of the issue, by which I mean many of the aspects that we have started to discuss tonight, including the much wider range of cladding that is believed to be dangerous, such as wooden cladding and other forms of composites, and the lack of fire safety, such as potentially substandard fire doors. There is a whole range of other issues that we are just starting to touch on.

I am grateful to the Secretary of State for his thoughts on the height of buildings, and I urge him to work with me and other Members who have a large number of lower-rise flats in our constituencies. It is a huge potential problem. Many have a whole series of potential fire hazards buried within them. In Reading, for example, we have four high-rise buildings that were identified as having ACM cladding on them after the terrible disaster. It took some time for Berkshire fire and rescue to investigate a number of tall buildings across the county. They did a very thorough job. However, there then comes the issue of buildings that are not quite as tall but may contain very serious fire safety risks to residents. Substantial numbers of people in medium-sized towns and cities around the country are living in flats that are four, five, six, seven, eight or nine storeys high that are not covered by some of the issues we have discussed today.

There are other issues with potentially dangerous houses in multiple occupation where terraced houses are divided up into maybe two or three flats. I have seen for myself, as a former local councillor, two or three families living in one terraced house, crammed in, often in very squalid conditions, subject to poor quality housing. There are real issues about the provision of fire safety in those buildings.

We also need to address the very real problems that some Members have discussed, or hinted at, regarding other types of buildings, whether they be academic buildings, workplaces, hospitals or schools. A whole range of buildings could contain dangerous cladding in one form or another. We need to address those issues very thoroughly. In the wake of the original disaster, we have had terrible fires in a number of parts of the country, such as the Bolton incident, Barking and several others. These fires could take place across a number of parts of Great Britain, and they deserve to be addressed properly through a suitable scale of response.

I am grateful for the attention that has been paid so far to the scale of response needed from central and local government. However—I urge the Government to consider this fully—I find it deeply disturbing that in the fifth wealthiest country in the world, two and a half years after this disaster, we are still waiting for people to be rehoused and still waiting for a series of actions to be taken. Those actions just deal with the initial problem of the ACM cladding, not the subsequent issues that I have discussed. I note that the Minister for Crime, Policing and the Fire Service is in his place and attentive, and I believe he is very sincere in his desire to improve matters. I urge Ministers to ensure that we look thoroughly, afresh, at the need for human resources in DCLG—skilled people who understand the issues and who are trained in building safety—and the need for fire inspection by fire services. In my case, in a typical English county, it took months for the local fire and rescue service to inspect all the buildings. They worked very hard with the limited resources they had.

We need to look carefully at the resources for dealing with emergencies but also for inspecting and understanding risk, and we need to take urgent and determined action to tackle that risk. That covers a number of fronts, both at official level in central and local government and on the ground, with firefighters and building control officers making sure that the new inspectorate has real teeth and has suitable resources to take the action that is needed. I am sure the Minister would agree that this is a vital point. I urge him to ask his friends in the Treasury to look afresh at this issue and to commit substantial and significant sums of money on a timescale that is appropriate to the urgency of this very serious issue. I hope that he will take account of that plea.

My town of Reading and the neighbouring small town of Woodley, which also falls largely within the Reading East constituency, are just small examples of many towns and cities across the country where this serious problem exists. Luckily, we have not yet had a disastrous fire, but it could happen at any time. We need urgent and determined action, with central Government in the lead, to tackle this dreadful problem. I urge the Minister to take action on the scale that is needed.

6.4 pm

Vicky Ford (Chelmsford) (Con): It is an honour to follow the hon. Member for Reading East (Matt Rodda) and, indeed, so many colleagues from all parts of the Chamber who have made so many important observations about this issue and the way forward.

I will always remember the week of Grenfell. It was my first week as a Member of Parliament. It had started with so much optimism, energy and enthusiasm, and then it so, so quickly turned into horror, tragedy

[Vicky Ford]

and just unbelievable sadness that was felt all across this country. I join others in paying tribute to the families for their continuous support for each other, for making sure that no member of their community is ever forgotten or left behind, and for their mission to make sure that the lessons are learned and that it never happens again.

I recall, as a new Member of Parliament, quickly thinking about my own constituents, many of whom commute into London every day to work in the City, in Canary Wharf and in other very tall buildings. I used to work in Canary Wharf, on the 46th floor, and indeed was working there during the 9/11 tragedy. All members of staff at that time felt that we were the next target. If London were to be hit, it was our tower that would be targeted. Entering that building, each of us was full of fear every day. On two occasions, the fire alarm did go off. Even though I was fitter and younger then, walking down those stairs as quickly as I could took 40 minutes. My hon. Friend the Member for Kensington (Felicity Buchan), in her powerful speech, asked the Minister to look at the safety of not only residential blocks but schools, hospitals and care homes. I say to the Minister, please do not forget our office workers and others who work in tall buildings.

I would like to talk about electrical safety. The fire in Grenfell was started by an electric fridge. I lost my father in an electrical accident—an accident that should never have happened—when I was only 10 years old. I know that nothing can ever bring back a loved one, but those of us who have lived through such accidents always want to do everything we can to make sure that they never happen again.

The sad thing is that instances of electrical appliances starting fires are not unique. According to Electrical Safety First, more than 10,000 fires in this country last year started because of electrical appliances. A large number of fires start because the owners misuse the appliance. We must continue to raise, focus on and talk about the importance of using electrical appliances safely. There are also a growing number of counterfeit and fake items, especially in online sales, which I am afraid often have high accident rates in respect of fire and other electrical accidents.

Then there is the issue of faulty products, which was mentioned by the hon. Member for Hammersmith (Andy Slaughter). We should look at what is happening right now in this area and think urgently about what more we can do to help. Just before Christmas, Whirlpool announced the recall of half a million—500,000—washing machines. These washing machines have caused fires. It is not a huge number of fires and nobody has had a serious injury—touch wood—but the situation is serious enough for the manufacturer to want to recall those goods.

David Linden *rose*—

Vicky Ford: If I may, I will finish the point because this is an important statistic.

Whirlpool has reached out through national media, local media and social media—the radio, the newspaper—to try to find out where those 500,000 appliances are. It has been in touch with 2 million customers, but so far has managed to identify only 105,000 appliances.

That means that nearly 400,000 homes in this country today have a washing machine that is at significant risk of fire. I know that the Minister is engaged at the moment, but I ask him please to take seriously the question of how we can improve the ability to find the owners of faulty appliances. Whirlpool and other manufacturers are calling for a mandatory registration scheme. I think this is an area where one small step could potentially save many thousands of lives.

David Linden: I thank the hon. Lady for giving way, and I agree with her about a mandatory registration scheme. This morning I had a meeting with a colleague of mine from Electrical Safety First. One of the things they put on my radar, which I had not necessarily considered, was that as we move towards electric cars—we covered this in our climate change debate last week—there are concerns about people who live in flats and do not have charging points. I say to the Minister, through the hon. Lady, that we need to have that issue on our radar. People living in flats who do not have charging points might try to use more informal mechanisms to charge their car, such as daisy-chaining, and we have to think about that, particularly as we move towards electric vehicles.

Vicky Ford: The hon. Gentleman makes an excellent broader point. Moving towards electrification is vital as part of our reaction to climate change and achieving net zero, but it needs to be done safely. The safety of the products that we buy online and in shops, and ensuring that those products can be recalled and replaced when there are safety issues, is key.

6.10 pm

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I congratulate the hon. Member for Chelmsford (Vicky Ford) on her speech. I am grateful to you, Mr Speaker, for giving me the opportunity to speak in this debate. I declare an interest, as a member and co vice-chair of the newly formed all-party parliamentary group on fire safety and rescue. As a member of the APPG in my last term in this place, we seemed to have a revolving door of Ministers responsible for fire. That was not helpful when we were looking to progress any action on a range of issues. I hope that that will change and that we will have some continuity. I commend the Secretary of State for the way he conducted himself today.

This is my first speech in this place since being returned as the MP for Rutherglen and Hamilton West, and I am honoured that the people of that incredible constituency have placed their faith in me once again to represent their interests in Westminster. I want to take this opportunity to pay tribute to my immediate predecessor, Ged Killen, who was a diligent representative for my constituents.

The success of my constituency has depended on the efforts of working people throughout the centuries, from the old shipyards of Rutherglen to the famous Hoover factory in Cambuslang. The traditional industries dominated my constituency and built up working-class solidarity, which is evident across Scotland's industrial heartlands. It is with that heritage in mind that I will speak up for those people who do the hard graft and make my constituency the unique and special place that it is.

The Grenfell Tower fire is a stark reminder of what happens when we let down those hard-working people who deserve our support. I would like to pay my respects to the victims and their families and pay tribute to the families and survivors for their fortitude and dignity throughout this ongoing inquiry. I would also like to pay tribute to individual firefighters for their bravery. They deserve our gratitude and respect for the dangerous job that they do.

It is to the shame of the authorities that such a tragedy was ever allowed to occur in the first place. On 3 July 2009, 11 years ago, a fire occurred in a tower block in Camberwell, London, resulting in the deaths of six people and injuring 20. That fire was discussed many times at the APPG, and the words, “We must learn the lessons of the events that led to the Lakanal House fire to avoid another tragedy like this in the future,” are still ringing in my ears. We clearly did not learn the lessons. We should not allow tragedies like Grenfell to be the reason why we improve fire safety. We must always look for ways to protect the people we serve. There must also be political responsibility for factors contributing to this wholly avoidable tragedy. I welcome the Secretary of State’s statement yesterday on his proposed measures on building safety, although some questions remain unanswered.

In the immediate aftermath of Grenfell, the Scottish Government established a building and fire safety ministerial working group, and I am pleased to see that it has made progress on improving fire safety in domestic and public buildings in Scotland. The most prominent change to come from the group is a new requirement for all homes in Scotland to have interlinked smoke and heat alarms by 2021. That is a small but essential step towards reducing the risk of fires in homes, schools, prisons and hospitals.

The headquarters of the Scottish Fire and Rescue Service is based in Cambuslang in my constituency, which I have had the pleasure of visiting. It is a state-of-the-art resource, and I have seen at first hand the training that it undertakes to keep us all safe. It demonstrates the commitment of the Scottish Fire and Rescue Service to finding new and better ways to save lives and prevent fire. They are heroes in my eyes.

Everyone deserves to live in a safe home, and the people of Grenfell Tower had put their trust in the authorities to build, upgrade and modernise their homes, yet there is no doubt in my mind that cutting corners in building work ultimately proved fatal. Even though the phase 1 report is mainly concerned with the emergency service response to the fire, it cannot avoid highlighting the role that aluminium composite material cladding had in spreading the fire at devastating speed, which we will hear more of in the phase 2 inquiry. The public have a right to know if other buildings are affected by Grenfell-style cladding. Developers and building owners should consider this report very carefully and act on the recommendations with no delay.

I turn to the findings of the phase 1 report. We must learn the lessons that will enable fire and rescue services across the UK to respond quickly and effectively to situations like Grenfell. Recommendations about operational changes, specifically the procedure for communication between command and control and incident commanders, must be looked at during major incidents, as must how we deal with a high volume of 999 calls.

We must ensure that firefighters have enough training, especially on the “stay put” policy, and about if or when it should be used alongside the practical consideration of full or partial evacuation, which will require multi-agency co-operation. The fire brigades and authorities should hold information about what materials and methods of construction were used in the external walls of high-rise buildings, so that they know what they are dealing with on arrival. There must be flexibility in the decision-making process. Split-second decisions have to be made on arrival at a fire, and there must be good communication between the joint emergency services. These measures will go some way to protecting some of the most vulnerable people in society.

In conclusion, we must do everything in our power to ensure that an event like this does not happen again. The pain and anguish of the loss of 72 people will live with us all forever, especially for the relatives—many are in the Gallery today—who will continue to grieve for the loss of their loved ones every single day. As the inquiry progresses, they should be at the forefront of our minds. My constituency has always had a reputation for caring as much for the needs of others as for its own. David Livingstone, Blantyre’s most famous son, once said:

“Sympathy is no substitute for action.”

Let us embrace the spirit of these words in our determination to ensure that the victims of Grenfell are never forgotten.

6.18 pm

Paul Scully (Sutton and Cheam) (Con): It is a pleasure to follow the returning speech, as it might be termed, of the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier). It is also a pleasure to have heard some very powerful speeches, not least that of my new colleague, my hon. Friend the new Member for Kensington (Felicity Buchan). I remember, in 2017, when her predecessor had to come to this place in such terrible circumstances and had to respond to that within weeks. My hon. Friend has really taken up being that champion and advocate for the people of her constituency of Kensington. It is so important that we make sure that we keep the action going, as I will try to cover in the few minutes of my contribution.

We also heard a speech from my hon. Friend the Member for Watford (Dean Russell), who spoke powerfully about the mental health aspects not only of the victims’ families and friends and the people who had to witness that, but of the emergency services. It is good to make sure that he is aware, although he is not in his place at the moment, that NHS England has a budget of £50 million to offer direct support to the people in the community. That clearly does not cover the emergency services, so we must make sure that people like the fireman to whom he bore testament get mental health support as well. It is so crucial that they can carry on living a fulfilling life and doing the fulfilling, heroic job that they absolutely do.

I led the first debate on Grenfell in Parliament. It took place in Westminster Hall as the result of a petition that had been signed by a number of people who could not fail to be struck by the plight of the 72 victims and their families and friends. I read each of those 72 names into the record. I had researched and looked into the people who lost their lives, and it was so tragic. I could not fail to be moved, and I defy anyone who looks into those stories not to have a tear in their eye. People have

[Paul Scully]

said today that we must never let this happen again, but I do not want to say that at the end of my speech. We must get on. We must not spend time just talking about this; we must get things done.

A couple of years ago, I remember hearing in the Speaker's apartment a family member from Grenfell United describe this as a tragedy in three acts: the first stage was being ignored during the refurbishment, the second stage was the fire itself, and the third stage was the sense of abandonment at the end. I understand those sentiments, but I have also seen how the former Prime Minister, my right hon. Friend the Member for Maidenhead (Mrs May), Ministers for housing and for the police, and other Ministers, together with local authority representatives and Members of Parliament for Kensington, have tried to do their best for that community and for others who live in similar at-risk properties. I therefore welcome two Bills proposed in the Queen's Speech that will follow through on the recommendations in phase one of the report.

The proposed fire safety Bill will

"enable the Government to lay regulations needed to deliver the legislative recommendations"

in that report, and the proposed building safety Bill will allow us to prompt a change in industry culture. We have heard what it will be like for private contractors. Do we legislate? How do we push them to meet their responsibilities to the people who will live in their buildings?

This is not just about height. In a previous debate in this place I spoke about a fire at Chaucer House, a high-rise block in my constituency, and I saw the lessons that the fire services had learned and were able to put into practice. In the past few months there was a fire at Richmond House, a low-rise, privately owned block in Worcester Park in the Hamptons. It burned down in minutes. That clearly has not been covered by Government or industry action, but I saw the devastation that the fire caused to a comparatively small number of families. As we heard from the right hon. Member for Wentworth and Dearne (John Healey), at that stage there was fortunately no loss of life. What can we learn from that, and what can we learn from Grenfell to ensure that people who still live in similarly constructed houses do not have their safety put at risk? How can those people who want to move but find that their homes currently have no market value move on and get things done? Those two Bills will be instrumental in holding the industry to account and ensuring fire safety in our new properties. We must have confidence and ensure that people feel safe in their own homes—a fundamental point that we should expect in this day and age.

6.23 pm

Grahame Morris (Easington) (Lab): It is an honour to speak in this debate, and I am so pleased to be called. I have spoken in previous such debates. I wish to declare an interest: I am proud to support our firefighters, and I am a member and co-chair of the Fire Brigades Union parliamentary group. I will also pay tribute to my good friend, Emma Dent Coad, former Member of Parliament for Kensington. Emma was a strong advocate and wonderful representative for her constituents and the Grenfell families, and I know that her passionate voice will be sadly missed in this place—I suspect on both sides of the Chamber.

I have some misgivings about the nature of the first phase of the inquiry, and whether it was right simply to focus on the night of the fire. It is really important that we look at the context of the fire, not just the actions on the night. It is my belief that before a single firefighter arrived at Grenfell, the building was already compromised in several ways. I want to list them. Some of them have been touched on.

The rainscreen ACM cladding covering the outside of the building was compromised. A number of Members talked about the safety testing regimes and the way in which the safety tests are conducted. My understanding is that the panels are not tested as they would appear on the side of a building, with sections cut for windows and balconies, so I believe there is an issue with the tests. The lining materials around the windows were compromised. There was also the fire resistance of the flat doors; the flat fire doors that did not self-close; and the lack of provision for people who needed assistance. One hon. Member mentioned the terrible fire in Bolton recently, where most of the occupants were fit and able students, but circumstances like those at Grenfell, with children, elderly and disabled people, need to be taken into account. There was a lower standard of stair doors, and heating systems and gas pipes were in the protected central stairwell. There was a single stairwell only just over a metre wide; firefighting lifts were not provided; there was a dry fire main instead of a wet riser for water supplies. For the uninitiated, a dry fire main is an empty pipe that can be connected to a water source from outside the building by firefighters, whereas in a wet riser system pipes are kept full of water for immediate automatic use or manual use by firefighters. There was also the failure of the lobby smoke control system.

Grenfell Tower was compromised through political decisions from the cosmetic so-called refurbishment that wrapped it in a flammable cladding, and because of deregulation of in respect of buildings and fire protection. From the cuts to the fire service to the failure to learn from previous tragedies, I think we have to look at the broader context, the political decisions and the individuals involved. As Mayor of London, our current Prime Minister, in my view, must accept his share of culpability and responsibility. He was at the forefront of driving cuts through when he was the Mayor of London; cuts to the London Fire Brigade of over £100 million, which—let us be honest about this—led to the loss of 27 fire appliances, 552 firefighters, 324 support staff, two fire rescue units and three training appliances, the closure of 10 fire stations and a reduction overall in crewing levels. Let us not pretend that that had no impact, because it did.

During this period of politically motivated austerity, recommendations arising from the Lakanal House and Shirley Tower fires landed on Ministers' desks. Let us not pretend that that did not happen. The recommendations on the retrofitting of sprinklers in high-rise buildings and the recommendations to overhaul building regulations were ignored. A 2013 promise to review existing building and safety fire regulations was not carried out until July 2017, following Grenfell. In relation to the "stay put" policy, the Government were warned by Frances Kirkham, the coroner for the Lakanal House tragedy, who said that the Government should

"publish consolidated national guidance in relation to the 'stay put' principle and its interaction with the 'get out and stay out' policy, including how such guidance is disseminated to residents".

In response to the coroner, the then Secretary of State for Communities and Local Government, who is now in the other place—the noble Lord Pickles of Brentwood and Ongar—said that detailed national guidance on the issue was already available in “Fire safety in purpose-built blocks of flats”, produced by the Local Government Association; I think someone has referred to that. However, this guidance does not give any direction on the circumstances in which it might be appropriate to move from a “stay put” to a “get out” policy—in fact, it restates the “stay put” policy.

The Grenfell inquiry cannot be another example of failure, where good intentions fail to turn into meaningful actions. I will ask the Minister a few direct questions: will he meet the Fire Brigades Union to draft a detailed and effective policy on “stay put” and identify when a “get out, stay out” policy should come into effect? If so, does he accept that he needs to change the guidance and warn residents in high-rise buildings of the risks that they face?

Will the Minister and the Prime Minister now accept that cuts to the fire and rescue services in London and nationally have increased the risk to the public and undermined fire safety? The latest figures show the decline in response times to primary fires, with firefighters taking two minutes and 42 seconds longer to respond to a primary fire compared with 1994-95, under a previous recording system. Seconds count when it comes to fire. In the case of Grenfell, it took just 12 minutes for the fire to spread 19 floors to the roof. If we are going to improve fire safety and response times, we need to replace the firefighters that have been lost and provide our fire service with the resources and equipment that it needs to maintain public safety.

I hope that the Minister will take the opportunity to thank our firefighters from the Dispatch Box—as the Secretary of State did in his opening remarks—but I want him to accept that a decade of austerity has had an effect on morale and resources. The firefighters who went to Grenfell Tower, risking their lives in circumstances that few of us can imagine or will ever experience, are nothing short of heroes—I accept that they will not thank me for calling them that. Grenfell was avoidable. The warnings from past tragedies were written in black and white and sat on Ministers’ desks. *[Interruption.]* I am sorry, Mr Speaker—I am almost finished.

Mr Speaker: We did say five minutes—I think you are beyond 10.

Grahame Morris: I am sorry; I did not hear that—I do apologise. The wrong decisions were made in Westminster and Whitehall and communities such as Grenfell have suffered. I believe that it was avoidable, and I think that David Cameron’s obsession with deregulation and privatisation paved the way to this disaster.

6.32 pm

Helen Hayes (Dulwich and West Norwood) (Lab): I speak in this important debate as someone who has been a member of the Housing, Communities and Local Government Committee for the last five years. As a Committee, we have had regular engagement with survivors and bereaved families and have undertaken regular scrutiny of successive Government Ministers.

The survivors are remarkable in their courage, dignity and commitment to one another and to justice, and I pay tribute to them.

It is absolutely shocking and unacceptable that 10 families are still in temporary accommodation two and a half years on from the Grenfell Tower disaster. The process of rehousing survivors has been far too slow—that it is still ongoing at all now is inexcusable. I understand that there are some complex individual circumstances, but the fact remains that some actions were taken by the Royal Borough of Kensington and Chelsea early on in the response that contributed to the ongoing delays, including the failure to undertake sufficiently detailed assessments of housing need before properties were purchased, resulting in homes being bought that survivors could not live in, either because of physical constraints or the impact of the trauma—for example, an understandable terror of living at height.

The lack of clarity on cladding is also a disgrace. The Government have still not tested, identified and specified in a transparent way all the types of cladding that are installed on buildings in the UK, leaving thousands living with constant anxiety about whether the cladding on their building is or is not flammable and whether their lives are therefore at risk when they go to bed at night. We do know, however, that there are cladding types in addition to ACM that are flammable, and yet the funding for removal is limited to ACM. Grenfell brought to light the scandal of unsafe cladding. It is now for the Government to identify comprehensively all the types of flammable cladding on buildings in the UK and fund their removal.

The Government announced this week that they would reduce the height above which flammable cladding is banned from 18 storeys to 11 storeys. For the survivors who have contacted me, this is simply not good enough. ACM cladding is tantamount to soaking the outside of a building in petrol. They can see no justification for any resident at any height or none being asked to live in such circumstances, and I agree. After Grenfell, the Government promised to address the issues raised about how people living in social housing are treated. The promised White Paper on social housing must be grasped as the opportunity to deliver a legacy for Grenfell. The Government must ensure that people living in social housing are treated with dignity and respect, live in safe buildings and have repairs, complaints and concerns addressed quickly and that all landlords are robustly regulated, whether in the social or private sectors, with swift access to redress for tenants and penalties for landlords who are found in breach of their responsibilities.

This is not just about regulation, however, but about funding. Tory cuts to the funding for social housing mean that a council such as Southwark, which covers part of my constituency, has lost £60 million over the past four years from its housing revenue account. Without proper resourcing, the services tenants need and deserve will be stretched to the very limit.

Grenfell United has continued to express concerns about the inquiry panel and, in particular, would like to see a member of the panel with expertise on culture who understands how social housing tenants are sometimes treated when they raise complaints and how some organisations can foster an environment in which tenants raising serious service failings or health and safety concerns are far too easily dismissed. I hope the Government will

[Helen Hayes]

listen to the survivors and seek to recruit a panel member who understands these issues without further delay.

Among many important recommendations, Sir Martin Moore-Bick recommends that all high-rise buildings have floor numbers clearly marked on each landing and stairwell, yet during the general election campaign, canvassing in many different constituencies, I came across public and privately owned buildings where even this basic and straightforward recommendation had not yet been implemented, meaning that, in the event of another serious fire, the emergency services and residents would again be hampered in their efforts to evacuate the building safely for want of such basic information. What steps is the Minister taking to ensure that building owners are clear about their responsibilities and ensure their implementation? There is no excuse for delaying the installation of simple signage that could save lives.

The Grenfell families and the wider north Kensington community have suffered a trauma and loss that runs very deep. They will continue to need support, particularly with both physical and mental health, for the long term. Will the Minister commit to that support, particularly in terms of liaising with the Department of Health and Social Care to secure additional NHS resources, so that whatever the ongoing long-term consequences of this tragedy continue to be for the community, no one will feel abandoned?

6.37 pm

Tim Farron (Westmorland and Lonsdale) (LD): I appreciate your calling me to speak, Mr Speaker.

I begin my brief remarks by paying tribute to the Grenfell survivors and their families bearing the weight of bereavement. They have fought for justice in the face of suffering that I cannot begin to imagine. Their dignity and determination continue to be awe-inspiring, and I uphold them in my prayers. On top of that, I honour the bravery of the firefighters. The personal risks they took are utterly humbling and we should be clear that any systematic failures in how the disaster was handled detract in no way from the phenomenal courage and hard work of firefighters on the ground.

The new building safety regulator must have the widest possible scope to ensure that people are safe and feel safe in their homes. It must, for example, look at all building materials. We need a complete review of the content and implementation of building regulations, including provisions for the use of sprinklers and cladding in tower blocks; local councils' ability to check the details of developments prior to and during building or renovation; the ability to update building regulations as new products, processes and techniques become available and to use the regulations to enforce changes, where necessary, in buildings, based on updated knowledge of new products, processes and techniques.

It is unacceptable that thousands of families are still living in unsafe high-rise buildings. Smaller, often privately rented buildings in places such as south Cumbria can be, potentially, lethally unsafe, with their residents living in fear of what might happen or—more likely—in ignorance of the risk they are in. So I welcome the Secretary of State's announcement in his statement yesterday that from next month those responsible for failures to remove

cladding would be named and shamed, but we cannot rely on that being sufficient when so many of those living in their properties may not have the means to take action. The Government must establish deadlines for the removal of the cladding. If that does not happen, they must step in and change the buildings themselves, and even present landlords with the bill. If they cannot be trusted to provide safe buildings, they cannot be trusted to be landlords. That may seem a radical step, but two and a half years after this tragedy is enough time to start the remediation of the work. It is not enough to ask them to remove it and pass on the responsibility; the Government must ensure that that happens. It is nothing less than a matter of life and death.

Yesterday, the Secretary of State referred to the Government's absolute duty to ensure that action continued to be taken as quickly as possible so that a tragedy such as the one at Grenfell could never happen again. I commend him for his ambition, and plead with him to take those steps to enact the recommendations so that he can be true to his word.

6.40 pm

Yasmin Qureshi (Bolton South East) (Lab): No one can forget their experiences of seeing the Grenfell fire, but I also want to talk about something that happened in my constituency. On 16 November last year, a devastating fire at The Cube—student flats in my constituency—left 200 University of Bolton students homeless.

I pay tribute to Greater Manchester's fire and rescue service for ensuring that all the residents were evacuated quickly and safely, and that the fire was rapidly brought under control. I also pay tribute to the university staff who came to the scene to give immediate assistance, and who continued to provide physical, financial and mental support, although the university does not own the building. The local community also came together to support the students. It is not surprising that in 2013 Bolton was voted the friendliest, warmest and most considerate town in the United Kingdom.

It is clear that the building regulatory system is broken, and has failed the residents of Grenfell, The Cube and other buildings. The height limit for tighter controls on building materials is 18 metres. The Cube is just 16 centimetres short of that height, and is therefore not subject to the same safety regulations as taller buildings. I welcomed the Secretary of State's announcement yesterday that he was minded to reduce the limit to 11 metres, but I feel that that does not go far enough. Many buildings lower than that are also high-risk, including hospitals, care homes, schools, and complex buildings such as shopping centres.

The Government have focused on the ACM cladding that was used at Grenfell, but The Cube was clad in high-pressure laminate, which is used on thousands of other buildings across the country. The Government have been warned repeatedly by the Greater Manchester High Rise Task Force—whose representatives I met last week—that the risks extend beyond ACM cladding, but not all cladding systems have yet been tested. The Government must recognise that other cladding materials also present a risk, and that all buildings should be made safe as soon as possible. I was particularly surprised to learn that VAT is being charged on remedial works, and I urge the Government to exempt them in order to help building owners to carry out works in a timely manner.

Apart from the construction issue, there seems to have been a failure to tell people what procedures should be adopted in the event of a fire, and that was certainly not done in The Cube. Apparently the fire alarms went off regularly, and some of the students thought that there had been the same problem on the day in question. One young lady who realised what was going on knocked on every single door and got the people out. However, we must ensure that proper procedures are introduced in such buildings to ensure that people know what to do in case of fire, and also to ensure that there are ways of detecting fires.

6.44 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I am glad to have the opportunity to respond to this very important debate. Above all, I want to say to the survivors and the relatives of the dead of Grenfell that they are not forgotten. I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) and my hon. Friends the Members for Hammersmith (Andy Slaughter), for Westminster North (Ms Buck), for Reading East (Matt Rodda), for Easington (Grahame Morris), for Dulwich and West Norwood (Helen Hayes) and for Bolton South East (Yasmin Qureshi) on their very thoughtful and informed contributions.

We have heard an enormous amount, in very important speeches in this debate, on building regulations—a vital subject. We have heard an enormous amount on cladding—another vital subject. But above all, this issue, and this debate, is about people, and it is the issues that touch on people that I want to talk about.

I do not think anybody in this House can forget where they were when they saw the first, terrible images of Grenfell tower covered in flames, like a roman candle. I cannot remember more horrific images of a disaster in mainland Britain. It happens that I know the area rather well because when I was a child, north Kensington was at the heart of the West Indian community. We know that 72 entirely innocent citizens perished in Grenfell tower. Many more suffered injury and injustice. Lives have been shattered. What is more, it was a peculiarly horrible death to burn to death in that way, and it is peculiarly horrible for the survivors to know that they would have known many of the people who burned to death. They would have seen them on the landings or in the lifts on their way to work, or taking their children to school. They would have been families of their children's schoolfriends. This was an extraordinary tragedy, and the survivors have seen sights they will never unsee. As other Members have said, it is important to note the bravery and the dignity of the survivors, and the fact that they helped one another from the very earliest hours of the fire, and continue to help one another today.

However, I have to remind the House: these were deaths foretold by the residents themselves. They argued that their homes were being prettified for the benefit of other people. They warned about the dangers of the cladding. They warned about the lack of fire equipment. They warned about the problems with the fire doors and the absence of water sprinklers. Sadly, they seem to have been ignored by the Royal Borough of Kensington and Chelsea.

So I welcome what the Minister said—it is a cautious welcome, but it is a welcome—about the reform of social housing, and I await with interest the social

housing White Paper, which he told us would deal with redress, regulation, quality and safety. Clearly, we need to see the White Paper and read the detail, but the planning of a White Paper reflects something that I have always felt very strongly—that Grenfell is more than the sum of its parts: there are issues, drawn to our attention by Grenfell, about the way we regard and treat people who happen to live in social housing.

Members on both sides of the House have drawn attention to the delay in rehousing Grenfell's survivors. The Government of the time promised that all the survivors of the Grenfell blaze would be rehoused in a matter of weeks. Two and a half years later, some survivors are still waiting for a reasonable offer of local accommodation. I know it is complex, but it is simply not acceptable that, two and a half years later, they have not all been rehoused. As colleagues have said, some spent Christmas in hotels or temporary accommodation.

The Minister did not say what happened to the residents of the Walkways, who also saw awful things and also have housing needs. I stress that this is not just about housing. There are issues about the general support offered to survivors, and about mental health. I seek an assurance from Ministers that everything is being done to support survivors in terms of not just housing, vital as that is, but their broader holistic needs and their mental health.

As Members on both sides of the House have said, the Government have moved very slowly on the issue of cladding on other buildings. We have heard in informed contributions by Members on both sides of the House that hundreds of tower blocks are effectively wrapped in ultra-flammable elements. The removal work on many of those blocks has not begun. The Secretary of State said there are 10 such buildings left in the private sector, but I hope the Minister will tell us how many buildings in the public sector have yet to have their cladding removed.

Labour Members were accused of scaremongering when we said that other Grenfells were waiting to happen but, as my hon. Friend the Member for Bolton South East has reminded us, a Bolton tower block of student accommodation went up in flames in mid-November 2019—it was covered in flammable cladding. The National Union of Students had previously listed it as one of the many blocks presenting severe safety concerns. I listened carefully to what the Secretary of State said about the proposed legislative response, and we await the details of the fire safety Bill.

