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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 7 July 2020

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Virtual participation in proceedings commenced (Order, 4 June).

[NB: [V] denotes a Member participating virtually.]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Bounce-back Loans: Sector-specific Access

Dr Luke Evans (Bosworth) (Con): What assessment he has made of the potential merits of providing sector-specific access to extended bounce-back loans as part of the Government's covid-19 recovery strategy. [904349]

The Economic Secretary to the Treasury (John Glen): The bounce-back loan scheme is aimed at helping the smallest businesses across different sectors of the economy to access the finance they need, and we have seen 1 million loans worth almost £31 billion approved since the scheme was launched on 4 May. We are carefully monitoring the use of this scheme by businesses and will keep all policies under review.

Dr Evans [V]: I am grateful for the Minister's answer. Undoubtedly, bounce-back loans have been a success of this pandemic. However, I have a concern that normally viable small and medium-sized enterprises will face acute problems due to covid and may need to make redundancies. The payments associated with redundancies may, in turn, cause normally viable companies to become insolvent, thus losing all jobs and putting more pressure on the state. With that in mind, will he consider a fund or time-limited mechanism to ensure that SMEs can provide redundancy payments due to covid, thus allowing them to remain solvent, protecting them from further job losses and providing some short-term stability for them to bounce back in the future?

John Glen: I thank my hon. Friend for his question. Of course we recognise the importance of SMEs—there are 5.6 million businesses across the country with fewer than 10 employees, and we need their dynamism and entrepreneurial spirit as the economy starts to recover. The Government have said from the start that they will do whatever it takes to support business. The Chancellor has introduced a significant package of measures, which will be under review, and there will be further announcements in due course.

Inheritance Tax

Sir Edward Leigh (Gainsborough) (Con): Whether he plans to (a) reform and (b) simplify inheritance tax. [904350]

The Financial Secretary to the Treasury (Jesse Norman): Inheritance tax makes an important contribution to the Exchequer. The current threshold of up to £1 million for a qualifying married couple or civil partnership means that 96% of all estates in 2020-21 are forecast to be able to pass on their assets without any inheritance tax liability. Any reform or simplification of inheritance tax would be considered as part of the usual Budget process.

Sir Edward Leigh: When are we going to fulfil numerous promises made as long ago as before the 2010 election, by George Osborne, to help middle-class people pass on more of their property to the young? After all, that is a priority for the young. While we are about it, can we hear from the Chancellor and the Prime Minister less about high-spending lefties like President Roosevelt and more about good Conservatives like Ronald Reagan and Margaret Thatcher—less about subsidies and more about tax cuts and tax simplification?

Jesse Norman: I hesitate to give my right hon. Friend a history lesson, but he will recall that Ronald Reagan was a deep admirer of FDR and quite a heavy spender in his own right. Inheritance tax is paid on only one in 25 estates, and therefore it is not quite as large an issue in terms of the number of people affected as my right hon. Friend suggests. We take these issues very seriously and return to them recurrently at fiscal events.

Covid-19: Economic Support

Dave Doogan (Angus) (SNP): What steps he is taking to support the economy during the covid-19 outbreak. [904351]

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): What steps he is taking to support the economy during the covid-19 outbreak. [904402]

The Chancellor of the Exchequer (Rishi Sunak): The Government have taken unprecedented steps to keep as many people as possible in their existing jobs, support viable businesses to stay afloat and protect the incomes of the most vulnerable. We are now carefully and safely reopening our economy.

Dave Doogan [V]: I have previously raised the issue of the 3 million taxpayers being excluded from Government support with the Prime Minister, the First Secretary of State and the Leader of the House, all of whom have repeated details of the Government support provided to other groups. To be clear, it is understood that 2.6 million self-employed people were supported and 9 million people were furloughed. What remains an issue, though, is the 10% of the workforce who have received no meaningful support to help navigate covid. Specifically on the 3 million excluded, will the Chancellor provide an eleventh-hour lifeline such as that provided for the arts, or is he planning to cut 3 million workers adrift? It is one or the other, and it is now or never.

Rishi Sunak: I have said previously that, although we have not been able to help everyone in exactly the way that they would have liked, I am confident that the breadth and scale of the interventions we have provided ensure that everyone is able to access some support. We have also strengthened our security net, with welfare through universal credit, among other things, and our self-employment scheme remains one of the most comprehensive and generous anywhere in the world.

Margaret Ferrier [V]: The economic impact of coronavirus has not been distributed evenly across the UK economy, yet the Scottish Government have extremely limited borrowing powers to stimulate demand and aid recovery in key sectors. A one-size-fits-all approach should no longer be the norm. Will the Chancellor bring forward the review of the fiscal framework, lift the caps on borrowing and give the Scottish Government the tools that they need to invest in Scotland's future?

Rishi Sunak: My right hon. Friend the Chief Secretary to the Treasury is in constant dialogue with his counterpart, the Finance Minister in Scotland, on these issues, but the people of Scotland are able to benefit from the strong measures that we put in place for the entire United Kingdom. Whether it be our loan schemes or, indeed, our furlough scheme, everyone in every part of this country is able to benefit.

Mr Speaker: I call the Chairman of the Select Committee, Mel Stride.

Mel Stride (Central Devon) (Con) [V]: Guidance has recently appeared on Her Majesty's Revenue and Customs website that suggests that those who take covid-19 tests, as provided by their employer, will have to treat the cost of those tests as a taxable benefit in kind, which is very unfortunate, particularly in respect of those frontline workers who may be involved. Will the Chancellor look into this matter, please, as a matter of urgency?

Rishi Sunak: I am delighted that my right hon. Friend has raised this issue with me, and of course we will look into it very quickly.

Alison Thewliss (Glasgow Central) (SNP): To follow up on the question asked by my hon. Friend the Member for Angus (Dave Doogan), the Excluded UK all-party parliamentary group was launched this morning with more than 150 Members of this House signing up as members, cheered on by the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone). Will the Chancellor tell me why he has decided that 3 million people are not worthy of support, and why will he not put something in place to protect their incomes?

Rishi Sunak: Everyone in this country has benefited one way or another from what we have been able to do. Although people have not been able to be helped in exactly the way they would have liked, we have been able to put in place measures unprecedented in scale and speed, and that meant we did have to make some difficult decisions to implement those policies. None the less, I do believe that, because of the measures that we have taken to strengthen our safety net, for example, everyone, no matter where they are, has access to more support than they did before this crisis began.

Alison Thewliss: If the Chancellor listened to the evidence from groups such as ExcludedUK, he would know that that is simply not the case. To turn to some of the rhetoric of the past few days, the Government seem to be trying to imitate the rhetoric of President Duterte of the Philippines and President Roosevelt on the new deal, but the measures do not meet the scale of either of those gentlemen's ambitions. Does he agree with the SNP that we need a stimulus package of at least £80 billion, including a 2% cut in employers' national insurance contributions and a reduction in VAT for the hospitality sector, as demanded by the Scottish Government? If he does not believe that those steps should be taken, will he allow the Scottish Government to have the full suite of financial powers that they require to meet that challenge?

Rishi Sunak: The hon. Lady talks about scale of ambition. I am proud of what this Government have put in place and the speed at which we have done so. The jobs of 9 million people have been protected through our furlough scheme; 2.7 million self-employed people have had their income supported; and millions of companies have received access to loans, grants and tax deferrals. In sum, this represents £130 billion of support—one of the most comprehensive and generous support packages available in any country anywhere in the world.

Bridget Phillipson (Houghton and Sunderland South) (Lab): The Chancellor knows that different sectors of our economy face very different challenges in the months ahead, so will he listen to the businesses right across our country that have called again and again for the job retention scheme to have the flexibility to meet those different challenges?

Rishi Sunak: On the job retention scheme, our policy is clear. We have extended the scheme all the way through to the autumn, at which point it winds down gradually and in a way that asks for very modest contributions from employers. None the less, I do recognise that different sectors have faced different circumstances during this crisis, particularly those in the hospitality, leisure and retail sector, which is why we cut business rates for the entire year for those sectors and, indeed, provided cash grants of £10,000 or £25,000 to almost 1 million businesses up and down the country.

Investment and Economic Growth: Northern Lincolnshire

Martin Vickers (Cleethorpes) (Con): What fiscal steps he is taking to (a) attract investment and (b) achieve economic growth in northern Lincolnshire. [904352]

The Exchequer Secretary to the Treasury (Kemi Badenoch): We recognise every region and community is impacted by this crisis. That is why the Government have announced unprecedented support for businesses and workers around the country. That includes £95 million to fund shovel-ready projects across the east midlands to help to provide a boost to the local economy and create jobs, building on over £120 million of local growth funding for Greater Lincolnshire for local projects such as the Lincolnshire Lakes housing scheme.

Martin Vickers: I thank the Minister for that. The Treasury is giving considerable support to our area, such as through the Greater Grimsby town deal. We are

hoping for favourable designation for freeport status, but the most pressing case at the moment is support for the Able marine energy park in northern Lincolnshire. Modest support from the Treasury could help to create 2,000 jobs. Will the Minister, or indeed the Chancellor, agree to meet me and my hon. Friends the Members for Great Grimsby (Lia Nici), for Brigg and Goole (Andrew Percy) and for Scunthorpe (Holly Mumby-Croft) to deal with this?

Kemi Badenoch: My hon. Friend rightly champions the strength of his local area as we move to restart the economy and make progress to achieve net zero carbon emissions by 2050. Our renewable energy ambitions will continue to create opportunities at manufacturing centres, such as the Able marine energy park proposal, but I encourage him first to engage with my colleagues from the Department for Business, Energy and Industrial Strategy, as the lead Department on energy and industrial strategy.

Local Transport Infrastructure

Scott Benton (Blackpool South) (Con): What fiscal steps he is taking to improve local transport infrastructure. [904353]

The Chief Secretary to the Treasury (Steve Barclay): Upgrading local transport links is a key part of this Government's commitment to levelling up across the country. That is why we announced in the Budget £500 million for the potholes fund; £4.2 billion has been announced for discussion with the eight devolved Mayors; and there is a further £2 billion across this Parliament for boosting cycling and walking.

Scott Benton: Reinstating a passing loop on the south Fylde rail line will help to double the number of trains travelling into Blackpool South every single day, bringing additional tourists into Blackpool and helping to create new jobs, investments and opportunities. Does my right hon. Friend agree that delivering these local transport infrastructure projects is vital for furthering economic growth, assisting our recovery from covid-19 and delivering much-needed investment into Blackpool, a part of the world that I know he is very familiar with?

Steve Barclay: It is a key part of this Government's commitment to improve transport links such as that. I know that my hon. Friend has submitted a proposal, which the Department for Transport is considering. Having been able to hear the trains on that line from my kitchen when growing up, I take a particular interest in it, and I know that it is a very strong scheme.

House Building and Regeneration: Domestic Supply Chains

Grahame Morris (Easington) (Lab): What assessment he has made of the economic effect on domestic supply chains of stimulating house building and regeneration. [904354]

The Chief Secretary to the Treasury (Steve Barclay): House building is an important catalyst for the wider economy and we have put in place an unprecedented package of support in this sector. Last week, the Prime

Minister announced measures to stimulate house building, including a £450 million boost to the short-term house building fund.

Grahame Morris: I thank the Minister for his answer. Horden, Easington and Blackhall in my constituency need investment in housing regeneration. The recovery plan is ready. However, we need investment to help us transform our communities with new, modern, clean and green housing. Will the Chancellor invest in housing regeneration in east Durham, because these schemes can deliver jobs, training, opportunities, green energy and sustainable domestic supply chains, and boost the local economy?

Steve Barclay: This is an area where I agree with the hon. Gentleman. That is why, in addition to the fund I mentioned a moment ago, the Prime Minister also confirmed £12.2 billion of funding for affordable homes, and there is the £400 million brownfield land fund to get schemes working immediately with Mayors for exactly the reason he sets out.

Wes Streeting (Ilford North) (Lab): The Conservative manifesto promised £9 billion for energy efficiency schemes, but the Committee on Climate Change described even that as

"welcome but not enough to match the size of the challenge".

Given that the Chancellor is about to announce a £2 billion scheme, why are the Government scaling back their ambition when they should be scaling up to bring down people's bills, tackle climate change and create the jobs we need to get Britain back to work?