I take this opportunity to join other Members in thanking the emergency services for the brave work they do. I especially thank the firefighters for their excellent, brave work and for their bravery on the night. I also place on record my thanks and the heartfelt thanks of the Grenfell community to their former MP, Emma Dent Coad. She has been a tireless champion for the entire community, and she continues to be so.

The Leader of the House came dangerously close to seeming to blame the residents for not having the common sense to escape the fire—dangerously close, some of us would say. Labour Members regret that there were no representatives of the survivors and the bereaved on the panel but, just as it would be wrong to scapegoat the residents, we have to be careful what we say about the “stay put” policy. “Stay put” is a Government policy. I am glad to hear it is in the process of review, but when will we get the new guidelines?

[Ms Diane Abbott]

I draw the House's attention to something that is not entirely relevant to the inquiry: the Grenfell recovery taskforce. It has made its fourth report and, if the Minister has not read it, I suggest he does. The recovery taskforce says, as many Members have said, that Kensington and Chelsea has been too slow in much of its response, and it says there have been strategic failures. The recovery taskforce also says that the quality of the council's relationship with the local community has too frequently been weak. That is a very serious matter. How is the community to recover from this tragedy if the local authority is not engaging seriously with them?

In closing, first, Benita Mehra may be a very informed woman but, as other Members have said, her conflict of interest means the Cabinet Office must take her off the panel. Secondly, Ministers must listen to what the Grenfell recovery taskforce is saying, what the inquiry is saying and what the residents are saying: there is not enough speed and haste, both in dealing with the broad issue of removing cladding from vulnerable buildings and in helping, supporting and rehousing residents.

Finally, the reason Grenfell lives on in so many of our memories is not just the horror of the images but what it says about us as a society that all these people could burn to death in such horrific circumstances in the wealthiest borough in one of the wealthiest countries in the world. To make good the horror that not just the people in this Chamber and not just the British public but people around the world feel about the images of Grenfell tower, the Government must really listen to what has been said in this debate on both sides of the Chamber, and they really must make much more haste in doing what needs to be done. Anything less would not be honouring the memory of the dead.

6.54 pm

The Minister for Crime, Policing and the Fire Service (Kit Malthouse): No one in this House will ever forget the tragic events that unfolded in the early hours of 14 June 2017 or the 72 people who lost their lives in the most appalling circumstances. This city and country have had too many dark days, but the night of the Grenfell disaster must rank among the darkest. In a debate in this House on 30 October, the Prime Minister said that no words, written or spoken, can undo the pain caused to so many by this tragedy, and I am sure we all echo that sentiment. However, we can and must learn from it, so I want to thank personally Sir Martin Moore-Bick and his team for their work in producing this first report. Many questions about that night remain unanswered, but given the forensic and unflinching nature of part 1 of his report, I am confident that Sir Martin and his team will leave no stone unturned in getting to the truth.

I would also like to join every speaker in the Chamber this afternoon in acknowledging the survivors and the bereaved for their dignity and their resolution to see lessons learned following this devastating event. Their determination and resilience helps us to remember the scale of this tragedy and keep those who lost their lives firmly in our minds while we work to make the changes needed. For their sake, we must ensure that a disaster on this scale can never happen again.

I also want to express my own thanks to the firefighters who braved the unprecedented conditions they faced that night. As my hon. Friends the Members for Watford (Dean Russell) and for Sutton and Cheam (Paul Scully) pointed out, many disregarded their own safety, returning time and again to the flames to try to rescue those who were trapped. Such individual acts of heroism cannot, however, undo the systemic failures that the inquiry has found in the London Fire Brigade response. They must be addressed, and work is already well under way.

The report makes a number of significant findings and recommendations. As highlighted in this House, in the Government's published response to the report and in the opening of this debate, we are committed to driving forward the work needed to effect real change. The Government have accepted in full the principle of all the recommendations addressed to them. On legislation, it is clear that urgent action is needed from all corners of the fire sector and the construction industry to secure the future safety of residents. As my hon. Friend the Member for Harrow East (Bob Blackman) and others have pointed out, the pace of this change concerns us all. So the Government will bring forward the fire safety Bill, as outlined today by my right hon. Friend the Secretary of State, which will help our remediation efforts immediately. The foundation set by this Bill lays the groundwork for further regulations to meet a number of recommendations in the report, which we will consult on in the spring.

On "stay put", the Ministry of Housing, Communities and Local Government and Home Office's expert "stay put" steering group met on 18 December to discuss the parameters of its stay put and evacuation research. The Home Office will begin the tendering process in February for the first package of research required. The outcomes of that will inform operational research later in the year. It is also relevant to "stay put" that the inquiry recommended that all high-rise buildings be equipped with facilities for evacuation signals and have way-finding signage. The Government ran a consultation on building-wide alarms, signage and sprinklers, which closed on 28 November. The consultation led to more than 180 responses, which the Government are currently analysing, but we urge all developers and building owners to act now on the inquiry's recommendations and not wait for legislation or other changes to take effect.

Turning to the criticisms of the LFB and the recommendations for it, Her Majesty's inspectorate of constabulary and fire and rescue services completed its first tranche of inspections of all fire and rescue services in December 2019 and produced its first "State of Fire and Rescue" report last week. The inspectorate and the inquiry reports both show that there is much work to be done. The inspector found that the LFB had learned the lessons of Grenfell but that change has been slow. In November, the Home Secretary wrote to the previous commissioner asking that the LFB provide regular updates on its improvement actions. We have now received an action plan from the LFB setting out the work it will do to take forward the recommendations over the coming weeks and months. We will look for ongoing assurance from the commissioner and the Mayor of London, as well as from the inspectorate, that plans are robust and that progress is being made. I note that today the Mayor has today published his first update report on the work he is taking responsibility for in this regard. I have

written to the Mayor and met the new commissioner, Andy Roe, and I welcome his commitment to work with the Mayor to ensure that performance improves and to ensure his acceptance of all the report's recommendations.

Beyond London, the report and its recommendations have implications for all fire and rescue services. The Government are working with the sector leaders and the National Fire Chiefs Council to identify the improvements needed and to ensure co-ordination across the sector. The Home Secretary wrote to the chief fire officers after the inquiry published its report, asking that they work together and through the National Fire Chiefs Council. Her letter also announced that the Government would bring fire leaders together to discuss the report, and we will do so before the end of March.

7 pm

The debate stood adjourned (Standing Order No. 9(3)).

Motion made, and Question put forthwith (Standing Order No. 15),

That, at this day's sitting, the motion in the name of the Prime Minister relating to Grenfell Tower Inquiry's Phase 1 Report may be proceeded with, though opposed, until 9.00pm.—(*Tom Pursglove.*)

Question agreed to.

Debate resumed.

Question again proposed,

That this House has considered the Grenfell Tower Inquiry's Phase 1 Report.

Kit Malthouse: A national improvement plan is being created for the sector by the National Fire Chiefs Council and will build on the work of its central programme office, the fire standards board, the protection board and the inspectorate.

Several Members, not least my right hon. Friend the Member for Maidenhead (Mrs May), raised the issue of interoperability, and concerns have rightly been raised about co-ordination and communication errors between the emergency services at Grenfell. We take this issue very seriously, and the Government are committed to working with all emergency services to improve interoperability. The joint emergency services interoperability principles, or JESIP—their joint doctrine—set out a standard approach to multi-agency working. It will be reviewed and republished by September this year to incorporate learnings from the Grenfell disaster. Following the inquiry's report, the interoperability board has written to all emergency services to reinforce what is required when a major incident occurs. The report made recommendations in relation to the images and data sent from the National Police Air Service helicopters, and I can confirm that that work has been completed.

Let me turn to some specific issues that Members have raised during the debate. If I miss any out, I am more than happy to write to Members afterwards. Several Members raised the issue of members of the Grenfell community—survivors and families—still remaining in temporary accommodation. As Housing Minister for 12 months, I met individuals regularly and reviewed individual cases. As I have explained, particularly to the Opposition housing spokesman, the right hon. Member for Wentworth and Dearne (John Healey), these are complex and difficult cases. Our concern at the repeated raising of this issue is not necessarily for our own political advantage, but that raising it increases the

pressure on individuals who are living in temporary accommodation, who are leading complex and difficult lives. We are attempting to be sensitive to them and to accommodate them. We should not assume that those individuals have been continuously in temporary accommodation: a number have been in and out as they have struggled with the circumstances they face. We are keeping up pressure on the council—the Secretary of State and the Housing Minister meet the council regularly—but as we deal with these particular individuals, it behoves us all to remain sensitive to their plight.

Several Members, not least the hon. Member for Glasgow East (David Linden) and my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), raised the wider issue of the ability of those who are living in buildings with cladding either to sell or to secure finance against their properties. Work did start last year, and I understand from my right hon. Friend the Secretary of State that it has now concluded. A working party at the MHCLG, including the Royal Institution of Chartered Surveyors and UK Finance, was formed to try to resolve the issue. That has now produced a new simplified process by which surveyors can reassure themselves that a property is mortgageable and insurable, and therefore financeable, so that sales can be effected.

David Linden: We will of course wait and see the outcome of that process and how it works in practice, but can the Minister give an undertaking that, in the months to come, his Ministry will have a watching brief over it to see whether it is indeed working for our constituents who have been raising some of the concerns expressed by myself and by the hon. Member for Thirsk and Malton (Kevin Hollinrake)?

Kit Malthouse: Yes—my right hon. Friend the Secretary of State reassures me that we will absolutely keep a watching brief. The early signs are that the new protocol is having a beneficial effect.

The hon. Member for Hammersmith (Andy Slaughter) raised a query about what will happen to the site. He should be aware that a commission has now been constituted. I gather that it has met a number of times, and it is very much being led by the bereaved, the survivors and the community themselves so that they are in the driving seat about what should happen on the site and what kind of memorial they wish to have. I am sure we can provide the hon. Gentleman with more information on that if he wishes.

Some Members raised issues around electrical safety compliance. Obviously progress has been made on the duty of landlords, in both the private and the social sector, to ensure compliance, particularly where small electrical goods are concerned. I am informed that the Consumers Minister—my hon. Friend the Member for Rochester and Strood (Kelly Tolhurst)—has commissioned the Office for Product Safety and Standards to develop options for increasing the rate of product registrations, including potential mandatory registration. A number of workstreams are under way looking to understand the barriers to registration and consumers' attitudes to that registration, which will inform this work in the future.

The hon. Member for Westminster North (Ms Buck) and my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken)—an area I know well

[Kit Malthouse]

from my time as a councillor and as a London Assembly member—raised the issue of sprinklers and the complexity of tenure that may stand in the way of the retrofitting of sprinklers in older blocks across the city. That is obviously a difficult and complex area of legality, not least because one would have to cross the barrier of possibly fitting sprinklers against the will of a property owner where they are in a collective block and therefore have collective safety, but I know colleagues in the Ministry of Housing, Communities and Local Government will be dealing with the issue.

Finally, in her excellent speech, following on from her equally brilliant maiden speech yesterday in which she raised this subject, my hon. Friend the Member for Kensington (Felicity Buchan) mentioned a couple of issues. First, she said that she had met the new commissioner of the LFB, whom I have also met recently. He impressed me with his ambition and his willingness to embrace the issues for the London Fire Brigade that have been raised both by the inspectorate and by the inquiry. He does seem committed to real change in that organisation, which was very encouraging to see.

Along with the right hon. Member for Hackney North and Stoke Newington (Ms Abbott), my hon. Friend raised the issue of a member of the inquiry panel. The Home Office is obviously a core participant in the inquiry, so it would not be right for me to comment either way, but I can reassure both of them that the Cabinet Office is aware of this issue and is giving it some thought.

There is nothing that we can do to turn back the clock on this tragedy, and there are no words of condolence or sympathy that will bring back those who lost their lives or offer comfort to those whose lives have been irrevocably changed by this tragedy. All we can do is learn the lessons of this terrible event and work tirelessly to ensure that a disaster on this scale can never happen again.

It is incumbent on all of us—the Government, the emergency services, those responsible for managing high-rise residential buildings and the construction industry—to

work together to bring real change. I am confident that the inquiry's detailed analysis of the evidence seen in phase 1 will continue to phase 2, and that the panel will uncover the full truth of what happened on that terrible, dark night.

Question put and agreed to.

Resolved,

That this House has considered the Grenfell Tower Inquiry's Phase 1 Report.

Business without Debate

TERM LIMITS

Ordered,

That, for the remainder of the present Parliament, the provisions of Standing Order No. 122A (Term limits for chairs of select committees) shall not have effect.—(*Tom Pursglove.*)

PETITION

Gasification plant in Hillthorn Park, Washington

7.8 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I am pleased to be able to present this petition this evening on behalf of my constituents who oppose the building of a gasification plant in Hillthorn Park in my constituency. The petitioners and I believe that this planning application will be to the detriment of our local area and the health and wellbeing of residents and is in direct conflict with the Government's own policies on waste and the environment. This petition is along the same lines as two other petitions that have been signed by approximately 10,800 people.

The petition I present today reads:

The Petition of residents of Washington and Sunderland West constituency,

Declares that the petitioners oppose the building of a Gasification plant in Hillthorn Park, Washington. The petitioners therefore request that the House of Commons urges the Government to recognise the opposition to the planning application; and calls on the Secretary of State for Housing, Communities and Local Government to reject the planning application 17/02085/MW4.

And the petitioners remain, etc.

[P002551]

Stepping Hill Hospital

Motion made, and Question proposed, That this House do now adjourn.—(Tom Pursglove.)

7.9 pm

Mr William Wragg (Hazel Grove) (Con): May I say what a joy it is to see you back in the Chair, Mr Deputy Speaker?

I am very pleased to have secured this Adjournment debate on Stepping Hill Hospital, which comes at an important time in its development. I wish to discuss with the Minister the current pressures the hospital is facing, its recent performance figures and especially the strain on its accident and emergency and urgent care services. I hope to explain some of the reasons behind those pressures and what needs to be done, in both the short and the long term, to ensure that the hospital improves. In particular, I want to hear what the Minister is able to do to help the hospital and its staff to deliver better care for patients.

Stepping Hill provides a vital service to local residents in both my constituency and, as evidenced by their attendance at this evening's debate, the constituencies of right hon. and hon. Members across the region. I am a long-term supporter of the hospital, although I am bound to say that, given that it was the place of my birth. I was, of course, pleased that Stepping Hill Hospital was awarded specialist status as part of Greater Manchester's Healthier Together programme. I backed that bid from the beginning, as a local councillor, parliamentary candidate and Member of Parliament. The hospital is also generally well regarded by local people for the services it provides, and it deserves special praise for the fantastic and difficult job it performed in treating victims of the terrible Manchester Arena bombing in 2017.

The hospital faces difficulties in its performance in a number of areas. Although the latest Care Quality Commission inspection report rates the hospital as good for the care it provides and for leadership, its overall rating is "requires improvement". The pressures are most acutely felt in emergency care services and in meeting its four-hour target in accident and emergency. In recent years the trust has struggled to consistently achieve the national standard of 95% of patients in the emergency department being seen and treated within four hours. Sadly, the most recent figures published demonstrate that Stepping Hill's year-to-date position against that standard was 68%.

Those headline figures in no way reflect the work of doctors, nurses and all the other hospital staff, who are working incredibly hard to see, treat and care for the unprecedented number of people currently accessing the emergency department. I place on record my personal thanks to all staff right across the hospital, who provide excellent care for patients, day in, day out.

The reasons for Stepping Hill's current performance against the standard are multiple and complex. They include the large catchment area it serves, rising demand, local population demographics, the limitation of the current building, a lack of alternative options to the emergency department, and integration with the local health and care system.

Jim Shannon (Strangford) (DUP): First, may I congratulate the hon. Gentleman on what he is doing? I have read some of the background, as I have already told him, and I commend him for his energetic efforts on behalf of his constituents and the hospital. My hospital, like his, has a specialist stroke unit and we want to keep it open, too. Time is of the essence. Does he agree that the retainment and enhancement of specialist services must be a priority in the NHS, no matter what direction it takes?

Mr Wragg: Naturally, I agree with the hon. Gentleman and commend him for his work, particularly in maintaining the stroke services at his local hospital. Indeed, I commend the work of all those who perform such vital roles at Stepping Hill.

In other parts of the country, especially in large cities, people have a number of options for where they can receive care for a range of conditions, including as a result of accidents and minor injuries. That means that emergency departments just care for the sickest patients who need resuscitation or emergency care.

Mary Robinson (Cheadle) (Con): Will my hon. Friend give way?

Mr Wragg: I give way to my constituency neighbour.

Mary Robinson: I am grateful to my hon. Friend for securing this really important debate. Stepping Hill Hospital serves not only Hazel Grove but High Peak and other parts of Stockport, and I know that there is a lot of interest in this debate. From my point of view, as the MP for Cheadle and as a Stepping Hill Hospital MP, I want to see the hospital really thrive. One of the issues facing the hospital is that it was built to accommodate about 50,000 out-patients—people coming into A&E—a year, and now that figure is going up towards 100,000. That is clearly a pressure on it. Does my hon. Friend agree that the £30.6 million that is going into the new emergency care centre will really make a difference?

Mr Wragg: Absolutely. I congratulate my hon. Friend and constituency neighbour on the work that she has undertaken with me and others from across the region in securing additional funding. I will touch on that later. She is absolutely right, because Stepping Hill's emergency department is overstretched and facing those rising demands. It was built to treat about 50,000 patients a year but is currently on track, as she says, to exceed 100,000 patients this year.

Andrew Gwynne (Denton and Reddish) (Lab): I congratulate the hon. Gentleman on securing this Adjournment debate. Is it not also important to impress on the Minister the demographic nature of the borough of Stockport, which we all represent? Stockport is a microcosm of the whole country in that it has its own north-south divide. There are real health inequalities between those living in the north of Stockport and those living in the south. In the south of Stockport, people tend to live longer and stay healthier longer, but when they do reach old age, they often have very complex needs.

Mr Wragg: The hon. Gentleman, my constituency neighbour to the north of my constituency, is entirely spot on. His remarks are incisive and to the point,

[Mr Wragg]

because the demand for emergency care in our area has risen by about 5% in the past year, and in the three months to December alone it increased by 6%. It was previously rare for Stepping Hill's emergency department to see more than 200 patients a day, but now it is not uncommon for over 300 people to seek treatment per day. Indeed, in Christmas week, over 1,700 patients were seen by the department.

Bed capacity is also a problem at Stepping Hill. A hospital bed system should ideally run at about 85% occupancy to make way for new patients, but at Stepping Hill beds have been frequently running at over 99% occupancy. Having support in place to enable people to return home as quickly as possible once they no longer need acute hospital care is also key to achieving the national standard by improving the flow of patients through the hospital and its emergency departments. As the hon. Member for Denton and Reddish (Andrew Gwynne) says, Stockport has the highest proportion of elderly people in Greater Manchester, with 19.5% of the population being 65 or older. While increasing longevity is of course to be celebrated, our local population is living longer, often with complex and multiple health conditions, and they place a particular demand on the emergency department that is not seen to the same degree elsewhere in the region.

The hospital has implemented a number of short-term initiatives to try to fix and improve the situation in A&E, particularly to address the extra winter pressures due to influenza and the cold weather. The trust recently spent £1.2 million provided by NHS England to expand the number of consulting and treatment rooms in the existing emergency departments. This winter, Stepping Hill implemented its winter plans two months early, opening an extra 30 beds in the hospital. Even so, concerns this year were so great that they were recognised by the Greater Manchester health and social care partnership. In December, the hospital received an extra £2 million of funding to enable it to open an additional 51 beds until after the end of March this year, increasing staffing and supporting seven-day working.

However, I want to ask a number of questions of my hon. Friend the Minister, for whose consideration this evening I am very grateful. First, despite all those steps and extra beds, in December, alarmingly, 200 people waited for 12 hours or more in the department before a bed could be found for them. I wish therefore to ask him what more can be done by the Government to help Stepping Hill to improve its A&E performance in the short term.

Robert Largan (High Peak) (Con): I congratulate my hon. Friend and constituency neighbour on securing this debate. I know he is a great advocate for the local NHS and for Stepping Hill Hospital, which many of my constituents use as their local hospital. He touched on the worrying performance figures. Does he agree that we need to get on with building the urgent care centre as soon as possible?

Mr Wragg: First, may I congratulate my hon. Friend on his election in High Peak, which is next door to me, and for working as closely as possible with me on this issue as soon as he was elected? Like him, I welcome the investment that is coming, as I am about to outline.

Opening more temporary beds is not the answer to the pressures on our health and care system. A radical long-term solution is needed if Stepping Hill is to improve its A&E performance. That is why I, the hospital and all Members across the House with an interest in it have called for greater investment. The new £30.6 million of funding will enable the organisation to construct a three-storey, purpose-built emergency care campus. It will include an urgent care treatment centre, a GP assessment unit and a planned investigation unit, as well as a new ambulance access road and improved waiting areas.

The emergency care campus will not be simply a new accident and emergency; it is intended instead to care for patients who require a slightly lower grade of emergency care, thus relieving the pressure on A&E by improving the flow of patients through the hospital from the emergency department. Patients who need resuscitation or emergency care will still be seen in A&E. This much-needed investment will relieve the pressures on accident and emergency by implementing a better triaging system for patients, meaning that they get the right care in the right place. Patients who do not require full A&E emergency care will be seen in one of the three new services at the urgent care campus.

The urgent care treatment centre will provide an alternative for those who do not need resuscitation or emergency care. It is expected to triage about 45 patients a day away from accident and emergency. The GP assessment unit will support patients who are referred by their GP for hospital care, ensuring that they have quick access to the acute and medical specialists they need to see without going through the emergency department, thereby reducing A&E admissions by a further 25 patients a day. The planned investigation unit will improve the time in which patients are returned home with a care plan when they no longer need to access acute care services.

Andrew Gwynne: The hon. Gentleman is being incredibly generous; I am very grateful. I associate myself and my hon. Friend the Member for Stockport (Navendu Mishra) with the proposals the hon. Gentleman has outlined.

May I offer the hon. Gentleman some reassurance from across the boundary in the neighbouring borough of Tameside, which my constituency also covers? Fifteen years ago, when I was first elected to this House, the reputations of Stepping Hill Hospital and Tameside Hospital were almost in mirror image. Tameside was not the best place it could be. With great focus and new management, that hospital has been transformed. Does he share my confidence that better days are ahead of Stepping Hill, and my trust in the staff and the management to take the hospital back to where it needs to be?

Mr Wragg: I absolutely concur with the hon. Gentleman. The leadership of the hospital is excellent. I think that, as he says, better days are very near. May I take this opportunity to welcome the hon. Member for Stockport (Navendu Mishra), who has come to take part in this debate?

Robert Largan: To follow up on the point made by the hon. Member for Denton and Reddish (Andrew Gwynne), it is great to see the progress that has been made at Tameside Hospital, which many of my constituents, particularly those in Glossop, Hadfield and Tintwistle,

use as their local hospital. Does my hon. Friend agree that it is fantastic that the Government have committed to a new urgent care centre at Tameside Hospital as well?

Mr Wragg: There is mutual praise and admiration all around in this debate, so I entirely agree with my hon. Friend. It is wonderful that we find such consensus on this issue. Stepping Hill unites us all, and that is something of which we can be proud.

I intend to work closely with the Government, Stockport Council and the hospital trust to support the planning process, so that the new emergency care campus can be built and be up and running, treating patients as soon as possible. That leads to my second question for my hon. Friend the Minister. What timescale does he envisage for the completion of the new urgent care campus, and how confident is he that it can be met? How many more winters will the hospital go through before that new facility is up and running?

No debate on hospitals would be complete without at least a brief discussion of parking, which is often the bane of patients, visitors and staff alike. It is an issue that affects not only those using the hospital but local neighbours. A lack of car-parking capacity, or the desire to avoid charges, often means that cars spill out to use kerbside parking on nearby residential streets, which can prove to be a significant inconvenience. I therefore welcome the Government's commitment to provide free hospital parking for those who need it most, including disabled patients, parents and carers of sick children staying overnight, and hospital staff working night shifts, who are less able to rely on public transport. That change is long overdue and will make the NHS as accessible as possible for those who need it most.

In addition, I am extremely encouraged that the Government plan to provide more than £200 million of capital funding for new car parks, to support several hospitals across England that need extra car-parking capacity. Does the Minister know which hospitals have been earmarked for that funding and whether Stepping Hill is among them? If he cannot give me a firm answer today, will he meet me following the debate, so that I can make the case again for increasing parking capacity at Stepping Hill?

I look forward to hearing the Minister's reply, and I hope that he can provide me with the answers to these important questions. I especially hope that he has some ideas on short-term solutions that can be found to help the hospital and its patients while construction work on the emergency campus is carried out. I would also like to take this opportunity to extend an open invitation to him to visit the hospital—I am sure that he would be very welcome—to see at first hand the pressures it faces and what can be done to improve the situation for the hospital and its patients.

Finally, I wish to reiterate my thanks to the dedicated doctors, nurses and staff across the hospital for their tireless work, day and night, in these very challenging circumstances.

7.27 pm

The Minister for Health (Edward Argar): I thank my hon. Friend the Member for Hazel Grove (Mr Wragg) for securing a debate on this extremely important topic. I know well of his commitment to pursuing the subject

of Stepping Hill on behalf of his constituents and ensuring that it continues to be focused on by Ministers and the House more broadly. He is a forceful but always courteous local champion for Hazel Grove, and his constituents are lucky to have him. He ensures that their voice is heard loud and clear in this place. I have recently discussed Stepping Hill with him, as well as with my hon. Friend the Member for Cheadle (Mary Robinson). I pay tribute to her for her work on this issue and to other Members across the House. As has been evidenced by the interventions in the debate, Stepping Hill Hospital is important not only to one or two constituencies but across the region.

My hon. Friend the Member for Hazel Grove is right to highlight how well regarded Stepping Hill Hospital is by those it serves and its key role in treating some of the victims of the dreadful Manchester Arena attack in 2017. He is also right to raise the challenging performance at Stockport NHS Foundation Trust, of which Stepping Hill Hospital is a part. It is right that I echo his comments in paying tribute to the hard work and dedication of all who work in our NHS and in Stepping Hill, as we should whenever we speak about healthcare in this House. Day in, day out, our amazing NHS workforce deliver world-class care. My hon. Friend highlighted the challenges in the recent A&E performance statistics, but Stepping Hill does perform very well in a number of other areas. For example, in the statistics for some of its cancer treatments it performs well. There is a challenge, which he mentioned, particularly in but not limited to A&E.

Winter is the most challenging time of the year for the NHS, when a number of environmental and external issues, such as cold weather and an increase in flu and other viruses, place additional demands on the service. Of the short-term actions that have been taken and will be taken, and in recognition of recent challenges, oversight and additional input for Stockport and Stepping Hill have been ongoing via NHS England's national oversight model, which brings national resource and expertise to bear in supporting them. The Trust has also been working with the emergency care intensive support team—commonly known as ECIST—a clinically led national NHS team, to help health and care systems deliver high-quality emergency care. Its intervention has improved the flow of the patient journey through the hospital and achieved a reduction in the number of long-length-of-stay patients.

As my hon. Friend mentioned, the Stockport trust received the largest additional amount in funding given to any trust in the north-west this winter. This has enabled it to open additional beds and to employ additional senior medical staff. Specifically, there is £1.68 million to staff two additional wards; £453,000 to provide consistent medical staffing to additional beds to reduce length of stay; and just over £100,000 to provide additional seven-day acute medical cover, which is also to reduce the length of stay.

I should say that Stepping Hill should be commended for the tremendous achievements it has secured. Its stroke centre in Stockport has been rated the best in England, Wales and Northern Ireland for the third time in five years, and a new service has been launched at Stepping Hill Hospital to provide extra support for mums and dads-to-be who have previously experienced stillbirth, late miscarriage or early neonatal death in previous pregnancies.

[Edward Argar]

At local level, in addition to those broader achievements, additional clinical resources are being sought at Stepping Hill to help discharge patients more safely and more swiftly back into the community. Additionally, GP streaming, a process designed to ensure that less acutely ill patients can be seen more quickly, has moved to a seven-day model to provide enhanced levels of support over the winter period. As part of the wider round of capital work within the Stockport trust, a new frailty unit will be open in Stepping Hill from February, as an important short-term addition to its facilities and capabilities. By moving the existing unit, more space and capacity will be created in the acute medical unit so that more patients can be seen in a timely manner.

While all these interventions are beneficial in the short term, it is crucial that this is matched with investment in the infrastructure of the system for Stepping Hill, as my hon. Friend said, for the longer term. He and other hon. Members, including the hon. Member for Denton and Reddish (Andrew Gwynne), have highlighted some of the broader factors that continue to challenge the trust and hospital, such as the local demographics and the broader economic and societal factors affecting the health of the local population.

As my hon. Friend the Member for Hazel Grove said, the Government, through our new health infrastructure plan, are supporting more than 40 new hospital-building projects across the country, backed by £2.8 billion. We have also provided an extra £1.8 billion, including £850 million for 20 hospital upgrades. From this funding, Stockport NHS Foundation Trust has been awarded £30.6 million to build an emergency care campus at Stepping Hill. I must say that my hon. Friend and my hon. Friend the Member for Cheadle have both played key roles in securing this funding, but it would be right to say that hon. Members from both sides of the House and from the wider region have also played their part in making the case for this investment, and it is right that I pay tribute to all of them as well.

This funding will provide a three-storey, purpose-built campus, including an urgent treatment centre, a GP assessment unit, a planned investigation unit, a new ambulance access road and improved waiting areas. As with any improvements on a scale such as these, I am sure my hon. Friend the Member for Hazel Grove, and indeed all hon. Members, will recognise the importance of getting them right. This is why the development will be subject to a public consultation.

My hon. Friend, and other hon. Members, are right to be ambitious about getting on with this. I am pleased to see my hon. Friend the Member for High Peak (Robert Langan) in his place. He is a welcome addition

to the Green Benches, and I know he will be a strong voice for High Peak in the House of Commons. His constituents are lucky to have him. He highlighted timescales, as did my hon. Friend the Member for Hazel Grove, and subject to public consultation and the development of plans, we hope that the business case and appropriate sign-offs and planning will take place this year, with construction beginning next year. I know my hon. Friend will wish us to go further and faster, and I am happy to take up his offer of a meeting. We will work together to see whether we can speed things up, but that is the timescale as it currently stands. More broadly, as well as investing in capital funding, the Government are also investing £33.9 billion more in our NHS, to ensure that its running costs, and day-to-day costs, are fully invested in.

My hon. Friend would not forgive me if I did not touch on his remarks about car parking. He has previously raised concerns about the lack of available parking at Stepping Hill, and the Government have listened. As he said, and as per our manifesto commitment, with the roll-out beginning in April this year, all 206 hospital trusts will move towards providing free car parking for disabled blue badge holders, parents of sick children who are staying overnight, and staff who are working nightshifts. Alongside improving access and cutting costs for those individuals, my hon. Friend is right to highlight the issue of capacity. As he said, we have earmarked a significant pot of capital for that, but we do not yet have a list of hospitals that will receive that funding. We are currently undertaking a data exercise to understand capacity versus demand in hospital trusts, and I know he will make a strong case for his hospital.

Taken together, the initiatives outlined this evening reflect the desire to excel at Stepping Hill, and they bode well for the ambition to turn around performance in other areas. I look forward to visiting, and I am happy to take up my hon. Friend's kind invitation—I suspect that invitation may also attract Members from other constituencies, if it works with their diaries, and I look forward to working with him to find a date for that visit.

In conclusion, the nation's health is our biggest asset. The NHS is the people's priority, and it is our priority. We will continue to work with my hon. Friend and other hon. Members across the House, and with Stepping Hill and Stockport Foundation NHS Trust, to drive the improvements in performance that my hon. Friend's constituents rightly expect, and that I know all who work at Stepping Hill are determined to deliver.

Question put and agreed to.

7.37 pm

House adjourned.

Westminster Hall

Tuesday 21 January 2020

[MR PHILIP HOLLOBONE *in the Chair*]

Growth Strategy

9.30 am

John Redwood (Wokingham) (Con): I beg to move,

That this House has considered the growth strategy for the UK.

It is a pleasure to serve under your chairmanship, Mr Hollobone. A most welcome change has occurred in economic policy since the advent of the new Prime Minister. We are now told that the aim of economic policy is to promote the greater prosperity of the many in the United Kingdom by means of promoting faster economic growth. The Prime Minister often adds “opportunity” to his justified enthusiasm for growth and greater prosperity.