Steve Barclay: If the hon. Gentleman had listened to the answer I gave a moment ago, he would have seen that we are learning from the lessons of the 2008 crash. One of the measures that were put in place then saw a fall of a third in the number of small house builders, so part of the £450 million fund is providing the finance to enable small house builders to build the schemes that Members on both sides of the House agree on. It is about learning the lessons of the schemes that Labour put in place in 2008, which led to a fall in construction work.

Coronavirus: Employment

Sarah Champion (Rotherham) (Lab): What assessment he has made of the potential effect on levels of unemployment of withdrawing the (a) coronavirus job retention scheme and (b) self-employment income support schemes. [904355]

Anna McMorrin (Cardiff North) (Lab): If he will develop a scheme based on the future jobs fund to support young unemployed people into work. [904362]

Lee Anderson (Ashfield) (Con): What support the Government are providing to self-employed workers affected by the covid-19 outbreak. [904363]

Bambos Charalambous (Enfield, Southgate) (Lab): What assessment he has made of the potential effect on levels of unemployment of withdrawing the (a) coronavirus job retention scheme and (b) self-employment income support schemes. [904365]

Aaron Bell (Newcastle-under-Lyme) (Con): What fiscal steps he is taking to protect jobs during the covid19 outbreak. [904366]

Ms Angela Eagle (Wallasey) (Lab): What fiscal steps he is taking to tackle unemployment as a result of the covid-19 outbreak. [904371]

Rosie Cooper (West Lancashire) (Lab): What fiscal steps he is taking to support people unable to return to work as covid-19 lockdown restrictions are eased. [904378]

The Chancellor of the Exchequer (Rishi Sunak): Through the coronavirus job retention scheme and the self-employment income support scheme, the Government have protected 9.4 million jobs and supported the incomes of 2.7 million self-employed. I remain committed to helping the unemployed return to work and supporting those who are most vulnerable to job loss. We will continue to monitor economic conditions to ensure our labour market policy response is both appropriate and effective.

Sarah Champion [V]: In his announcement of the self-employment income support scheme, the Chancellor told self-employed people that they have not been forgotten and no one will be left behind, but the Treasury Committee has found that more than a million people have been unable to benefit from either that scheme or the job retention scheme. That is certainly what I am finding in Rotherham. Will he commit himself to acting to ensure, true to his word, that no one is left to face this crisis alone?

Rishi Sunak: Some 95% of those who are majority self-employed are able to benefit from the self-employment scheme. In its design, its duration, the breadth of its coverage and the generosity of its support, the scheme remains the most generous and comprehensive self-employment support scheme in the world.

Anna McMorrin: We are facing the worst economic recession in history and a climate crisis. Despite the warm words yesterday, the green finance announcement does not go far enough. Germany is investing between £40 billion and £50 billion, France £13.5 billion and South Korea £11.5 billion, so £3 billion just does not cut it. Given that half a million 16 to 24-year-olds are currently unemployed, will the Chancellor commit himself to properly financing a green jobs guarantee to give our young people a future?

Rishi Sunak: The hon. Lady mentioned plans from other countries. It is worth bearing in mind that those plans relate to spending commitments over many years and are actually better compared with what we outlined in the Budget, where we set out a £600 billion investment programme over the remainder of this Parliament, including many initiatives such as carbon capture and storage, the nature for climate fund and improvements in air quality. Conservative Members wholeheartedly believe in a green revolution, and we will provide the capital to make that happen.

Lee Anderson: I pay tribute to all the small business owners in Ashfield and Eastwood who have worked really hard to get ready for the reopening of their

businesses last weekend in a covid-secure manner—places such as the world-famous Diamond Club, the Dog and Parrot, the Bus Stop Café, St Joseph's Social Club and the outstanding Teversal Camping and Caravanning Club site. Although I am grateful to the Chancellor for all the financial support he has provided, does he agree that the only way to protect jobs and businesses in the long term is to safely reopen the economy?

Rishi Sunak: My hon. Friend is absolutely right. No support scheme can substitute for safely reopening our economy. I enjoyed seeing his Facebook page with his tour of Sutton, Eastwood and Huthwaite, and all the establishments that he mentioned—including a candle shop, I believe—and I pay tribute to all his local businesses for following the guidance and implementing safe measures so that they can welcome their local communities back with open arms.

Bambos Charalambous: The Government's intervention to provide financial support to the arts is welcome, but freelance creative workers have received little or no support from the furlough scheme or the self-employment scheme for over 100 days. What specifically will the Chancellor do to correct this in the rescue package announced for the creative industries?

Rishi Sunak: Those in the creative arts, like others, can benefit from the self-employment scheme and other interventions that we have put in place, but it is important to know what happened yesterday: a £1.5 billion support package for our cultural institutions up and down the country, from our crown jewels—our globally recognised assets—to our local community theatres. They will all be able to benefit from the support we have put in place and preserve what is so special about our cultural heritage.

Aaron Bell: I thank the Chancellor for all he has done so far, and I look forward to his statement tomorrow. He mentioned unemployment, and we are aware that it is rising, so one of the most important things we can do is to get people back into work as quickly as possible. In Newcastle-under-Lyme we are benefiting from the Stoke-on-Trent and Staffordshire local enterprise partnership redundancy and recruitment triage service. Will he welcome that? There are areas where employment is growing, and if we can get people who have been made redundant into those jobs as quickly as possible, we will minimise the devastating effects of this coronavirus.

Rishi Sunak: My hon. Friend is absolutely right. The importance of job matching is critical and the evidence shows us that it works. I know from my time as a local government Minister the innovative approach that Councillor Atkins and his team on the county council and the LEP have taken to various economic initiatives. I pay tribute to them for putting this in place with such speed.

Ms Angela Eagle: The aerospace sector has already said that 9,000 jobs will go in the UK. The north-west is going to be specifically badly affected if the Government just sit back and allow this export-strong, high-skilled, high-wage sector to be decimated. Germany has put a big package in place. America has put a big package in place. France has put a big package in place. So what is

the Chancellor going to put in place to protect and guarantee the future of the aerospace sector in the long term?

Rishi Sunak: The interventions in France and Germany related to specific companies, so it obviously would not be appropriate for me to comment on those in this place at this time. The support put in place in the US was primarily to support domestic connectivity. This Government have done that by subsidising considerably our bus network and our rail network to make sure that intra-Union connectivity remains through this crisis.

Rosie Cooper [V]: Will the Government abandon their one-size-fits-all wind-down of the furlough and self-employed schemes and adopt a targeted strategy that acknowledges that hotel workers, chefs and self-employed lighting technicians cannot and should not be treated in the same way as workers in sectors that are already back at full capacity?

Rishi Sunak: The most important thing for all these sectors is for them to be safely reopened. That is why I am delighted that last weekend we were able to meet the target set out in our reopening plan. The Prime Minister has spoken about reopening our remaining closed sectors in the coming weeks, which is welcome news. The hon. Lady is right that these sectors have faced hardship. That is why, as I said, they have received considerable extra support from the Government in the form of business rates holidays and cash grants.

Mr Pat McFadden (Wolverhampton South East) (Lab): Thousands of job losses have been announced in recent days, and many more are expected if the furlough scheme is withdrawn from all sectors at the same time. With young people facing the most difficult labour market conditions for a generation, and many otherwise viable businesses in trouble because of social distancing rules, does the Chancellor accept the case for employment support being aimed directly at the sectors most likely to be hit by job losses in the coming months?

Rishi Sunak: Those who call for a sector-specific approach are not always able to articulate exactly how they would define those sectors and also the supply chains that they serve. The most important thing is to have provided broad, generous and swift coverage to protect 9 million jobs, as this Government have done, and now to reopen these sectors so that we can get as many of those people back to work as quickly as possible to the jobs that they have.

Covid-19: Landlords

Stephen Metcalfe (South Basildon and East Thurrock) (Con): What fiscal steps he is taking to support landlords affected by the covid-19 outbreak. [R] [904356]

The Financial Secretary to the Treasury (Jesse Norman): The Government recognise the current challenges facing commercial landlords. That is why we have worked very closely with lenders to ensure that support and flexibility is being shown to commercial borrowers. This forms part of a much wider picture of unprecedented support to businesses affected, including via business rates holidays,

grants and Government-backed loans—and of course those, in turn, give access to cash to pay for rents and salaries or suppliers.

Stephen Metcalfe [V]: May I draw Members' attention to my entry in the register?

While many tenants welcome the steps the Government have taken to protect them from eviction, for many small private landlords the rental income from shops, offices and residential property is their only form of income, which in many cases is completely tied up. Will my right hon. Friend therefore work with the sector to explore how to provide financial support to individuals who find that they have no income and no access to any of the other very impressive schemes that the Government have introduced?

Jesse Norman: My hon. Friend will know, of course, that we published a code of practice to encourage all parties involved in a landlord-tenant situation to work together to ensure equity and swift recovery. More widely, we have made available over £330 billion of guarantees through the coronavirus business interruption loan scheme, the large business interruption loan scheme, and the corporate financing facility. But of course I would be happy to continue to discuss this issue with him.

Green Bond

Ben Lake (Ceredigion) (PC): What plans he has to issue a green bond. [904357]

The Economic Secretary to the Treasury (John Glen): The Government have been carefully considering the potential issuance of a UK sovereign green bond. At present, we have no plans to do that, but we continue to monitor the case for one, and we will keep it under urgent review.

Ben Lake: I am glad that the Government will keep this matter under consideration because, as evidenced recently by Quebec, green bonds can be effective in raising capital investment and investment for operational expenditure to further the green transition. Will the Government also consider enabling the Welsh Government to issue such a bond to help the effort for a greener economy?

John Glen: Clearly, debt and the handling of it is a significant challenge for the Government at this time. The core gilt programme is the most stable and cost-effective way of dealing with our financing needs. The hon. Gentleman makes a reasonable point. We will continue to look constructively at all options and at the changing environment that is a consequence of this crisis.

Covid-19: Support for Scotland

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): What fiscal support he has provided to Scotland during the covid-19 outbreak. [904358]

The Chief Secretary to the Treasury (Steve Barclay): The UK Government's response to covid-19 has been UK-wide. More than 750,000 people in Scotland have benefited from the job retention scheme and the self-employed income support scheme, and Scotland has received £3.8 billion of Barnett consequentials.

Andrew Bowie: I thank my right hon. Friend for that answer. It shows the benefits of being in the most successful political and economic Union in the history of the world. What support are the Government thinking about giving to the oil and gas sector, which is struggling from the dual blows of record low oil and gas prices and the covid-19 pandemic?

Steve Barclay: My hon. Friend is right to identify the benefit of pooling through the UK approach, and the specific issues relating to the oil and gas industry. That is why industry leaders met the Department for Business, Energy and Industrial Strategy on 11 June. Work is ongoing, particularly in relation to what support can be provided to the sector. We are very mindful of its significance to the economy of Scotland.

Covid-19: Support for Local Authorities

Gareth Bacon (Orpington) (Con): What fiscal steps he is taking to support local authorities during the covid-19 outbreak. [904359]

The Chief Secretary to the Treasury (Steve Barclay): Last week, the Government announced a comprehensive package to support councils responding to the pressures caused by covid-19. We have now provided more than £3.7 billion of additional grant funding for councils, and announced a major new scheme to reimburse them for their lost income.

Gareth Bacon: Fears have been expressed that the Government will fully bail out financially poorly managed local authorities, while better managed local authorities, such as the London Borough of Bromley, may have to meet covid-19 shortfalls through their reserves. Will my right hon. Friend offer reassurances on that point? If covid-19 funding shortfalls remain, will he consider allowing a capitalisation directive to enable councils to fund one-off shortfalls through capital receipts or borrowing?

Steve Barclay: We have always taken the approach that borrowing is allowed for infrastructure and capital projects, but not day-to-day revenue. That policy will continue. At the same time, all councils have received support, and £16 million has been allocated to Bromley. It is right that the support addresses councils' varied needs, and that is very much the approach that we have taken.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Of course, one of the areas that local government has gone into more in order to fund its services is commercial investment. The package last week does not cover the shortfall in that, which is hitting some local authorities very hard. A number of them are looking at section 114 notices. Is the Minister prepared to see councils go bankrupt on his watch, or is there a package of support for those councils?

Steve Barclay: The Chair of the Public Accounts Committee will know very well that commercial income carries risk for councils investing in it. We are cognisant of that fact. I advise councils, where there is the risk of a section 114, to talk to the Secretary of State for Housing, Communities and Local Government ahead of any such decision.

Dan Carden (Liverpool, Walton) (Lab) [V]: The Prime Minister promised to do whatever it takes, and the Housing Minister told councils:

“spend whatever it takes, the Government will reimburse you”.

Will the Minister reaffirm that pledge? Councils need certainty. Many are already cutting services, and the one-size-fits-all approach simply does not work. Will he further commit himself to the principle that packages announced by the Government should meet the financial cost of coronavirus, and the social need for those local authorities?

Steve Barclay: The hon. Gentleman will know that the cost for local councils will be uncertain for some time, not least in terms of the impact of lost tax income. That is why we have addressed the short-term pressure through the £3.7 billion grant and additional funding that has been allocated, including the recent £600 million for infection control.

Covid-19: Four-day Working Week

Clive Lewis (Norwich South) (Lab): What assessment he has made of the potential merits of including a four-day working week as part of the Government's covid-19 recovery strategy. [904360]

The Exchequer Secretary to the Treasury (Kemi Badenoch): The Prime Minister recently set out the first steps of the Government's strategy to rebuild and fuel economic recovery in response to covid-19. The Government believe the best way to secure a recovery is to invest across the UK to level up, while ensuring that we create the conditions for private enterprise to flourish.

Clive Lewis [V]: The Chancellor will have received a letter signed by Members from across the House, including myself, asking him to consider introducing a four-day working week as a way of helping the country recover and creating a better future post covid-19. So will he commit himself to the Treasury exploring a four-day working week as part of its economic planning for the recovery? Will he also meet me and other Members to discuss how we can work together to make shorter working times a reality?

Kemi Badenoch: The Government believe that the best way of dealing with these issues is for workers to look at existing options available for flexible working and discuss them directly with their employers, rather than the Government legislating for the entire UK workforce. However, I am happy to meet the hon. Gentleman to discuss this topic further, if he would like.

Covid-19: High Street Businesses

Robbie Moore (Keighley) (Con): What fiscal steps he is taking to support high street businesses affected by the covid-19 outbreak. [904361]

Karl McCartney (Lincoln) (Con): What fiscal steps he is taking to support high street businesses affected by the covid-19 outbreak. [904368]

David Johnston (Wantage) (Con): What fiscal steps he is taking to support high street businesses affected by the covid-19 outbreak. [904372]

The Financial Secretary to the Treasury (Jesse Norman):

As Members will know, the Chancellor has announced an unprecedented package of support for high-street businesses affected by the pandemic. In particular, the Government are giving retail, hospitality and leisure businesses a year's business rates holiday; protecting commercial tenants from eviction and debt recovery; offering grants of up to £25,000 to eligible businesses; and making sure that businesses have access to the financing they need as quickly as possible. We stand ready to take further steps, as necessary.

Robbie Moore: I thank my right hon. Friend for that response. I recently visited a brilliant independent furniture store, Rooms, right in the centre of Keighley, which is run by Andrew Foster, his wife Janine and his son Joe. They and many others welcome the 100% business rate relief this year but are concerned about next year, and indeed about the fairness of the business rate structure when we consider purely online businesses and those based in premises. Will my right hon. Friend continue to review this area in the light of covid and look more closely to creating a fairer business rate structure?

Jesse Norman: I am delighted to hear about Rooms, and many businesses in my constituency have reopened. Reopening the economy is the central step we need for our national recovery. As my hon. Friend will know, we have committed ourselves to a fundamental review of the business rates systems and published some comprehensive terms of reference for the review at the spring Budget. In the meantime, we are committed to supporting businesses and have taken actions to reduce the burden of rates, which will save businesses more than £13 billion in the next five years.

Karl McCartney [V]: It is no secret that Chancellors have an overarching influence across all Departments. Within my Lincoln constituency's county of Greater Lincolnshire we are faced with major local government reorganisation. Does the Treasury take the view that for the UK's second largest county a single unitary authority would be in the best financial interests of my constituents, when enforcing forthcoming local government reform and devolution?

Jesse Norman: It would be wrong for me, as a Minister, to offer a view on this, but I can tell my hon. Friend that my personal experience has been that the more streamlined and clearer the lines of authority and the more integrated and shared the approach that is taken, the more effective the infrastructure delivery is likely to be.

David Johnston: I have been visiting high-street businesses in Wantage, Didcot, Faringdon and elsewhere, and they are hugely grateful for the furlough scheme, the grant scheme and the business rates holiday, but what they want most now is footfall. Does my right hon. Friend agree that that should be the priority? Will he confirm that he is considering all measures to increase footfall on the high street?

Jesse Norman: I absolutely confirm that. The reason we have backed high-street firms so strongly all the way through is precisely that we recognise the central importance of these sectors to getting Britain's high streets back firing on all cylinders. My hon. Friend will know that

we have also introduced the Business and Planning Bill to help businesses in England get back on their feet, and we have accelerated nearly £100 million of investment in town centres and high streets, through the towns fund this year, to the same end.

Aviation Industry: Job Protection

Sarah Owen (Luton North) (Lab): What discussions he has had with the (a) Secretary of State for Transport and (b) Home Secretary on providing financial support to protect jobs in the aviation industry. [904364]

The Chief Secretary to the Treasury (Steve Barclay): Treasury Ministers meet the Secretary of State for Transport and the Home Secretary on a regular basis to discuss a variety of important issues, including the aviation industry.

Sarah Owen [V]: I have asked Ministers multiple times why it is that we have not yet seen a specific package of support for the aviation industry, and I have received general answers about general measures that are clearly not working, with easyJet already consulting on 4,500 job losses. Thousands of jobs in Luton and its council are reliant on income from Luton airport. If the Governments of France and Germany are protecting their aviation workers, why are this Government not doing the same?

Steve Barclay: We continue to work closely with the sector and are willing to consider the situation of individual firms, provided that all other Government schemes have been explored and all commercial options exhausted, including raising capital from existing investors.

Covid-19: Charity Sector

Jo Gideon (Stoke-on-Trent Central) (Con): What fiscal steps he is taking to support the charity sector during the covid-19 outbreak. [904367]

The Exchequer Secretary to the Treasury (Kemi Badenoch): Alongside unprecedented support for individuals and businesses in the light of the covid-19 outbreak, the Government have announced a £750 million support package for charities, £360 million of which will be allocated directly to charities providing essential services and £200 million of which will go to local charities through the National Lottery Community Fund.

Jo Gideon: I thank the Minister for that answer and for the support that enabled charities to develop new ways of working during lockdown. Will the Minister outline how this Government's support has helped my constituents in Stoke-on-Trent Central?

Kemi Badenoch: My hon. Friend is right to highlight the extraordinary innovations of charities in Stoke-on-Trent and across the country. We have seen innovation and adaptation right across the economy, made possible in part by the unprecedented level of support that we have been referring to during this session. As of the end of last week, £230 million had been disbursed from the Government's charity support fund.

Support for Hospitality, Tourism and Entertainment

Damian Collins (Folkestone and Hythe) (Con): What discussions he has had with the Secretary of State for Digital, Culture, Media and Sport on ensuring that businesses in the (a) hospitality and (b) tourism sector receive adequate support during the covid-19 outbreak. [904369]

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): What fiscal support he is providing to the (a) theatre and (b) entertainment sector during the covid-19 outbreak. [904384]

The Exchequer Secretary to the Treasury (Kemi Badenoch): The Treasury is working extensively with employers, taskforces and industry groups to understand the long-term effects of covid-19 across all key areas of the economy, including the artistic, creative, tourism and hospitality sectors. We will continue to monitor the impact of Government support on the economy.

Damian Collins [V]: While hotels, hospitality businesses and holiday parks are reopening in my constituency, many businesses fear that this will be a year of three winters. What support are the Government considering beyond what has been delivered so far? In particular, would the Treasury consider the tourism and hospitality sector's request to cut VAT to 5% for those businesses?

Kemi Badenoch: As ever, all taxes are kept under review, and changes are announced at fiscal events. My hon. Friend will be pleased to know that admissions to cultural venues, for example, are already exempt from VAT if they are provided by a local authority or an eligible body, such as a charity. We will continue to review the situation.

Stephen Doughty: Like many other Members, I met this morning members of ExcludedUK and people such as freelancers, many of whom are in the creative industries, who have fallen between the gaps of the different Government schemes. The package that has been announced for the creative industries is welcome, but what will the Government do to support the many thousands of people in those industries, including in Cardiff South and Penarth, who have fallen between the gaps?

Kemi Badenoch: The UK continues to have one of the world's most generous coronavirus support schemes, including for many self-employed people such as those to whom the hon. Gentleman refers. He will know that the Government recently announced a £1.57 billion cultural fund, and such funds are being targeted at the very people he mentions.

School Funding

Jonathan Gullis (Stoke-on-Trent North) (Con): What recent discussions he has had with the Secretary of State for Education on ensuring adequate funding for schools. [904370]

The Chief Secretary to the Treasury (Steve Barclay): I regularly meet the Secretary of State for Education to discuss school funding. We are providing a £1 billion package to help students catch up on lost learning, and that sits alongside the £100 million to boost remote

education and the additional £7.1 billion of core funding for schools that we announced at the 2019 spending round.

Jonathan Gullis: I know that my right hon. Friend enjoyed his time in Stoke-on-Trent during the winter last year, but he will also know that, sadly, the area of Stoke-on-Trent, Kidsgrove and Talke is ranked in the bottom 20% of the social mobility index. Sadly, we are also well below the national averages in both young and old taking up courses at levels 3 and 4. Will he set out the steps that the Department is taking to support further education? Does he agree that post-16 providers, such as Stoke-on-Trent Sixth Form College, play a vital role in levelling up opportunity and upskilling and retraining both young and old, enabling them to be better off than those before them?

Steve Barclay: As a former teacher, my hon. Friend speaks with great authority on such issues. I absolutely agree that a strong post-16 education system is vital to our recovery. That is why we have applied a range of flexibilities to the usual funding arrangements, and the Department for Education has set out further details.

Innovative and Fast-growing Firms

Jane Stevenson (Wolverhampton North East) (Con): What fiscal steps he is taking to support innovative and fast-growing firms during the covid-19 outbreak. [904373]

The Economic Secretary to the Treasury (John Glen): On 20 May, the Government launched the future fund. The fund is an investment scheme for high-growth companies impacted by the pandemic. It provides between £125,000 and £5 million in Government funding through convertible loans, with third-party investors at least matching the Government funding on each loan. As of 5 July, £379 million-worth of convertible loans had been approved through the future fund, and the Government have also made £750 million of support available for innovative firms through Innovate UK grants and loans.

Jane Stevenson: Unemployment in Wolverhampton North East was three times the national average as we came into the pandemic, and many businesses have expressed their gratitude for the wide range of support. As we emerge from the pandemic, can my hon. Friend reassure me that this will be the party that champions innovators, start-ups and SMEs, so that we can get job opportunities and more prosperity in seats such as Wolverhampton North East?

John Glen: My hon. Friend makes a very good point and case for her constituency. As the Prime Minister set out last week, we will double down on levelling up and give everyone growing up in this country the opportunity that they need. The Prime Minister announced the acceleration of £96 million of investment from the towns fund, including nearly £13 million on kick-start activity in the west midlands.

Mr Speaker: Order. May I just say that the Members not reached are pretty upset at others taking too long? They were desperate to get in, but there we are. I am sorry about that.

Topical Questions

[904409] **Henry Smith** (Crawley) (Con): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Rishi Sunak): Four months on from the onset of coronavirus, we have slowly and carefully reopened much of our economy, and we can now begin our national recovery. Throughout this crisis, I have repeatedly made it clear that, while we cannot protect every single job, we will do all we can to make sure our businesses and people have the tools they need to get through this and emerge stronger on the other side.

Henry Smith [V]: To help the aviation and travel sectors recover from the negative impact of covid-19, will my right hon. Friend consider suspending air passenger duty until at least the end of summer 2021?

Rishi Sunak: My hon. Friend, as always, is a champion for the industry, and he knows how important it is to the UK economy. I can tell him that, in the Budget, we committed ourselves to a consultation on aviation tax reform. We remain committed to that, and will bring forward the timing in due course.

Anneliese Dodds (Oxford East) (Lab/Co-op): The Chancellor stated earlier that the job retention scheme is being wound down from the autumn. It is actually being wound down from the start of next month across all sectors at the same time, and we are already seeing the impact of that in very substantial redundancies. The Resolution Foundation called this week for a targeted continuation of the scheme for the hardest-hit industries and those areas affected by additional lockdowns. The Chancellor has said he does not want to pick winners, but this health crisis has involved Governments designating losers, quite rightly, for public health reasons, so why is he persisting with the one-size-fits-all removal of the job retention scheme, when that will inevitably lead to additional redundancies?