I welcome that fundamental change, because that is what I have wanted our policy to achieve in recent years, at a time when my party and the general economic establishment thought that priority had to be given to a single, central aim of economic policy—the reduction of state debt as a percentage of GDP. The change of aim in economic policy to the monitoring of state debt occurred first under the Labour Government in 2009, when state debt got out of control. Before the Labour Government left office, they accepted the need to get state debt down, particularly the running deficit, from very high levels, and made some cuts. The coalition Government changed some of those cuts, but went on with that strategy, because they rightly agreed with the outgoing Labour Government that the deficit was far too high and unsustainable.

I supported that policy in those days, but in 2015-16, when the deficit was under better control, I became more concerned about the tension between the central aim of getting the deficit down and the need to promote growth, which, in the longer term, is the best way of getting the deficit down, because it generates more activity and more tax revenue. Therefore, I started campaigning for an economic policy based on the promotion of prosperity. I am delighted that we now have a Government with that as their central aim.

Our economic policy under the previous guidance, from 2009 to 2015, stabilised our position and reduced the state deficit, necessarily, by a substantial amount, without preventing all growth. However, that policy ushered in a period of lower growth than we had experienced prior to the banking crash, primarily because of the way the deficit was tamed. At the time, it was said that the deficit was tamed by big cuts in public spending, but it was mainly tamed by a massive increase in the amount of tax revenue collected from the domestic economy.

It is true that there were individual cuts and individual departmental budgets took a hit, some of which were very contentious on both sides of the House, particularly among the Opposition. However, public spending went up overall in cash terms, and arguably went up slightly in real terms over that period. The main challenge of

getting the deficit down was achieved through a series of tax-rate rises and collecting extra tax revenue out of the modest growth that the economy achieved, without any relief of that tax burden. Part of the reason that we had slower growth is that we became a relatively higher tax economy than we had been before.

We have seen an experiment conducted on both sides of the Atlantic since 2016, when the Americans opted for eye-catching and dramatic tax cuts, both cutting the rates companies must pay and putting money into the pocket of every person with a working wage, with a particular emphasis on getting people on the lower end of the income spectrum to have more money to spend. That has proved extremely successful: the American economy has been growing at more than 2% for most of the time since the tax cuts kicked in, whereas the European side, sticking with the Maastricht requirements, deficit reduction requirements and relatively high taxes, has been struggling to grow at 1%.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the right hon. Gentleman on securing the debate. He is making a powerful argument for growth across the UK. On the issue of differential employment and income rates, does he agree that if this is to be successful, we must see economic growth and higher wage levels spread more evenly across the UK, so that regions with a much lower wage economy start to see more wealth and employment at the higher end?

John Redwood: Indeed, and I welcome the emphasis placed on that by the Prime Minister and Ministers. I hope that we can give them some more ideas on how that can become realistic policy. I am just setting the scene: there has been a big change in the aim of policy, which I warmly welcome. I suggest to the Minister and others that lower taxes might be an important way of trying to develop that aim. The experiment conducted on both sides of the Atlantic seems to suggest that countries with the ambition and desire to cut taxes on working incomes and businesses will experience more growth and success. We have seen a lot of money repatriated to the United States of America by big businesses, which now find the tax rates acceptable and therefore do not require the same legal structures—I am sure they were behaving legally—to keep the money offshore or not to pay taxes for the time being in the United States.

The United Kingdom Government have, even during difficult times, decided on lower corporation tax rates. I think we have a competitive corporation tax structure. Our lack of tax competitiveness rests in the treatment of individuals and income, and employment costs, rather than corporation tax, where we have done a good job relative to continental Europe. We are benefiting from that. It was good to hear it announced this week that the UK is now the third preferred destination for technology investment after only the United States and China—two economies much larger than our own—and that we are attracting more investment than the combined totals of France and Germany, so we must be getting something right in our approach to business investment and the taxation of business profits.

The Government have already set out a new fiscal framework, which I welcome, because they understand that it is not sufficient just to set a new aim for policy—they need a fiscal framework to deliver it. They have directly

[John Redwood]

addressed the issue of state debt, saying that they will not spend money on revenue matters that is not covered by taxation—a prudent control on the situation—but they have also said that there is nothing wrong with the budget deficit expanding from just over 1% to 3%, if the purpose is for good investment, especially given the very low rates that the Government now have to pay to borrow money.

I think that is a sensible compromise that gives us a bit of scope in the public sector. I trust it will also leave us scope to lower tax rates, which is important for getting extra growth from the private sector, where much of the growth will come from. Today, the Government's 10-year borrowing rate—if they needed to borrow more money from the market—is 0.63%. One would assume that the public sector can find investment projects and get a return considerably above 0.63%, so I fully endorse what they are trying to do.

I hope we can accept the new policy aims and the new fiscal framework, which give us flexibility, and think about what additional policies the Government might need to adopt to boost that growth rate. I have been predicting for some time that we would have a marked slowdown in the United Kingdom, as a result of the fiscal tightening that we have experienced until now and the monetary tightening that the Bank of England has implemented. It has been very curious that the Bank of England has detached itself from the world's central banks over this recent very marked slowdown in world activity. The slowdown was led by an actual recession in manufacturing in most parts of the world; the centre of the storm has been in the motor industry, but it has also extended more widely into the consumer and service areas.

The rest of the world's central banks are busily fighting that, and so we have seen a succession of interest rate cuts in countries with interest rates that could still be cut. We have also seen a resumption of quantitative easing programmes in the European Union, after it perhaps rather foolishly abandoned them at the end of the previous year; we have seen continuous large quantitative easing programmes in Japan; and in China, we have seen a big reduction in the required capital of banks, so that those banks can lend more to the private sector and expand China's economy, which has also slowed quite markedly.

I suggest to the Treasury Front-Bench team that they look very carefully at the centre of the downturn that we have seen worldwide and mirrored here in the United Kingdom, and in particular at the motor industry. The motor industry was hit by higher taxes on consumers in China; it was hit by changed emission regulations on the continent of Europe; it was hit in the United Kingdom by increases in vehicle excise duty in the 2017 Budget; and it was also held back by Bank of England guidance warning banks against lending too much money for car purchases, in a market where practically everybody buys a car on credit, rather than their having the cash to pay the considerable sums that cars cost these days. So there was a very predictable slowing of the UK car market, in parallel with the slowing going on elsewhere.

That was compounded by the fact that the UK had been incredibly successful at building a very large diesel car industry, and in particular a diesel car engine-making

industry in the United Kingdom, just in time for the EU and the UK to become very hostile to diesels and send out the message that people really should not buy diesels, and that in future diesels may even be taxed or regulated off the road. There could also be new controls on diesels, with the Government, in common with the EU and other Governments, wanting people to buy electric cars before they felt confident enough in electric cars, or before the prices of electric cars come down to a more realistic level for them to be a feasible opportunity for people. So we have seen in the UK, as in China and in Europe, a big decline in the sale of traditional diesels, and there has not been an off-set in sufficient numbers by the new vehicles that are being introduced.

So the Government need to look at the car industry and recognise that the issues affecting it are a combination of taxation, availability of credit, and messages about what kind of car people are allowed to buy and drive. The industry needs to be given some time to complete the transition that Governments want, and it is not yet in a state where it can sell enough electric cars to immediately replace the lost capacity that it is experiencing on diesels.

Kevin Hollinrake (Thirsk and Malton) (Con): I thank my right hon. Friend for securing this very important and wide-ranging debate. He mentioned the car industry, which is largely based in the north-east of England, but it based itself there because clear incentives for it to do so were provided by the Government at the time. Does he agree that if we are going to rebalance this economy and level it up, we will need some incentives for businesses to start up in or relocate to some of these areas?

John Redwood: Yes, I am happy for there to be attractive reasons why people should go to the parts of the economy that have been less heavily invested in and that are less pressurised. However, with cars the issue is demand; there is not enough demand for the very good cars that the industry currently makes. The Government want to change the kind of cars that people buy, but it will take time for Britain, or anywhere else for that matter, to be able to produce the millions of electric cars that the Government want us to buy, at a price and to a specification that people like.

So, this is a top-down revolution and the public are not yet fully engaged in it in the way that the Government would like them to be. When polled, the public say that electric cars are a very good idea. However, when they are then asked, "Well, when are you buying your electric car?", the answer is, "Well, not yet. Not me. I want a better subsidy on the car, I want a lower price, I want a higher range"—whatever it is.

There are still issues about engaging the public, which is why we are getting this industrial dislocation. China has experienced exactly the same thing and one would have thought that China would have continuous growth in cars, because it is coming from a much lower level of car ownership and individual income. However, even in China car volume is down, because of the regulatory changes and the dislocation involved in going from traditional product to electric product.

In addition, the Minister and his colleagues should look at the issue of property. Property is a very important part of the UK economy. It is often an asset base for people to borrow against in order to develop their

business, and it is often the main way in which individuals hold their personal wealth. By buying a house on a mortgage and gradually paying the mortgage off, property often becomes people's principal asset, which gives them some wealth and financial stability.

However, we have a property market in the UK that has been damaged by the very high stamp duties that were introduced under the previous Government, and the Government should look at that issue very carefully. I do not think that the Government are even maximising the revenues from stamp duties, and it might not be a bad idea for them to ask, "What are the rates that would maximise the revenues?" At the higher price levels in property, transactions have been very badly affected; indeed, they have been massively reduced by the very high rates at the top end of the market. So, the Treasury constantly has to revise down its forecasts of how much revenue it collects from stamp duty.

A more free-flowing property market would be a very good thing, because it would create all sorts of other work for people who are in the refurbishment and removals business, and above all it would allow people to fit their property needs more closely to the property that they have. A lot of potential switching in the market is being frustrated: some people have houses too big for them but they do not fancy paying the stamp duty on the trade-down property, and other people would like a bigger property, but the stamp duty would be just such a big addition to the higher price that they would have to pay for that property.

Peter Grant (Glenrothes) (SNP): I congratulate the right hon. Gentleman on securing the first Westminster Hall debate of the new Session. Does he agree that there has been a major problem in the United Kingdom for many decades, which is that people—for one reason or another—have been encouraged to treat the house that they live in not as a place to live but as a speculative investment, on which they expect to make money? Also, does he accept that many people have been severely stung, because they thought that they would be able to stretch for a mortgage that they could not afford, in order to sell the house for more money in 10 years' time? If the value of the house does not increase in 10 years' time, they have a problem. That situation caused the crash in 2007-08 and it has caused a number of minor crashes since then. Does he also agree that more needs to be done to make sure that people who only have the money that they are investing in their house are protected against the possibility of losing their house and everything else when the market crashes?

John Redwood: Most people buy a house because they want somewhere to live that is theirs, and that they can then do up and change in the way they see fit, subject to planning. But yes, of course, it is also a way of holding wealth, and I repeat what I said: for many people it becomes their largest single asset. I do not think that is a bad thing. I do not think that people are treating their main property as a trading counter; it is where they wish to live, and they will only move when they want a different house, mainly for living purposes. People would only be able to buy property speculatively if the property was their second or third house, and not many people are in the fortunate position of having such wealth.

There is no absolute protection against house prices going down; they do from time to time, as the hon. Member for Glenrothes (Peter Grant) pointed out. However, if someone's aim is to live in a house long term, and if they have taken out an affordable mortgage, temporary fluctuations in house prices are not life-threatening or wealth-threatening to any worrying extent, and they will just live through the period when house prices dip because there has been a recession, or whatever.

Fortunately, we do not seem to be looking at such a situation in the immediate future, and it is very important that we have a growth strategy, so that the slowdown in the economy that we have experienced in recent months is turned around quickly and does not become something worse, which could have negative consequences in the way that the hon. Gentleman talked about.

So my No.1 message to the Government is not to underestimate the damage that clumsy taxes can do, and they may even end up costing the Treasury, as stamp duty has done, because it is not collecting as much as it should. That is probably the case with vehicle excise duty as well, because of the volume impact on new cars, which relates to a whole series of factors; it does not just relate to the vehicle excise duty, but that was another complication in the situation.

As the Minister has this particular responsibility, I urge him to look again at IR35. We want a very flexible economy in which people can choose flexible employment, rather than have it forced on them. We have had a relatively flexible small business sector, but it is being damaged by the top-down imposition of the IR35 rules. I hear all sorts of stories from across the country of people having to stop their contracting business or losing contracts because the big companies that might employ them are worried they might get dragged into a retrospective tax increase in employer and employee national insurance. That is damaging the small contracting sector, and I urge the Government not to carry on doing that when we want to encourage more self-employment and allow self-employed people to go on to build bigger businesses.

One of the Office for National Statistics figures I saw recently, which I found fascinating, was that in London there are more than 1,500 businesses per 10,000 people, whereas in the lower income parts of the country there are half that number. There is a huge gap between the volume of enterprise in London, which is the richest part of the country in terms of average incomes, and much of the rest of the country, where incomes could be higher. It is not easy to break into why there are so many more businesses in London. In part, it is because people are better off and have more spending money—demand is important in setting up a business—but it is also to do with the general business environment and the concentration of people, talent, enterprise and spending power that we see in the capital. We need to do something similar in other parts of the country. Building more businesses is crucial, and IR35 is getting in the way of doing that.

Some 4.5 million people in the country who work for themselves do not have any employees, and they are afraid of taking on an extra employee because of the implications, whether for regulation, tax or otherwise, or because they think it will be too difficult to manage. We need to look at that step up in building a business, when someone goes from just working for themselves to

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having an employee or two. It is important that we make that step as easy as possible, because if another million self-employed people decided that they wanted a single employee, that would be transformational. That would obviously create a lot of extra demand in the labour market.

We need to look at taxes on employment and the complications of employment. Anything that the Government can do to reduce the tax on employment is a very good idea. We cannot collect tax revenue just by taxing things we do not like, but where we have a choice, it is better to tax things we do not like rather than things we do like. All parties in the House like the ideas of well-paid jobs and of more work, so we need to work away in Government to see how we can reduce the burden of taxes on work such as the apprentice levy, the national insurance levy on both the employee and the employer and other concealed taxes on work.

We also need to look at taxes on entrepreneurship. A larger population of people who have great ideas, who can change markets and who can persuade others that they have something people might want to buy is vital to the process of creating a more prosperous United Kingdom. We need to ensure that the offer on capital gains tax in particular is a fair one. People who have built a business over the years should not feel that they will be taxed again on it all, because they have been taxed on the activity in the business. Capital gains has to be a fair regime, and I urge the Government to keep the enterprise allowance arrangements so that entrepreneurs can keep a lot of the benefits from building their business.

It is said that our productivity performance in recent years has been disappointing and that that is a puzzle. I do not quite understand why it is a puzzle; it is exactly what we would expect. We have had a major reduction in North sea oil output. The way the figures are calculated means that it is one of the most productive sectors, because labour productivity is based on the amount of revenue or value-added generated by an individual, and an individual in the oil industry produces a huge amount of revenue due to the windfall element in the oil price. We had a very big squeeze on many of the activities in the City that were apparently profitable before 2008. Those activities flattered the productivity figures, but some of the profits turned out not to be genuine, and a lot of them have been squeezed out. Again, a high-earning, apparently highly productive part of the economy has gone through a big change, and we have lost that.

We have been a successful economy—this is a strength—in creating lots of new jobs, but a lot of them are relatively low paid so they do not score very well under productivity scoring. If we compare our productivity with that for continental countries with unemployment rates two or three times as high as ours, their productivity is higher, because people we are employing on low pay here would be unemployed there, and the unemployed do not count in the productivity figures—they are just ignored as if they do not exist.

Kevin Hollinrake: My right hon. Friend is making some very good points, but is productivity not principally a regional problem? The gross value added per capita in London is about £50,000 a year. In the north-east, the

north-west and Yorkshire, it is about £20,000 a year. Is that not where we have to level up, because that would drive productivity right across the UK?

John Redwood: I agree, and one of the things I hope will happen as we pursue policies that spread prosperity more widely is that some of the higher value-added activities that people come to London for will be carried out in other cities around the country. If somebody established a manufacturing business in a great northern city, it would be good if they had their media advice, public relations, legal advice, accountancy advice, consultancy advice and all the rest of it from firms in northern cities that specialised in those things, rather than the current model, where many of them come to London to take advantage of the excellent business and professional services available there.

In attracting more industry to the northern and western cities and towns, we need also to be conscious of encouraging the cluster of service businesses around them that can add value in other ways. In modern manufacturing, a lot of the traditional work is now done by machines and robots, so the individual plant does not attract a large number of jobs; the jobs are in all the other things—marketing, PR, services, legal, accountancy, invoicing and so forth—and we want to make sure that enough of those jobs come with the factory to the local area. That is where we have to see what other policies we need to put in place to spread such jobs more widely around the country.

The productivity puzzle is also caused by the public sector not innovating enough and not raising its productivity. It has been noticeable under Labour and Conservative Governments and the coalition that public sector productivity has stalled. That is disappointing, and we have a large public sector, so we need to get the Government to direct their attention to that, because the one bit of the productivity puzzle they can actually manage is the public sector, and Ministers have various powers to encourage and promote innovation.

I was interested to hear the Secretary of State for Health and Social Care talking last night about the role of innovation, new ideas and smaller businesses in the health service. There is huge scope for better partnership between innovative smaller and medium-sized companies and the public sector. The current contracting rules do not work well for many small businesses. It is difficult, because often the public sector wants a large solution for an awful lot of locations, and the small business can only handle so much and cannot scale up quickly enough. I hope that the Government will have another look at how the best of the private sector can be harnessed for the productivity increase we need from better innovation and better technology in big areas of the public services.

We must make sure that we see the technological revolution as a potential friend and not a potential threat. I was quite surprised this morning when reading the background papers for Davos—a meeting that I was not invited to and did not want to go to—to see how negative they were about technology. It was seen as a threat to be tamed and slowed down; as something that was going to destroy jobs and be very disruptive. It talked about the endless dislocations, whereas the public see much of technology as their friend. Why does America have huge success with trillion-dollar companies?

Some of them are, and some of them seem to be trillion-dollar companies. Where have Facebook, Apple, Amazon and Netflix got their strength from? They have got it because they have public support. It is all very well for a politician to say, "They are wrong about this and wrong about that, and we need to regulate them and stop them doing this", but it is a bottom-up revolution that we should not ignore. Those are things that people want. They have completely changed how people lead their lives.

People now go out to restaurants together and sit there with their iPods or smartphones not talking to each other. I am not sure that that is a great development for human relationships, but it shows that the technology has been transformative for people's lives. They have much more instant information and much more ability to communicate to set out their views. It is not just what the BBC tells us; it is what we push back through social media these days, which some of us welcome. So we have a new model, and there is a danger that the Davos elite see it as a threat to their control over everybody. They are getting out of touch with what the public want. We should broadly welcome the technological revolution. I understand that a lot of our constituents like its services and products. We need to learn to live with it and co-operate with it in a sensible way.

As we come out of the EU, there are huge opportunities for us. Contrary to the misleading comments that some people have made, I have always taken the view that we can be better off as we leave the EU, not worse off. I have never understood why people are so negative about it all. I will simply end with a few obvious points about how we can be better off in certain areas. We can have a much bigger fishing industry. I hope it will be a prime task this year to create the conditions for that. We certainly do not want to keep on sacrificing our fish to over-exploitation by continental trawlers. We want to land more of our own fish while having a good conservation policy for stocks as a total, and that should then lead to onshore activities for fish processing and food manufacturers based on the excellent fish stock that we have available.

There are huge opportunities in farming. A lot of people would like to buy more local produce for all sorts of reasons. We like to support local farms. We are conscious of wanting to cut down food miles. We often like the flavours and benefits of locally produced food. We can do more of that, and there are ways in which, as we come out of the common agricultural policy, we could aim to get back to the levels of self-sufficiency in food that we enjoyed before our period in the common agricultural policy lowered it quite considerably.

We should also concentrate on our defence industries. We are making a commitment to spend more each year on defence so that we are more secure, but we are not truly secure unless we can make all the weapons and defence goods that we need in time of war. We must not be dependent on other people's technology that we cannot access independently, or on imports over perilous sea lanes in times of conflict. We need to be able to scale up, and I urge all those involved in defence to see a big opportunity for us to make more of our own defence equipment. We should certainly make sure that we have control so that if the need ever arose, which I hope it does not, we would be able to scale up quickly without major issues.

I have gone on for rather a long time and I know that colleagues wish to debate these matters, so I will leave my other ideas for another time, but my conclusions are that we should not underestimate the damage that high tax rates do; that we should not underestimate the ability to generate more revenue, if we are brave on tax rates, by getting them down; and that we should pay particular attention to the big ticket items—homes and cars—that have been damaged by a variety of negative forces in recent years. I say a big thank you for the change in fiscal strategy. I hope that the Bank of England will join the party in wanting to promote growth as well, because that would make a considerable difference. It has been going in the wrong direction for some time, unfortunately. Let us make sure that all the obvious opportunities from Brexit, particularly in sectors that have been under strong EU control, are grasped warmly because they would give us some early wins.

Mr Philip Hollobone (in the Chair): The debate will last until 11 o'clock, and I am obliged to call the Front-Bench speakers at no later than 10.27. The guideline limits are 10 minutes for the Scottish National party, 10 minutes for Her Majesty's Opposition and 10 minutes for the Minister. Sir John Redwood has two or three minutes to sum up the debate at the end, but until 10.27 we are in Back-Bench time. Three Members wish to speak. I will not impose a limit, but the guideline is about seven minutes each so that everyone gets to speak.

10.5 am

Jim Shannon (Strangford) (DUP): I congratulate the right hon. Member for Wokingham (John Redwood) on securing the debate. It is always good to speak in Westminster Hall and it is good to be back at the start of a new season, so to speak.

We have all heard and been a part of predictions about the growth of this country in a post-Brexit world, and we are quickly approaching the date at which things stop being theory and become a reality. Back in November '17, the Government announced their investment for growth strategy. To be fair, Government strategy on the economy has been strong and positive and has brought results, as we must acknowledge, but the press release stated:

"With the aim of making the UK the world's most innovative nation by 2030, the government has committed to investing a further £725 million over the next 3 years in the Industrial Strategy Challenge Fund (ISCF) to respond to some of the greatest global challenges and the opportunities faced by the UK"—

the United Kingdom of Great Britain and Northern Ireland. It goes on:

"This will include £170 million to transform our construction sector and help create affordable places to live and work that are safer, healthier and use less energy, and up to £210 million to improve early diagnosis of illnesses and develop precision medicine for patients across the UK."

In my constituency the construction sector is important to providing jobs and some of the money needed to boost the economy. We are now two years into the Government's strategy, which is an interesting stage to look at growth over the past two years and to acknowledge it. In the interests of fairness, I must say that there were always impediments to high levels of growth—they

[Jim Shannon]

stemmed from indecision and the near collapse of faith in our ability in this House over the past two years. The previous Parliament must collectively acknowledge that the to-ing and fro-ing and almost toxic atmosphere in this place were not conducive to presenting to the world that we were in an ideal place to be invested in and worked with. The House has been a hot place over the past two years, unlike this Hall today, where it is almost Baltic, Mr Hollobone. We might have our meetings outside—it might be warmer. I believe it was warmer when I walked here this morning at seven o'clock.

Conservative policy has been positive. It has reduced unemployment and created jobs—definitely in Northern Ireland. I am very pleased to know that we are back in business in the Northern Ireland Assembly and that the Department of Enterprise, Trade and Industry will have that task again. Our levels of employment are similar to those in the south-east of England, which is very positive.

Such a long period of stagnation is unprecedented for the working poor, whose average real weekly earnings are no higher than they were before 2008 and 2009. We saw a large rise in food bank use as well, which has been very apparent in my constituency, where unemployment is much lower than it was when I first came to this House. But the policy has worked. In 2019 wage growth picked up and inflation came down. As a result, real average wages are growing at a healthier rate again, and we must welcome and encourage that.

However, when people do not have the money to spend locally, the local businesses know it and feel it. This is not for debate now, but there is pressure on the high street and in rural country towns such as Newtownards, which is central to my constituency, where we have seen shop vacancies come up that were not there three or four years ago. I have spoken to the Minister, who came over last year, and we have some ideas about how to go forward.

Where do we go from here? I know that the Minister will agree with the five foundations of economic growth, and will endorse, support and encourage them. The first is ideas—research, development and innovation, which are critical to a manufacturing strategy and a strategy for growth across the United Kingdom. Partnerships that enable the growth of research and development include the medical innovations of Queen's University, with new drugs that can address diseases such as diabetes, cancer and strokes.

The second foundation is people—that is, skills and education. We cannot innovate without training people to a sufficient level of skill. The third is infrastructure. Not one week goes by in this House in which do we not ask a question about broadband, which is almost the key to all other potential jobs. In my constituency, small and medium-sized businesses and people who work from home need access to broadband. Infrastructure also includes energy and transport.

The fourth foundation is the business environment, and support for specific sectors and SMEs. The fifth foundation is places, and local industrial strategies. In Northern Ireland, councils now have more responsibility for creating some jobs, and we want to ensure that they can continue to do that.

As the old adage goes, we have to spend money to make money. We need to regard the new Parliament as a time to invest in our industries, and to show the world that the turmoil is over and that the time to invest is now. Northern Ireland is known globally as a capital of cyber-security, with many international firms basing their teams there due to our competitive rates, good connectivity and, importantly, staffing pool of highly trained young people and admin staff. That is down to a specific strategy and policy. We have marketed ourselves well in that industry.

We have so much more to offer, as does the United Kingdom of Great Britain and Northern Ireland as a whole. Although the foundations are ideas, people, infrastructure, business environment and places, we must ensure that our cornerstone is the absolute assurance that this country is on the rise once more. I always say that we are better together, with all four regions working as one. Confidence will come across to the world only when we have it in ourselves and in our abilities. That must start here and now with investment, and sizeable investment at that.

10.12 am

Amanda Solloway (Derby North) (Con): I congratulate my right hon. Friend the Member for Wokingham (John Redwood) on introducing this important debate. May I add that it is absolutely freezing in here, and I am very cold?

One of the most important duties of any caring Government is to grow the economy. The question of how a Government should tend to and nurture the economy has been tackled by politicians of all stripes and colours, and answered in many ways, arguably to varying degrees of success. Fundamentally, people's lives—whether they can support their families, get on the housing ladder, or enjoy some of the nicer things in life—rest largely on the Government's safe stewardship of the economy. Governments have a responsibility to protect and promote the livelihoods of their citizens.

We should all be really proud of the Government's record on growth. Since the crash of 2008-09, when the economy collapsed by 4.2%, the Government have managed to grow the economy every single year. That said, we cannot rest on our laurels. There is a lot more that we need to do. Libraries could be filled with writings on the north-south divide. In 2012, *The Economist* said, rightly or wrongly, that the divide was so broad that the north and the south were starting to resemble different countries. Growth continues to be stronger in the south. London recorded a 1.1% annual rise in output per person to £54,700 in 2018, increasing the per capita gap with the poorest region, the north-east, where growth was only 0.4% to £23,600 per head, according to data from the Office for National Statistics.

Less well documented, however, is the increasing gap between the east and the west. Across the midlands and the north, the growth of the west has been twice as fast as that of the east since the 2008 financial crisis. Do not get me wrong: London and the south, as well as cities such as Manchester, are assets to the country and we should be really proud of them. However, regardless of where we live in these isles, we should all share the fruits of economic growth.

To address the problem, we must not bring those places down, but bring areas such as the east midlands up with them. The Government are not blind to the problem: the midlands engine for growth, which we must ensure happens, and the northern powerhouse show that the Government are listening, and are determined to address the issue. The 2020s offer a unique opportunity to rethink how we can foster growth in our regions.

I could list a range of issues that we could talk about, including investing in transport, investing in our high streets, which I know we are doing, and supporting leadership in SMEs, which I am incredibly passionate about. However, I am conscious of time, and I know that my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) would like to speak, so I will limit myself to one topic: free ports.

As I am sure we all know, free ports are areas that are exempt from normal customs and procedural rules that are enforced by the Government. They aim to encourage businesses to locate and grow there, bringing growth, jobs and investment to local communities. I am glad that the Prime Minister will introduce free ports as we start our new relationships with trading partners across the globe. I would love one to be introduced in the east midlands, which already has the key ingredients to justify one: a wealth of manufacturing, the means to store goods, and the access to reach international markets easily, building on East Midlands airport's cargo capability.

Proposals are being explored for a free port that might incorporate both East Midlands airport and the neighbouring East Midlands Gateway, plus the site of the Ratcliffe-on-Soar power station, just down the road from where I live, which will be decommissioned by 2025. A free port would position the east midlands as a viable and exciting proposition for businesses that need to import components for assembly before exporting assembled goods to overseas markets, while not being subject to excessive tariffs.

John Redwood: My hon. Friend might like to think about adding an enterprise zone to the free port. Obviously the free port allows people to import and export, but the enterprise zone allows people to sell to the domestic market as well.

Amanda Solloway: I thank my right hon. Friend. That is an excellent idea, which I will certainly look into.

Of course, as the MP for Derby North, I would call for an east midlands free port. However, I believe that they have the potential to unlock and boost all corners of our country, and will go far to reduce some of the current imbalances. It is important that regardless of where people live they are able to go as far as their abilities can take them. I believe that the Government's free port plans will go a long way to achieving that.

10.17 am

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to speak in the debate; I congratulate my right hon. Friend the Member for Wokingham (John Redwood) on introducing it.

I will start with a modern-day parable from a book called "The 7 Habits of Highly Effective People". A man is walking through a wood and comes across a lumberjack who is trying to saw down a tree and not

getting very far. He walks up to the lumberjack, taps him on the shoulder and says, "Excuse me. Your saw is blunt. You'd be better off stopping and sharpening it." The lumberjack says, "No, no—don't bother me. I'm sawing down the tree." He tries again: "Excuse me. Just sharpen your saw and you'll cut that tree down much more quickly." The lumberjack says, "I haven't got time to sharpen the saw."

That parable has stood me in good stead in my business. I draw the House's attention to my entry in the Register of Members' Financial Interests, as I am still in business today. The most expensive and the most vital resource of any business is the people who work in it. It is important always to ensure that they are not working with worn-out tools, and that they are effective and as productive as possible.

The key to the UK growth strategy has to be productivity. I do not disagree with my right hon. Friend: it is a simple issue to solve. However, it will require significant investment, both from the public sector and, crucially, from the private sector. Public sector investment alone will simply not do it.

The reality is that across the north and the midlands we have been working with worn-out tools for too long. According to Andy Haldane, the chief economist at the Bank of England, of the six factors that drive prosperity and productivity the No. 1 factor is connectivity. Large swathes of the country, particularly the north and the midlands, but virtually all regions outside London and the south-east, are very poorly connected. That is because we have underspent in those areas for too long. I know that our excellent Minister will say that the Government are now investing equal amounts in the north as in other parts of the country. That is true to some extent, in terms of central investment. However, other regions, particularly London and the south-east, are very good at aggregating different forms of investment, including private sector and local authority spending. If we add all that up, for every £1 that is spent on infrastructure per capita in the north, about £3 is spent in London and the south-east. That is why those regions are phenomenally productive and therefore phenomenally prosperous. When I talk about more public sector investment, it is not about a grievance that we in the north or the midlands have not had our fair share; it is about sound economics.

I will quote a few leading economists, beginning with Lord O'Neill, a former cities Minister who was also the chief economist at Goldman Sachs at one point. He was an ardent Remainer, but said that being in or out of the EU was

"not the most important thing";

the most important thing was

"our productivity performance and our geographic inequality".

Andy Haldane highlighted in a recent speech exactly the same figures as my hon. Friend the Member for Derby North (Amanda Solloway): the gap in average incomes between the richest and poorest regions is now larger than it has been at any time since the early 20th century. Amazingly, as my hon. Friend said, the prosperity gap in average incomes between the richest and poorest regions is about 2.5 times, and that figure is almost identical to the gross value added per person, which is the productivity measure. If we drive productivity, we drive prosperity around the country. That would not only help UK plc's tax receipts, which pay for all our

[Kevin Hollinrake]

public services, but would level up throughout the UK. I love the phrase “level up”; it is what we should have been doing for decades. The fact that we have not been investing right across the country is not a failure of this Government, but a failure of Governments of all persuasions over decades.

However, the economist David Smith recently made a very interesting point in *The Sunday Times* regarding the Government’s grand plans to invest more across the country. In his words,

“public investment works only when it operates in harmony with private investment.”

That mirrors an article written by Mark Littlewood of the Institute of Economic Affairs. Members will be aware of some of his articles; he is not really a big spender, and when he was discussing the Government’s planned investment in infrastructure around the UK, he was quite scathing. He asked why, if this is such a wonderful idea and it is going to produce such a good return, MPs do not invest their pensions in it. One of the examples he gives of why this might not be the right thing to do, which I disagree with, is Doncaster. He writes that Doncaster is one of the best connected towns in the country, yet it is not very prosperous, so connectivity alone will not do the job. Public sector investment alone will not do the job.

However, I totally support what I think the Government are planning, which is to invest about £100 billion to £120 billion in the economy over the next few decades. I very much hope that they will support Transport for the North’s £120 billion 30-year plan to deliver projects such as Northern Powerhouse Rail, all the way from the east coast to the west coast, as well as lots of smaller projects such as the dualling of the A64 in my constituency, which are equally vital.

We need to incentivise private sector investment; this cannot just be about taxpayers’ money. If we look at what was done in eastern Germany during the reunification of that country, a huge amount of public sector money was put into East Germany, but the German Government also created incentives for businesses to relocate or start up in eastern Germany. It was a very simple measure, but over time, it was phenomenally successful. I absolutely agree with my hon. Friend the Member for Derby North about free ports and enterprise zones, and tax incentives for businesses to move to those regions.

My right hon. Friend the Member for Wokingham said rightly that the number of businesses set up per capita in London is way higher than in the north. I would like to see a SME revolution across the north; many more small businesses need to be set up, and the No. 1 factor in businesses setting up is access to finance. A troubling story in *The Times* today stated that the reduction in lending to SMEs in the north is five times greater than in London. That trend is going the wrong way at the moment, and we need to make sure that SMEs right across the country have access to finance.

As many hon. Members know, I am very concerned about the concentration of business lending among four big banks in the UK. That is completely the opposite of what has happened in places such as Germany, where there are 1,500 mutual banks across the SME sector. We should certainly consider encouraging regional

mutual banks, in order to make sure that SMEs have access to capital, and should also consider whether public sector procurement should favour more local SMEs. Preston City Council has done an excellent exercise, spending more money with SMEs and less with some larger companies, because that council knows that SMEs spend much more of their money in the local community. It is a virtuous circle.

We should also decentralise agencies’ jobs and spread some of those public sector jobs around the country. I do not know whether the House of Lords will come to York—I think probably not—but decentralising jobs away from our wonderful capital and right across the country has to be the right thing to do. Finally, we should devolve powers and money so that we can get excellent local mayors, such as Ben Houchen in the Tees Valley. We want more people like him, including a York city region mayor and a Leeds city region mayor, so that we can devolve powers and money back to people who really understand the local communities and are willing to undertake a revolution in how we structure our economy, making sure that we get not only more public sector investment, but more private sector investment.

10.26 am

Peter Grant (Glenrothes) (SNP): I am pleased to begin the summing up in this debate, Mr Hollobone. I do not think my voice will last longer than 10 minutes, so there should be no concerns on that account.

I congratulate the right hon. Member for Wokingham (John Redwood) on having secured this debate, and the three Members who have already spoken—the hon. Members for Strangford (Jim Shannon), for Derby North (Amanda Solloway), and for Thirsk and Malton (Kevin Hollinrake). Maybe unsurprisingly, given the constituencies those Members represent, a lot of the focus in this debate has been on the serious imbalance in the economy of the United Kingdom, and indeed the economy of England, between London and the rest. I am interested to hear what the Minister has to say about finally addressing that issue, because if we look at England in isolation—I am sorry to say that isolation is where England is headed right now—the disconnect between the biggest city and the tens of millions who live in other parts of the country is quite stark. It is something that we do not see in successful economies across the rest of Europe, and it will hold back the wider economic potential of this nation.

I particularly congratulate the hon. Member for Derby North on her return to the House of Commons. I always thought ping-pong was what happened between the House of Lords and the House of Commons, but apparently Derby North has a game of ping-pong between the Conservative party and the Labour party. I do not know how long she will be able to stay this time, but I know that she will relish the challenge of staying a bit longer. I cannot, in all honesty, say that I wish her well in that, but I hope she will not take that too personally.

Interestingly, although we have heard a lot of ideas about how to improve economic growth, we have not stopped to think about what economic growth is, what it is for, and particularly who it is for. One of the reasons why I do not get too obsessed with fractions of a percentage up or down in economic growth is that it

can mean a lot of different things depending on how we measure it, and it is quite possible to look as if we have strong economic growth when an awful lot of people are being left behind. Some 20 million or 30 million people in the United States of America live in poverty, so looking at the apparent success of the American economy tells us that growth in itself is not enough. If people get left behind—if we do not have inclusive growth—then our economic growth is not really delivering.

I am very pleased that, with the limited powers they have just now, the Scottish Government have prioritised inclusive growth in a lot of ways that do not immediately look as if they are about economic growth. An example is their success in getting more young people from deprived areas into university. Some 16.5% of first-time entrants into universities in Scotland come from the 20% most-deprived areas, which means that we are close to a position where young people growing up in those areas have just as much chance of going to a top-class university as people from other parts of Scotland. That is massive, especially as education is one of the best ways to improve a person's life chances.

More importantly, even though university might not be the best thing for a lot of young people, they are the first people in their families to believe that university is for them. The attitude, "A university education isn't for the likes of me because I'm from the wrong background", is beginning to be dismantled. It is impossible to estimate the difference that that could make through time.

The First Minister has also supported improving the educational achievement, and therefore the life chances, of young people who have been in the care of local authorities at some point or who have come from families with severe problems. When I was a council leader, I looked at the stark difference in the educational attainment of those young people compared with others of a similar age. Their life chances were being affected almost before their lives had started.

Nicola Sturgeon's commitment means that those young people now believe that they have every bit as much right to get into university, get a good job, start their own business and prosper in the world as anybody else. That is a major contributor to economic growth. Even if it does not add any percentage points to GDP growth, surely it is right to make sure that if we live in a prosperous society, and we want to call that society civilised, we measure its success not by how many millionaires there are but by how well the people at the lower end of the income scale are faring. There is a marked divergence in that area between the priorities of the Government in this Parliament and those of my Government in my national Parliament in Scotland.

I mentioned a number of features of inclusive economic growth in my contribution to the Queen's Speech debate last night, which I will not repeat. In particular, I spoke about the marked contrast between the Scottish Government's investment into my part of Fife to regenerate the local economy, and the UK Government's lack of attention. For as long as we remain part of the United Kingdom, I will continue to call on the UK Government to step up to the plate and honour their responsibility in that regard.

We talk a lot about the exceptional economic strength of London and the south-east of England, although, as I have said, the imbalance between that and the other English regions will become a major problem, if it is not

already. In terms of fundamental economic performance, however, if Scotland were a region of England, it would be the second or third best performing region of England on every economic indicator. Whether in the growth of inward investment, the growth of our exports or the growth of our economy generally, Scotland has a fundamentally strong economy. There is absolutely no doubt about that.

The single biggest threat to our economy is Brexit. Every analysis shows that, after Brexit, our economy will grow less than if we had stayed in the European Union. The Government's response to the fact that all their analyses showed that Brexit was an economically bad idea was not to stop Brexit but to stop publishing the results of the economic analyses, because they were too embarrassing.

Today's debate has been very interesting, but the definition of economic success that I have heard, and the direction that the proposals from down here for economic success would take people in, are not what people from my country want to take, so that will result in a significant divergence. I say to hon. Members who represent constituencies in what they call the north of England—although I am not sure Derby and Yorkshire are particularly far north—that one of the best things that could happen for the economy there would be to have our very own northern powerhouse in Scotland. I can see that coming in the not-too-distant future.

10.34 am

Anneliese Dodds (Oxford East) (Lab/Co-op): It has been a pleasure to listen to this interesting debate. I was encouraged by some of the comments of the right hon. Member for Wokingham (John Redwood), whose position is perhaps more similar to that of the Labour party than he might be delighted to hear, but I disagreed with his conclusions in some areas.

When preparing for the debate, I anticipated that the right hon. Member's take would follow his comments before Christmas, when he welcomed what he described as the "turning around" of the mood in relation to the economy by the Prime Minister, which will

"take some cash...and now is the time to spend a bit of that...That will show that the country has made wise decisions up to this point, and that Brexit will not be damaging to our economy".—[*Official Report*, 19 December 2019; Vol. 669, c. 65.]

Of course, that is a bit of a change from some of the advice that we have heard he gave to investors not to continue to invest in the UK.

John Redwood: I wish that those completely untrue statements were not constantly repeated. I have never said anything negative about our prospects because of Brexit—never, never. I have always been positive about Brexit.

Anneliese Dodds: I am sure that anybody listening to the debate will be delighted to look back at the article in the *Financial Times*. I hope that they will agree with the right hon. Gentlemen's statement; some commentators have disagreed.

John Redwood: It does not mention Brexit. Brexit is not in the article.

Anneliese Dodds: I believe it was about the factors of uncertainty, which is a point that I will come back to, because they very much bear on the debate.

I welcome, however, the recognition that it is necessary to return some public spending to its previous levels. It is not correct to state that public spending was maintained in real terms. When we compare it with the size of the economy, there was an increase, but that is because our economy was not recovering at the rate that we would have expected, particularly in relation to other similar-sized economies—another point that I will come back to. Surely, however, we should not view public spending only in relation to economic growth, or as a way to promote economic growth, although that is an interesting move towards a Keynesian approach, which I cheekily welcome.

The choke-off in spending in many areas has had a number of unintended consequences that have been economically damaging and financially expensive. Paul Johnson from the Institute for Fiscal Studies has described the cuts in the number of police officers as

“Boom, bust, boom...Not a terribly efficient way to manage things”.

It is obvious that it is pretty expensive to take more police officers on to the books again after a number of them have been relieved of their duties.

Similarly, in many other areas, austerity has led to a significant increase in the demand and need for other forms of public services. The cuts to Sure Start and other early intervention and support services have been linked to the steady rise in the number of looked-after children. It is incredibly expensive to look after those children, as well as the fact that that has a terrible impact on their future lives in many cases. The lack of access to primary and other forms of healthcare has been linked to an increased demand for A&E services. The lack of action on air pollution has been linked to increased demand for asthma-related healthcare. Austerity has been self-defeating on its own terms. It is good that we have seen the light now, but it is rather late.

We also need to acknowledge that the Government have removed themselves from some areas of activity. A case has been taken up by criminal justice campaigners, who state that in the UK, rape has “effectively been decriminalised” because only 1.4% of reports of rape are prosecuted in the UK. That has been linked to a lack of resources; it has been stated that the state has a different scope in our country since austerity.

Arguably, all those cuts to public spending have had a significant impact on growth. I enjoyed the comments of the hon. Member for Derby North (Amanda Solloway) about growth. She is right that the economy has been growing every year, but surely that is a rather low bar. Traditionally, since the 1950s, the UK economy has grown on average by about 2.45% a year, but we have been well below that in recent years. If we look across the time from 2008, we have had the slowest recovery from an economic depression since the 1930s. Very recently, we have had more rapid growth than some of those comparable economies, but across the time, particularly in the first few years after the financial crisis when there was that change in Government, we had slower growth than the trend in comparable nations.

Kevin Hollinrake: The hon. Lady makes a fair point, but she must understand the starting position. The great financial crash was much more severe in the UK in relative terms than in any other developed country.

Anneliese Dodds: It was more severe, for reasons that I will come back to later that relate to some of the hon. Member’s work on the balance of investment in our economy and the impact that the slowdown had particularly on our property industry, which is such a significant part of our economy and which led to that particularly severe impact. We should not forget about that.

The very slow recovery has also been in evidence when it comes to living standards. Real wages are still not, on average, at the levels they were back in 2008. That is another significant difference between the UK and many comparable nations and one that we should not forget.

I welcome some of the discussion that we have had on productivity, which underlies some of the brakes on the growth rates that we would have liked to have seen in recent years. On the drivers of our productivity issues, other nations that are highly dependent on oil revenue, for example, have not necessarily seen the same kind of slowdown in productivity growth. Norway, for example, has much lower working hours than the UK and some people have linked issues of work-life balance to productivity as well—but that is just an aside.

It is critical that we look at the points about skills that the hon. Members for Strangford (Jim Shannon) and for Glenrothes (Peter Grant) rightly made. We have seen significant change to further education in recent years; major cuts have been made to colleges and sixth forms. I welcome the fact that the Government seem to be changing tack in that regard; it is absolutely critical that they do so, because when I talk to firms, the biggest issue they tend to mention is the lack of a skilled workforce, so we really need to focus on that.

We also need to talk about investment, as the hon. Member for Thirsk and Malton (Kevin Hollinrake) rightly mentioned—both public and private investment. We have seen some negative developments in that regard, particularly in areas that are critical to future growth. Clean energy investments have plummeted since 2015. In 2018, annual clean energy investment was at its lowest level since 2008. There are a range of factors, but I would include the regulatory uncertainty in the sector. We have seen some big changes over time, and we need certainty.

We need to have an appropriate environment for small businesses and to encourage entrepreneurship; I agree with some of what the right hon. Member for Wokingham said about threshold effects. We need to learn from other countries. It is possible to calibrate the tax system far more closely to profits and to not have big cut-offs, such as those we have, for example, in relation to VAT. I would encourage Her Majesty’s Revenue and Customs to look at that as the tax collection authority—if it has the resource to do so, which is a significant issue.

On IR35, the elephant in the room is that our unemployment regulations are not calibrated with tax regulations; definitions are not the same in the two systems. I have not seen the kind of grasp of that issue that I had hoped for from the Government. IR35 and

other measures are trying to plaster over some of the issues caused by the lack of consistency in definitions, but we need a longer term approach from Government.

The right hon. Member for Wokingham spoke in some detail about tax cuts. On corporation tax, some of the changes we have seen in the US have resulted from funds being moved out of tax havens—let us call a spade a spade here—but they have also resulted from much more aggressive pursuance of corporation tax equivalents by the US authorities. When it comes to the UK case—this seems to be a debate that we have just about every day in this House; I suspect that it is getting slightly boring for people reading *Hansard*—the evidence indicates, and commentators have said time and again, that the reduced rate of corporation tax has not led to increased growth in investment in the UK and that it has coincided with a reduction in the growth of investment and, above all, with a significant reduction in revenue, which has a knock-on impact on the possibility of boosting skills and so forth, and other drivers of productivity.

I think the UK population is very aware of that situation. The recent British Social Attitudes survey indicated that 60% of people want to see taxes boosted, if that could lead to more sustainable public finances and spending. Only 4% of people want to see them fall.

On the issue of free ports, which was mentioned by the hon. Member for Derby North, we need to tread with care and look at the research and the international evidence, much of which indicates that those kinds of structures can be very good at moving economic activity around but they are not always as good at promoting new economic activity—it tends to be the factor endowment in different areas that will promote development sustainably, the level of skills in the workforce and the level of investment in plant and so on. I very much enjoyed the hon. Member's speech, particularly her focus on regional disparities; the hon. Member for Thirsk and Malton also concentrated on that. We need to go much further. It is a shame that we have not seen a commitment from the Government to shift economic activity that is under their control to other areas. Labour said during the election that we would like to see part of the Bank of England being moved up to Birmingham. I hope that we might see some more bold measures coming from the UK Government in that regard.

In relation to the claims that tax cuts will necessarily promote investment in economic activity, when it comes to the drivers of entrepreneurship among less well-off people, it is actually regulatory measures that can really make the difference—for example, minimum wages and rights at work.

Finally, on the comments by the right hon. Member for Wokingham about the drivers of risks in the world economy and the activities of the Bank, I was surprised that he did not make any mention of the impact of tariffs and so on in China and the US on the automotive industry. Most commentators would say that they played a significant part, and they would also talk about the fact that the wiggle room for policy activity by the Bank is of course reduced by the very low interest rates that we have. That is a significant issue for the UK, where we have that rather unbalanced situation with so much economic activity tied up in property.

10.47 am

The Financial Secretary to the Treasury (Jesse Norman):

It is a delight to be able to speak for the Government in this first Westminster Hall debate of the new decade, as well as of the new parliamentary term. I congratulate my right hon. Friend the Member for Wokingham (John Redwood) for initiating this debate and for his very wide-ranging and thoughtful speech. I am sure he will be as pleased as I am and as I know Members across the House will be that today's economic news reinforces a picture of an economy that is growing. The International Monetary Fund predicts that the UK is about to grow faster over the next few years than its major rivals in the eurozone and many of the G7—Germany, France, Italy and also Japan. PwC's chief executive survey now rates UK attractiveness highly once again—I think we are the fourth most attractive global destination for location for businesses. That is very far from the narrative of isolation that we are hearing from the SNP and indicates the continuing international connectivity and scope for investment in our economy.

As my hon. Friend the Member for Derby North (Amanda Solloway) pointed out—I rejoice to see her back in this House—we are in the extraordinary position of having had 10 years of continuous annual economic growth. That is a remarkable achievement, and I am sure she will be as pleased as I am to see that the latest information is that the jobs market is strengthening, even from its already very strong current position. That economic growth is an amazing fact. If someone had said in the lee of the 2008 financial crisis that, beginning with the Conservative Government of 2010, there would be a full decade of uninterrupted annual economic growth, I do not think there is a person in this country, let alone this Chamber, who would not have bitten their arm off. That is something that we should all delight in, but that we should acknowledge has limitations that we need to try to overcome.

One of the things that was most interesting about my right hon. Friend's speech was the way in which he highlighted the change in economic policy. He focused on the fiscal change and on the transition from the Budget restraint of the last two Governments to the more expansionary fiscal policy that this Government have indicated in the spending round and that we may see in the Budget. I would suggest there is something slightly deeper going on. There is a change in the Government's conception of economic policy. We are not thinking of economic policy in what might be called a more purely general equilibrium way, by which investment flows automatically to investable propositions and finds returns. We are determined as a Government to build more energy into that and to adopt a focus that is more specifically targeted on regional needs and identities, and it is that sense of economic policy that marks a distinct intellectual step forward. If anyone is interested, I tried to explain this in a piece in the *Financial Times* yesterday that highlights this transition.

I will say a bit about the interesting speeches that were made by my right hon. Friend and other Members. He is right to say that lower taxes can be part of a fiscally expansionary policy. He possibly ignores some of the differences between ourselves and the USA. Obviously, the US had a massive fiscal boost, which is something it could do partly because of the dollar's

[Jesse Norman]

extreme strength as the global reserve currency. Of course, that was accompanied by a significant—in this country, it would be politically contentious—deregulation in energy. There are important differences between the US economy and our own.

My right hon. Friend mentioned the constraints under which the motor industry operates, but he did not mention dieselgate, which was an absolutely disastrous blow to the credibility of the global diesel manufacturers. Nor did he mention the fact that current diesels are still very heavy emitters—even Euro 6, compared with current environmental standards. The Government have frozen fuel duty and grown VED only in real terms. It is about trying to strike a balance between a shift towards a greener economy, particularly a green transport economy—at a time when we have not quite got to the point in the S-curve where the supply of electric vehicles is coming through at enough scale to warrant people using them—while moderating and mitigating the impact on households.

My right hon. Friend and the hon. Member for Oxford East (Anneliese Dodds) touched on what he described as the top-down imposition of IR35 rules. As he knows, IR35 rules have not changed. All that has changed is the way IR35 is being assessed, and we have called for a review in order to ensure that its implementation can be as smooth as possible. He touched on the issue of public sector productivity—again, rightly—and there might well be scope for using things such as telemedicine to improve the productivity of the public sector, but an intrinsic difficulty is one of the economic laws that we bump up against: Baumol's cost disease. The cost of services relative to manufacturing continues to escalate, and it is not possible in the public sector to have industrial-type improvements in productivity. We do not want teachers to have too many pupils in the class, and we do not want nurses to have too many people to examine and support, so productivity is intrinsically more limited. The Government must therefore be cleverer about how we use technology, which is the purpose of the new GovTech fund that we have announced.

I will pick up on some of the other themes of the debate before turning to another point. I agree with the comments made by the hon. Member for East Londonderry (Mr Campbell) about the importance of spreading wage growth across the UK, which was a point also made by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) in his very thoughtful speech. I also share the view of the hon. Member for Glenrothes (Peter Grant) that it is a mistake to see property as a speculative asset, and there is no doubt that the crash of 2008 was caused by a massive over-leveraging in the banking sector. As he will recall—Labour does not like it when I point this out—UK bank borrowing across the sector as a whole was 20 times equity for 40 years, encompassing 1960, 1970, 1980 and 1990. In 2000 it started to go up, and by 2017 it was 50 times equity. That was what fuelled the enormous speculative boom.

Peter Grant: Will the Minister give way?

Jesse Norman: I will not, because I am very short of time.

I share the concern expressed by the hon. Member for Strangford (Jim Shannon) about the toxic atmosphere in SW1.

I will mention another issue that is more specific and personal to me, and I hope colleagues will indulge me. In my constituency in Herefordshire, we have been trying to create a new model of higher education through what we call a new model institute in technology and engineering. It has attracted a great deal of attention across Government because it creates the possibility of significant regional economic growth that is closely tied to the creation of university campuses in cathedral cities such as Canterbury, York and Lincoln. I flag it now because, from a national perspective, it represents a portable model by which higher education of the most value-added kind, and that therefore has benefits for entrepreneurship and business formation, can be moved to all parts of the country, having been tested and developed in Herefordshire. One would think that this was something that Government at all levels would support. Her Majesty's Government, in the form of the Department for Education, the Department for Business, Energy and Industrial Strategy, and the Ministry for Housing, Communities and Local Government, have been extremely supportive of it.

One might also think that the local enterprise partnership, the Marches LEP, would support it. I am sorry to tell colleagues that the Marches LEP—I say this having had at least a year of wrestling with it on this topic—has been absolutely diabolical in the way it has treated this very innovative project. It has received £23 million from Government and all the support one could imagine. It has received private sector investment, and investment from matched funds. The LEP, which by charter is supposed to support economic growth in the Marches, has done nothing but prevaricate and delay. Even now, it is seeking to impose a £5 million indemnity on Government investment, although the Government made it clear in letters from the Secretary of State and from senior civil servants as early as January 2019 that no such indemnity was required. The specific people involved—the then chairman of the LEP, Graham Wynn, and the chief executive, Gill Hamer—should be subjected to significant criticism in the House. I put it on record that this important opportunity for a portable model of regional growth in higher education, which was developed through a pioneering model of tech and engineering at university and which offers possibilities and creativity, has been ignored and is being actively undermined.

Having said that, let me congratulate my right hon. Friend the Member for Wokingham again on introducing this very wide-ranging and important debate, which has examined not merely specific policy change but the very basis of economics itself. I thank him for securing the debate.

10.57 am

John Redwood: It is a great pity that Labour Members have yet again chosen to completely misrepresent my article in the *Financial Times*. Had they read the article, they would have seen that it did not mention the word “Brexit”, because it was not about Brexit. At the time I was writing that article, as today, I said consistently that Brexit offers lots of opportunities that can make us better off, if my right hon. Friends in the Government do the right things, as I hope they will.

One thing they could do is take VAT off green products. We have taken green policy to extremes today by turning all the heating off in the building, and I wish they had warned us that we needed to bring our grey coats in order to be true greens. There are many green things we can do. Taking VAT off products such as draught insulation, boiler controls, wind farm parts and so forth would be a good idea, and we can do that as we leave the EU. I recommend that strongly to the Minister.

I recommend to my hon. Friend the Member for Derby North (Amanda Solloway) that an enterprise zone allied to a freeport would give it extra impetus, because there would be an easing of tax rules, business rates, planning regulations and so forth, which would stimulate far more enterprise at the same time as encouraging the import-export trade, free of having to pay the tariffs on those things that are re-exported.

The debate on productivity has been useful. I agree with the Minister that we do not want fewer doctors or teachers in relation to the number of patients or pupils. I am very pleased that the Government are recruiting extra, but there are many things that can be done by applying great modern technology to the public sector, particularly to all the administrative functions. We need to promote people into more rewarding jobs and give them much more computer power to do the things they have been doing. That is the way to get a higher-wage economy and to have more enriching and more worthwhile jobs. We want computers to take more of the strain throughout the public sector, as they are doing in many parts of the private sector. We need to make sure that we get an investment drive.

Motion lapsed (Standing Order No. 10(6)).

High Speed 1: Rolling Stock

11 am

Damian Green (Ashford) (Con): I beg to move,

That this House has considered rolling stock on High Speed One.

It is always a great pleasure to serve under your chairmanship, Mr Hollobone. I am pleased to see the Minister in his place. He may feel at times in his life that he spends a disproportionate amount of time dealing with the affairs of Kent, but we are always grateful for his attention. I am happy to assure him, at the start of this short debate, that this is a different kind of rail debate from those he is used to. I imagine—indeed, I know—that most debates in this Chamber about rail services are a cry of rage about unreliability, delays, strikes, and how colleagues' constituents are at the end of their tether. By contrast, this debate is about a hugely successful service, but one that will be choked by that very success and popularity unless Ministers and the industry take decisive action very soon.

Let me start with the good news. These are facts from Southeastern, which operates the line. Since High Speed 1 started under Southeastern in 2009, it has carried more than 100 million passengers. The passenger satisfaction over that period has been higher than 90%, which, as the Minister will be painfully aware, is an extremely good figure compared with some other lines. It has been calculated that it has delivered a £1 billion boost to the Kent tourism economy, and that it indirectly supports up to 72,000 jobs. Clearly, one of the main reasons for that is the speed. It is a high-speed operation, and the journey from my constituency, Ashford, to London is now 38 minutes. It used to be routinely 81 minutes, so that is significant. Other colleagues from Kent in the Chamber will no doubt have similar stories.

The line also has a hugely positive environmental effect. It has been calculated that some 6,000 cars a year are taken off the road because of the high use of the service. If I may be parochial for a second, it has contributed hugely to economic growth. In Ashford, seven major development projects—offices, leisure, shopping and education facilities—either have been built or are being built around the station. There is a direct business benefit to that: because it is only 38 minutes, using the high-speed train, from Ashford to St Pancras International, whereas office rents are 73% lower than in London, many businesses clearly find Ashford an extremely attractive place to do business. Of course, I welcome all that.

My last bit of positivity, if I can keep the Minister cheerful for a few more minutes, is about a study of what has become an increasingly key industry for the whole of Kent—tourism. HS1 Ltd did a tourism impact study a couple of years ago, and the figures are stark and very encouraging. The value of tourism and the visitor economy to Kent grew by more than £1 billion over the past decade, from £2.4 billion to £3.6 billion, supporting the 72,000 jobs I mentioned. To put that in perspective, that is 10% of all the jobs in Kent. It is a really significant industry.

Sustained investment in not just the tourism industry but transport links, of which High Speed 1 is one of the most important, has led to that significant increase. The study determined the perceived impact that HS1 has had on the sector. More than half the respondents in

[*Damian Green*]

the tourism industry in Kent believe that HS1 has had a positive impact on their business. The most obvious reason for that is the speed to reach the destination. Perhaps more subtly, there is also the ability to attract visitors from further afield—it increases Kent's range of attraction.

Gareth Johnson (Dartford) (Con): I congratulate my right hon. Friend on securing this debate. There is no doubt in my mind that HS1 has been good for the county, but does he agree that, before proceeding further with HS2, we need to tackle the challenges of HS1, which has, in many respects, become synonymous with costs and overcrowding?

Damian Green: I am about to come to the issue of overcrowding, as my hon. Friend would expect, as that was my principal reason for securing this debate. He says “before proceeding further with HS2”, but I should say that I am in favour of HS2, partly because I have observed the benefits of HS1 on Kent, and I would not want to deprive other parts of the country of the benefits that high-speed rail services can bring. To some extent, the two debates need to be separated. HS1 has been hugely good for Kent, and I wish that to continue, so I urge the Government to address what will be a looming and imminent problem if they do not. The HS2 debate is rather a different one.

Some 71% of respondents in the tourism industry believe that leisure tourism in Kent has increased as a result of HS1. It has been a particular influencing factor in attracting couples and family groups—young families, those with older children and extended families—and that has contributed to a widening and deepening of the Kent tourism economy. I emphasise tourism because, although HS1 is by and large regarded, reasonably enough, as a commuter network—it clearly is of huge benefit to commuters, because it gives them many hours, days and weeks of their lives back through reduced journey times—it actually has a measurable and direct economic impact beyond that.

Overall, HS1 is one of the success stories of the rail network. It provides travel that is not only fast but more reliable than most lines, as reflected in passenger satisfaction surveys. But that, as I reach the halfway point, is the limit of the positive news that I wish to bring the Minister. Now for the bad news.

The bad news is that the service has become too popular for its own good. Overcrowding is a serious and growing problem throughout the line. The operator, Southeastern, has tried to compensate by changing the number of carriages on the most popular peak-hour services and improving the repairs and maintenance programme so that more of the rolling stock is available at any one time, but that is not enough. Essentially, we need more rolling stock on the line. Passenger numbers have grown by an average of 11.7% every year since 2010, and there is no evidence that that increase in demand will slow down in the future. Indeed, given that major housing developments are planned in not just Ashford but other towns in Kent along the line, we can expect the opposite.

Tracey Crouch (Chatham and Aylesford) (Con): I, too, congratulate my right hon. Friend on securing this important debate. Although I agree with everything he

says about the benefits of HS1 to Kent from an economic perspective, constituents from Snodland and Chatham who pay £5,500 for their annual ticket to use HS1 should at least expect a seat and working toilet on their train into London. Does he agree that, given the growth in house building across the area, communities such as Snodland are being built specifically around the services from HS1?

Damian Green: My hon. Friend is exactly right and she makes a good point about season ticket prices. Obviously, season tickets are slightly more expensive for my constituents and, the further towards the coast, the more expensive they get. As the inability to sit down spreads along the line, the difficulties she rightly pointed out will no doubt get worse for people. The need for extra train services and longer trains is clear.

Adam Holloway (Gravesend) (Con): I entirely agree with my right hon. Friend. The service goes through Gravesend. Why on earth are the people who pay most for their tickets standing up for 23 minutes from Gravesend, or indeed for 38 minutes from Ashford? That is completely wrong, and something needs to be done about it.

Damian Green: My hon. Friend makes a good point.

On current projections, 31 high-speed services a day will be full to capacity by 2025, meaning that those passengers who have paid for expensive season tickets and rightly complain about having to stand every day might not even be able to get on the train. Things as they stand will get worse rather than better and, on top of the 31 inaccessible services, another 25 trains a day will be standing room only. The scale of the problem is becoming clear.

In preparing for this debate, I spoke to the rail industry. Hitachi made the interesting point that the trains on the HS1 line are specifically designed for it and for the Southeastern conventional network. The trains use two different power sources and have three different signalling systems on board, so standard UK network trains cannot be used. How to extend or replace the rolling stock on this particular line is a special issue. Hitachi itself advises planning for a lead time in the order of four years before new train sets could come into service on the line—consider the design time, procurement, testing and approvals for a specialist product. For that timescale to be achieved, clarity on the future of the franchise at the earliest opportunity is vital.

The Minister is of course aware of the history of the franchise, its difficulties and the succession of relatively short-term solutions brought into being to keep the franchise operating. I appreciate the problems that he, the operator and the industry more widely have faced with the franchise—this debate is not the time to discuss those—but I plead for some long-term thinking to be introduced now, instead of our continuing simply to apply short-term patches to franchising or to whatever succeeds it after the review is published. Now is the time, on this specific issue, to impose some long-term thinking and to say, “We need to start planning now”, if we are to avoid something that would be tragic for the rail industry, turning a success into a failure in the future.

Sir Roger Gale (North Thanet) (Con): My right hon. Friend mentioned tourism in his opening remarks. He knows, because I have bored for England on the subject, that I am looking forward to the reopening of Manston as an airport, with the synergy between Manston, Ramsgate and the port of Dover, which is a highly successful cruise-liner port. If we are to attract tourism, it is vital that we have reliable train services with a swift connection to London. In terms of connectivity, does he agree that we must urge the Minister to recognise that we need those trains now and not in 10 years' time?

Damian Green: I completely agree with my right hon. Friend in all but one particular: he never bores for Britain on any subject, so I disagree with him about that, but completely agree with him otherwise.