Rishi Sunak: This is not about picking winners or losers. This is about protecting people's health, and where it is incumbent on the Government to step in and make sure that we can protect people's health through targeted intervention, that will remain the right thing to do. With regard to economic support, my right hon. Friend the Health Secretary has made it clear that support has been provided to the local council when this has been the place to do so. With regard to the furlough scheme, we are of the belief, rightly, that this is a universal scheme; it is generous; it has been extended to October; and it is winding down in a gradual and temperate manner.

Anneliese Dodds: I have to say that it is disappointing to hear that the Chancellor is not budging from this position. As mentioned, it is already leading to additional waves of redundancies—avoidable redundancies in many cases. Labour has repeatedly called on the Government to match the ambitions of Labour's previous future jobs fund in developing support for unemployed young people, so may I ask the Chancellor why, put together, the traineeship fund and green jobs challenge fund—just

announced—amount to less than a quarter of the size of the future jobs fund? That hardly reflects a focus on jobs, jobs, jobs.

Rishi Sunak: I am not quite sure that is right. In reality, the future jobs fund was around £1 billion. We announced yesterday the £2 billion green home grant to provide home efficiency upgrades for hundreds of thousands of homes and create tens of thousands of jobs up and down the country. Not only will households save money on their electricity bills and save carbon, but we will create good local jobs in the process.

[904412] **Laura Farris** (Newbury) (Con): From a health perspective covid-19 disproportionately affected the old, but from an economic perspective the risks are greatest for the young, in terms of both lost employment opportunities and potentially a future higher tax burden. What reassurances can my right hon. Friend give that the economic prospects of young people will be his priority in the future recovery?

Rishi Sunak: My hon. Friend is absolutely right: young people are more likely than not to work in affected sectors and more likely than others to be furloughed, and we know from all the evidence that the impact of scarring on young people is very significant, which is why they remain uppermost in my mind. I give my hon. Friend the reassurance that they will be prioritised as we think about our recovery and our labour-market interventions.

[904410] **Margaret Ferrier** (Rutherglen and Hamilton West) (SNP) [V]: The Tea Bay in Cambuslang in my constituency responsibly took out business-interruption insurance, including cover for notifiable diseases. The one time it has had to claim is during the coronavirus pandemic, but that claim has been refused because covid-19 is not on the list of notifiable diseases.

Many other businesses have found themselves in the same position and understandably feel frustrated that insurers have not helped them in their time of need. What discussions is the Treasury having with the Financial Conduct Authority to remedy this situation?

The Financial Secretary to the Treasury (Jesse Norman): As the hon. Lady will know, the Treasury is in constant communication with the FCA on these and other issues. If she would like to bring the specific details to my attention, I will make sure that they are examined by Ministers.

[904413] **Douglas Ross** (Moray) (Con): Our coach industry will be vital as the country opens up and we begin our recovery from covid-19. Local Moray firm Maynes of Buckie, and its owner Kevin Mayne, have been leading calls for a bespoke deal to support the coach industry. Will the Treasury look at that idea and consider it?

Jesse Norman: I am sure my hon. Friend understands that the desire for bespoke deals across every sector is extremely great. Our view has been that what is required is to lift all boats by a general support for the economy, and that is the approach we have taken, which is why the interventions we have made so far include almost £300 billion of guarantees—worth roughly 15% of UK gross domestic product.

[904411] **Tim Farron** (Westmorland and Lonsdale) (LD): On Saturday, we proudly and safely reopened hospitality and tourism in Cumbria. Tourism is our largest employer, but 69% of hospitality industry businesses will not be able to reopen fully. Having lost most of the season, the industry will see hundreds of successful businesses fail and tens of thousands of jobs lost—unless the Chancellor agrees to a package of grant and wage support in the Budget statement tomorrow. Will he do that?

Jesse Norman: As the hon. Gentleman will be aware, an enormous amount of support is already in the system. I am delighted that shops and other organisations are opening up in his constituency; we look to see more of that over time as the support feeds through into the system.

[904416] **Robert Halfon** (Harlow) (Con) [V]: Does my right hon. Friend the Chancellor agree that beauty salons, tanning salons and nail bars—such as Salon 112 and Shwe Tan based in my constituency of Harlow—are important small businesses and often the lifeblood of our local economy? They should be supported, allowed to open and not denigrated. Will he ensure that when he cuts taxes, businesses such as these will be a top priority, given the struggles they have had to face?

Jesse Norman: No one who knows my beautiful right hon. Friend would be surprised that he knows these beauty salons as well as he does, and I salute him for it. On the serious point, he is absolutely right about the importance of these businesses to all our constituencies. He did not mention this, but we should also mention that many such businesses are run and staffed by women, and it is important that we should pay attention to the equalities impact in that respect. The key thing is that we get these businesses, including beauty salons, open. That is what the Treasury has focused on.

[904415] **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): We all know that there are huge problems in culture and theatre. The Hackney Empire has served residents in Hackney for 120 years and the Graeae theatre company in my constituency works with disabled artists. It is great that there has been an announcement about support, but if we do the maths, we see that quite a lot of organisations need that money. The Secretary of State for Digital, Culture, Media and Sport has talked about supporting the main gems; when will local theatre companies know how much money they are going to get, and when will they get the cash?

Rishi Sunak: I am glad that the announcement we made yesterday was warmly welcomed across the cultural sector, by institutions large and small. I can assure the hon. Lady that the support package is not just for large institutions; it will find its way to all our local cultural institutions that play such an important part in our local communities. The Culture Secretary and his team will be here just after Question Time to answer further questions.

[904418] **Chris Grayling** (Epsom and Ewell) (Con): I thank the Chancellor for yesterday's welcome announcement, but will he bear in mind the freelancers and those in other forms of employment in the sector who continue to struggle as he plans for tomorrow's statement and beyond? We also need to move ahead with a green recovery, so will he consider providing additional incentives

to develop hydrogen infrastructure in this country? I do not believe that we can achieve our emissions objectives with battery technology alone; we will need hydrogen vehicles as well. The Government really need to do a lot to encourage the development of such infrastructure.

Rishi Sunak: I wholeheartedly agree with my right hon. Friend that we should put reaching our net zero commitments at the heart of our recovery. He will have heard our recent announcement about green homes grants, which shows our commitment in this area. I know that he has a lot of experience in hydrogen transportation, and I look forward to hearing his thoughts on that so that they can be incorporated into our future plan.

[904419] **Karin Smyth** (Bristol South) (Lab): More young people need a college place. More young people need help with catching up. More adults need retraining. City of Bristol College and colleges such as St Brendan's Sixth Form College in Bristol are perfectly placed and ready to help, but the Chancellor needs to help them. Will he commit himself to extending the covid £1 billion to post-16 catch-up, and will he commit himself to ensuring that every 16 to 19-year-old has a funded place at a college from September?

Rishi Sunak: I agree with the hon. Member about the importance of post-16 education and further education, which is why I was delighted to announce in the Budget a £400 million increase in post-16 education funding and a record increase in per-pupil funding compared to the last several years—and, indeed, the Prime Minister has talked about our commitment to upgrading the entire FE college estate across the United Kingdom.

[904420] **Dr Kieran Mullan** (Crewe and Nantwich) (Con): May I, on behalf of all my constituents who have contacted me about this, thank my right hon. Friend for listening to organisations such as the Lyceum Theatre in Crewe and coming up with this vital £1.57 billion package for arts and culture? What might the timetable be for making these crucial funds available?

Rishi Sunak: I know that my hon. Friend is a proud champion of his local theatre, the Lyceum in Crewe, and that he has warmly welcomed our announcement. The Culture Secretary and his team will be here just after Question Time. We share his ambition to ensure that the support reaches all relevant institutions as quickly as is prudently possible.

[904421] **Kate Osamor** (Edmonton) (Lab/Co-op) [V]: Credit unions are known for offering those on low incomes alternative access to credit. However, due to covid-19, during April and May North London Credit Union in Enfield was hard hit and has seen an 87.5% fall in the number of loans issued. Will the Chancellor use his summer statement to announce financial support for credit unions, which are challenged with branch closures and possible bankruptcy?

Jesse Norman: I entirely agree with the hon. Lady about the importance of credit unions. I am a member of Money Box Credit Union in Hereford and can vouch for their importance, especially for people on low incomes. She makes a very valid point, and it is one that we will continue to consider as we move forward.

[904422] **Lee Anderson** (Ashfield) (Con): For too long, Ashfield has been left behind. My constituents are waiting with anticipation for the Chancellor's financial statement tomorrow. They care about infrastructure, roads, rail transport, town centre funding and the future high streets fund. Can my right hon. Friend please assure me that Ashfield will be prioritised as we begin the process of levelling up across the country?

The Chief Secretary to the Treasury (Steve Barclay): As the Prime Minister said last week, we are doubling down on levelling up, and he committed last week to £95 million for shovel-ready projects in the east midlands, in addition to the £10.25 million of accelerated funding from the towns fund for Kirkby-in-Ashfield. I look forward to working with my hon. Friend in his commitment to levelling up his constituency.

[904430] **Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): It has been a pleasure to meet the young entrepreneurs in Hull. Many of these young people faced

great adversity before setting up their own businesses, but they have had no income, no support and no grants from the Government. Have these young people been forgotten?

Rishi Sunak: These young people have absolutely not been forgotten, and we remain indebted to them for their dynamism in helping to power our recovery. I am delighted that our start-up loans scheme has recently been expanded and is able to provide cash loans to those budding entrepreneurs in her constituency and others. I urge them to have a look at it to see whether it will help fund their plans.

Mr Speaker: In order to allow the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I am suspending the House for five minutes.

12.30 pm

Sitting suspended.

Speaker's Statement

12.35 pm

Mr Speaker: I have a short statement to make about the conduct of Divisions. I believe that all Members are now familiar with the process, and the Chair will not give a reminder of it before each Division. The doors will generally be locked 12 minutes after the start of a Division, although the Chair retains the discretion to extend that period if need be.

Coronavirus

12.36 pm

Jonathan Ashworth (Leicester South) (Lab/Co-op): (*Urgent Question*): To ask the Secretary of State for Health and Social Care, if he will make a statement on coronavirus.

The Secretary of State for Health and Social Care (Matt Hancock): We are bringing coronavirus under control. Yesterday's figures showed 352 new cases, the lowest since lockdown began. That is down from over 5,000 a day at the peak. Two hundred and nine patients are currently in mechanical ventilator beds with coronavirus, down from 3,300 at the peak. The latest number of deaths recorded in all settings in the UK was 16. New figures this morning show that for the last two weeks, the number of people who have died from all causes has been lower than the normal average for this time of year.

Because we are bringing the virus under control, we have been able to restore some of the things that make life worth living. This weekend, restaurants, pubs and hairdressers were buzzing with activity for the first time in months, and yesterday we were able to ease restrictions for the 2.2 million people who have been shielding across England so that they can now spend more time outdoors in a group of up to six, of course while maintaining social distancing.

Our plan has always been to lift the national lockdown while taking ever more targeted action to suppress the virus. We are seeing a similar approach in other countries, such as Germany, Spain and Australia, where overnight they locked down Melbourne. Last week, we took difficult but vital decisions about Leicester. Since then, we have been working with Leicester and Leicestershire, and I am pleased to say that together, we have brought down the seven-day infection rate from 135 to 117 cases per 100,000 people.

In reopening hospitality, we have also introduced contact tracing for customers. This system is working. I want to thank all those who are making the system work, and to pay tribute in particular to three pubs that have taken specific action: the Lighthouse in Burnham-on-Sea, the Fox and Hounds in Batley, and the Village Home in Gosport. They have all closed for a deep clean and staff testing after, in each case, a customer tested positive. They are doing the right thing by their customers and their communities. This is NHS Test and Trace working precisely as intended. Three pubs shut so that others can be open, and I think the whole House is grateful.

Coronavirus has been the worst global pandemic in a generation. Here, we protected the NHS. We built the new Nightingale hospitals in 10 days. At all times, treatment was available for all. Our medical research has discovered the only drug known to work. We have built, almost from scratch, one of the biggest testing capabilities in the world. We are getting coronavirus cornered, but this is no time to lose our resolve. The virus exists only to spread, so we must all stay alert and enjoy summer safely.

Jonathan Ashworth: I am grateful to the Secretary of State for that answer. He is quite right: we are through the peak, but we must not be remotely complacent, as thousands could still die from this virus over the coming months and into next year.

I welcome the news about Leicester, and I am grateful for the way in which the Secretary of State and his officials have kept me updated. What is the exit strategy for Leicester? How does an area that has gone into a local lockdown escape it? I understand that in Germany, local lockdowns are lifted at around 50 cases per 100,000. Will he apply similar criteria here in the United Kingdom? I think people in Leicester, and potentially in other towns and cities that could go into lockdown, would welcome that clarity.

Of course, the pillar 2 data has been an issue of some contention. Much of it has now been delivered, but there are still complaints that the way in which the data set has been delivered is incomplete. Directors of public health need pillar 2 community data in real time on a daily basis. They need the total number of tests undertaken, as well as those that are just positive, and they need patient-identifiable data so they can put in place the extensive contact tracing needed to keep all our constituents safe.

In Leicester, there has been speculation that the textile trade or food manufacturing has been responsible for the outbreak—we still do not actually know why we had the outbreak in Leicester—but many of the places where there have been outbreaks, whether Kirklees or elsewhere, have usually been characterised by low pay, insecure work and lack of decent sick pay. Will the Secretary of State look again at sick pay entitlement, because people will not isolate unless they are given that financial security?

The Secretary of State said on “The Andrew Marr Show” on Sunday that asymptomatic transmission is a problem. We agree. Could he explain why he is not routinely testing healthcare workers? The position now in this country is that premiership footballers are tested twice a week, but NHS staff are not routinely tested.

Finally, the initial guidance from the Government downplayed the risk to care homes. Care providers were sent conflicting guidance throughout the outbreak. Staff could not access testing until mid-April and are still not tested routinely. Personal protective equipment supplies have been inadequate. Thousands of families have lost their loved ones in care homes to this disease. Care workers themselves have died on the frontline. Can the Health Secretary understand why people are so insulted by the Prime Minister’s remarks, when he said:

“too many care homes didn’t really follow the procedures.”?

Can he appreciate the hurt that has led to care home providers today describing those comments as “clumsy and cowardly”? Can he tell us which care homes did not follow procedures and what those procedures were that were apparently not followed? Will he take this opportunity now to apologise for the Prime Minister’s crass remarks?

Matt Hancock: First, the hon. Gentleman rightly asks about the process needed to bring Leicester out of lockdown and back to the level of freedom enjoyed in the rest of the country. What we said, when we took the measures just over a week ago, was that we needed to see 14 days of data, so we propose to make announcements on the next steps on 18 July. Of course, if further measures were needed in the meantime to tighten up we would take them immediately, but, as I said in my statement, the good news is that the data are currently moving in the right direction.

The hon. Gentleman asks specifically about a figure for the point at which such a local lockdown might be lifted. We are not going to use or give a specific figure, because both the level and the rate of change matter. If the level were lower but going up, that could be a worse situation than a higher level that is under control and falling. We have to look at both the level and the rate of change.

I am glad that the hon. Gentleman said that data are being delivered. He mentioned some more detailed data and I am very happy to look into those proposals.

The hon. Gentleman mentions asymptomatic testing and the asymptomatic testing of NHS staff. As this House debated 10 days ago now, we have worked with clinicians to come forward with a scheme that is supported by those clinicians for the regular testing of NHS staff. That scheme is now agreed and in place. Of course, we constantly monitor it and we monitor the number of cases among NHS staff. I am content with that scheme, which was set out almost two weeks ago.

The hon. Gentleman also asks about care homes. Throughout the crisis, care homes have done amazing work. The Prime Minister was explaining that because asymptomatic transmission was not known about, the correct procedures were not known. We have been constantly learning about the virus from the start and improving procedures all the way through. I pay tribute to the care homes of this country, which have done so much to care for the most vulnerable throughout the crisis.

Jeremy Hunt (South West Surrey) (Con): Last week, the Regius Chair of Medicine at Oxford University, Professor Sir John Bell, told the Science and Technology Committee that saturation testing of NHS hospital staff was an absolute requirement, and should have happened from the get-go. Last week, the Secretary of State delighted the social care sector by announcing that care home staff would be tested weekly. Now is his chance to delight not just Sir John Bell, but 1.4 million people in the NHS, by saying that from the start of next month, they too can have weekly testing. Will he do that?

Matt Hancock: As I mentioned, we have put in place the procedures for regular testing of NHS staff, and those procedures are underlined by the clinical analysis. There is a difference between social care and NHS staff, not least because the impact of coronavirus, in terms of its prevalence, has been higher among social care staff in care homes. We must ensure that such decisions are clinically led, but of course I keep the issue under review and take the comments from the Chair of the Health and Social Care Committee very seriously.

Dr Philippa Whitford (Central Ayrshire) (SNP) [V]: I welcome the fact that the UK Government website has now been corrected to add the 80,000 missing covid cases in England, and gives a more accurate picture of the epidemic. Compared with Scotland, England currently has six times the number of new cases per head of population, and nine times the deaths. Even without a second wave, it is estimated that the current level of covid infections would lead to 27,000 additional deaths by next spring. Does the Secretary of State consider that level acceptable? Scotland, Northern Ireland, and the Republic of Ireland are following covid elimination

[Dr Philippa Whitford]

strategies to drive down circulating virus, and reduce the risk of repeated lockdowns. Will the Secretary of State explain what his strategy is going forward?

Matt Hancock: Yes. Our strategy is to drive the virus right down, and as I said in my opening statement, the latest figures show just 352 new cases recorded in the previous 24 hours. We have been working closely with the Scottish Government, and giving them as much support as we can, for instance to get testing up and running. I am glad that right across the UK, we are succeeding in ensuring that the virus is increasingly under control.

Dr Julian Lewis (New Forest East) (Con): Will my right hon. Friend give any encouragement that beauty salons will be allowed to open in the reasonably near future and does he share my concern and disappointment that even though campsites are allowed to reopen, the company in charge of those in the New Forest is threatening to keep them closed until spring next year?

Matt Hancock: My right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy is working closely with the beauty industry regarding how it can open in a covid-secure way, taking into account clinical advice. We have, however, been able to change some advice to allow for the reopening of camp sites. I am very pleased about that, and it will help lots of families to enjoy summer safely. It is disappointing to hear of the blanket approach taken to not having any camping in the New Forest—I went camping there as a child, and enjoyed it very much. On a campsite people must be particularly careful of shared facilities, and ensure that they are cleaned properly, but there is a way to open campsites safely and securely, and doing that in the New Forest, and elsewhere, will help people to enjoy summer safely.

Debbie Abrahams (Oldham East and Saddleworth) (Lab) [V]: The Secretary of State's comments on Sunday, when he suggested that my Greater Manchester public health colleagues needed help in interpreting the pillar 2 data that they received from centrally contracted private labs, was nothing short of insulting. These are some of the most talented, dedicated and professional people with whom I have had the privilege to work. They do not need help; they need timely, patient-identifiable, and complete data, which they have not been getting. Instead of trying to shift the blame for the Government's mess in handling the covid crisis on to our amazing public health teams and care home staff, what is the Secretary of State doing to ensure that people get those data? Why will he not announce local thresholds for easing and reinstating lockdowns, as Germany and other countries have done? Finally, will he apologise for his patronising remarks to my public health colleagues?

Matt Hancock: I will not allow a divisive approach to tackling this crisis. We will all work together. We will work together with local authorities, local Mayors and local areas, and we will do that in Manchester and across the board. I just hope that the hon. Lady will take the message back to Manchester about how keen we are to work collegiately and together. That is the right way forward.

I have already answered the question on thresholds for changes to local lockdowns. We have to apply judgment. Again, we do this in consultation with and working hand in glove with the local area. On the point about data, the hon. Lady might want to have a word with her friend, the shadow Secretary of State, because he was right to acknowledge that the sharing of this sort of data, which is a complicated task, is constantly improving.

Nigel Mills (Amber Valley) (Con) [V]: Is there more that we can do to help dental practices that are struggling with the need to see fewer patients and with increased costs to provide all the PPE? Many local dental practices are telling me that they will struggle to survive until they get back to normal volumes if they cannot get some help with the increased costs.

Matt Hancock: My hon. Friend raises a really important point. PPE is a significant extra cost right across the health and care system. Dentists who are on NHS contracts have of course had those contracts paid throughout, even when routine dentistry was not open. I am really glad that we have now managed to get routine dentistry open. We are working with dentists and their representatives to ensure that we tackle the real-world challenge of having high-quality and safe dentistry while ensuring that dental practices can also be financially sustainable. It is a challenging problem and I pay tribute to the dentists who are working with us on it.

Ms Angela Eagle (Wallasey) (Lab): Does the Health Secretary agree with the Prime Minister's despicable comments, blaming care workers for the huge death toll in care homes, or will he admit that his Government's own failings left these low-paid and undervalued carers with little or no protective clothing, and many without access to sick pay, fighting a losing battle against this awful disease at the height of the pandemic?

Matt Hancock: I have been clear that we have been learning about this virus and how best to deal with it throughout. My admiration for those who work in social care is second to none. One of the good things about this crisis is that it has shown the whole country how much we value not just those who work in the NHS, but those who work right across social care, caring for the most vulnerable.

Miss Sarah Dines (Derbyshire Dales) (Con): Cancer takes the lives of loved ones far too early, including that of my father. The pandemic has made it very difficult for people to access the necessary treatment. Can my right hon. Friend reassure me that everything will be done that can be done to ensure that those who need treatment get it soon?

Matt Hancock: Yes. That is an incredibly important point. When people talk about the lives that have sadly been lost to coronavirus and how many might be in the future, we also have to take into account the health impact of non-coronavirus diseases such as cancer whose treatments are affected by the actions that we have had to take. My heart goes out to all those who have not been able to get cancer treatment because it would not have been appropriate clinically to do so when there was a virus about. We are now putting an enormous amount

of effort into getting cancer treatment services up and running. Perhaps the most important message—and the biggest barrier to more early diagnosis—is that people must come forward if they suspect that they have a cancerous lump. If they find a lump, they must call a GP, and if they are asked to go to hospital, they must; it will be safe to do so. It is really important that people help us to help them.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP) [V]: Clearly, it is vital to have health services fully prepared for the possibility of a second wave of coronavirus while reopening normal health services. With that in mind, I have a simple question for the Secretary of State: what estimate has he made of the additional funding required for the NHS between now and the end of 2020?

Matt Hancock: We are constantly putting more money into the NHS and have put in an extra £30 billion over the crisis thus far.

John Redwood (Wokingham) (Con): Could the Secretary of State remind us how big an increase in intensive care capacity there has been for the health service? That increase is a great achievement. Were the unthinkable to happen and there was another surge in the virus, could we have isolation hospitals that dealt with that so that the rest of the hospitals and surgeries could carry on with their other work?

Matt Hancock: Yes. We have doubled the intensive care capacity, which, alongside the Nightingale, has been a remarkable achievement of the NHS. There are now green and blue areas in hospitals, or whole hospitals, depending on the geography—in a rural area, we could not make a whole hospital covid-secure or covid-free, because it would have to serve both covid and non-covid patients. That separation of the NHS into blue and green areas is an important part of their being able to reduce the impact of infection control procedures, which are obviously having a big impact on the provision of services.

Mr Speaker: Chorley A&E may be able to help you with that, Secretary of State.

Steve McCabe (Birmingham, Selly Oak) (Lab): What is the current level of funding for research projects on the long-term effects of covid-19 funded from the National Institute for Health Research, in which I think the Government claim to put £1 billion?

Matt Hancock: This is a really important point. The hon. Gentleman will have heard at the weekend that the NHS has opened a long-term covid impact service. That is on the health side. On the research side, we have so far put £8.4 million into a research call, but of course we will be happy to expand that if we get research projects that are worthwhile.

Dr Liam Fox (North Somerset) (Con): What advice and guidance have been developed for shielded adults who have children of school age? It is a question not simply of the transmission risk between children but of the unavoidable contact with other adults. I am sure my right hon. Friend will understand that the earlier such

advice is developed and disseminated, the less unnecessary anxiety there will be for these parents during the school holidays.

Matt Hancock: I will write to my right hon. Friend with that advice. Of course, thankfully, as the virus has been brought under control, the restrictions on those who are shielding can be lifted, so I am glad to say that this is a lessening problem, but certainly ahead of September, in particular, and the full return of schools, we will have to make sure the advice is very clear, and we will do that.