To conclude, this morning I have two requests of the Minister: first, to acknowledge not just that this is a problem but that it is one that needs to be addressed now—it cannot be kicked into the long grass any longer—and, secondly, to commit to devising a solution that will allow passengers to continue to enjoy the many benefits of high-speed rail. We need decisions very soon to prevent one of the great successes of the rail industry over the past 10 or 20 years from being tarnished by short-term decision making. I urge the Minister to make those commitments this morning, and I am grateful to colleagues who contributed to the debate.

11.15 am

The Minister of State, Department for Transport (Chris Heaton-Harris): It is a pleasure, as always, Mr Hollobone, to serve under the chairmanship of my near neighbour. I hope that you will look kindly on me if I make any errors and inform me later, rather than during the debate.

It is also a pleasure to respond to my right hon. Friend the Member for Ashford (Damian Green). I congratulate him on securing this debate on rolling stock on High Speed 1, and all Members who have contributed by intervening this morning: my hon. Friends the Members for Dartford (Gareth Johnson), for Chatham and Aylesford (Tracey Crouch) and for Gravesham (Adam Holloway), and my right hon. Friend the Member for North Thanet (Sir Roger Gale).

My right hon. Friend the Member for Ashford was right to say that in my time as a Minister I have been interested in the affairs of Kent—or, depending which side of the Medway we are on, Kentish affairs. I appreciate how he has phrased his words today, his tone, and how he has gone about the debate. It was kind of him to do that.

The Southeastern high-speed franchise has cut journey times dramatically for passengers travelling into London from all destinations in Kent. For example, Ashford to London has seen a reduction of 43 minutes, from the bad old days of 81 minutes to a regular journey time of 38 minutes. Over the past decade, more than 100 million passenger journeys have been made on Southeastern's high-speed service. As my right hon. Friend highlighted, the popularity of Southeastern's high-speed service has led to significant growth in passenger numbers, with a compound annual growth rate of more than 11%, more than double that on the rest of the Southeastern network. It is a very successful railway.

My right hon. Friend rightly stated that the national rail passenger survey results from spring 2019 showed that overall satisfaction with the journey for the Southeastern high-speed service was 92% satisfied or good, placing it in the top 10% of all UK train routes; and 82% of passengers were satisfied with the level of crowding on their service, placing it in the top 14% of all UK train routes. In addition, Southeastern's customer satisfaction survey from the end of December 2019 indicated positive overall passenger satisfaction with the high-speed service, which received a score of 91%. If only the other franchises and train operating companies operated with such levels of satisfaction, my job as Rail Minister would be a lot easier.

There was also a 96% positive response to the question, "Did you get a seat on the train?" My right hon. Friend the Member for Ashford is talking not only about what is going on now but about the future, but that is a remarkably good statistic. However, we are not sitting on our laurels in any way.

Southeastern has quite a lot of capacity. In the morning peak, Southeastern provides 9,772 seats into London, with passenger demand that is higher than that, at 10,888. Already, as my hon. Friends the Members for Dartford and for Chatham and Aylesford indicated, people are standing on their journeys—the statistics prove that to us without any shadow of a doubt. In the evening peak, Southeastern provides 9,423 seats out of London, with a passenger demand of 10,354. Overall, capacity of about 13,000 is provided on HS1 services during peak hours.

My right hon. Friend the Member for Ashford talked about rolling stock. Southeastern regularly reviews whether reallocating stock to different trains would be appropriate to ensure that capacity is catered for. For example, last December Southeastern transferred an Ebbsfleet stop from an overcrowded six-car service to a 12-car service with spare capacity to continue to make the best effect of the assets. However, as my right hon. Friend indicated, only the class 395 and Eurostar trains can run on that route, because High Speed 1 trains need to run at 140 mph, with the technical issues and excitements that he detailed, so it is not possible to use trains from other routes on this one.

Regrettably but inevitably on a rail network, delays occur. However, performance on the Southeastern network on the whole has been positive. This year, around 90% of Southeastern services have arrived at their final destination within five minutes of the published timetable. More specifically, about 87% of peak and off-peak HS1 services have arrived within five minutes of their destination time. Those are relatively good statistics for the rail industry.

Eurostar carries about 11 million passengers a year on services between London and Paris, Lille, Brussels, Rotterdam and Amsterdam, with seasonal services to the Alps in the south of France. Some services call at Ebbsfleet International and Ashford International on the HS1 line. At peak times of year, the number of daily Eurostar services operating in and out of London St Pancras via the HS1 line can exceed 55. We know that it is becoming quite a busy railway.

On 13 June last year, a direct award was signed with Southeastern to extend its franchise for five rail periods to 10 November, with an optional extension of another five periods, which has been exercised. The franchise is

[Chris Heaton-Harris]

now due to expire on 1 April 2020, to ensure continuity of services for passengers following the cancellation of the Southeastern franchise competition.

My right hon. Friend alluded to uncertainty about the franchise's future. My Department's objectives for the franchise in the near term include enhancing capacity and continuing to build on the recent improvements in operational performance and reliability. My Department is focused on determining how that can be achieved now that the competition for the franchise has been cancelled. An important consideration for my officials is to align that work with the emerging recommendations of the Williams rail review, due for publication in the next couple of months.

I highlight that because it is quite an important factor to answer one of my right hon. Friend's questions: what could be done to sort out the problem of overcrowding and to bring in new rolling stock? It is highly likely that the Williams review will decide that franchising is not the way forward for our rail industry, and another model will be introduced quite swiftly. Within the new contracts, an ask could be framed on what rolling stock needs to operate along those routes. I gently suggest to my right hon. Friend that this debate is extremely timely because the thought processes are already happening. The whirring heard in the background is the brains of officials and others in the Department for Transport ticking over how best to include in the ask for companies that might operate those lines in future what rolling stock might be required to improve that service. Now is the best point in which to intervene to get the answer he requires.

Adam Holloway: On the point about the future, vis-à-vis HS2, if we had different technology—not obsolete rail technology but new technology such as hyperloop—we would be able to avoid some of the problems of HS1, because pods are far more scalable than great big trains.

Chris Heaton-Harris: I guess my hon. Friend is slightly unlucky to have the Rail Minister in front of him; had the Minister of State for the future of transport responded to this debate, my hon. Friend would get a good 15 minutes about the wonderful new technologies becoming available on our rail network. My job is to try to ensure that the existing rail network works for the people who use it. I understand his enthusiasm for what could come this way, but I want to improve things for passengers on our railways now and, in this debate, to talk about what we can do to improve the journeys of passengers who use HS1 in the next few years, as improvements will be required.

The Williams review, which will be published very soon, will not just be parked by Government as in the normal process of reviews—we have had a few rail reviews that have reported like that in the past—but will come out in the form of a White Paper. There will be proper consultation. The Select Committee on Transport and Members will obviously take their views, and we will have a Bill in this Session—as mentioned in the Queen's Speech—that will take the review into legislation. There will be a relatively short-term pitch for my hon. Friend to get involved in.

Damian Green: I am heartened by the Minister's words. He said that, traditionally, reports have often been shelved. Even more traditionally, they have been an excuse for delay because people say, "We have to look at the big picture; therefore, we cannot take individual decisions." I gently emphasise again that the decision on rolling stock for HS1 needs to be taken in the coming months if we are to avoid the problems that we know will hit in the middle part of this decade. I urge him again that the early decision-making process will be vital post the White Paper publication.

Chris Heaton-Harris: The White Paper will come out shortly. It had a good mention in the Queen's Speech—it will be legislation and it will be the framework by which the problem he outlined for the future can be solved, because it is intended to put the railway on a long-term, sustainable footing, where the passenger is put first. It is important that the next Southeastern franchise award reflects that and fits into whatever the Williams review might suggest. I am completely aware of my right hon. Friend's point. Any options will fit directly into the Williams review's conclusions.

Let me conclude by thanking everyone who took part in this debate, and my right hon. Friend for securing this debate on an important part of the railway in our country. We discussed a range of issues on High Speed 1. The popularity of Southeastern's high-speed service has led to significant growth in passenger numbers, with a compound annual growth rate of over 11%. It is a very successful, normally very good and reliable railway. Options considered for the future of the Southeastern franchise will be developed and informed in a matter that puts passengers at the heart of the process. I guarantee to my right hon. Friend that we understand the time that it takes to get new rolling stock on our network. His words will have been taken to heart.

Question put and agreed to.

11.28 am

Sitting suspended.

Economy and Society: Contribution of Music

[SIR ROGER GALE *in the Chair*]

2.33 pm

Conor McGinn (St Helens North) (Lab): I beg to move,

That this House has considered the contribution of music to the economy and society.

It is a pleasure to see you in your place, Sir Roger—an unexpected pleasure, but a pleasure none the less. I am delighted, as secretary of the all-party parliamentary group on music, to introduce this important debate. It is good to see so many colleagues from across the House and so many different parts of the country here to support it.

I think we all know that the music industry makes a huge contribution not just to our economy but to the lives of millions of people and our communities every day. It is thanks largely to UK Music that we in this House are so aware of the many issues facing the industry.

Stephanie Peacock (Barnsley East) (Lab): May I take this opportunity to congratulate the outgoing chief executive of UK Music, my predecessor Michael Dugher, on putting a big focus on this issue? My constituency, which he represented before me, has the fantastic Grimethorpe Colliery band and a world-famous youth choir. Does my hon. Friend agree that it is important that we tap into the talent of kids from working-class areas across the country and get them involved in music?

Conor McGinn: Absolutely. I share my hon. Friend's ambition to do that, as well as her warm words for her predecessor. Like him, she certainly was not backward in coming forward to intervene so early in my speech.

UK Music's new report, "Music By Numbers", represents the most comprehensive set of data and research ever gathered on the state of the music industry. It reveals that the music industry is worth a staggering £5 billion to the economy and employs almost 200,000 people. According to the report, sectors such as live music grew by 10% in 2018, and live music alone is now worth a record £1 billion.

Julian Knight (Solihull) (Con): The hon. Gentleman is making a very good speech on this important topic. I am almost certain that he has read the report the Select Committee on Digital, Culture, Media and Sport published in the 2017-19 Parliament. Does he agree that although live music may seem healthy on the surface, there are still serious issues there, and does he agree with that report that we should look at business rates for live music venues and at concerns about rip-off secondary ticketing?

Conor McGinn: I agree entirely, and I think we will find agreement on that across the Chamber.

Mark Tami (Alyn and Deeside) (Lab): Does my hon. Friend agree that it is important that we protect the music venues we still have? There are still far too many of them closing. Let me mention the Tivoli in Buckley, which is famous, particularly for a sad old punk like me

who has seen bands such as Stiff Little Fingers and Public Image Ltd there. It is good that we can still go and see such bands, but venues of that type are sometimes threatened by planning law, particularly where housing is built directly behind them or beside them and there are complaints about opening hours and so on. Ultimately, that can kill those venues.

Conor McGinn: I agree entirely. I will come to the points made by both my right hon. Friend and the hon. Member for Solihull (Julian Knight) in more detail later in my speech.

There has been an incredible 10% increase in the number of overseas visitors coming to the UK for shows and festivals, with nearly 900,000 people visiting these shores just for live music events in 2018. Live music is at a record high and continues to draw millions of fans from both Britain and abroad to our arenas and smaller venues alike. "Music By Numbers" identified that music exports are another amazing success story, generating revenues of £2.7 billion, with the best of British creative talent being showcased across the globe.

There is something unique about Britain and its ability to create a globally successful music industry that is envied across the world. Ed Sheeran is the biggest selling touring artist in the world, with the "+" tour now officially the highest grossing tour of all time. *Billboard* magazine recently revealed that the O2 Arena in London was the most successful music venue in the world over the past decade, with the Manchester Arena also in the top five. The Theatre Royal in St Helens is slightly further down the list but none the less a critical component of our local live music scene.

In nine of the last 15 years, the biggest selling album in the world has been from a UK artist. Lewis Capaldi recently reached No. 1 on the *Billboard* Hot 100 in the US. In 2019 we also saw fantastic debut albums from AJ Tracey, Dave, Mabel, Sam Fender and Tom Walker. We continue to be a world leader in all genres, from jazz and folk to grime. We are home to studios that record sensational box office film scores and soundtracks, as well as to many of the most accomplished orchestras in the world.

Kate Green (Stretford and Urmston) (Lab): Does my hon. Friend agree that in-depth classical music training underpins many of the more popular genres as well, including film music and musicals, which are huge earners for the UK economy?

Conor McGinn: I agree entirely. It is that diversity and depth that gives UK music its strength.

It is clear that music in the UK punches well above its weight economically, but that is only part of the picture. Music's value is not purely financial; its social value must not be ignored. Music can have a profound effect on health and wellbeing. Charities such as Nordoff Robbins do fantastic work in bringing high quality music therapy to as many people as possible.

Alex Sobel (Leeds North West) (Lab/Co-op): Will my hon. Friend give way?

Conor McGinn: I will, and I will then make some progress, because many people want to speak and I want to give them that opportunity.

Alex Sobel: I thank my hon. Friend for securing this debate and making an excellent speech. On mental health, does he not agree that small venues, such as Brudenell Social Club in my constituency, are a great outlet for people's mental health, as well as being community resources right across the piece for acting and a whole range of arts? It is not just about music; small venues provide a gamut of benefits to society.

Conor McGinn: Absolutely, they are the very definition of holistic therapy. Nordoff Robbins has worked with over 10,000 vulnerable people, holding 37,000 music therapy sessions in 15 different places across the country, and 90% of those who had music therapy last year were clear that it improved their quality of life.

According to a report by the all-party parliamentary group on arts, health and wellbeing, music therapy reduced agitation and the need for medication for 67% of people with dementia. We can all think of many fantastic examples in our constituencies of groups who use music in working with people with dementia.

In Labour's recent charter for the arts, my party noted the important role of the arts in mental health and wellbeing. I am sure that my hon. Friend the Member for Cardiff West (Kevin Brennan) will speak more about that from the Front Bench. All the evidence suggests that children who are engaged in education through music, or similarly through other subjects such as drama and sport, do better at core subjects such as maths and English. Music can help give young people confidence and creative release. It teaches teamwork and problem-solving skills, and it is often the reason why a child wants to go to school in the first place.

The contribution of the music industry is not just a fantastic national story. The data in UK Music's report show the tremendous contribution it makes in every town and city across the UK. Merseyside is, of course, synonymous with world-leading British music, and I do not just mean Liverpool. In St Helens, we have a number of excellent local studios that encourage young musicians to nurture and develop their creative talents, such as Jamm, Elusive and Catalyst. Sadly, the Citadel, one of the first music halls in the country, recently closed its doors, but remarkably it has already reinvented itself as an excellent arts provider, using its strong brand to maintain contact and access for people who want to get involved in music and the arts. The Theatre Royal, as I mentioned, as well as other venues, host live music weekly.

St Helens is also the birthplace of: Sir Thomas Beecham, one of the country's greatest conductors, known for his association with the London Philharmonic and Royal Philharmonic orchestras; the Beautiful South's vocalist Jacqui Abbott; and Budgie, the drummer with Siouxsie and the Banshees. It is also importantly home to the Lancashire Hotpots. Of course, Rick Astley is from Newton-le-Willows, where I live. I commend him on playing a fantastic gig in his home town last year at Haydock Park racecourse and I commend the Jockey Club on its fantastic initiative, using its venues to promote music alongside horse-racing.

Dr Rupa Huq (Ealing Central and Acton) (Lab): May I put on record my appreciation of Ealing, which may be little known as a big centre for music, in a heritage way as well? The Who met in Ealing and the Rolling

Stones first played there. More recently, we have had Naughty Boy. Does my hon. Friend share the concern of some current musicians that, with Brexit, live touring is in doubt? Any free trade agreement should prioritise that.

Conor McGinn: I do, and I will come to that in my closing remarks.

I could say much more about music in my constituency—I am keen to talk about it to anyone who wants to listen to me—but I want to let other colleagues in, so I will move on, but, before I do so, I want to mention our strong brass band tradition. I am proud to be the vice-president of Haydock Brass Band. We have Rainford Band and Valley Brass. We also have the fantastic St Helens Youth Band, which is nurturing the next generation of talent, and the amazing all-female Trinity Girls Brass Band. They are all national award winners. We also have a fantastic male voice choir in Haydock, which has recently won a national competition.

The St Helens music education hub, led by the local council and supported by the Arts Council, is supporting opportunities for schoolchildren to be introduced to music, but it needs more funding and support.

It is clear that music makes a huge contribution, both economically and socially, in our local communities. What do we need to do to ensure that it continues to flourish in the challenging years ahead? I will briefly highlight some areas that the Government need to focus on during this Parliament as part of an integrated strategy for music.

First, grassroots music venues remain vital to both artists and audiences, but they are still, as has been mentioned, closing at an alarming rate. We must continue to monitor that and respond accordingly. My right hon. Friend the Member for Warley (John Spellar), working in collaboration with the Government, did a tremendous job to ensure that planning laws were amended to integrate the agent of change principle to protect music venues from closure.

[SIOBHAIN McDONAGH *in the Chair*]

Challenges still exist on business rates. I welcome the commitment in the Queen's Speech to ensuring that music venues benefit from rate relief, but when precisely will that come into effect? Will the Government commit to more frequent business rate revaluations to guarantee that huge hikes in rates do not occur again?

Secondly, copyright provides the framework of growth for music. New protections for creators are coming in the form of a copyright directive that will enable fairer payment to musicians from services such as Google's YouTube, but our expected departure from the EU may mean we cannot implement the directive after all. Will the Government outline their plans to implement the spirit of the copyright directive and other legislation? The deputy chief executive of UK Music, Tom Kiehl, recently wrote to the Prime Minister. Will the Minister let us know when he can expect a reply?

Thirdly, despite music's success, there remain significant challenges to our talent pipeline. It is fair to say that we face a crisis in music education, which underlines the threat to our ability to develop future talent. Arts funding in St Helens, which includes music, is down by a quarter since 2013. One of the most working-class

areas in the country, which has a proud tradition of music, has seen its funding diminish. Over the past five years, the number of people studying A-level music has declined by 30%. We know that social divides are leading to inequality of opportunity, so will the Government work with schemes such as UK Music's rehearsal spaces network to increase the provision of music in areas like St Helens? The Government's commitment to an arts premium might present benefits, but when does the Minister expect to come to the House to provide more detail on what that will entail? Can we see progress on the new national plan for music education?

Fourthly, we know about the importance of music exports: the Government currently support the music export growth scheme, and the international showcase fund contributes to that. What plans are there to ensure that funding remains for those vital schemes?

Fifthly, the music industry relies on workforce that is heavily self-employed—about 72%. What plans do the Government have to make it easier for self-employed people to participate in shared parental leave, given their current disqualification and the benefits to overall diversity in allowing them to participate? I pay particular tribute to my friend Olga FitzRoy for her work on that.

Fiscal incentives such as tax credits have produced huge benefits for other creative sectors, but currently music does not benefit from the same mechanism as film, TV and video games. Will the Minister commit to working with the Treasury to see whether similar support can be made available?

Finally, Brexit and the loss of freedom of movement, in both people and goods, could have a profoundly negative impact on the live music touring experience. Will the Government work towards a passporting arrangement, so that there is a reciprocal system and musicians can continue to perform with minimum disruption post-Brexit? Will they work with EU member states to ensure that the imposition of a carnet system on music equipment does not cause delays to gigs?

In closing, I pay tribute to UK Music, the umbrella body for the commercial music industry. Its chief executive, Michael Dugher, formerly of this parish, will soon be moving on to new pastures. On behalf of everyone in this place who takes an interest in music, I pay great tribute to the tremendous work he has done and the way in which he has led his organisation to aid our understanding.

I applaud the work of UK Music's chairman, Andy Heath. Andy has been at the helm of UK Music since its inception and has held together the interests of its members. When I look at the unity of purpose within UK Music, in a very diverse sector, and then look at other sectors that do not have that, I see how his formidable leadership has brought people together.

PRS for Music is led by the excellent, recently appointed Andrea Martin, alongside long-standing chairman, Nigel Elderton. I have a special award for John Mottram who does a lot liaising with Members of this House to promote music.

PPL is led by the superb chief executive Peter Leatham, who, like me, is of good Armagh stock. I applaud the other UK Music members—the Association of Independent Music, the British Phonographic Industry, the Featured Artists Coalition, the Ivors Academy, the Music Managers Forum, the Music Publishers Association,

the Music Producers Guild and the UK Live Music Group. They have worked together with great tact and diplomacy, and influenced this House. I especially thank Horace Trubridge and the Musicians' Union. He is held in high esteem in the trade union movement and the music industry, delivers much for the union's members and plays a hugely constructive role.

The day before the Prime Minister took office in July, the outgoing Administration produced a disappointing response to the Digital, Culture, Media and Sport Committee's excellent report into live music. The response failed to grasp the true ambition and potential of our music industry, or to adopt some reasonable and sensible recommendations made by the Committee. This debate presents an opportunity for the new Government. I welcome the Minister, who is returning to his place; I know how much he is personally invested in the subject and pay tribute to him for it.

The new Government can start afresh and set out a new and exciting strategy for how they see the music industry contributing to our lives. I look forward to hearing the rest of the debate, and I welcome the support of other Members in this aim.

Siobhain McDonagh (in the Chair): I apologise to all right hon. and hon. Members for my late arrival. In spite of that, the debate is well supported, meaning we will need contributions of four minutes; I apologise for that.

2.52 pm

David Warburton (Somerton and Frome) (Con): It is a pleasure to serve under your chairmanship, Ms McDonagh, and to have another opportunity to talk on a subject that is close to my heart.

I thank the hon. Member for St Helens North (Conor McGinn) for securing this debate and for his record of championing the interests of music and musicians in this place. I echo his tribute to the outgoing chief executive of UK Music, Michael Dugher, for all his fantastic work during his tenure. I know that wherever he goes in the future, he will continue to be a passionate and important advocate for music and the creative sector.

As we leave the European Union, and with the majority Government we have now, we find ourselves at a crossroads. The direction that we choose to take will have enormous ramifications across almost every aspect of Government policy. As UK Music pointed out in its post-election letter to the Prime Minister, that is particularly true in respect of the future of the music industry.

Before turning to policy specifics, it is worth talking about something more fundamental: music education. As chair of the all-party parliamentary group on music and vice chair of the all-party parliamentary group on music education, and as a former—not very good—music teacher, I have spoken on this topic on a number of occasions; I apologise to anyone who has been unfortunate enough to hear me before. During the election campaign, the Prime Minister spoke about smoothing out regional disparities and levelling up the parts of the UK that have felt neglected under successive Governments. In the case of music education there is a similar disparity that needs levelling up.

[David Warburton]

Around 50% of students in independent schools receive music tuition, compared with just 15% in state schools. According to last year's "State of the nation" report, there has been a fall of 6.4% of curriculum time dedicated to music between 2010 and 2017. Last year's Department for Education workforce data showed a drop in the music teacher workforce at key stage 3 of an enormous 26%. This is not the place for a debate about the school curriculum, but I restate my keenness for the Government to re-examine the possibility of adding a sixth pillar to the EBacc. As I have said before, a core curriculum that excludes the arts is an oxymoron.

Damian Collins (Folkestone and Hythe) (Con): Does my hon. Friend agree that there have been some fantastic examples of regional success? Feversham Primary Academy in Bradford, which the Select Committee looked at, has transformed its curriculum and put music at the heart of everything it does, and has seen a dramatic improvement in the school's results.

David Warburton: Absolutely; my hon. Friend is entirely right. There is some superb work going on around the country, particularly with music hubs, although it can vary from one place to another. The music hubs alone have enabled more than 700,000 children from state-funded schools to learn a musical instrument.

Many challenges faced by the music industry are also a demonstration of its enormous success. As we have heard, the "Music By Numbers" report shows a record £5.2 billion contribution to the UK economy last year, and record employment within the industry, with nearly 200,000 people directly employed in the music sector. It is a further tribute to both the resilience and the success of our music industry that we saw a 10% increase in overseas visitors to UK shows and festivals last year. When Parliament was mired in the Brexit mud, many of us enjoyed the mud at Glastonbury, some of the car parks and the furthest, most distant and inaccessible fields of which are in my constituency.

As this Government give definition to Brexit, it is worth remembering how much we ought to keep from our membership of the European Union. In a previous life, my company used to provide the global mobile content for Napster, Kazaa and many others. The explosion of streaming means that music has become even more commoditised, with almost all recorded music instantly available, but with platforms, such as YouTube, coughing up almost homeopathic amounts to artists and composers.

With little time left, I will talk to the motion and emphasise why music is so valuable for society, not just in economic but in absolute terms. For several years I worked as a music teacher at a rather gritty comprehensive school in London. I have seen at first hand the transformational effect that music can have, particularly on the outlook of the most profoundly disadvantaged and disengaged students.

As hon. Members will know, Goethe memorably described architecture as "frozen music". Without wanting to be grandiose, music can act as "liquid architecture", providing the structure and creative discipline that is enhanced, rather than compromised, by the joys of aesthetic satisfaction.

2.57 pm

Kate Green (Stretford and Urmston) (Lab): I am proud of Manchester's great musical tradition, which includes our world-class orchestras, the Hallé, the Manchester Camerata and the BBC Philharmonic—whose guests are seen at concerts on a number of occasions—and our superb music institutions, Chetham's School of Music and the Royal Northern College of Music. As we have heard, they make a great social, economic and cultural contribution, not just to Greater Manchester and our region but nationally and around the world.

There is a massive payback on the investment that we make into the music sector, but funding is a real problem, especially for regional orchestras and musicians. What more can the Minister do to work with the Treasury to encourage and support regional philanthropy, including through possible fiscal measures? I also make the case for sustainable and secure public funding. That will soon be a particular issue for the BBC Philharmonic, as consideration is given to the future of the licence fee.

Our music institutions have all highlighted to me the importance of developing a pipeline of talent. Our great orchestras, college, music school and music services have adopted a partnership approach. I pay particular tribute to the Trafford music service, led by the amazing Ruth O'Keefe, which is part of the Greater Manchester music hub and gives many children in Trafford the opportunity to develop their musical potential.

As I have said, developing talent to its full potential through classical and intensive training is important, not just to the classical music sector; those musicians also provide the bedrock of all other genres, including film, pop and TV music. Musical education is very important to allowing young people to achieve their full potential through the highest quality classroom music activities, instrumental lessons and participation in choirs, bands and groups.

One issue that I have been asked to raise in particular, which the Minister could perhaps discuss with his counterparts in the Department for Education, is chaperone licensing. The music service is subject to stringent chaperone licensing, similar to commercial businesses and different from what would be required for schools more generally. That puts real cost and administrative burdens on the music service. Is the Minister prepared to pursue the concerns that the music services are raising with me with his colleagues in the DFE?

The work that is done by our music service and in our schools and classrooms is supplemented by our orchestras' own fabulous activities. The Hallé Orchestra, for example, has welcomed literally tens of thousands to the Bridgewater Hall to perform and train with its own professional musicians. The BBC Philharmonic's "Ten pieces" and "Bring the Noise" programmes have also been very well received.

My hon. Friend the Member for St Helens North (Conor McGinn) rightly pointed out the benefits of music in reaching some of our most disadvantaged and marginalised communities. We see some innovative approaches to this work, for example by the BBC Philharmonic again, partnering with the Royal Northern College of Music on the Pathfinder scheme. I also join him in commending the excellent work of the music therapy charity Nordoff Robbins. I have seen its work

in my constituency with people with learning difficulties, with refugees and with people with dementia; it has the power to transform and light up those people's lives.

Nordoff Robbins believes, and I agree, that everyone should have the right to participate in music in ways that meet their needs. There is a particular opportunity, therefore, to develop music therapy in the context of social prescribing. Again, I wonder whether that is something the Minister could discuss with his counterparts, this time in the Department of Health and Social Care.

3.1 pm

John Howell (Henley) (Con): It is a great pleasure to serve under your chairmanship, Ms McDonagh. It is also a great pleasure to participate in a debate with so many members of MP4 here on the Front Benches. I feel humbled in their presence and I hope they will give us a rendition later in the debate.

I am well aware of the economic benefits of the music industry; my son composes music for films, so I see the inside of that industry from a family point of view. However, I will concentrate here on the benefit to society. People may remember that Edward Elgar once said:

"My idea is that there is music in the air, music all around us! The world is full of it, and you simply take as much as you require."

However, I think those days have long passed.

A good example of that is in the availability of organists. I happen to be an organist myself, so I speak from personal experience. The lack of organists is much more important than the lack of people going to church, and shows the inability of young people's education to pick out the talent that exists and to encourage young people to go on to play the organ and to develop it. That must be tied in with what the Arts Council has asked for in terms of a diverse and appropriate potential workforce—a point that it is making very forcefully.

There are two other examples that I would give of how music affects society, both from my own constituency. The first is an organisation called Not a Choir. It is actually a choir, but it is for people who have never sung before, believe that they cannot sing or in some way feel embarrassed about trying to sing. It has given the people who sing with it a tremendous amount of solidarity with each other. It has taken away a lot of the loneliness they feel by allowing them to participate and perform together. They perform publicly together, and their performances are very much appreciated by the people who listen to them and in the villages around them.

The second example is a charity in my constituency called Music for Autism, which is run by the conductor of the Orchestra of St John's. He gets members of the orchestra to work with young autistic people and provide them with a good music therapy experience. It is a delight to watch not just the young autistic people's ability to latch on to the music and their being helped with it, but also how much the musicians who participate get out of it. We only have to see their faces when they are performing to realise that this is something worth doing.

I suggest to the Minister that more needs to be put into education for musicians and talent spotting of musicians, and also that more needs to be put into efforts to ensure that music is at the heart of our communities, both now and in the future.

3.5 pm

Jo Stevens (Cardiff Central) (Lab): I congratulate my hon. Friend the Member for St Helens North (Conor McGinn) on securing this debate and on making such a great speech.

I am very grateful for the opportunity today to speak about music, particularly live music venues, which I always take the opportunity to champion because they are very precious and, as we have heard today, constantly under threat. I represent a city centre constituency, in a city known not just across the UK but around the world for its songs, its singers and its musicians.

We have a very rich cultural history in Cardiff, and I am determined that we will have a rich cultural future too. To ensure that that happens, we need to ensure that our school music teachers have the resources and time to inspire pupils from the earliest age to participate in music and to understand the joy and wellbeing, which have been discussed today, and the opportunities that singing or playing an instrument can bring.

We know, though, that the past 10 years of Government austerity and the savage cuts to the Welsh budget have made the provision of music much more difficult. I think that is the pattern across the UK. I pay tribute to the music teachers up and down the country who do such a great job—actually, for them it is not a job but a vocation—in such difficult circumstances. But it is not only the teachers; it is the talented volunteers who conduct our orchestras, who transport children and their instruments to eisteddfods and who fight for venue space and practice venues every day of the week.

In the centre of my constituency we have independent live music venues of all types and sizes, catering for every possible taste. I promise hon. Members that if they come to Cardiff Central, on every night of the week they will be able to listen to great live music of some type or another, from the Royal Welsh College of Music and Drama, the incredible auditorium that we have at Saint David's Hall and the noise bowl of the Principality Stadium, where I saw the Rolling Stones, to Fuel Rock Club, Clwb Ifor Bach and the Globe.

However, since I was elected in 2015, it feels as though colleagues and I have been continuously fighting to save live music venues across the constituency, from the Womanby Street campaign to saving Guildford Crescent and Gwdihw and, just this week, another live music venue, 10 Feet Tall, a small but long-standing venue under threat of closure. We have built a grassroots movement in Cardiff, with Daniel Minty from Minty's Gig Guide, the Music Venue Trust, the Musicians Union and UK Music, to value and support venues and to try to save as many as possible.

Our Labour council in Cardiff has set up a music board to champion our music scene locally, nationally and internationally, and to protect and promote music at grassroots and all levels. I am proud that our Welsh Labour Government was the first Government in the UK to introduce the agent of change principle into planning guidance and to help to protect live music venues. Along with colleagues here, I co-sponsored the Bill by my right hon. Friend the Member for Warley (John Spellar) to do the same in England, and I worked with a Labour colleague to do that in Scotland too.

I will briefly mention our Digital, Culture, Media and Sport Committee report on our live music inquiry, which took detailed and comprehensive evidence from

[Jo Stevens]

across the sector and made a series of recommendations to the Government to protect and enhance the contribution of live music to our economy and society. We know what the problems are, and we have heard about them today. They include business rates, planning development pressures, the need to extend creative industries tax reliefs and parity of funding for grassroots venues through bodies such as the Arts Council. Talking of arts councils, yes, we need to continue to support high arts and culture, but I also want those kids who are setting up their first band in their mum's garage to have parity of support.