Munira Wilson (Twickenham) (LD): Day respite care centres, such as Homelink in my constituency, provide much-needed support for people with dementia, learning difficulties and other complex needs and are a lifeline for unpaid carers. Homelink and others are desperate to open as quickly as possible and are working on covid-secure guidelines, but they cannot get free access to testing for staff and their users. Will the Secretary of State please consider making testing for respite carer centres available on the same basis as for care homes?

Matt Hancock: Yes, we have a project under way on this. It is something that the Chair of the Science and Technology Committee has been working on for weeks as well. Again, I will write to the hon. Member with the full details of the plan to make this happen.

Dr Luke Evans (Bosworth) (Con) [V]: May I take this chance to thank the people of Leicester and Leicestershire, the police and public health services for dealing with the local lockdown that has been implemented? When it comes to a local lockdown being announced, the people of Hinckley and Bosworth need two vital pieces of information: what the measures are, and where the boundary is. The Government were quick to put up on their website what those measures were, and they rightly allowed Public Health England and the councils to draw the boundary. What lessons has the Health Secretary learned from the Leicester lockdown, including about passing on information quickly, to be used in future lockdowns, which may well happen in the rest of the country?

Matt Hancock: My hon. Friend is right to praise the work that has been done by Leicestershire County Council, as well as by the city council, with which we are working hand in glove. We are looking at the way that the lockdown was brought in at pace in Leicester, to ensure that, should we need to do that again, it is a yet more effective process. One of the lessons is that the boundary for the action is a critical piece of information. We managed to publish that overnight, within about 12 hours of the decision being publicised. I pay tribute to the county council, which led on that decision. Ensuring that we have both the actions and the boundary ready as soon as possible is critical, because, naturally, local people immediately want to know whether they are in the lockdown area.

Mr Clive Betts (Sheffield South East) (Lab) [V]: I do not know whether the Secretary of State saw today the comments by the president of the Royal Society about the benefits of wearing face masks in indoor public settings, drawing attention to the fact that the prevalence

[Mr Clive Betts]

of wearing face masks is much lower in the UK than it is in Spain or Italy. I therefore want to ask him to look at two things. First, will he look at a scheme for issuing a pass or badge to those who have an exemption from wearing a face mask on public transport, so that those who are not exempt can be required to wear them? Secondly, will he look again at the lack of any advice about wearing face masks in supermarkets and other shops? Surely it is just as easy to catch the virus in a supermarket queue as it is on a bus.

Matt Hancock: Yes and yes.

Mrs Heather Wheeler (South Derbyshire) (Con) [V]: I congratulate my right hon. Friend on answering this urgent question with the usual aplomb, and I also congratulate my hon. Friend the Member for Derbyshire Dales (Miss Dines) on asking about cancer treatment, which is very important up here in Derbyshire. Is there any news about reopening swimming pools? We have fantastic swimming clubs in South Derbyshire that want their kids to get back to swimming. Although I am grateful for all the pubs that are open, some families prefer to go to bowling alleys. Does he have any news on when they will be able to open?

Matt Hancock: I would love to get swimming pools open as soon as safely possible. As my hon. Friend knows, the emphasis has to be on safety. Alongside gyms, we are working with swimming pools. Of course, there is also some beautiful open water swimming in Derbyshire. Swimming in all its forms—in the sea, in open water and in swimming pools—is very good for your health, and we should try to get it all open as soon as we possibly can, but the nature of swimming and changing rooms means that there are risks, and we have to ensure that those risks are properly taken into account.

Jessica Morden (Newport East) (Lab) [V]: Given the Secretary of State's earlier comments, will the Government back the campaign by Macmillan Cancer Support and commit themselves to urgently publishing a national cancer recovery plan, to ensure that cancer does not become the forgotten "C" in this pandemic? Will he meet Macmillan to discuss that?

Matt Hancock: I would be very happy to meet Macmillan. The Under-Secretary of State for Health and Social Care, my hon. Friend the Member for Bury St Edmunds (Jo Churchill), who is the Minister responsible for cancer, has been working on exactly this subject, but I would of course be happy to meet Macmillan and other cancer charities, because this is such an important thing to get right.

Emma Hardy (Kingston upon Hull West and Hessle) (Lab): The Secretary of State will have received the letter I sent him as chair of the all-party parliamentary group on vascular and venous disease, highlighting the suffering that vascular patients are facing because of delayed treatment caused by covid-19. As I have said before, time is tissue—the longer the delay in treatment, the more likely it is that these patients will need an amputation. What are the Government's plans for addressing this backlog?

Matt Hancock: The hon. Lady is quite right to raise this issue. She has raised it before and we have been working on it. In the first instance, the best way to tackle this backlog is to get treatments open as much as possible and to get the number of treatments back up to par—to where they were before the crisis—and then we will have to work on any backlog. In some areas, there are bigger backlogs than in others. The NHS did a remarkable job during the crisis. We protected the NHS during the crisis, but it has a huge amount of work to do—and we will support it to do that work—because of the inevitable and necessary consequences as part of the response to covid.

Alexander Stafford (Rother Valley) (Con): Last week, it was revealed that Rotherham had one of the highest rates of infection in the entire country. What reassurances can my right hon. Friend give to the people of Rother Valley that it is safe to go out, it is safe to patronise our businesses, and we are getting control of this virus?

Matt Hancock: It is true that Rotherham has a higher proportion of positive cases than the country as a whole. Nevertheless, that rate is much lower than it was in Leicester, and we are working with the council to ensure that the necessary action is taken. Everybody in Rother Valley should take comfort from the fact that, nationally, the virus is under control. In rural parts of Yorkshire, the rate is not that much higher than it is anywhere else. People should go out and enjoy summer safely; the emphasis should be on both "enjoy" and "safely".

Charlotte Nichols (Warrington North) (Lab): At the end of March, the Department of Health and Social Care announced that Clipper Logistics would be contracted to provide a portal for community healthcare partners such as local authorities and social care providers to order PPE for their staff. Can the Secretary of State confirm what the value of the contract awarded to Clipper was and how many items of PPE it has delivered?

Matt Hancock: I do not have those figures to hand, but the delivery of PPE through this portal has been a very important part of the response in some parts of the country. I am very glad that, thanks to the incredible hard work of thousands of people in the public and private sectors, we have managed to deliver 2 billion items of PPE and that the very sharp spike in demand for PPE has now been met with a very sharp increase in supply.

Andrew Percy (Brigg and Goole) (Con): May I thank care home workers in my constituency? I have been called out to patients in care homes a number of times over this period in my role in the ambulance service and seen staff in full PPE locked down and without the support that they normally get from families. I want to thank them for that and say that I am absolutely full of admiration for them. On the issue of nurses, for my trust to catch up it will require a large number of overseas nurses as well as having to train new ones. Part two of the Nursing and Midwifery Council qualifications has to be completed within three months, but some of the test centres are not open yet, so can we look into extending that period, or see whether we can get these test centres open and the backlog cleared?

Matt Hancock: Yes. The whole House should pay tribute to my hon. Friend for his work as a first responder during this crisis. He has first-hand experience of the matters of which he speaks. The particular issue that he has raised is not one that has been previously drawn to my attention, but we are doing everything that we can to hire nurses and we are seeing the results of that: over 12,000 more nurses than this time last year in the NHS. We are well on our way to the 50,000 more nurses over this Parliament, on which everybody on the Conservative Benches was elected. I will look into the particular issues he raises and try to solve the problem.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP) [V]: Last week's "Panorama" had a public health expert from Germany saying that, if we only look for people with symptoms, we get not the whole iceberg, but just the tip of it. The Faroe Islands, which have the highest testing in the world per population—between a fifth and a third of the population—found, as far back as March, that 80% to 85% of covid-19 carriers were asymptomatic. What strategy does the Secretary of State have to find those people who are asymptomatic, because we either test and search out the whole iceberg or we keep using the blunt instrument of lockdowns?

Matt Hancock: The hon. Gentleman is absolutely right that around 70% to 80% of positive cases in surveys are of people who are asymptomatic. It is one of the most difficult things about this virus. Hence we have built one of the largest testing capabilities in the world. It is significantly bigger than all the other major countries, bar a small number. We are using that testing capability for asymptomatic testing as well as for symptomatic testing across the NHS and social care. We are supporting Scotland as much as we possibly can in its testing effort, too.

Stella Creasy (Walthamstow) (Lab/Co-op) [V]: The Secretary of State has set out how important data is to his strategy. Can he therefore explain why his Government have a contract with Deloitte to cover the testing for covid-19 which does not require Deloitte to report positive cases of covid-19 to Public Health England or to local authorities?

Matt Hancock: Because the contract is with the Department, and the reporting comes through the Department.

Mr Robert Goodwill (Scarborough and Whitby) (Con): Does the Secretary of State share my admiration for careworkers on the Yorkshire coast, including those in a care home in my constituency where an outbreak among admin staff in the office was contained and not spread to forward-facing staff or residents? Will he also undertake to support local authorities such as North Yorkshire County Council, which in the past fortnight has had to close two care homes in Scarborough run by the same company, where evidence from the Care Quality Commission showed that the level of care was unacceptable and potentially dangerous?

Matt Hancock: Yes. My right hon. Friend raises an incredibly important point. I pay tribute to those care homes, in Scarborough and across the country, that have done the right thing and are tackling outbreaks when they find them, including some that go to extraordinary

lengths to protect their residents, not least because we know that care home residents are among some of the most vulnerable to coronavirus. But at the same time, we must ensure that the level of care remains high, and the CQC does have an incredibly important role in that.

Patrick Grady (Glasgow North) (SNP): Professor Michael Baker, who formulated New Zealand's world-leading elimination strategy, has told the UK:

"You have all the tools you need to pursue containment and elimination if you choose to. The alternative is going in and out of lockdown for months, if not years."

Does the Secretary of State agree with that, and will he therefore confirm that the UK Government's strategy for covid-19 is going to be centred on elimination rather than suppression?

Matt Hancock: We are absolutely bringing the case rate right down, and the fact that across the UK as a whole there were only 352 positive cases in the last 24-hour period, which is the lowest since before lockdown, demonstrates that that action is happening. It is because of this action that we have been able to allow people more freedom to enjoy the things they enjoy, and I am glad to say that that strategy has been followed by all four Governments in the UK. There may be differences in detail and differences of a few days in a few bits of the timing, but essentially this has been a UK-wide strategy, followed both by the Labour Welsh Government and by the SNP Government in Scotland.

Dehenna Davison (Bishop Auckland) (Con): Like so many across our country, I was delighted to visit the pub for the first time over the weekend. I had my first pint in a socially distanced fashion at the Durham Ox in Coundon. I was really impressed by the work that Susan and Phil had done to enforce social distancing and by the ingenious measures they had put in place, including diligently collecting the contact information of the people who entered. So on that note, will my right hon. Friend outline how the covid-secure guidance from the Department for Business, Energy and Industrial Strategy is helping to support the vital NHS test, track and trace efforts?

Matt Hancock: That is true. The actions we have put in place mean that we can open hospitality such as pubs, and doing that safely means that we have been able to open more hospitality than we would otherwise have done. I, too, went for a haircut and a pint on Saturday morning—[*Laughter.*] The haircut was on Saturday morning; the pint was early in the afternoon. I am glad to say that my name and phone number were taken when I turned up at the pub. I have not been back to Suffolk since February. That is one of the things I have missed most about this whole crisis. I am going on Friday and I will go to the pub there. No doubt they too will take my number.

James Sunderland (Bracknell) (Con): We have heard much in recent weeks about the risks of a second wave. Will the Minister please outline the current science on that and outline when we might be most at risk?

Matt Hancock: The policies we have put in place with the local action are precisely targeted to reduce the risk of a second wave nationally. Nevertheless, as we turn to

[*Matt Hancock*]

winter and the weather gets colder, there are signs of some seasonality in this virus, meaning that we will have to be much more careful, both because of the potential impact on how easily the virus transmits and because of changes in behaviour—we know that outdoors is safer and it is just harder to be outdoors in winter. So we must remain vigilant as a country.

Stephanie Peacock (Barnsley East) (Lab): When the impact of covid-19 on the beauty industry was raised in the Chamber last week, the Prime Minister laughed, despite the fact that it contributes £30 billion to the economy and accounts for one in 60 jobs. Further to the question from the right hon. Member for New Forest East (Dr Lewis), what engagement have the Government had with the sector? Given that hairdressers and pubs are now open, when can beauty salons expect to open too?

Matt Hancock: The decisions that we have taken are based on clinical advice on the risk, because we know that being face to face, when in close contact, is more high-risk than not being face to face. That has been the basis on which the decisions have been taken. Of course I understand the impact on the beauty industry. As I said, my right hon. Friend the Business Secretary is leading on this issue and we will make progress when we safely can.

Brendan Clarke-Smith (Bassetlaw) (Con): Last week, I visited St Giles School in Retford, where people very kindly gave me one of their excellent cloth face coverings to wear when travelling to Parliament. Will my right hon. Friend join me in reiterating that while cloth face coverings can help to reduce the risk of transmission in some circumstances, face masks worn as part of PPE for healthcare and other workers should be reserved for those who need it?

Matt Hancock: The use of face coverings that are not formal face masks is valuable, especially in some circumstances, and therefore it is mandated on public transport and has long been recommended in some shops. The use of masks, especially the high-end masks, should be reserved for those who need them in clinical settings. However, I am glad to say that the supply of PPE is now much, much more secure than it was a couple of months ago, which means that face masks are more readily and widely available and are increasingly used in non-clinical settings. The low-end surgical masks are the ones that would typically be used in a non-clinical setting. Nevertheless, face coverings are an incredibly important part of our armoury.

Caroline Nokes (Romsey and Southampton North) (Con): People working in aesthetics—the professionals who tattoo on eyebrows for alopecia sufferers or tattoo on the nipples of cancer patients who have had reconstructive surgery—have been horrified to discover that they are categorised alongside strip clubs. Will my right hon. Friend please look at this issue urgently to understand how the NHS is referring patients to these people, who are still not allowed to open?

Matt Hancock: I will certainly look into the last point. However, that categorisation is not quite right. The beauty industry is an important industry in and of

its own right. While we do still have restrictions in certain areas and categories, that does not mean that they should all be lumped in together. The beauty industry is an incredibly important industry and we will get it open as soon as it is safe to do so.

Barbara Keeley (Worsley and Eccles South) (Lab) [V]: At the start of this crisis, the guidance for care homes was unclear. They could not get PPE, and patients were being discharged from hospitals to care homes without being tested for covid. The Prime Minister's comments have given offence. Does the Secretary of State accept that care home providers cannot be blamed for the deaths of their residents, and that it is time to give care staff the pay and respect they deserve, and to bring forward plans to fund social care properly?

Matt Hancock: The need to reform social care is no less urgent than before the crisis. Indeed, we have learned through the crisis yet more about the nature of the reforms needed, because we have seen the positive impact of much closer, system-level working between the NHS and social care and local authorities. That should inform our thinking about the long-term social care reforms that this country needs to see.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for all he has done—for his leadership, and his direction and courage.

Macmillan estimates that disruption to normal cancer services could lead to almost 2,000 cases of cancer a week going undiagnosed, with almost half cancer patients seeing their cancer treatment delayed, cancelled or changed as a result of coronavirus. Given the level of disruption, what additional resources will the Secretary of State put in place to protect and sustain the delivery of cancer care if further waves of the pandemic should occur?

Matt Hancock: The hon. Gentleman has repeatedly raised this vital question; I think he was the first in the House to raise the importance of restarting cancer services, right at the peak of the pandemic. We have been working incredibly hard to do so. Of course, we have put extra funding into the NHS this year—very large sums—because of the crisis, and of course we want to see cancer services fully restored as safely as possible. I just repeat the point that I made to my hon. Friend the Member for Derbyshire Dales (Miss Dines): it is critical that people come forward if they suspect that they might have cancer.

Steve Brine (Winchester) (Con): As the Health Secretary knows, Hampshire Hospitals NHS Foundation Trust is currently doing a big engagement process called Hampshire Together, which will look at the future of health services, not just in the acute sector, over the next 30 to 40 years. That is a critical piece of work, going on throughout June and the rest of July. My constituents are emerging from a pandemic; understandably, many are worried about whether they will still be within furlough in a few months' time and are not thinking about the next 40 years of health services. Will the Health Secretary be minded as to big decisions being taken now while the public are understandably distracted?

Matt Hancock: I take my hon. Friend's point very seriously. We are planning significant investment in the health service in Hampshire. That has to be done in a

way that enhances services locally, in Winchester and across the county. We have learned a huge amount during covid about how the health system works best, with system working, much more community activity, and much more treatment at home by telemedicine, which is one of the things that have gone incredibly well in this crisis.

Martyn Day (Linlithgow and East Falkirk) (SNP) [V]: Polling from YouGov shows that so-called anti-vaccination sentiment is on the increase in the UK, with 16% of UK adults saying they would probably or definitely avoid a covid-19 vaccine. What does the Secretary of State feel that means for the hopes of achieving immunity?

Matt Hancock: The Government of the United Kingdom will recommend a vaccine as soon as one is available that is safe, but only when it is safe. It is so important, and it is incumbent on every single Member of this House, that we make the case for why vaccines are both safe and effective. The hon. Gentleman is absolutely right to raise this issue, and I am grateful to him for doing so. It is an issue, I think, on which all parties agree. Should a vaccine come off, it will be such good news for humanity, frankly, and we will need to make sure that people are given the support and the confidence, and of course the logistical convenience, to be able to get the vaccine should that be clinically appropriate.

Felicity Buchan (Kensington) (Con): Will my right hon. Friend consider a comprehensive review of Public Health England to see what lessons can be learned and what improvements can be made for any future crises?

Matt Hancock: We are constantly learning what we can do to improve the response to coronavirus. We have been clear about that right from the start. The gathering evidence on asymptomatic transmission that we saw during March and April is a case in point, because it changed policy and how we deal with this virus.

Alun Cairns (Vale of Glamorgan) (Con): The welcome opening of pubs in England has made a major difference to the morale of a nation. In Wales, pubs will not be able to open until next Monday, and then only outside. Will my right hon. Friend share the best practice of one-way systems and appropriate screening to ensure that landlords, pubs and breweries do not go out of business needlessly, if only Wales follows the English model?

Matt Hancock: I am very happy to work with my Welsh colleagues on how it is possible to open pubs and hospitality in a covid-secure and safe way. Wales has a great tradition of great pubs. I very much hope that they can be open as soon as the Welsh Government make their decision.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I remind the Secretary of State about another virus: HIV. As chair of the all-party group on HIV/AIDS, I met colleagues from across both Houses this morning to hear about the impact of the covid-19 crisis on people with HIV in terms of mental health, access to treatment and many other issues, including the disproportionate impact on black, Asian and minority

ethnic communities. Will the Health Secretary say what he has been doing specifically to support people with HIV? Will one of his Ministers meet the group to listen to our specific concerns?

Matt Hancock: Yes, this is an incredibly important issue. Our goal as a country to reach no HIV transmissions by 2030 stands unaffected by covid. It is a vital objective, and there is a huge amount of support and effort behind that goal. Access to treatment has, of course, been made more challenging. We talk about the epidemic and think about it as being the biggest since the Spanish flu, but it is not. The biggest epidemic before this one was the HIV epidemic, which we are still working to rid the world of. I have every hope that in our lifetimes we will get there. We will play our part.

Darren Henry (Broxton) (Con): People in Broxton have written to me about their fears that due to lockdown their mental health has declined and vital treatment, including therapy, has been postponed. The coronavirus has made them more anxious to seek help and, like many, I am worried about the impact a lack of early intervention can have on vulnerable people. Can my right hon. Friend reassure me that mental health support will be part of the NHS "Open for business" campaign and that people who are concerned about their mental health can safely seek help?

Matt Hancock: Yes, mental health services absolutely are open and people who need support with mental ill health should come forward. They should go to their GP in the first instance. The good news in this area is that telemedicine is particularly effective for psychiatry. Of course, it cannot be effective for all mental illnesses, but it can for many, and it is being used very effectively by psychiatrists across the country.

Mohammad Yasin (Bedford) (Lab) [V]: The initial findings of the investigation into Bedford's now decreasing infection rate shows that women between 30 and 59 have been most affected. Will the Secretary of State remind everyone that this invisible virus does not just affect the older generation? Does he agree that the published data must include details on ethnicity, the older generation and workplace factors if we are to eliminate the virus and keep the public safe?

Matt Hancock: Yes; we are publishing more and more data about the virus and who has caught it, in the same way as we are giving more and more information to directors of public health so that they can use it for the same purposes. The hon. Gentleman is quite right to say that the virus does not only affect those who are older. Although more people who are older tend to die from the disease, anybody can transmit it, and that is the big risk. I am glad to say that the numbers of cases in Bedford are coming down. We keep a watchful eye to ensure that that continues to be the case.

David Linden (Glasgow East) (SNP): Obviously coronavirus has impacted all of us, but one group impacted is the parents of premature and sick babies. I commend to the Secretary of State the briefing paper from Bliss, "Parents aren't visitors". Is the Secretary of State willing to meet me, as chair of the all-party group on premature and sick babies, and Bliss to consider the

[David Linden]

impact the virus has had on the parents of premature and sick babies, and to ensure they get the support they need to support their families at this time?

Matt Hancock: Yes, I would be very happy to meet the hon. Gentleman and the group. This is an incredibly important issue and one that is very close to my heart. I think that many in this House will know that one of our Members lost premature twins very recently. It affects many, many families and we must ensure that NHS services are available to give premature babies the very best chance of life.

Andrew Jones (Harrogate and Knaresborough) (Con): Screening programmes help to keep people healthy and this Government have expanded them. As the NHS communicates that it is open and that people should seek treatment, will my right hon. Friend ensure that its leaders focus on getting screening programmes back up to full speed and then encourage people to use them and get screened?

Matt Hancock: I am really glad that my right hon. Friend has raised that point, because screening services are so important, including for cancer, which is a subject that has been raised many times in this debate and in the House in general. We are working very hard to expand and reopen screening services, making sure that infection control is possible and that we are using testing effectively, so that when people come forward for screening, they can do so with confidence. My right hon. Friend is right to raise the issue. We will keep pushing it, because screening is so important to keeping people healthy.

Tim Farron (Westmorland and Lonsdale) (LD): Last night's "Panorama" programme showed the awful truth that we could lose more people to cancer due to delayed treatments and interventions than we do to covid-19 itself. We know we can avoid that tragedy in a number of ways, one of which is to expand the operation and to bring forward the implementation of radiotherapy around the country—this summer, especially—to clear the backlog and to give people hope. That should include delivery close to home in places such as Westmorland General Hospital in Kendal. Will the Secretary of State meet the all-party parliamentary group on radiotherapy to discuss our six-point plan to help give people hope and to save lives immediately and in the long term?

Matt Hancock: We share a common mission in this space, because we have already invested £200 million in expanding diagnostics, and that is an incredibly important

part of the reopening of the NHS. I am very happy to meet the hon. Gentleman and his group and all those interested in the expansion not just of radiography but of all types of diagnostics. We need to ensure we do that in a way that works for patients and therefore opens access. That is incredibly important. We are putting in the investment and we are rolling out the programme. It is happening as we speak, and if he has further ideas to throw into that area, I am very happy to listen to them.

Richard Graham (Gloucester) (Con): I am grateful to the Secretary of State and all involved first for the temporary testing site, and secondly for the permanent testing site now available for the people of Gloucestershire in Gloucester, but the reality is that capacity is much greater than demand and resources are considerable. Does my right hon. Friend therefore agree that we could make the testing capacity available, for example, to teachers with concerns or to members of black, Asian and minority ethnic communities who need reassurance much faster, before symptoms develop? How can we make that happen?

Matt Hancock: I am absolutely thrilled to get a question on the problem of having too much testing capacity, as opposed to too little. We have one of the biggest testing capacities in the world. We have built that almost from scratch as a country, and we must use it effectively. We have, for instance, rolled out the extra testing in the NHS that the Chair of the Select Committee was asking about earlier. We have rolled out the weekly testing of staff and the monthly testing of patients in care homes. We will follow a clinical path.

My hon. Friend asked about teachers. We are currently survey-testing teachers to find out if they are more at risk than the general population, in the same way that care workers, care home workers and NHS staff are. If they are, we will put asymptomatic testing in place. We are doing exactly the same survey testing for taxi drivers, because taxi drivers are at higher risk than the rest of the country. If he will forgive me, we are taking a scientific approach to how we allocate that capacity, but it is true that one of the policy challenges we face as a Department is making sure we use all the testing capacity, and long may that be so.