Damian Collins: On the subject of the Select Committee report on supporting community music venues, does the hon. Lady agree with me that it is also important that local towns have a robust plan for their own areas to support venues? Folkestone in my constituency has launched a music town initiative. It is important that local authorities work with venues to support them both in terms of business rates and how they sit with the local planning regulations as well.

Jo Stevens: I could not agree more with the hon. Gentleman, who, as Chair of the Select Committee in the previous Parliament, did such a fantastic job of leading our Committee on the inquiry. I want to see music boards in every town and every city so that every child has the opportunity to fulfil their talent.

Lots of questions have been asked of the Minister, but may I add two more to his list? The Government's response to our report was very thin. I appreciate that it was right at the end of July, but will there be a statutory consultative body to promote the protection of music venues so that they can provide advice to local authorities on the implementation of the agent of change principle and see how it works in practice? We are still waiting—it was not responded to in the report—for a full post-legislative memorandum for the Live Music Act 2012. Will the Minister address that in his comments?

3.11 pm

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to see you in the Chair, Ms McDonagh, and a pleasure to get the opportunity to big up my own constituency of Glasgow Central, which I am sure must be among the most musical constituencies in the country. We have not only been awarded UNESCO City of Music status—the only city in the UK other than Liverpool to have that status—but we have a wealth of different venues and talent in the city.

We are at the moment in the midst of Celtic Connections, an event founded in 1994 to give light to cold winter nights in January and to bring people into the city, and it now has a programme of more than 300 events over 18 days, with 2,100 musicians from about 50 countries. In addition to having events within venues in the city, it also works in the community through an education programme to involve the next generation, and this year, for the first time, through Celtic Connections in the Community, it is working with BEMIS to extend it to people with ethnic minority backgrounds within the city as well, which is really important when we talk about traditional folk music and making sure that it reaches and involves as many people as possible.

We also have within the constituency iconic venues such as the Barrowland Ballroom, King Tut's Wah Wah Hut, the Hydro and the SEC. The Hydro, which opened in September 2013, brought £131 million to the city in its first year. It has helped the regeneration of Finnieston, where it is now impossible to get a bad meal, and has brought new people and new growth into the area, providing the jobs that go with that as well.

We are incredibly lucky to have the Royal Conservatoire of Scotland in the constituency as well. When I went on a tour of the RCS, every door that was opened would bring some delight, with different types of music being played in different ways and people making music together who might not have found each other otherwise. It is a real boon to have that in the city.

We also have organisations such as the Royal Scottish National Orchestra, Scottish Ballet, the BBC Scottish Symphony Orchestra, the National Youth Orchestra, Scottish Opera, and younger bands such as Samba Ya Samba—who played outside in Parliament Square on one occasion, which stopped the traffic in the city. It is great to see such joy being shared. For young people we have a Big Noise Sistema orchestra, based in Govanhill since 2013. In recognition of some of the work of Big Noise, Nicola Killean, the CEO, got an OBE in the new year's honours. They work with children in Govanhill, from St Bride's, Holy Cross, Annette Street and Cuthbertson primaries and nurseries, and with Holyrood Secondary. They work with 1,200 children a week, bringing together children who have very different backgrounds—many children in Govanhill do not have English as a first language—and all the outcomes from the project have been extraordinary. As I said, in an area where children might not have much English, they can communicate with music and enhance their abilities. All the outcomes from this project found by the Glasgow Centre for Population Health have noted how it increased confidence, academic skills, resilience and happiness. I am not quite sure how we measure happiness, but it is certainly very much worth investing in for the good of the community.

I also want to mention the risk, which is something for the Minister to take away to the Home Office. There are significant risks in the way the Home Office conducts itself, and risks with Brexit with regard to visas and with the ability of artists to move and transport equipment. Donald Shaw of Celtic Connections has flagged that in the press. He mentioned particularly the risks for American people looking to book to come here and the way in which African and Indian artists are treated. He says they are treated very badly in the application process and that it is all about suspicion rather than welcome from the UK. Last year, six artists from the Devasitham Charitable Foundation in Chennai were unable to come when two blind artists were not allowed a visa from the Home Office. I ask the Minister to reflect on that and on the success story of music in Glasgow and in Scotland and do all that he can to make sure that that continues in future.

Siobhain McDonagh (in the Chair): I apologise for what I am about to say, but unfortunately contributions will now have to go down to three minutes.

3.15 pm

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure to see you in the Chair, Ms McDonagh, and to follow some excellent contributions.

I thank my hon. Friend the Member for St Helens North (Conor McGinn) for securing the debate. I want to draw attention to my declaration in the Register of Members' Interests and also pay tribute to UK Music and the Musicians' Union, who have done so much at different levels to promote the industry and the challenges that it faces.

Coming from a working-class background, I know the impact of music in my own life. Comments have been made about the importance of music education, and free and affordable music education made a difference to me. I had opportunities as a youngster, particularly with free music education in school, and also through things such as the South Glamorgan and Cardiff and Vale youth orchestras and choirs, which gave me the confidence to go on later in life to perform at venues such as the Royal Albert Hall and the Edinburgh Fringe, and for President Bill Clinton with the a cappella groups that I have taken part in. I would not have had those opportunities and the confidence to perform if I had not had those free and affordable opportunities when I was younger.

I second much of what my hon. Friend the Member for Cardiff Central (Jo Stevens) said about Cardiff's reputation as a music location, but also about the challenges that we face in terms of live venues. I support the campaigns that she and others have led around Womanby Street, Guildford Crescent and elsewhere. I also pay tribute to the many venues.

I have an incredible creative sector in my constituency of Cardiff South and Penarth. We are host to the Wales Millennium Centre, the Welsh National Opera and the BBC National Orchestra of Wales, which is not only an incredible orchestra but provides many film and TV soundtracks, including recently for "His Dark Materials", which has been syndicated around the world. The music is by a Scottish composer, Lorne Balfe, but the BBC National Orchestra of Wales recorded it. I also pay tribute to the many smaller creatives and others who are generating the next generation of talent: people such as Shelley Barrett, who runs Talent Shack, and, at the other end of the spectrum, Penarth Soul Club, enabling people to engage in all types of music locally. We have venues such as the Tram Shed and the Norwegian Church, which I want to see retained for community and cultural use, including music. We also have more classical venues such as St Augustine's in Penarth.

I want to add my support to two crucial issues. One is around Brexit and the campaign by the Musicians' Union on the crucial need for an EU-wide touring visa for musicians who are working, and we want to see that last a minimum of two years, be free or cheap, and cover all EU member states. We want to get rid of the need for carnets and other permits, and, of course, we want to cover road crew, technicians and all the other staff necessary for musicians to do their job.

I also want to highlight the incredible community impact of so many musicians. In my constituency and more broadly, 85% of orchestral musicians who joined the industry in the past 10 years are involved in community outreach, and 97% of all orchestras. Groups such as the Keith Little jazz trio in my constituency in Penarth do incredible work with organisations such as Music in Hospitals & Care. I was able to see the work they were

doing, funded by the Waterloo Foundation, during the recent election campaign. Veterans' choirs also provide opportunities in music to a whole new range of people.

3.18 pm

Jeff Smith (Manchester, Withington) (Lab): Thank you for calling me to speak, Ms McDonagh. I congratulate my hon. Friend the Member for St Helens North (Conor McGinn) on securing the debate and for giving me the opportunity to plug my former profession. There are not many former nightclub DJs in Parliament. In fact, I might be the only one. While people rightly talk about the importance of the live music scene, I note the importance of electronic dance music and nightclubs in making our cities destinations. Twenty years ago I used to visit Cream in Liverpool and Gatecrasher in Sheffield—for research purposes—and I remember they used to attract people from all over the country. The same applies now to the Warehouse Project in Manchester, which makes a big contribution to the music scene that Manchester is so proud of, and to our economy. It is a key part of our identity in Manchester, and it is certainly key to the economy.

I am grateful to UK Music for leading on the Greater Manchester music review last year. A couple of figures were produced. In 2017, live music events in Manchester had 1.7 million attendances. In 2017, Greater Manchester had 703,000 music tourists. That gives some indication of the importance to the economy of music in Manchester and Greater Manchester. There is an ecosystem that sustains the music scene, from very big venues such as Manchester Arena—one of the most successful large venues in the world—down to the smaller grassroots venues.

That brings me to two asks. First, we are pleased that business rates relief for grassroots music venues was in the Tory manifesto and the Queen's Speech. I know the Minister is passionate about that and I am genuinely pleased to see him in his job. I hope that he will have a word with the Chancellor before the Budget in March to make that point. Secondly, I want to repeat the point about the importance of the EU-wide touring passport, ahead of Brexit.

The Greater Manchester music review is a very good report. It came up with a number of recommendations, and I will pick some of them. The first was for the establishment of a Greater Manchester music board. I am pleased that our excellent Mayor, Andy Burnham, has pledged to set that up. I look forward to progress on that when Andy is re-elected in May, as I am sure he will be. Secondly, there is a recommendation about the agent of change principles, which are important. It is great that city centres are now thriving as places to live—I remember that Manchester city centre was pretty much empty in the '80s—but it should not be at the expense of our much loved music venues.

I shall have to leave my remarks there, but I recommend that people read the report on Greater Manchester as well as the report from UK Music, which makes some very important policy asks of the Government.

3.21 pm

Louise Haigh (Sheffield, Heeley) (Lab): I congratulate my hon. Friend the Member for St Helens North (Conor McGinn) on securing this important debate.

[Louise Haigh]

Growing up in Sheffield in the 1990s, I took access to live music venues for granted, and we had access to not just some of the best venues in the country, but some of the best music in the country. When I was a teenager the Arctic Monkeys were starting to gig at the Grapes, the Boardwalk, and the Harley, as were bands such as Reverend and the Makers, Milburn and Longpigs. Sadly, not one of those venues still hosts live music today, but all those bands would say that without them it would not have been possible for Sheffield to produce the groundbreaking music that it is now internationally renowned for. I am told that when Radiohead toured with their debut album, “Pablo Honey”, they played 400 music venues of around 500 capacity across the UK. Only three of those music venues are still open today.

Those venues are the incubator of talent and we are feeling their loss across the music industry in the UK today. What is more, arts and culture funding too often gravitates towards prestige and towards London, rather than flowing towards talent. Jon McClure, the “Reverend” of Reverend and the Makers, said to me ahead of today’s debate:

“It is certainly true that the arts have become the preserve of the rich kids, for boys and girls like me are now excluded in the main, through a lack of access to the networks of power, combined with a lack of resources.”

That is why today’s debate is so important, as is the incredible work of UK Music and other bodies, such as the Musicians’ Union. They have fought to save threatened venues, which they recognise as the heart of a revival that must come.

I am incredibly proud to sit on Sheffield city region’s music board, which was set up by UK Music and our Mayor, my hon. Friend the Member for Barnsley Central (Dan Jarvis). It is the first to be set up outside London and is an essential part of the revival. It promotes work such as that of Higher Rhythm, which delivers the breakthrough artist development programme to give intensive support to six Yorkshire artists annually, with a package of opportunities to help them to make tangible progress in their careers. However, we must do more. We have heard about the importance of music education, and I hope that the combined authority will look at UK Music’s proposal to create six music education hubs across the region. We must ensure that the agent of change principle is properly implemented in all our communities, and the Government should look at extending existing relief schemes to cover live music venues.

Finally, no Government can claim to be serious about global Britain while cutting off our greatest cultural export at the knee in the Brexit negotiations, so I hope that the Minister will look carefully at the musicians’ passport. I want the kids in my constituency to have the same opportunities that musicians had in past decades. I want them to be rewarded based on talent, and not on networks or how many followers they can buy on social media. I want them to be able to showcase their talent on stages in Sheffield so that they can then showcase it to the world. Those things are not “nice to haves”. They are fundamental to our economy and culture, and they tell the world everything about what it is to be British.

3.24 pm

Alex Davies-Jones (Pontypridd) (Lab): This is my first time speaking in a Westminster Hall debate, and I am grateful that it is on a subject so close to my heart. I congratulate my hon. Friend the Member for St Helens North (Conor McGinn) on the way he has led this important debate.

Last week I gave my maiden speech, in which I waxed lyrical about how my constituency gave the world the Welsh national anthem, Cwm Rhondda, and Sir Tom Jones. The south Wales valleys are built on industry and music: both go hand in hand. Were it not for the coal mines, we would not have our world-famous brass bands, which are synonymous with culture and heritage. My hon. Friend the Member for Barnsley East (Stephanie Peacock) mentioned the Grimethorpe Colliery Band, and my hon. Friend the Member for St Helens North referred to his constituency’s bands, and I pay tribute to them, but in Wales we have the world No. 1 brass band, the Cory Band—a fantastic symbol, spreading Welsh culture and heritage across the world and at home. Were it not for our chapels, we would not have our choirs, whose hymns and arias are synonymous with rugby.

Speaking of my other love, we all know that Wales is a mecca for sport tourism. The Principality stadium is the rugby venue envy of the world. I am sure that anyone here who has had the privilege of being in the stadium on match day, hearing the anthems belted out, will agree that it is nothing short of spine-tinglingly awesome. However, for all the sporting glory that Wales has to offer, Members may not know that in 2018 Wales welcomed more than 350,000 music tourists, who helped to contribute £124 million to the Welsh economy. That figure is growing.

We need to do more to protect grassroots venues, helping them to thrive in our communities. My hon. Friends have mentioned some of the work they have been doing to protect such venues in Wales. Just before Christmas it was announced in my constituency that Rhondda Cynon Taf County Borough Council will be working with the Awen Cultural Trust and the Arts Council of Wales to totally transform the much-loved Muni, in Pontypridd. Plans to improve the arts centre include investing £4.5 million to create a first-class arts and entertainment venue for residents in my constituency and beyond. That is wonderful news, and I cannot wait to attend the first concert, once the Muni reopens in the summer.

One of the things that I am most passionate about is nurturing future talent, including reversing the decline of music education, so that children from every background have access to music. I am extremely fortunate that I was able to learn not one or two but four different instruments at school. I do not profess to be a concerto-worthy soloist—I am more of a jack of all trades as a performer—but I would never have been able to have those opportunities were it not for the vital funding of peripatetic music education in my comprehensive school. I welcome the strides that the Welsh Assembly’s Culture, Welsh Language and Communications Committee is making in that field, and support the Welsh Labour Government’s feasibility study on the options for delivery of music services and the creation of a national plan for music education.

Wales has a long tradition of inviting performers from Europe to play at festivals, venues and eisteddfods across Wales, and other hon. Members have mentioned

the impact that Brexit could have on that. I know that the Welsh Labour Government will do all they can to ensure that Wales remains open to performers from across Europe after Brexit, and will look at all avenues to ensure that such cultural exchanges can still take place.

3.27 pm

Pete Wishart (Perth and North Perthshire) (SNP): I refer to my entry in the Register of Members' Financial Interests, and I congratulate the hon. Member for St Helens North (Conor McGinn) on securing this vital debate, and on the concise and articulate way in which he marshalled the case for UK Music. I want to pay tribute to Michael Dugher, who has led UK Music so diligently and effectively in the past few years. Like everybody here, I wish him all the best in future—and Andy Heath who has been the chair of UK Music. We look forward to continuing to work effectively with whoever emerges in those roles.

I remember standing here almost 19 years ago, having secured what was probably at that point the first ever debate on the music industry in the House. Having come straight from the concert hall floor—having played with Runrig and Big Country, and as the only MP who had appeared on “Top of the Pops”—I was keen that some of the issues affecting the music industry should be taken up by Parliament and be addressed by MPs. The all-party parliamentary group on music was formed almost immediately following that debate, and the Minister was a notable chair of it a few years ago. Most importantly, it brought the sector and the industry together with parliamentarians. Over the course of the years, it has emerged as an effective conduit. What we do in this House becomes available to members of the music industry. When I think of all the things that we have achieved in the past 20 or so years, I think that was really important.

When I first came to this House it was the days of plenty in the music industry. I am sure most people will remember that. CD sales were at an all-time high, and live music was in incredibly good shape, with the start of some of the really important arena tours. However, out on the horizon a dark shadow was starting to emerge, which would hit all of our creative sector. That was digitisation, with the threats—and also the opportunities—that it presented. Music was the area affected by digitisation because it was the easiest to clone and replicate. That made it vulnerable to pirates, and those who wanted to make a quick buck on the backs of the creativity of artists. In those days, it was just Napster, which I heard somebody refer to earlier, and it was a big challenge to the music industry.

It was a tough time dealing with all that, and I pay tribute to the music industry for the way it responded to that challenge in the course of those 20 years. We are not on top of everything yet, but huge progress has been made in response to the many challenges put forward, by closing down opportunities for pirates, by responding positively to new technologies and by ensuring that new services were made available, so that we can make a positive choice about the sources of music coming our way. While we are not totally on top of it, huge progress has been made in that time; it has been quite remarkable how all that has been taken up. There are still huge issues with piracy, as hon. Members might

expect. In fact, some pirates come in cruise liners now, in the form of giant tech companies such as YouTube and Google. Those issues must be properly addressed, and I have a couple of suggestions for how that might be done.

We still lead the world in music, just as we do across practically every single creative sector, whether it is fashion, design, film or television. However, it has been most notable in music in the last few years. I will not repeat what has been said about some of the amazing artists who have had the biggest selling albums in the world in the past few years, although I will mention Lewis Capaldi, because I have managed to see him a couple of times recently and he is a fellow Scot. His success in the course of last year is remarkable, mirroring almost exactly what Adele achieved just a few years ago with her amazing albums. That shows the reach of music from across these isles. Why is that? If we could bottle it or sum it up somehow, it would be remarkable. It is something about the way that we have culturally set up this country, where people are allowed to develop their talents and arrangements and have the opportunity to come forward with their fantastic works of imagination and talent.

However, it is also something to do with the industry, and I praise the industry for the way it ensures that artists are properly resourced, promoted effectively and able to be sold internationally. It is the way it is all packaged. Things do not happen by accident. We have a successful music industry because of the creativity of the people who make the music and the infrastructure that supports that, which is the music industry, which is why it is so important that we support it now.

Music is still the field of dreams where young people can secure a career on the strength of their imagination and talent. However, it is also a means for people to experience enjoyment. Music timetables and chronicles people's lives and is an important feature of our everyday experience and all our memories. It is even great to get together with friends and bash out a few tunes, just to enjoy it.

However, what we as politicians do to support the music industry is really important. First, and most importantly, we have to ensure that our artists, musicians and the talent that we have are properly rewarded for the fantastic works that they produce. If we do one thing, it should be to ensure that our artists are properly rewarded for what they do. That is why I support the call to fully adopt into UK law the EU copyright directive. That simply has to happen. It would be the single biggest intervention that we could make to most assist the industry and our artists. In one stroke, we could effectively tackle the recalcitrance of the large tech companies and the pitiful amounts that YouTube pay our artists for the music that they produce. It is simply appalling to exploit our artists in such a way. They should be rewarded properly.

More than that, as part of their legislation around online harms, the Government should consider the economic harms caused by copyright infringement. It is in the gift of the Government to do something about that almost immediately. Real harm is caused online, and I hope that, as a real way forward, the Minister will look again at including those harms in the digital harms that the Government are looking at just now.

[Pete Wishart]

We have to do something to ensure that the appalling decision to leave the European Union does not make a terrible situation even worse for our musicians. The ending of freedom of movement is the single biggest Brexit threat to our musicians and artists, and we must do everything possible to address the inevitable fallout of this decision to stop musicians travelling freely across our continent.

As my hon. Friend the Member for Glasgow Central (Alison Thewliss) mentioned, in Glasgow just now, the last huge UK music festival while we are in the EU is taking place, the incredible Celtic Connections. As the name suggests, it is about connections, it is global, and it brings together artists from around the world. Even before we have left the European Union, there have been genuine concerns—my hon. Friend referenced visa anxiety. People are confused about their right to travel and what our leaving will mean for them as artists and musicians. That has to be addressed, and there are a number of solid suggestions for how that could be taken on.

Music touring is where artists make their money, and we have to make it easier for them to play internationally. It is one of the greatest thrills and experiences that musicians can have, and to close that down, as we are doing by ending freedom of movement, will impact on every musician and artist in this country. Ending freedom of movement will inevitably bring costs—visa arrangements, bureaucracy and the confusion about how all of this will happen—so I totally support the UK Music and Musicians' Union call for a single, EU-wide live music touring passport to avoid those restrictions. I really hope that the Government take that seriously. I know the Minister has looked at this before, and I know it is within the gift of the Government to do something about it. If one initiative could solve this problem, it would be to do with that.

However, another issue has come up that has not been mentioned so far. I refer to a report by the former chief executive officer of the British Academy of Songwriters, Composers and Authors, Vick Bain, about the gender gap in the music industry, which has to be addressed and stopped. Her fantastic recent report outlined that less than 20% of acts signed by major labels are female. That simply cannot continue. It cannot go on. Gender equality and the gender gap in the music industry have to be properly addressed. It is almost bizarre that an industry inhabited by progressive young people has allowed a gender gap such as this to emerge. We have to ensure that we get on top of that.

There might be a number of reasons for that. The whole lad culture of male camaraderie in bands, which has gone back for decades, might have something to do with it. Whatever it is, this has to be addressed. We have to start to get serious about sexism in music; music is sexy, but it does not have to be sexist. We have to ensure that we start to tackle the real and significant issues in this area in the music industry, and we should all be up to that challenge as we move forward.

Music is for everybody. I had the fantastic opportunity of having a career in the music industry. I believe that everybody should have that right and that opportunity. I really hope that, as we go forward, the music industry

continues to support our artists, and that the Government do more to ensure that they put legislation in place to help that.

3.37 pm

Kevin Brennan (Cardiff West) (Lab): I refer to my entry in the Register of Members' Financial Interests, including my membership of, and support for, the Musicians' Union and PRS for Music.

I open by sending a message to Michael, as the song says, and pay tribute to the outgoing chief executive of UK Music, Michael Dugher, for the tremendous job he has done during his tenure, not only because of the way in which he communicates with Parliament but because of his personal passion for music—not just for Paul McCartney, incidentally, but all kinds of music—which shines through in everything he does and in the representations he makes on behalf of the music industry. I wish him well. I also pay tribute to Andy Heath, the outgoing chair, who has done a fantastic job with that organisation.

I went out to lunch many years ago with the former chief executive, Feargal Sharkey, when he announced the setting up of UK Music in the first place. It seems to me that, over the course of that decade, the way that the music industry has got its act together and effectively communicated its message is due in no small part to the efforts of people such as Michael, Feargal and Jo Dipple, who have led the UK Music with such distinction over that period of time.

I also pay tribute to everyone who contributed to the debate, particularly my very good friend, my hon. Friend the Member for St Helens North (Conor McGinn), who quite rightly mentioned—as well as lots of other issues that are so important to the debate—the impact of organisations such as Nordoff Robbins and of music therapy. Having myself volunteered for Nordoff Robbins in a care home on one occasion when I was the Minister responsible for charities in the last Labour Government, I can testify to the tremendous work that it does and the impact that its work has. My hon. Friend rightly raised all the significant issues for the debate, and I shall rehearse them a little bit during my remarks and perhaps add one other issue as I go along.

We had a speech from the hon. Member for Somerton and Frome (David Warburton), who chairs with great distinction the all-party parliamentary group on music. I welcome very much what he said about music education. I hope that he presses the Ministers in his own party and Government very hard to deliver much more effectively on music education, after seeing personally the transformational effects of music, in his own life, as a music teacher and rightly highlighted during his speech.

I also pay tribute to my hon. Friend the Member for Stretford and Urmston (Kate Green), whose remarks featured the very important contribution made by our orchestras in particular. I praise the Association of British Orchestras for the work that it does to promote orchestras. My hon. Friend rightly emphasised the importance of formal training and the impact that that has beyond the classical repertoire, in our film and television industries and so on.

I have seen the son of the hon. Member for Henley (John Howell) perform, and he is a very fine jazz musician; and I congratulate the hon. Gentleman—it is

obviously in the genes—on his own record as a church organist. He is right about the power of music therapy and the impact on people with, for example, autism.

I would also like to mention my hon. Friend the Member for Cardiff Central (Jo Stevens), my immediate constituency neighbour, and pay tribute to the incredible work that she did, along with other colleagues, on the live music and protecting live music in our city of Cardiff. That was done along with my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), who told us that he had once performed for President Clinton. I think that that is probably a unique distinction, as is the distinction that we heard about from my hon. Friend the Member for Manchester, Withington (Jeff Smith), who told us that he is the only former nightclub DJ who is a Member of Parliament—I have not heard anyone else try to claim that distinction in the course of the debate.

I thank the hon. Member for Glasgow Central (Alison Thewliss) for her contribution. As well as highlighting the incredible amount of music going on in her constituency in this sector, she rightly highlighted the problems for musicians with the Home Office. She was absolutely right to draw attention to that.

We have therefore had a great debate. It was also added to by my hon. Friend the Member for Sheffield, Heeley (Louise Haigh), who mentioned Longpigs. She will know that of course the chair of the Ivors Academy of Music Creators, Crispin Hunt, is a former member of Longpigs. With the Ivors Academy, he is doing great work in promoting the importance of songwriting and the interests of composers.

My new hon. Friend the Member for Pontypridd (Alex Davies-Jones) reminded us why Wales is so well renowned for its contribution to music. I thought that she sounded like the Rev. Eli Jenkins in “Under Milk Wood”, who said, “Thank God we are a musical nation.” My hon. Friend was almost musical in her contribution today.

The main issues that we need to address have been mentioned in the course of the debate. Grassroots music venues were mentioned quite frequently. I welcome what the Government have done about rate relief. Last year, I went with the outgoing chief executive of UK Music to meet the former Chancellor of the Exchequer to urge him to do the very thing that the Government are now pledged to do, so I hope that the Minister will give us a bit of an idea of the timetable for that and how it will be implemented.

Music venues are the R&D of the music industry, and when they are closing down, that is the canary in the mine—to mix metaphors a bit—for the industry. If music venues are closing down, there is trouble ahead for our music industry, so the Government do need to work with the sector, including UK Music, to develop a thorough strategy for the future of our music venues, and I hope that they will do that urgently.

We also heard about freelance employment and the nature of employment in the industry and the campaign of Olga FitzRoy and others in relation to shared parental leave for the self-employed and freelancers. That is a particular issue in the music industry.

Jim Shannon (Strangford) (DUP): Will the hon. Gentleman give way?

Kevin Brennan: I will not, because of the time, if the hon. Gentleman does not mind.

This issue is extremely important, and I hope that the Minister will press his ministerial colleagues in the Department for Business, Energy and Industrial Strategy to get on with the job that they are doing of reviewing the availability of shared parental leave for freelancers. We found out today from the Office for National Statistics that for the first time ever more than 5 million people in this country are self-employed. That is a huge part of the creative industries in general and the music sector in particular, so I hope that the Minister takes that job on and communicates with Ministers in other Departments to get the job done.

We have heard about the importance of Brexit. That is a massive issue for the music industry, including in relation to the copyright directive and the huge importance that that has for composers and musicians—for the industry. I should mention the work of PRS for Music in this regard and the tremendous work that it does. Some £618 million a year of export revenue is earned just by music publishing, which is an extraordinary statistic.

We have to deal with the issue of organisations, massive corporations, such as YouTube and Google. Google and YouTube will take \$5.5 billion-worth of revenue from advertising alone in the US during 2020; and 70% of views on YouTube are of 10% of the content, and I would wager that a lot of that content is music content. Musicians and creators are just not being adequately rewarded in that regard.

The other issue is the musicians’ passport and the importance of freedom of movement. I know that the Minister was a Brexiteer, but it is vital that musicians are able to exercise freedom of movement on our departure from the EU and the end of the implementation period. This is not just about large orchestras or big touring bands, which may or may not have the resources and capacity to absorb that. It is also about the small gigging musician who may have a few fans and followers in Berlin, Italy or wherever, who is on an easyJet flight carrying their own instrument and for whom this is a highly marginal activity but one that could lead to a very major career in music. I hope that the Minister bears that in mind and ensures that the music passport proposal becomes reality and freedom of movement does also.

On music education, I will not labour the points made earlier, but it is extremely important.

I do want to introduce one final new and different issue—the BBC. If the Government are serious about the music industry, they need to think about the undermining of the BBC that seems to be the flavour of the day in Government at the moment. The BBC is hugely important to our music industry. It is hugely important to composers, musicians, orchestras, producers, technicians, mixers, engineers—to all of the music sector. Just look at the behaviour now of some of the big channels—for example, the Discovery Channel—which are trying to buy out music rights in relation to copyright. Undermining the BBC because of petty political issues will damage our music industry, and I urge the Minister to ensure that he makes representations in that regard within Government.

3.47 pm

The Minister for Sport, Media and Creative Industries (Nigel Adams): I congratulate all right hon. and hon. Members on their contributions and, in particular, the hon. Member for St Helens North (Conor McGinn) on bringing this incredibly important debate to Westminster Hall today. The interest shown in the debate is testament to the essential role played by music in our national life. I know that the hon. Gentleman is a keen music fan, he has a stunning voice—so I am led to believe—and he is a Classic FM fan. Ms McDonagh, you may be surprised to learn that the hon. Member for St Helens North is also a Rod Stewart aficionado. That took me by surprise, and no doubt at some point we may hear more about it.

I apologise because, given the time constraints, I might not be able to address all the issues and points raised today, but could I add my voice to those who have congratulated the outgoing chief executive of UK Music, Michael Dugher, who has done an incredible job for the sector in his time there? We wish him well in his new career, where I am sure he will also do an incredible job. We also congratulate Andy Heath, the outgoing chairman, who has a fantastic reputation within the industry and has also done a fantastic job stewarding the excellent organisation that is UK Music.

I will also quickly mention and congratulate Billy Ocean, who is 70 today—would you believe it? And of course we cannot forget Baby Spice, Emma Bunton, who has her 44th birthday today. I cannot believe that, either.

I will respond to some of the points raised in the debate, not least the point that the contribution of the music industry is not just economic. There is a huge body of evidence pointing to music's positive impact on wellbeing, skills and employment, and in the reduction of antisocial behaviour and crime. It is not just about the money. We are supporting initiatives such as the National Academy for Social Prescribing, which the hon. Member for Stretford and Urmston (Kate Green) mentioned, to enable GPs and other healthcare professionals to refer people to a range of local non-clinical services.

The hon. Member for St Helens North mentioned tax reliefs, which have been successful in the film sector. As set out in our response to the Digital, Culture, Media and Sport Committee's live music inquiry last year, creative sector tax loops are kept under review to ensure their ongoing effectiveness. I have spoken with music industry representatives and I am happy to receive any evidence-based proposals for a tax relief for the sector.

The hon. Gentleman also talked about the music export growth scheme, which has been incredibly successful. Music is an extraordinary export for the UK because of its economic value and, as everyone will know, the soft power influence it has around the world. The MEG scheme has been helpful in ensuring bands and artists such as Wolf Alice can be promoted and travel overseas. I recently met the Minister for Investment and spoke to him about the importance of these schemes. We look forward to working in partnership with his Department and the music industry, to ensure that talent can access key overseas markets.

The hon. Gentleman also mentioned copyright, as did the hon. Member for Perth and North Perthshire (Pete Wishart). We support the overall aims of the

copyright directive, but our imminent departure from the EU means that we are not required to implement it in full. It is imperative that we do everything possible to protect our brilliant creators, as well as the rights of consumers and users of music. I look forward to working with the music industry to ensure we achieve that and, as I have said on many occasions, I will work to ensure that we stop the exploitation of our artists here in the UK.

Alex Chalk (Cheltenham) (Con): The Cheltenham Festival of Performing Arts provides fantastic opportunities for young people to develop their skills and build their confidence, but organisers have indicated that the Education (Pupil Registration) (England) Regulations 2006 place onerous requirements on licensing each individual before they can perform. Will the Minister meet me to discuss how we can have a proportionate system, to ensure that such fantastic festivals are not put at risk through bureaucracy?

Nigel Adams: I certainly will. In fact, I will come to my hon. Friend's constituency to discuss that important issue. If we can time that with another major sporting event in his constituency, that will go down well.

My hon. Friend the Member for Somerton and Frome (David Warburton), who represents Glastonbury and chairs the all-party parliamentary group on music, mentioned access to music in state schools, which is imperative. We are committed to ensuring all children have a broad and balanced curriculum, and the arts are a key part of that. We are revising the national plan for music education and, as part of that work, developing a model music curriculum created by an independent panel of experts.

My hon. Friend the Member for Henley (John Howell), an accomplished organist and clarinettist, also talked about music education, and we absolutely recognise its importance. I am sure he will welcome the recent announcements that reflect our ambitions on that, including £80 million for music education hubs on top of the £300 million allocated between 2016 and 2020.

The hon. Member for Cardiff Central (Jo Stevens) also referred to live music acts. We do not believe it is necessary to undertake post-legislative scrutiny of the Live Music Act 2012 at this stage. It was introduced to deregulate some of the requirements of the Licensing Act 2003, to help grassroots venues. Full scrutiny was undertaken in 2017 to inform the Government response to the report of the House of Lords Select Committee on the Licensing Act 2003. It was concluded that that was working broadly as intended.

Many hon. Members rightly mentioned our exit from the EU and visas for touring musicians, particularly the hon. Member for Cardiff South and Penarth (Stephen Doughty), who—we have such a wealth of talent—is an accomplished artist. Touring is the lifeblood of the industry and we recognise the importance of the continued ease of movement of musicians, equipment and merchandise once we have left the EU. Visa rules for artists performing in the EU will not change until the implementation period ends in December 2020. They are being considered, and we welcome the views of all hon. Members and the industry on movement within Europe. It is essential that free movement is protected for artists post 2020.

Nearly everyone mentioned music venues, including the hon. Member for Sheffield, Heeley (Louise Haigh). She has a stunning singing voice. I was quite surprised and impressed at how great the Opposition Members' singing voices are. That is great news and I look forward to hearing more of it. The hon. Member for Pontypridd (Alex Davies-Jones) gave her first performance here in Westminster Hall, which was as impressive as the voices of the choir at the Millennium Stadium—I have had the pleasure of listening—which certainly intimidates opposition teams.

The hon. Member for Manchester, Withington (Jeff Smith), a former DJ, was right to mention dance music. He mentioned grassroots music venues, as did the hon. Member for Glasgow Central (Alison Thewliss). We believe those spaces must be allowed to prosper, so we have taken a number of measures that have been mentioned to support this important sector, including the introduction of the Live Music Act 2012 and the agent of change principles. The Arts Council put in a fund of £1.5 million to support grassroots venues. In our manifesto we committed to changes in business rates for music venues. I look forward to receiving more detail on that further support for music venues soon.

The hon. Member for Perth and North Perthshire was right to raise the issue of diversity. Again, he is a man with no small history in the music sector, having sold 2 million albums with Runrig—and 17 with MP4. We believe that equal access to music opportunities should be available to all. The Creative Industries Council recently published its diversity charter, which commits the industry to act to create a more diverse workforce.

The hon. Member for Cardiff West (Kevin Brennan) rightly mentioned shared parental leave. We are not ruling out further support for self-employed parents and the evaluation of shared parental leave is ongoing. We will report on that and publish the Government response to the consultation in due course.

To conclude, this Government are committed to continuing to support the fantastic UK music industry at home and abroad. I recognise the need to consider introducing a comprehensive music strategy. We want our music industry to continue to be the envy of the world.

3.58 pm

Conor McGinn: I thank the Minister for his comprehensive response, given the short time available to him. I also thank the shadow Minister. I concur entirely with his comments about the BBC. People such as James Stirling have put music front and centre of the BBC, across all its platforms, which is critical to the success of British music.

This has been a good debate. The number of contributions and the content of our discussion suggest that there might be appetite for a Backbench Business debate on the Floor of the House. We might look to do that later in the year. The report that provoked this debate said, rightly, that music is about numbers, lyrics, notes and sounds, but fundamentally music is about life. I cannot remember the first time I heard music, but neither can I remember a time when it was not ringing in my ears.

The first record bought for me by my aunt was by Dexy's Midnight Runners—I am sure you can guess what her name was! My first concert was Oasis at the old Wembley Stadium. I remember when I first heard Seán Ó Riada's *Ceol an Aifrinn*—the mass entirely in Irish—and the first dance at my wedding was to Stevie Wonder's "Signed, Sealed, Delivered I'm Yours". Talking to my five-year-old son about the Beatles, I pointed out to him where the Hippodrome was in Earlestown, where he is growing up, and said, "They played there." I owe music a lot and, with my colleagues here, I will do my best to keep paying it back.

Question put and agreed to.

Resolved,

That this House has considered the contribution of music to the economy and society.

Motorhomes and Vehicle Excise Duty

[SIR DAVID AMESS *in the Chair*]

4 pm

Ruth Jones (Newport West) (Lab): I beg to move,

That this House has considered motorhomes and vehicle excise duty.

It is a pleasure to serve under your chairmanship today, Sir David. It is good to see you in the Chair for this debate, because I know that this is an issue that you have raised at the highest levels of Government and that you take it very seriously indeed. As you cannot contribute to the debate this afternoon, I will speak for both of us in saying that this issue is serious and real, and that we will keep raising it until the Government take the necessary action. We are not prepared to let the motorhome industry collapse because of Government miscalculation.

I thank the National Caravan Council for bringing this matter to the attention of Parliament, and I am very grateful to have secured this important debate today. The impact of vehicle excise duty on motorhomes and campervans is a niche topic but an important one. The industry and many motorhome users are calling for motorhomes to be removed from the car vehicle excise duty regime, and for motorhomes to be taxed as private light goods vehicles or private heavy goods vehicles, until they can be added to the forthcoming graduated vehicle excise duty regime for commercial vans, from which they are originally derived.

The calls for action are more obvious than many may think. After all, a motorhome is not a car, as motorhomes are designed to perform a function other than general transport of people or goods. They are derived from the chassis of a heavy commercial vehicle, such as a van or a truck, and they have large engines, so motorhomes should not be taxed as cars, when they are clearly not built to be cars or used as such.

So I am pleased to have the opportunity to raise this issue today and it is good that the Exchequer Secretary to the Treasury is here to listen to the arguments, understand the concerns and—hopefully—update the House on what measures the Treasury will take to ensure that this anomaly can be addressed and solved at the earliest opportunity that the Government can find.

To be clear, I am calling for a fair approach when it comes to the taxation of motorhomes and campervans. This is a cross-party call for action, both politically and geographically.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): In my area, Swift Caravans has already announced redundancies and I am aware that other companies are currently consulting on making more people redundant. There is huge cross-party support on this issue, as shown by the event that we held in October, the joint letter that we sent to the Minister and the event that we will hold in February. Given that cross-party support and the impact on the industry, does my hon. Friend agree that the Government need to take action now?

Ruth Jones: Obviously I agree, and I thank my hon. Friend for intervening to make a powerful point. Yes, there is cross-party support, and she has highlighted

both what has been done so far and what we will do in the future. I know that many right hon. and hon. Members who could not be here in Westminster Hall today also support this call for action.

The vehicle excise duty payable for new-generation motorhomes and campervans first registered after 1 September 2019 increased from £265 per year, going up to £2,135 in the first year; it will then be £465 a year for the next five years. That is a huge increase in costs for those people who choose to buy a motorhome and who enjoy using it, and I hope that the Government will reflect on the impact of this massive rise.

The increase in the level of taxation has been applied to all motorhome vehicles, including those fitted with new-generation greener and more energy-efficient engines. If the Government are serious about their climate change targets, why are they not treating light commercial vehicles as cars for the purposes of taxation? Instead of generating an additional £28 million—approximately—from the relatively small number of new-generation motorhomes, they could generate almost £700 million from vans alone.

Let me be clear that that projected £28 million will be raised only if motorhomes continue to sell at rates similar to those in the past. However, I have been informed by the industry that, as my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) has already mentioned, registration rates are declining rapidly because of this tax.

Holly Lynch (Halifax) (Lab): I am eternally grateful to my hon. Friend for securing this debate and for the powerful speech that she is making. Further to the point that she has just made, I will point out that businesses such as Richard Baldwin Motorhomes, which is located in my constituency, Bentley's Caravan and Motorhome Services, and Caravan Guard and Leisuredays, which is an insurance company that specialises in providing insurance cover for motorhomes, directly employ 60 people in my constituency. Those companies are saying, as my hon. Friend has just said, that such jobs will be at risk if we cannot find the fair approach that she is calling for.

Ruth Jones: Absolutely—I thank my hon. Friend for making another powerful point. Jobs in this industry are being lost. That is not right and we must do everything we can to protect those jobs.

Ministers repeatedly refer to the importance of incentivising drivers and vehicle owners to choose low-emission alternatives. However, if someone wants to buy a new motorhome, or if someone wants to manufacture one, there are no alternative engines. So, where is the incentive? There is not one, which is why it is so wrong that motorhome owners are being disadvantaged by having their vehicles taxed as if they were cars. Motorhomes are not cars.

It is important that we regulate emissions and do what we can to preserve our environment, and it is right that owners of new vehicles are encouraged to choose cleaner and more efficient engines. Indeed, the car and light commercial van industries have been consulted on the impact of the worldwide harmonised light vehicle test procedure and the implementation dates have been delayed. It is regrettable that the motorhome industry has had no such assistance from the Government.

We must also remember that, unlike cars and light commercial vehicles, motorhomes are the smallest group of vehicles, travelling just 3,000 miles per annum on average and contributing just 0.22% of all emissions. The Government should encourage people to stay here in the UK and holiday at home. I know from my many staycations in Wales that there are some wonderful beaches, and places for people to rest and enjoy themselves, so that they can spend their money within the UK.

Peter Aldous (Waveney) (Con): The hon. Lady is making a very powerful speech. Does she agree that there are clear parallels between this tax and the aborted static caravan tax in 2012, with disproportionate impacts on those areas where these vehicles are manufactured and indeed on the holiday areas that she has just talked about?

Ruth Jones: Absolutely, and the hon. Gentleman makes that point very clearly. I will come on to the importance of staycations in this country now.

Sammy Wilson (East Antrim) (DUP): Does the hon. Lady agree that because motorhomes are used on average for only 31 days each year, a tax of £70 a day is not likely to produce the kind of result that she is talking about?

Ruth Jones: Absolutely, and the right hon. Gentleman must have read my speech because I will come on to that very point later.

What happens to staycationing locations across the UK that will lose income and tax revenue because of these proposals? Have the Government completed any studies on this issue? What do they propose to do for people who lose their jobs in the tourism sector because of this arrangement?

We know that staycations stop people from getting on planes, which damage our air, or taking cruises, which damage our marine ecosystems and pollute our waters. So, by holidaying at home, we see lower levels of greenhouse gas emissions and thus less pressure is put on our environment.

The increase in taxation is already having a significant impact on the staycation industry. Unlike the car industry, the motorhome sector saw modest growth year on year up to September 2019, when it recorded a fall of over 7%. That was the very month that the increase came into effect.

I would like the Minister to explain why the Government are penalising 15,000 motorhome-owners, who all contribute to our domestic tourism industry and only use their motorhomes for leisure purposes for about 30-odd days a year, as we have already heard. The policy cannot be about reducing air pollution levels, because if it was, the Government would have a more thought-through and logical approach.

Gillian Keegan (Chichester) (Con): The hon. Lady is making an excellent speech, and I agree with her. There is a disparity between motorhomes, which on average do about 3,000 miles a year, and light vehicles and vans, which do 12,800 miles a year on average with exactly the same carbon dioxide emissions per mile. Does she agree that if we are trying to tackle climate change, motorhomes are not the area on which to focus?

Ruth Jones: I agree with the hon. Member entirely. She has made a powerful point.

I want us to think about the people we are talking about. There are people across the UK who use motorhomes and there are manufacturers, as we have already heard, in Hull and other areas. Many committed holidaymakers are using their vehicles to holiday at home in the UK. Those UK-based holidays are a much-needed boost to our regional economies and our coastal and rural communities. Indeed, motorhome and caravan owners make a key contribution of some £9.3 billion every year to the tourism industry and the economy, according to recent UK Caravan and Camping Alliance impact reports.

The days and months ahead as we leave the European Union remain uncertain and a little unclear. We do not know what economic winds may sweep us up or what global shocks may hit us, so the Government must focus on all measures to make life easier and our economy stronger—not weaker. One way to do that would be to tackle the problems associated with the vehicle excise duty for motorhomes. Let us think about the people who will be affected. There are almost a quarter of a million motorhome owners in the UK today. According to figures from the NCC, 81% are over 55 years old, and more than 50% are retired.

Motorhome and campervan purchasers are often older people who have saved for much of their lives to purchase these leisure vehicles. I do not think the Government want to be accused of making such lifestyle choices unattainable or of taking away the means for ordinary people to enjoy such holidays.

Mr Richard Holden (North West Durham) (Con): I have Elldis, a manufacturer of caravans, and Weardale, an area where many motorhome users go, in my constituency. Does the hon. Lady agree that this policy could have unintended consequences for the environment in terms of more CO₂ emissions from foreign travel and for the Government through a hit on taxation with VAT and other duties when money is not spent in the UK?

Ruth Jones: I thank the hon. Gentleman for making that succinct and clear point. He does it so much better than I could. Why are we penalising those who will not see their incomes grow or those who have stable incomes and have planned accordingly for their futures? They are entitled to holidays, and the Government should not make it difficult for them. I note that my hon. Friends the Members for Kingston upon Hull West and Hessle (Emma Hardy) and for Kingston upon Hull East (Karl Turner) take that point seriously and have made it over recent months. We now have a Government with a solid majority who are looking to their first post-election Budget. I am sure the Chancellor is busy across the road as we approach 11 March, but I remind the Government that they have no more excuses for inaction. They have a clear majority in this House, so they can act if they want to.

Craig Mackinlay (South Thanet) (Con): I thank the hon. Lady for securing this powerful and important debate. She has made the point that it is often elderly, retired people who enjoy such vehicles, but quite a big lump of younger families also enjoy motorhomes. The clear point is surely that these are not vehicles for

[Craig Mackinlay]

personal transport, but leisure vehicles. Has she ever seen such a vehicle in a supermarket car park? I never have.

Ruth Jones: The hon. Gentleman makes a powerful point. As I said earlier, these vehicles are not designed to be used as cars because they are not used to transport goods and people as cars are. He is quite correct in that.

I urge the Minister to listen to the industry, to Members from all parts of the House and to the thousands who enjoy using their motorhomes, and to get this mess sorted out.

Mr David Davis (Haltemprice and Howden) (Con) *rose—*

Sir David Amess (in the Chair): Order. I call the Minister.

4.14 pm

The Exchequer Secretary to the Treasury (Mr Simon Clarke): It is a pleasure to serve under your chairmanship, Sir David. I am grateful to the hon. Member for Newport West (Ruth Jones) for bringing this topic to the House today. I am grateful to all Members who have taken the time to attend and intervene and who have taken the chance to stand up for their constituents. This debate makes it clear that while motorhomes may make up only a small proportion of the vehicle fleet on our roads, they play an important role.

Sir David Amess (in the Chair): Order. I sense that there is some confusion about this debate. It is a half-hour debate. The sponsor of the motion speaks and then the Minister replies. It is for other Members to intervene. Unless permission is obtained, the debate is not for other Members to make separate speeches. There are still many Members here who have attended because they are interested in the matter, but it is simply that they can make interventions.

Mr Clarke: I will of course be happy to take such interventions if colleagues wish to make them. I may regret saying that in a moment, but I will take the chance for now.

As I was saying a moment ago, we recognise the importance of this sector for our tourism economy and that it supports thousands of skilled jobs right across the United Kingdom and, indeed, in certain clusters. Yorkshire is obviously one of those.

To recap the situation, the Government use the vehicle excise duty system to encourage the take-up of vehicles with low CO₂ emissions to help meet our legally binding climate change targets. The new VED regulations were introduced in September to aid that, as motorhomes with higher emissions are liable to higher rates of VED than those with lower emissions. After all, transport is the largest sector for UK greenhouse gas emissions, accounting for some 27% of the total. Road transport makes up more than 90% of that.

Emma Hardy: Does the Minister not accept that the Government are taxing new motorhomes, which have a greener engine, at a higher rate, while allowing older motorhomes, which have a dirtier engine, to continue on the lower rate? It is completely illogical.

Mr Clarke: We clearly have to start the new system somewhere. I take the hon. Lady's point, but I would argue that if we retrospectively hiked tax on existing vehicles, we would face a backlash. The policy is about trying to influence choices at the point of purchase.

The hon. Lady for Newport West said that the options are not available. Clearly we want to incentivise manufacturers to come up with new options, and it is worth pointing out that the stats that I have show a difference of more than £1,000 in first-year VED liabilities between the most polluting 5% of new motorhomes and the bottom quarter. We are trying to encourage people to make rational choices and buy less polluting and therefore less expensive vehicles.

Jason McCartney (Colne Valley) (Con): A local converter company has told me that the range of low-emission options just is not there at the moment. It has already not replaced five workers who have moved on because sales have dropped. The policy is bad for converters and bad for British business, and it is bad for the environment, because it is staycations that we are damaging. Holme Valley Camping in my patch has also lobbied me, because bookings are starting to be affected by the policy as well. Please will the Minister look at it again?

Mr Clarke: That is a typically passionate intervention from my hon. Friend. I take his points to heart, and the Government are listening. Clearly in this context, we can only make announcements at fiscal events. It is important to note that we are hearing the strong messages that people are sending out.

Mr David Davis: The Minister has my sympathy. I have a sense of déjà vu from the omnishambles Budget, when the last attempt was made to attack pasties and caravans. At the time, I spoke to a predecessor in his post. I said, "You will lose taxes as a result of the impact on jobs, trade and so on." He said, "Well, we don't do calculations that way in the Treasury," to which my response was, "You ought to." This policy is masquerading as a green policy. It is destroying jobs in my constituency in Haltemprice already. It is hurting the poorest in our society in terms of their natural holidays travelling around the country. As we have heard, it is replacing staycations with trips to Cyprus and so on, which will use more in one trip than these vehicles use in one year. I look forward not to the Minister solving the issue today—I know that that is not within his reach—but to it being solved in the Budget.

Mr Clarke: I thank my right hon. Friend for his remarks. Everyone who bears the scars of taking on him and his colleagues in the context of the 2012 Budget changes will well remember that. The Government are certainly resolute that it is sensible to have a system in place that discriminates on the basis of emissions. How we calibrate that, and the way in which we operate the system, is kept under constant review. It is worth, in that context, pointing out that the current VED system applies to all light passenger vehicles, not just motorhomes, with a recorded CO₂ figure registered from 1 April 2017. That includes all vehicles that fall within the category M1.

I imagine that all Members spend their time reading up on category M1, which covers those vehicles defined as designed and constructed for the carriage of passengers and comprising eight seats or less, in addition to the driver's seat. In addition, regulations relating to the worldwide harmonised light vehicle test procedure include a requirement for any multi-stage build vehicle, including motorhomes, to record their CO₂ emissions and fuel consumption on their type approval certificate.

Martin Vickers (Cleethorpes) (Con): The Minister has just quoted, word for word, what he said about those regulations when he wrote to me on 12 August. He may recall that I made representations to him on behalf of Auto-Trail, a business that operates on the border of Cleethorpes and the constituency of my hon. Friend the Member for Great Grimsby (Lia Nici). Auto-Trail forecasts that job losses will occur. The Minister concluded that letter by saying that he recognised the concerns. Will he recognise them even more after today? Otherwise, as other Members have said, there will be another omnishambles.

Mr Clarke: I thank my hon. Friend for his remarks. He, like many others, has been assiduous in drawing attention to companies in his constituency that stand to be affected. Clearly, we planned to have a fiscal event in the autumn. Events supervened, and I am very glad that they did, but the March Budget gives us the opportunity to assess the tax, as we do all taxes, in the round.

To defend the Government's record on this matter, we were explicit that motorhomes with a CO₂ figure would be part of the graduated VED system introduced in 2017, and my officials are in constant dialogue with the automotive sector. I have held productive talks with the National Caravan Council, accompanied by you, Sir David. Talk about having a partial Chair.

Mr Davis: He is a total Chair, not a partial one.

Mr Clarke: Indeed. The NCC is a passionate champion for its sector, and I look forward to further conversations.

Emma Hardy: I thank the Minister for giving way again; he is being very generous. Is it not right to say that when the tax was devised, he did not meet with the motorhome or campervan industries to talk about how it would affect them specifically?

Mr Clarke: To the hon. Lady's point, I was not the responsible Minister at that point. In fact, I think I was not even a Member of Parliament at that point. I genuinely cannot speak to whether those conversations were held, but we are now engaged in dialogue. I have met with representatives of the industry since being appointed. Anyone who is present for today's debate can see the strength of feeling that exists across the House.

The structure of reformed VED is designed to encourage drivers to make the lower emissions choices that we all want to see. However, the high rate reduces significantly in subsequent years, which means that the VED liabilities in year one are not reflective of the total VED liabilities for a vehicle over its lifetime. The VED charge also remains a relatively small proportion of the purchase cost—these are, after all, expensive vehicles—typically between 1% and 5%. It is therefore a comparatively small charge, albeit that marginal costs obviously add up.

Sammy Wilson: Does the Minister accept that it is not the percentage of the purchase cost that is important but the running costs per year? If a vehicle is being used on the road an average of 3,000 miles a year, a duty of more than £2,000—nearly 60p or 70p a mile—is a substantial increase in its running costs.

Mr Clarke: The right hon. Gentleman raised the issue with me in the House at Treasury questions. He is obviously very committed to ensuring that we look at it again. Of course, VED is a one-off expense that is paid at the point of purchase; it does not accrue to the running costs per se. The way in which we tax that is through fuel duty. If someone drives more miles, they will pay more fuel duty. That is the real correlation and link. However, I recognise that, if people do not use the vehicles a great deal during the course of any given year, VED represents a substantial one-off cost in the first year of operation.

Mr Davis: I thank the Minister for being so generous in giving way. On that exact point, perhaps the best thing to compare, if he wants to look at more than one-off costs, is the first six years, which can be reasonably compared. A light commercial vehicle doing 8,000 miles a year will have to meet £3,325; for a motorhome doing 3,000 miles a year, it is £4,460. It is a ridiculous comparison.

Mr Clarke: We are trying to standardise the way in which we deal with VED. There is a particular grievance at the moment that it applies to motorhomes but not to vans, for example, as the hon. Member for Newport West mentioned. In the 2018 Budget, the Government confirmed that vans would move to a CO₂-based emissions system, which will apply from April 2021. At that point we will have at least ended the imbalance between the treatment of one sector and another. Clearly, we need to look very closely at how we move forward, in order to ensure that the operation of VED does not penalise people who use such vehicles relatively infrequently. I understand the distinction between vehicles that are on the road every day or every week and those that may be on the road for only a month or two in any given year.

Craig Mackinlay: I thank the Minister for being generous. The heart of the nonsense is that the Euro 6 engines, which many of these vehicles will now have, are low on particulates. Let us put CO₂ aside; particulates are what are important with diesel engines. We are actually encouraging the continued use on the road of older vehicles to the detriment of new ones that are, in the round, better for the environment. We are creating the opposite of what we are trying to achieve.

Mr Clarke: I thank my hon. Friend for that remark. Reducing particulates is a major aspect of Government policy in terms of air quality as well. It is not solely a question of CO₂. As I remarked in relation to a question from the hon. Member for Kingston upon Hull West and Hessle (Emma Hardy), we are trying to address the matter in a way that does not lead to retrospective taxation of people who have already invested in a vehicle. However, I recognise the point that, were we to create a situation in which it was unviable to buy new vehicles, we would effectively lock them in in perpetuity.

I close by emphasising that we really are listening to the remarks of hon. Friends and Members across the House. We understand the centrality of the sector to

[Mr Simon Clarke]

jobs and the tourism industry, and the pleasure that people derive from going away in caravans and motorhomes. The Government reformed VED because we believe that tax rates should reflect environmental impact. Although ultra-low or zero-emissions motorhomes may not yet be available, the Government are seeking to incentivise new motorhome purchasers to make the most rational low-emission choices that they can. However, like all taxes, VED remains under review. Any tax changes are considered and announced by the Chancellor as part of the Budget process. As all Members know, the Budget will be on 11 March. Thank you very much, Sir David, and thank you to everyone who contributed.

Question put and agreed to.

Surrogacy: Government Policy

4.28 pm

Andrew Percy (Brigg and Goole) (Con): I beg to move,

That this House has considered Government policy on surrogacy.

It is a pleasure to serve under your chairmanship, Sir David, and a delight to see my current favourite Minister and favourite shadow Minister in their places. Having flannelled them, I am sure that the debate will receive a very successful response.

Surrogacy is an issue that I came to by accident, having watched a documentary about people who were going overseas to partake in surrogacy arrangements, and some of the problems that that was causing, particularly when it came to the welfare of some of the surrogates. From that, I started to look at the issue of surrogacy in the UK a little more closely. Having become more interested in the subject, it quickly became clear that there is urgent need in this country for reform of surrogacy law. There is also an urgent need for Government to understand and appreciate the important role that surrogacy plays in creating families in this country, whether those families are heterosexual couples, same-sex couples, or single people who wish to create a family. It is a legitimate, valued and socially acceptable means of family building.

Apart from investigating the situation of surrogacy overseas, the only other thing I remember about surrogacy is the debate in the 1980s, when I was a kid growing up. That was when the legislation on which UK surrogacy is presently based came into being, in response to some of the stories and concerns about surrogacy at the time. The debate in the 1980s was very different from the debate we have now. We now understand that surrogacy in this country works, and that it is a legitimate and loving way in which families are created. I thank the previous Minister, my hon. Friend the Member for Thurrock (Jackie Doyle-Price), who is in the Chamber today. She was, I think, the first British Minister to publicly state in the House of Commons the positive role that surrogacy plays in this country. Although I do not wish to embarrass her, I will repeat what she said in July 2018 when she was a Minister in the Department of Health and Social Care:

“Surrogacy has an increasingly important role to play in our society, helping to create much-wanted new families for a range of people. The UK Government recognise the value of this in the 21st century where family structures, attitudes and lifestyles are much more diverse.”—[*Official Report*, 19 July 2018; Vol. 645, c. 38W]

We could not disagree with a single word of that, and we thank her on behalf of the whole surrogacy community for the positive way in which she embraced surrogacy.

We in the surrogacy community also thank my hon. Friend for the guidance that was issued by her Department during her time as Minister, including “Care in Surrogacy”, which was guidance that the Department of Health and Social Care issued to healthcare providers across the country. It had the same simple aims that all of us in the surrogacy community want to achieve: to normalise surrogacy among healthcare professionals, and to avoid the embarrassments that sometimes occur when healthcare professionals do not understand how these arrangements are come to and just how normal they are. In the past, there have been car park handovers of children because healthcare professionals on maternity wards and in

hospitals have not known how the legislation and these arrangements work. We all want to avoid those situations, so I thank my hon. Friend for that guidance, which was updated at the end of November last year. I also thank my hon. Friend for adding the brass, as we say in Yorkshire, to ensure that the Law Commissions' review into the current legislation—a joint review by the Scottish Law Commission and the Law Commission for England and Wales—was a root and branch review. We are very grateful for that.

I also want to say a big “thank you” to the Surrogacy UK working group on surrogacy law reform, which has done a brilliant job. Some of that group's members are here today, although of course I am not allowed to refer to people in the Gallery. Particular thanks must go to my constituent, Sarah Jones, who serves as the chair of Surrogacy UK. When I got interested in this topic, I did not realise that one of my constituents was chair of Surrogacy UK; it was quite by accident. A big “thank you” is also due to Natalie Smith, and to Dr Kirsty Horsey from Kent University, who led and chaired the review working party within Surrogacy UK. We are really grateful that the funding is in place, and that this review has now happened. It is a three-year project which, if memory serves, we are about half way through.

Surrogacy in the UK has been regulated since 1985 by the Surrogacy Arrangements Act 1985, which came out of the 1984 Warnock committee report. That Act contains a number of provisions that make advertising for, or as, a surrogate illegal, criminalise for-profit surrogacy and render all surrogacy arrangements as they stand unenforceable in law. Since 1985, there has been plenty of legislation to change some of that Act's provisions. The Human Fertilisation and Embryology Act 1990 established that in all forms of assisted reproduction, a woman who gives birth, and no other woman, is the legal mother at birth. The legal problem with the situation now is that a surrogate who is carrying a child who has no genetic link to them is, in law, the mother at birth, whereas the intended parents, who may have a 100% genetic connection to that child, are not.

The 1990 Act also determines that the partner of the surrogate is the legal father, even though he may have had absolutely no part in the surrogacy arrangements. That is why parental orders are being created that enable legal parenthood to be transferred after birth as long as certain conditions are met. However, that takes six to nine months at best, and in many cases takes much longer.

Surrogacy legislation has evolved and changed over time. Not so long ago, a remedial order was passed by Parliament in response to a human rights court case. That order now enables single individuals to take part in surrogacy, something that was previously outlawed. The key problem with the legislation, as I have highlighted, is the issue of parent orders. Despite the fact that surrogates, intended parents, and everybody involved in these arrangements have only one interest at heart, that of the child, the current legal situation sometimes works against the interest of the child. It is very rare in a surrogacy arrangement for the relationship between the surrogate and the intended parent to break down, but the current law means that if that does happen, a surrogate who, at birth, is the legal parent can prevent

legal parenthood from ever transferring, even though the children could have no genetic relationship to the surrogate.

The relationship breaks down only in a very small number of cases. Most surrogates go into this for entirely altruistic reasons, and the relationships between the surrogate, the parents and the child are normally very strong and often life-enduring. However, when such a breakdown happens, as in the well-known case of *Re AB* (Surrogacy: Consent), it can result in legal parenthood never being transferred, resulting in a situation where the parent in law will always be different to the parents in reality. That is not in the best interest of the child, which is why we in the surrogacy community welcome the Law Commissions' proposals on this issue. By outlawing the enforceability of surrogacy arrangements, the current situation is one in which people want to properly formalise an arrangement, but cannot then rely on that arrangement later on in law.

Most of us involved in the surrogacy debate would say that what does work in the current UK legislation is the principle of altruism.

Jim Shannon (Strangford) (DUP): This is a complex issue, and the hon. Gentleman is setting the scene very well. However, does he agree that in all these things, sensitivity must be key? Does he also agree that we perhaps need to look to our neighbours across the pond in the United States of America, for instance, where large numbers of surrogacies are carried out, to see how their policies and guidelines have made the process safe for parents and surrogates alike?

Andrew Percy: I thank my hon. Friend for that intervention, and will come on to the issue of surrogacy arrangements in the United States. Nobody would question that surrogacy arrangements in that country operate in the best interest of the child, but they operate on a wholly different basis to surrogacy arrangements in the UK: they operate on a commercial basis, which many of us would not want to see here. It is fair to say that in this country, surrogacy arrangements work. There is no doubt that the welfare of the child is at the heart of surrogacy arrangements, and at the heart of the courts in this country. However, as the debate progresses, we can of course take examples of best practice from other jurisdictions, whether through legally enforceable surrogacy arrangements or whatever else.

Kirsten Oswald (East Renfrewshire) (SNP): Does the hon. Gentleman share my view that it is important to focus on the altruistic nature of surrogacy as we go forward in this debate, and make sure that the welfare of the children concerned is not adversely impacted by an overly commercial focus?

Andrew Percy: I entirely agree. I will say more later, but there is a debate in the surrogacy community about the nature of payments and whether its basis should be altruistic or commercial. Throughout the process, the view of the all-party parliamentary group on surrogacy, which I formed with other hon. Members, has been that we must maintain the altruistic basis of surrogacy in the UK. There are others in the community who take a different view; I will say more about that in a moment.

[Andrew Percy]

The all-party parliamentary group undertook a number of hearings in response to the Law Commissions' proposals. The principal purpose of the debate is to explain where we agree with them and where we do not, and I thank the Law Commissions for the way they have engaged with us. They have been proactive and positive in coming to APPG meetings and some of the hearings, and they have been open throughout the process. That view is shared by everybody across the surrogacy community.

We took evidence from a number of interested parties. We heard from surrogates, intended parents, parents who have created their families through surrogacy, and the legal community. We even took evidence from Tom Daley who, with his partner, chose to undertake their surrogacy arrangement in the UK, not in the United States, precisely because there are some big reasons why the US is not as attractive a jurisdiction—although it is perfectly safe—for such arrangements. Those sessions were really interesting and valuable. In response to the Law Commissions' initial consultation, we have some clear views on what we would like to see.

Jim Shannon: There is something at the back of my mind, which I want to put on the record and get the hon. Gentleman's thoughts on. With the rise of celebrities openly discussing their surrogacy journeys—he has mentioned one—does he agree that we need a clearly defined strategy to address the rise in the number of surrogacies and the complexity of the issue, which is difficult for people to understand without clear guidelines?

Andrew Percy: It is absolutely the case that we need updated legislation. We welcome the arrangement of Tom Daley and his partner, Dustin Lance Black—I have just remembered his name; I am not very good at remembering actors' names—because they are two loving parents who have created a loving family. They are a good example, because they demonstrate better than anyone, or as well as anyone, how loving families can be created in a range of ways—through surrogacy, IVF, adoption or marriage—in the UK in 2020.

Dustin Lance Black also undertook an interesting set of radio programmes, one of which, following surrogacy arrangements in the US, explained why they chose the UK and felt that the system here was better. The hon. Member for Strangford (Jim Shannon) is spot on, however, that we need a well-regulated and updated framework for surrogacy in the United Kingdom.

We as an all-party parliamentary group are positive and pleased by the Law Commissions' proposals. We recognise how progressive many of them are, and that they balance most of the concerns about safeguards, ethical surrogacy and the welfare of children—of course—that were raised by stakeholders throughout the process. We also welcome the fact that, unlike in previous reports, the lived experience is front and centre of all the proposals. We believe that the commissions have engaged positively with the whole surrogacy community and interested parties.

Where do we agree? As I said, we are happy that a full root and branch review is taking place. We are also pleased that there is no move towards allowing the commercial surrogacy that we see in the United States, because it would then become the preserve of the wealthy.

That is not the case with the altruistic nature of the current system, although it is not without expense or challenge. We have a situation in the United States where some families are now going out of the United States to undertake surrogacy because they cannot afford it there.

Kirsten Oswald: Everything that the hon. Gentleman has said builds up to the suggestion that it would be important to have clear guidance on what is meant by things such as “reasonable expenses”, and to balance that by ensuring that the regulation put in place is effective, efficient and fit for the intended purpose.

Andrew Percy: Absolutely; I could not agree more. That is exactly what we are calling for in the draft legislation, on which we hope we will receive support from both Front-Bench spokespeople. Although we want to avoid the commercial arrangements that exist elsewhere, we want a consultative focus on what payments should be considered legitimate in that surrogacy arrangement. In fairness, the Law Commissions' consultation puts some of those things into broad categories of what may or may not be considered appropriate.

We also welcome the potential relaxation around advertising for or as a surrogate, and the proposal to divorce the issue of payments and costs from that of legal parenthood, so they are not tied together in the court system. When it comes to legal parenthood, the court system should be dealing only with what is in the best interests of the child.

In the survey undertaken by the Surrogacy UK working group on legal reform, 82.3% of surrogates surveyed thought that legal parenthood should be determined at or before birth. People who go through surrogacy want to create families for other people; they do not want to be the legal parent at birth. They are not doing it to become a parent, but to help others to become parents. Surrogates clearly want the issue of legal parenthood to be dealt with before birth.

We also agree with the Law Commissions' proposal for a new pathway to enable that, so that by going through the new pathway, intended parents would achieve legal parenthood at or before birth after going through a number of stages. One of those proposed stages is seeking legal advice, about which there are mixed views, because putting lawyers into the middle of something can be very expensive, but we certainly agree that having implications counselling before undertaking surrogacy is important.

We agree that the new pathway should include the surrogacy arrangements, which are legally unenforceable at the moment, and that it should promote Criminal Records Bureau and health checks for intended parents and surrogates. They seem like sensible ways to do things, as does ensuring that individuals and teams can work with non-profit organisations for support on the pathway.

Under those proposals, the old pathway—the current pathway—would continue. We accept that that would be the case, but we would want it to change to ensure that if a relationship breaks down, no surrogate could continue to deny legal parenthood to the parents of the child. That is blatantly unfair and not in the child's interest. That needs to be corrected, as in the case of twins A and B, who have gone through that process.

We agree that double donation should be permitted in domestic surrogacy, which is not currently allowed. We allow people to create a family through double donation via IVF, but under the current legislation, we are effectively punishing a couple for infertility by denying them the right to create a family through double donation via surrogacy. We welcome the fact that that would be rectified by the proposed changes.

On overseas surrogacy, we also agree that there should be a quick route to legal parenthood in UK law for those who have felt the need to engage in surrogacy overseas, but only in the case of jurisdictions where we are absolutely clear that the welfare of the child and of the surrogate have been maintained. Canada and the United States would be obvious examples of where that would be the case, but there may be other jurisdictions overseas where surrogacy is taking place where that might not be the case.

We also have some views on the regulation of non-profit surrogacy organisations. As long as it is not overly burdensome, bearing in mind that these are non-profit volunteer organisations, we have no problem with that regulation. Where we would like to see things to go a little bit further is on the issue of the underlying principle of altruism. Although this is not a view entirely consistent across everybody involved in the surrogacy community, we want to maintain that altruistic basis for the reasons I have said about the costs involved in more commercial systems. The issue of payments, as the hon. Member for East Renfrewshire (Kirsten Oswald) referenced, is open to debate in the consultation. The APPG took hearings on that issue, and we would like to see them more clearly defined. There are payments for loss of earnings and even to cover a small holiday for people after the arrangement, which most people would consider to be part of the altruistic nature of an agreement, but we do not want to see those arrangements massively expanded to the point where there is basically a commercial arrangement by the back door.

When surveyed for the Surrogacy UK law reform group work, 71% of surrogates agreed or strongly agreed that a surrogate should be able only to claim expenses and not to profit—if that is the correct word—from the arrangements. We recommend that intended parents should reimburse all actual costs incurred by surrogate, who should make neither a loss nor profit from the arrangement, and that there should be a better definition, as I have said, about what constitutes reasonable expenses. All parties, of course, have to be accountable for their compliance with these rules.

As I said, we welcome the new proposals, but there is a problem with the new pathway. If the surrogate raises an objection during the new pathway to legal parenthood before or at birth, we effectively find ourselves back in the current situation, where it ends up before the courts and legal parenthood would be automatically stripped from the intended parents—we end up back in the current, unacceptable situation. We would like to see some more work from the Law Commissions on that scenario, to ensure that it is resolved in a different way through other arrangements.

Our proposal would be that intended parents should retain legal parenthood unless or until a court ruling is made—that is effectively the reverse of where we are at the moment. In the current rules, the surrogate retains legal parenthood. Our view would be that if we are

going through the new pathway and the surrogate raises concerns, legal parenthood should remain with the intended parents unless a court determines otherwise. Of course, the courts are always going to place the child, whatever the position on legal parenthood, with whoever is in the best interests of the child. That will never change. That is what the courts do presently; it is always about the welfare of the child.

We are broadly supportive of the changes. I know that in response the shadow Minister and the Minister cannot say a great deal, given the issue is being considered by the Law Commissions. What do we want from the Front-Bench spokespeople today? We would like a repetition of the really positive statement that my hon. Friend the Member for Thurrock made previously about how surrogacy is a progressive way of creating loving families in the UK, and is one that enjoys the support of the Government.

I know that the Minister will fully appreciate that we would like her to follow up on the guidance issued by my hon. Friend the Member for Thurrock, and to ensure that it is being shared appropriately across maternity units, with healthcare workers and with trusts across the country. It was fantastic guidance, which really does help take away some of the nervousness that some people perhaps have when they see a surrogacy arrangement. Will she commit to checking and pursuing that with the various trusts, maternity units and elsewhere?

It would also be great if the Minister could spend some time at the APPG—the shadow Minister is also welcome—and meet with surrogates and parents who have gone through or intended parents who hope to go through the process. There is a legacy from the debate in the eighties. I remember as a kid that sometimes it did not feel quite right, because we were seeing arrangements with lots of money changing hands in the United States and in other jurisdictions, and I think some people still have a misconception around surrogacy. Sitting down with surrogates and intended parents is a good way to hear about how this is a really normal thing; it is just another way that families are created. People go through IVF or adoption, and surrogacy is just another way of creating a family. There are plenty of kids in this country who are brought up in loving families, but I think it is fair to say that those who are brought into the world through surrogacy have a particular advantage in that that family is even more loving. If the Minister were to sit down with surrogates and intended parents, I am sure she will feel that too.

I would also welcome any assurance she could give that she will continue to find the money to pay for this process, started by the brilliant work of my hon. Friend the Member for Thurrock. We are halfway through the process, so one would assume that that would be the case. We would also appreciate if she could spend some time, if she has not already, with the Law Commissions, after she has met the APPG, to get a sense on where they are heading.

Although I know the Minister cannot commit to this, because managing business is always a challenge, I hope that when the draft Bill is put forward, parliamentary time will be set aside. Regardless of anyone's views on the general election, one good thing is that now there is at least certainty. That will perhaps allow time—we will not be crowded out quite as much as we have been in the last two years by other issues—so that we can get the

[Andrew Percy]

legislation right. The legislation from the '80s was fine for a period, but it was a rapid response to an issue that was perhaps not fully understood or appreciated, and things have moved on. The country has moved on. The legislation needs to move on and that is why it is so good that we are at this point.

I will say no more in the hope that there is time for other people to speak. I thank everybody in the surrogacy community for the work they have done in pushing this issue and we look forward to the next stage.

4.57 pm

Catherine West (Hornsey and Wood Green) (Lab): It is a pleasure to serve under your chairmanship, Sir David. I will be very brief in my remarks because the hon. Member for Brigg and Goole (Andrew Percy) has covered a number of points. I commend him for his energy and work in this area, in particular for the way in which he has brought together Members from both Houses who have an interest in surrogacy best practice.

I will briefly say where I strongly agree with the Law Commissions' recommendations and then I will add a couple of points where I think there could be some improvements. The Law Commissions have done well on the question of safeguards and requirements for entry to the new pathway and in particular in its reference that implications counselling is important for those undertaking surrogacy. The hon. Member said in his remarks that there is not as much knowledge about surrogacy as there ought to be. For people setting out on the journey of surrogacy, it is crucial that implications counselling be available. Furthermore, surrogacy agreements should play a central role in any new legislation, and other forms of best practice, such as criminal records and health checks, should of course be promoted. Finally, individuals and teams should be able to work with non-profit organisations for support on the pathway.

I turn to the question of improvements. First, I mention the speed at which the Government should act on this issue. The Law Commissions have done a very good job in developing proposals and I cannot see why it has taken the Government so long to take forward the draft Bill when the Law Commissions have had it ready for so long. There are drafts, and it would not take too long to get the recommendations into a Bill. The Minister is smiling, which perhaps means that it could be done quite quickly.

I turn briefly to a strong recommendation from constituents of mine who have done a lot of research and had personal experience of surrogacy. There is a danger that any future legislation might be drafted in such a way that it benefits only the children of the future, and not children who are already here and who may be suffering under current laws—for example, children in my constituency who are currently in legal limbo and living with biological parents who are not their legal parents. The Law Commissions' proposals could correct that anomaly by removing the surrogate's "veto" over the legal process and ensuring that the welfare of children is paramount. The hon. Member for Brigg and Goole has emphasised that the implications of the Children Act 2004 are that the welfare of children is paramount,

so the Government must commit to ensuring that everyone is able to benefit from the future reforms and that no child should be left out.

I will close my remarks, because I know hon. Members wish to hear at length from the Minister, the shadow Minister and the spokesperson for the Scottish National Party. I reiterate my thanks to the hon. Member for Brigg and Goole for securing the debate and for the energetic way that he has addressed the issue through the APPG, and I look forward to seeing the Bill brought to the House.

5.1 pm

Kirsten Oswald (East Renfrewshire) (SNP): It is a pleasure to serve under your chairmanship, Sir David. We have heard a great deal of useful information in the two speeches that have been made. There can be no doubt in the mind of anyone who has watched the debate that change is needed. I thank the hon. Member for Brigg and Goole (Andrew Percy) for securing the debate. It is a really important topic and, as he suggested, the laws around surrogacy are simply outdated. They need to be improved as a matter of priority, so that children, surrogates and intended parents can be far better supported.

We hear a great deal in this place about the importance of family. If that is sincerely meant, we need to understand that not all families are the same and that families coming together via surrogacy require particular support by making the law work for everyone involved. When I started to look into this issue, I realised that the laws on surrogacy had not changed since they were introduced in the 1980s—which were not yesterday—and that they do not reflect the huge changes in society that have taken place in the intervening decades. It is no wonder that the laws of 40 years ago do not meet the needs of families and people who wish to become families today. That is expressed very well by *Brilliant Beginnings* and *NGA Law*, which said:

"The law cannot comfortably deal with the modern realities of diverse surrogacy experience, and as a result the courts have stretched the rules to make orders crucial to safeguard children's welfare... There are limits to how far the courts can evolve the law and some children (particularly those born to single parents) have been left without resolved parentage. Judges of the High Court Family Division have repeatedly and consistently expressed concern about UK surrogacy law."

That is, of course, completely unacceptable. In any case, surely intended parents should not have to go through a cumbersome and lengthy court process in order to become their child's legal parents. That is a welfare issue, and it significantly affects the intended parents' ability to make important decisions about the child in their care.

I am glad to hear the enthusiasm for a new legal framework for surrogacy, and for the importance of having the interests of the child, surrogates and intended parents at the centre. It was interesting that Lady Paton, who is the chair of the Scottish Law Commission, said:

"Surrogacy has become a significant issue in today's society. The interests of all the parties involved must be properly regulated and protected. That is the focus of our proposals."

That interest and focus is very welcome. The Scottish Government will consider the report and its recommendations once they are finalised, and I look forward to that. In the meantime, I would reflect on the

views of my constituents, Stuart and Gordon, who are on their surrogacy journey and have expressed their situation—they are dealing with it better than I ever could. They told me:

“We got married in 2018 and have been together for four years. We have always wanted to have a family but as a male couple, the challenges of creating our own family are much harder.”

They talked about their wish to start a family as being really important to them and, of course, to so many other people. It is something that we take for granted, but for Stuart and Gordon, as for other couples on a surrogacy journey, that is not the case. They simply want to be able to move forward with the certainty that the law is keeping pace with society, and that the frameworks that should be in place take proper account of the need to be efficient and effective, with a focus on the people involved at the heart of it.

As things stand, the system is needlessly and illogically stressful. It is confusing and assuredly not in the interests of the welfare of the child concerned. I hope that we can find constructive ways forward, and I look forward to hearing from the Minister. I hope the law can catch up with the reality of our communities, so that my constituents and others in similar positions are able to have their families that they wish for.

5.5 pm

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): It is an honour to serve under your chairmanship, Sir David. I thank the hon. Member for Brigg and Goole (Andrew Percy) for securing this important debate and for his important work in chairing the all-party parliamentary group on surrogacy, which, as we have heard, has held evidence sessions on surrogacy law reform. I also thank him for his very warm welcome to me and the Minister in his opening remarks—it is much appreciated.

Andrew Percy: The hon. Lady did not welcome me back.

Mrs Hodgson: It is very nice to see the hon. Gentleman back in this place after the election.

I thank my hon. Friend the Member for Hornsey and Wood Green (Catherine West) and the hon. Member for East Renfrewshire (Kirsten Oswald) for their welcome, albeit short, speeches. It is definitely worthwhile in a debate such as this to have more than just one voice. I look forward to seeing the all-party parliamentary group's report on its conclusions, and I hope to work with the group in the future.

I agree wholeheartedly with the hon. Gentleman that surrogacy is a valuable and progressive option for many people who want to have children and create a loving family. However, the key piece of legislation surrounding surrogacy is now, as he said, 35 years old and severely outdated. I know this is a problem that the Government have previously acknowledged, and I welcome the former Minister, the hon. Member for Thurrock (Jackie Doyle-Price), who did so much to move the issue forward. However, there has still not been any serious reform of surrogacy legislation and, as we have heard, problems still persist. What should be a joyous time for parents can turn into a distressing burden. Applying for parental orders can take several months, and the process fails to reflect the realities of modern-day family life.

In a survey conducted by Surrogacy UK's working group on legal reform, 92% of respondents agreed that surrogacy law reform is needed. As we have heard, the Law Commissions are carrying out a review on surrogacy and parental orders, and it has made some primary recommendations. The hon. Gentleman went through them in detail, so I do not have to. They include a recommendation for the intended parents to become the legal parents of a child from birth as per a surrogacy agreement. I hope that the Minister will respond to some of the Law Commissions' primary recommendations. It is due to publish its full recommendations in 2021, but will the Minister set out what steps the Government will take in the meantime to prepare a Bill that would bring surrogacy legislation into the 21st century? That would indeed be a welcome step.

The legislation needs to make the requirements for surrogacy clear and fair for everyone involved, including, and most importantly, the child. That includes a definition of what constitutes a reasonable expense. Surrogates should not make a profit, but should not be left out of pocket either. A definition would provide legal certainty to the surrogate and the intended parents.

It is crucial that children are not left in legal limbo, as my hon. Friend the Member for Hornsey and Wood Green said. With that in mind, I believe that the ability to make a parental order without the surrogate's consent under the new regime should be applied retrospectively. That means that children who are currently in legal limbo would be lifted out of that uncertainty and would be treated equally to children born after the new regime comes into force.

It is clear that the public perception of surrogacy has moved on since 1985. It is time, therefore, that the legislation does so too. I look forward to hearing the Minister's response.

5.10 pm

The Minister for Care (Caroline Dinenage): It is a great pleasure to serve under your chairmanship, Sir David. I want to start in the same vein as the hon. Member for Washington and Sunderland West (Mrs Hodgson) by heaping praise on my hon. Friend the Member for Brigg and Goole (Andrew Percy), who is, of course, one of my favourite Members of Parliament. In all seriousness, I want to thank him for his sterling work on this really important issue. For a very long time, he has been a strong, effective and vocal campaigner on it, and he has led the APPG, which has done an enormous amount of valuable and comprehensive work on this tremendously important issue. Westminster Hall debates have played an important role in highlighting the need for Government action in this area. The former Member for Erewash secured a debate on it in 2014, which set in motion a lot of the reforming actions that increased the chance of successful surrogacy arrangements and, importantly, the formation of new families.

There is no doubt that surrogacy can transform the lives of people who want to have their own children. We of course recognise the value of surrogacy in today's society, where family structures, attitudes and lifestyles are increasingly diverse. It is all about building happy and loving families, and giving people the opportunity to enjoy the wonderful benefits and experiences—and, indeed, sometimes challenges—that that brings.

[*Caroline Dinenage*]

I thank the hon. Members for Hornsey and Wood Green (Catherine West), for East Renfrewshire (Kirsten Oswald) and for Washington and Sunderland West for their constructive comments. I also praise my hon. Friend the Member for Thurrock (Jackie Doyle-Price), who did some remarkable work in this area; she very much emphasised the positive role of surrogacy. She showed great leadership and commitment, and added the brass, as my hon. Friend the Member for Brigg and Goole said, leading the way to the Law Commission review. I also thank the surrogacy community for the way it has helped to move this important issue forward. It has shared its knowledge and experience, which has been immeasurably valuable.

The UK is one of only a few countries in the world with a legislative framework for surrogacy. It is set out in primary legislation by the Surrogacy Arrangements Act 1985, with some aspects updated by the Human Fertilisation and Embryology Act 2008. Although that framework was appropriate for the time at which it was written, we all agree that it is clear that society, family formation and relationships have moved on in the interim.

Importantly, the current legislation sets out a number of fundamental principles, which my hon. Friend the Member for Brigg and Goole mentioned, that will continue to inform any future legislation. The arrangements should be based on altruism and should be coercion-free. They should fundamentally protect the welfare of any resulting children, and respect the rights of the surrogate and the intended parents. Although those basic principles are the right ones, my ministerial predecessors—one of whom is in the Chamber—recognised that the existing legislative framework has not kept pace with a changing society. That has led to tension between the law and current social norms, in many cases creating uncertainty and unnecessary upset. That is why the current legislation has been subject to a number of legal challenges in the courts over the years, including on how legal parenthood is applied in different situations and how the courts apply time limits for applications for parental orders.

To address the issues with the current legislation, in April 2018 the Government asked the Law Commission of England and Wales and the Scottish Law Commission jointly to review all surrogacy-related law and make proposals for improvement. That large, vital piece of work is a three-year project. To respond to the hon. Member for Hornsey and Wood Green, the Law Commissions have not published a draft of the recommendations yet. To respond to the hon. Member for Washington and Sunderland West, they are expected to publish a report alongside a draft Bill in 2021. As part of the review, they undertook extensive engagement with a wide range of stakeholders around the UK.

Based on this engagement, the Law Commissions developed a number of provisional proposals to improve surrogacy legislation and published a consultation paper in June—that might be what hon. Members are getting confused about—to provide an opportunity for people to discuss their views. They then ran a series of consultation events across the UK that were open to professionals, surrogates, intended parents and members of the public. It closed on 11 October 2019. The Commissions are now collating and analysing the enormous number of

responses. That will inform the discussion and the development of the final recommendations, which will go towards changing the law.

I thank the Law Commissions for their very comprehensive engagement with all those involved in surrogacy in the UK. I intend to meet the lead commissioner to discuss the outcomes and next steps in the project. Of course, I would love to meet the APPG, surrogate parents and intended parents to talk about their views and experiences in the interim. I am thankful to all those who have engaged with the process and provided invaluable feedback.

Jackie Doyle-Price (Thurrock) (Con): I welcome the Minister's comments. I want to put on the record the enthusiasm with which the Law Commissions embraced the project. They are clever lawyers, and they fully recognised that a 35-year-old law that is no longer fit for purpose is leading to legal challenges that are potentially having bad outcomes for the child, and certainly for the parents involved in the process. I encourage the Minister, as she has discussions with the Law Commissions, to start to give a nod to the rest of society about how the Government are responding to the issues that they are readily highlighting.

Caroline Dinenage: I will very much take my hon. Friend's advice on this. Hers have been particularly large and glamorous shoes to fill in this role. She makes some excellent points—the Law Commissions' work is very thorough and is beginning to look at some old and out-of-date parts of the legislation.

My hon. Friend the Member for Brigg and Goole articulated some of the key proposals, why some changes are so needed and where the views of the APPG might differ slightly. I am sure he will forgive me that today I will not comment on specific Law Commission proposals, for obvious reasons. The commission has arrived at its proposals independently, and it would not be appropriate for me to pre-empt the result of its consideration of the feedback that it received in the consultation. I will, however, put it on the record that we recognise the many different voices in this space and that there will be some different views of the proposals.

No formal discussions have taken place, but we recognise that the House may take a view that a sensitive issue such as surrogacy is appropriate for pre-legislative scrutiny of any proposed Bill. We are definitely open to that. I also reaffirm that we are committed to the completion of the review and that we will continue to sponsor it until publication. I hope that that provides my hon. Friend with the reassurance that he wanted. The Government will continue to work closely with the Law Commissions to ensure that the proposed legislative changes offer more certainty, more clarity and real incentives for those involved to seek surrogacy here in the UK.

We have already taken some action to modernise surrogacy arrangements. The Government have enabled individuals to apply for a parental order, to gain legal parenthood after surrogacy arrangements. That was made possible by the remedial order, which was introduced in December 2018. I put on record my thanks to the Committee for supporting unanimously the remedial order, which provides legal certainty for those families.

The Government have also produced guidance on surrogacy arrangements in the UK. It was developed in partnership with surrogacy and professional organisations and published in 2018. The guidance provides authoritative information for people who are considering surrogacy, and emphasises the benefits of undertaking surrogacy in UK-licensed clinics, rather than going abroad. It has been widely welcomed and commended. My hon. Friend the Member for Brigg and Goole also mentioned the guidance that goes to NHS professionals and staff—published alongside the other guidance in 2018—which was updated in 2019. However, I thank him for drawing my attention to ensuring that those guidelines are followed properly and adopted in every case.

Finally, I want to make it clear that the Government recognise the value of surrogacy, which helps a range of people who might not otherwise be able to have children to create the family for which they so long. In that spirit of inclusiveness and equality, we look forward to updating the legal framework for surrogacy in the UK, to make it fit for the challenges of the future.

Question put and agreed to.

Resolved,

That this House has considered Government policy on surrogacy.

5.20 pm

Sitting adjourned.

Written Statements

Tuesday 21 January 2020

DIGITAL, CULTURE, MEDIA AND SPORT

Media Acquisition: Public Interest Intervention Notice

The Minister for Sport, Media and Creative Industries (Nigel Adams): My right hon. Friend the Secretary of State for Digital, Culture, Media and Sport, Baroness Morgan of Cotes, has made the following statement:

On 9 January DCMS officials wrote to the Daily Mail and General Trust plc (DMGT) to inform them that the Secretary of State for DCMS was 'minded to' issue a public interest intervention notice (PIIN). She has confirmed today that she is issuing the PIIN.

This relates to concerns she has that there may be public interest considerations—as set out in section 58(2B) of Enterprise Act 2002—that are relevant to the recent acquisition of JPI Media Publications Limited, and thus the *i* newspaper, by DMGT and that these concerns warrant further investigation.

The Secretary of State invited the parties to submit representations to her, which they have done. She has noted their representations regarding protections for editorial independence, including commercial incentives for maintaining the editorial position of the *i*. However, she continues to believe that it may be the case that the public interest consideration of sufficient plurality of viewpoints in newspapers is relevant to this merger. She thus considers it appropriate to intervene in this matter.

At this stage, the Secretary of State's decision to issue the PIIN triggers the requirement for the Competition and Markets Authority (CMA) to report to her on jurisdictional and competition matters; and for Ofcom to report to her on the media public interest consideration in section 58(2B) of the Enterprise Act 2002—namely, the need for, to the extent that it is reasonable and practicable, a sufficient plurality of views in newspapers in each market for newspapers in the United Kingdom or a part of the United Kingdom. She has asked both the CMA and Ofcom to report back to her by 13 March 2020.

The Secretary of State's role in this process is quasi-judicial and procedures are in place to ensure that she acts independently and follows a process which is scrupulously fair, transparent and impartial.

DCMS will update Parliament once both reports from the regulators have been received and considered.

[HCWS47]

TREASURY

ECOFIN

The Chancellor of the Exchequer (Sajid Javid): A meeting of the Economic and Financial Affairs (ECOFIN) Council will be held in Brussels on 21 January 2020. The Council will discuss the following:

Early morning session

The Eurogroup president will brief the Council on the outcomes of the 20 January meeting of the Eurogroup, and the European Commission will provide an update on the current economic situation in the EU. Following this, Ministers will take stock of the process of nominating a European candidate for the European Bank for Reconstruction and Development (EBRD) presidency.

Current financial services legislative proposals

The Croatian presidency will provide an update on current legislative proposals in the field of financial services.

Presidency work programme

The Croatian presidency will present its work programme for January to June 2020.

European Green Deal

The European Commission will present the economic and financial aspects of the European Green Deal.

European semester 2020

To launch the new European semester exercise, the European Commission will present the annual sustainable growth strategy, the alert mechanism report, and the Euro area recommendation.

Tax challenges arising from digitalisation

The Council will hold an exchange of views on the state of play of negotiations in the OECD on tax challenges arising from digitalisation.

I would also like to inform the House about the ECOFIN meetings that took place on 5 December 2019 and 8 November 2019.

ECOFIN: 5 December 2019

A meeting of the Economic and Financial Affairs (ECOFIN) Council was held in Brussels on 5 December 2019. The UK was represented by Matthew Taylor, Director Europe, HM Treasury.

The Council discussed the following:

Early morning session

The Eurogroup president briefed the Council on the outcomes of the 4 December meeting of the Eurogroup, and the European Commission provided an update on the current economic situation in the EU.

Banking Union

The Council noted a report on progress on the banking union.

AOB: Directive as regards disclosure of income tax information

Ministers held an exchange of views on the legal basis for country-by-country reporting of income tax information, as requested by Sweden.

Current financial services legislative proposals

The Commission provided an update on current legislative files in the field of financial services.

Energy taxation

The Council adopted conclusions in regards to energy taxation.

European financial architecture for development

The Council adopted conclusions on the European financial architecture for development.

Climate action work plan

In response to discussions at September informal ECOFIN meeting, the Council approved the proposed work plan on climate action.

"Stable-coins"

The Council and Commission adopted a joint statement on "stable-coins".

Capital Markets Union

The Commission gave an update on the capital markets union, welcoming work on sustainable finance and FinTech.

Anti-money laundering and counter-terrorist financing

The Council adopted the conclusions on proposed changes to the future EU framework for anti-money laundering and the financing of counter-terrorism.

Sustainable finance

The Council held an exchange of views the sustainable finance.

Non-performing loans

The Commission updated on the action plan for non-performing loans in Europe.

Stability and growth pact

The Council issued decisions confirming no effective action has been taken by Hungary and Romania in response to Council recommendations of June 2019.

AOB: EU list of non-co-operative tax jurisdictions

As an AOB, the Danish delegation requested Ministers to strengthen ambitions on the EU list of non-co-operative tax jurisdictions.

ECOFIN: 8 November 2019

A meeting of the Economic and Financial Affairs Council (ECOFIN) was held in Brussels on 8 November 2019. The UK was represented by Mark Bowman (Director General, International Finance, HM Treasury). The Council discussed the following:

Excise duties

The Council discussed the directive on general arrangements for excise duty (recast); the regulation on administrative co-operation of the content of electronic registers; and amendments to the directive on the structures of excise duty on alcohol.

VAT data from payment service providers

The Council agreed a general approach on amendments to: the directive on the common system of VAT with regards to requirements for payment service providers; and the regulation on administrative co-operation in the field of VAT concerning measures to combat VAT fraud.

VAT treatment for small enterprises

The Council agreed amendments to the directive on the common system of VAT in regards to the special scheme for small enterprises.

Current financial services legislative proposals

The Finnish presidency provided an update on current legislative proposals in the field of financial services.

European Central Bank – Executive Board member

The Council adopted a recommendation to the European Council on the appointment of a new member of the Executive Board of the European Central Bank.

Digital taxation

The Council was updated on the current state of play of digital taxation and discussed the way forward.

European Fiscal Board report

The Council were presented with the 2019 annual report of the European Fiscal Board.

EU statistical package

The Council adopted Council conclusions on the EU statistical package and to review progress achieved.

Climate finance

The Council adopted Council conclusions on climate finance for the COP25 climate summit.

Follow-up to international meetings

The presidency and Commission informed the Council of the main outcomes of the G20 meeting of Finance Ministers and central bank governors and the IMF and World Bank annual meetings held in October 2019.

Stable coins

As an AOB, the presidency informed the Council about a joint statement on stable-coins ahead of December ECOFIN. [HCWS48]

HOME DEPARTMENT**Countering Terrorism****The Secretary of State for the Home Department**

(Priti Patel): The Government's first priority is to keep families, communities and our country safe. Following the terrorist attack at Fishmongers' Hall in November 2019 we have reviewed our overall approach to counter-terrorism and the package of measures we have announced today represents a major shift in the UK's approach to the sentencing and management of terrorist offenders.

The counter-terrorism strategy—CONTEST—was strengthened in 2018 and remains one of the most comprehensive approaches to countering terrorism in the world. But we know the threat we face will continue to diversify and evolve as it has done in recent years and we must continually assess the effectiveness of our action and remain flexible in adapting our approach.

The package announced today includes a major overhaul of prisons and probation, including tougher monitoring conditions for terrorist offenders and doubling the number of counter-terrorism probation officers. This will also include a full independent review of the multi-agency public protection arrangements. Jonathan Hall QC will lead this review.

A new Counter-Terrorism (Sentencing and Release) Bill, will be introduced in the first 100 days of this Government. The Bill will include measures that will force dangerous terrorist offenders who receive extended determinate sentences to serve the whole time behind bars and will introduce a new statutory minimum sentence of 14 years in prison, which can be applied to those convicted of the most serious terrorist offences.

Funding for CT policing will also grow to £906 million in 2020-21, a £90 million year-on-year increase. The money will support and maintain the record high numbers of ongoing counter-terrorism policing investigations and ensure a swift and effective response to the threat.

The Government will also review the support available to victims of terrorism, including families and loved ones, and immediately invest £500,000 to increase the support provided by the victims of terrorism unit, to ensure more victims get the support and advice they need, faster.

This package of measures sets out how we will continue to build on the UK's formidable capabilities, experience and expertise to tackle the growing and changing threat from terrorism in all its forms.

[HCWS46]

ORAL ANSWERS

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