Mr Speaker: In order to allow the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I am now suspending the House for four minutes.

1.33 pm

Sitting suspended.

Arts, Culture and Heritage: Support Package

1.37 pm

Jo Stevens (Cardiff Central) (Lab) [V]: (*Urgent Question*): To ask the Secretary of State for Digital, Culture, Media and Sport, if he will make a statement on the Government's support package for our arts, culture and heritage industries.

The Minister for Digital and Culture (Caroline Dinage): The UK's arts and cultural heritage are not just beloved in the UK, but are the envy of the rest of the world. Our theatres, live music venues, museums and galleries are incredibly valuable to our economy, bringing in £32.3 billion in 2018 and employing approximately 680,000 people. However, they are much more than that: they are the linchpins of their local communities, entertaining, enlightening and educating us, and bringing us together through shared experiences.

The coronavirus pandemic dealt those sectors a body blow, forcing thousands of institutions to close their doors. The Government have already provided substantial financial assistance to see them through the crisis, including loans, business rate holidays and the self-employed and furloughing schemes. Together, those schemes have provided hundreds of millions of pounds of support, saving livelihoods, beloved organisations and institutions. Of course, we have been working extremely closely with the sector and medical experts to try to get things back up and running as soon as it is safe to do so.

Our battle against coronavirus is not over. With social distancing still in place and crowded venues not possible for the foreseeable future, it was clear that the cultural sector desperately needed help to weather the ongoing storm. The Government have provided it this week, with an unprecedented £1.57 billion rescue package for museums, galleries, theatres, independent cinemas, heritage sites and music venues across the country in the form of emergency grants and loans. It is the single largest one-off investment in UK culture and proof of our commitment to protecting the sectors that do so much to enrich all our lives. It has widely been recognised as exceeding expectations and DDCMS Ministers would like to put on record our thanks to the many people who have worked so incredibly hard on this behind the scenes over the weeks.

The funding will support the country's long-standing and rightly famous cultural institutions such as the Royal Shakespeare Company, the Ironbridge Gorge Museum, the Mary Rose Trust, which I visited yesterday, and the National Theatre, but it will also support lesser-known but equally cherished cultural and heritage institutions and organisations in regions up and down the country—places that have been cultural anchors for their communities for years. That will include theatres, live music venues and museums, but it will not just be about cultural spaces, as it will include dance companies, orchestras and touring arts groups that do not have their own venues but still play a key role in our cultural life and, of course, still need support. By protecting these organisations as well, the funding will help to support those working across the cultural sector.

The package will also see £120 million invested in rebuilding, upgrading and starting new construction work across our cultural infrastructure as part of our

wider effort to build, build, build after coronavirus. This will help to revitalise historic buildings across the country, creating jobs and protecting livelihoods all across our regions. Another £100 million will be allocated to arm's length bodies such as the British Library, the British Museum and the British Film Institute. An extra £188 million will be given to the devolved Administrations in Northern Ireland, Scotland and Wales, as the Government support our whole Union; our cultural strength is stronger as a family of four.

The broader package comes on top of the announcement made last week by the Arts Council that it would reopen its project grants competition and make an additional £39 million of funding available to support creativity—in particular from freelancers, creative practitioners and independent organisations.

We all want to see full audiences back in our venues and institutions, enjoying the very best of British culture as soon as possible. We will keep our foot very firmly on the pedal, and are finalising guidance for a phased return of the performing arts sectors as we speak. This package allows us to protect some of our precious cultural assets during an uncertain time ahead. It will help thousands of organisations to make it through this crisis and out the other side for future generations to enjoy. I ask the House to join the arts sector in welcoming this massive rescue package. It is a lifeline to help the sector weather this storm and bounce back even stronger.

Jo Stevens [V]: I am grateful for the granting of this urgent question.

We welcome this much-needed injection of cash for the arts and culture sector, but I have to ask: what took the Government so long? We have already seen venues going under and mounting job losses, and warnings from the Opposition and across the sector were ignored for weeks on end. Urgently getting the money to where it is needed now is critical, but according to the Department's own briefing, funds will not arrive until the autumn. Less than half the £160 million announced in March is with the organisations that need it, and we are now four months on.

It is vital that this money does not just get hoovered up by the biggest venues with the loudest voices. As well as protecting the jewels in the crown, every town and city lucky enough to have a theatre that is a precious part of the local economy must keep it. We were disappointed that yesterday there was yet again no mention of freelancers, who make up 70% of the workforce in theatre alone. These are highly specialist, creative people—musicians, performers and other professionals—who have been excluded from the Treasury schemes since the start of this crisis. I am concerned that the Department does not understand the nature of the work in this sector, which is why we have continually warned against a one-size-fits-all approach.

As has been the case with the Government throughout this crisis, within hours of the announcement yesterday, the package—which was described as “world-leading”—was already starting to unravel. I have some specific questions for the Secretary of State, therefore, which I hope his Minister can answer.

Is there provision in this package to reverse job cuts, such as those announced at the Royal Exchange in Manchester, and theatre closures, such as that of the

[Jo Stevens]

Nuffield Southampton? Yesterday, the Secretary of State refused to confirm that live performance venues would reopen by Christmas. Can the Minister confirm what date the Government are working towards that has allowed them to calculate that this package will secure the future of these industries, as they have said it will do? If venues cannot open for at least six months, has the Secretary of State secured agreement from the Chancellor that the Treasury schemes will be extended for this sector until the Government give the go-ahead for it to reopen?

Will the Minister commit herself to publishing the health and scientific evidence that says the public can sit in an aeroplane for hours on end but not in a theatre for two hours? Lastly, I want the Government to focus on the people who have made this sector admired around the world and the specialist and highly skilled jobs they do, because once those are lost, they will be almost impossible to recover.

Caroline Dinéage: That was a disappointingly churlish if not unexpected response to what is the largest single financial investment in our culture sector and the biggest package of support for heritage, arts and culture—
[Interruption.]

Madam Deputy Speaker (Dame Eleanor Laing): Order. I will not have shouting at the Minister.

Caroline Dinéage: Thank you, Madam Deputy Speaker.

It is the biggest package of support and investment for the heritage, arts and culture sector anywhere in the world. I am very clear that our arts, culture and heritage are not the cherry on the cake or even the icing on the cake; they are the cake. It is what makes us British and is integral to our history and our heritage and fundamental to our economy.

The hon. Member talks about this money as if it were the first thing the Department has made available to our sectors, but of course there has already been £215 million of emergency funding for cultural and heritage arm's length bodies, which since the lockdown started have been working intensively with the sector to understand the scale and pressures and put together this package, which has enabled us to deliver this world-class level of support for our very valued sectors.

The hon. Member talked about the road map. Of course we cannot be 100% clear about when everything will be able to open. I wish it were in my gift to say, but we are dealing with the unknown—with a global pandemic. Even this week, we saw, in Melbourne, Australia, a city of 5 million go back into lockdown. We have, however, set out a road map and said that rehearsals and the videoing of performances behind closed doors can start. In the coming days, we hope to set out stage 3 of that road map, which will be performances that can be done out of doors with social distancing. Shortly, we hope to fill out more information about stage 4, which will be about performances that can happen in indoor venues but with social distancing.

As everyone recognises, the silver bullet for our sectors will be trying to establish when performances can happen without any social distancing indoors. We are doing everything we can to ensure that that happens as soon as possible. We are working closely with Public Health

England and have scientific investigations going on within theatres looking at the various threats. We will also be starting pilots to look at the other aspects that affect this. It is incredibly difficult. Theatres are not the same as aircraft. People are necessarily moving around very different buildings and there is the engagement with audiences that there is not on aircraft, but we are doing everything we can. We are entirely aware that this sector and everybody in it, be it the buildings, the venues, the organisations or the freelancers, are fundamental to the British economy and our history, heritage and wellbeing, which is why we are doing everything we can to bring it back as soon as possible, but we have to make sure people can remain safe while engaging with all these sectors.

Julian Knight (Solihull) (Con): It would be wrong not to recognise the significance of this package and the work that has gone into putting it together. However, this can only be a first step—a vital first step. Does the Minister agree that the vital cultural sectors need a specific, Treasury-backed recovery plan, with a means found to enable large numbers of people to watch live entertainment in an enclosed space while feeling relatively safe? One-metre social distancing does not work in the theatre sector, which would have to run at 20% capacity, and neither does it work economically for outdoor performances. Will the Secretary of State commit himself to coming before the Digital, Culture, Media and Sport Committee immediately after the summer recess, to discuss how all this can be achieved?

Caroline Dinéage: My hon. Friend has set out a range of challenges that we are seeking to overcome. He will know, for example, that some really innovative digital ideas have been put in place over lockdown to allow people to see live performances from their own homes. We know that that is not in any way a substitute for the real thing. We are working hard to get these things up and running again, including museums and galleries, so that people can physically see and touch the exhibitions as quickly as possible. I know that the Secretary of State is keen to engage with my hon. Friend and his Committee at every possible stage and to keep it up to date on how we are progressing with this, because it is fundamental to so many people up and down the country that we do.

Madam Deputy Speaker (Dame Eleanor Laing): We now go to John Nicolson, who has one minute.

John Nicolson (Ochil and South Perthshire) (SNP) [V]: All of us are conscious of how tough these months have been for our galleries, museums, cinemas, theatres and live music venues. For too long, the UK Government left our creative communities to languish in uncertainty and accumulating debt. I regret that this help comes too late for organisations that have already gone under. That said, I welcome the announcement of a £1.57 billion lifeline after weeks of campaigning by the creative communities and my SNP colleagues. To date, however, the UK Government have shown no intention of supporting those not eligible for the self-employment income support scheme. If that is not addressed, we risk losing a generation who cannot afford to survive without income. Will the Minister clarify how much, if any, of this funding will go to self-employed workers in the creative industries

who have slipped through the net? How will she ensure that these funds urgently reach the organisations that have been desperately pleading for help?

Caroline Dinenage: I am sure that the hon. Gentleman also meant to welcome the £57 million that will be going to Scotland via the Barnett formula but incidentally forgot to do so. He is right to mention freelancers who are not swept up in the self-employment income support scheme. We have been working tirelessly over recent weeks and months with the sector to understand what enables people to fall through the gap and what more we can do to support them. As a result of these grants and loans, organisations will be able to resume cultural activity, albeit in a socially distanced way, which will increase employment opportunity for freelancers—at the end of the day, that is what they want more than anything: to be able to get back to work. There is also £120 million of funding for capital projects, which will enable projects that have been paused to resume and all the different craftsmen and specialist heritage construction workers to be employed. This package complements the announcement made last week by the Arts Council that it will reopen its project grants competition and make £59 million of funding available to support creativity, in particular from freelancers. We must not forget that, of the £215 million that the Government have already pledged to this through the emergency support package, £160 million was from Arts Council England, of which £20 million has gone to individuals, including freelancers.

Craig Whittaker (Calder Valley) (Con): While the recovery package provides unprecedented support for locally known jewels like the Hippodrome theatre in Todmorden, the Hebden Bridge Little Theatre, the Rex cinema in Elland and the Brighouse Civic Hall, we all know that no recovery can be complete until audiences are able to enjoy performances once again. Can my hon. Friend confirm that her Department has in place a strategy, if not a date, for easing lockdown restrictions and the eventual return of theatres to full use?

Caroline Dinenage: I set out earlier the road map that we are looking at.

We hope to be able to have socially distanced outdoor performances very shortly, and soon after that, during the summer, we hope to be able to confirm when we can have socially distanced indoor performances. We are working at pace, alongside Public Health England, and doing pilots and other scientific studies to see how soon we can fully get all our theatres and public-heritage and cultural spaces up and running and back to full steam. We want desperately to do that, but we have to keep people safe.

Jim Shannon (Strangford) (DUP): I welcome the package, and my party welcomes it as well. What support is there to help churches such as St Margaret's here in Westminster? Will the Minister consider a stand-alone scheme? As well as providing prayer, worship and communion services, such churches are also tourist attractions because of their wonderful history and beautiful buildings, but find themselves in dire straits financially because of their inability to access any grants and because they have no tourists or visitors because the business aspects of their buildings are closed.

Caroline Dinenage: The hon. Gentleman makes an excellent point. We have amazing churches and other religious venues up and down our country that are places not only of worship but for people to visit. In particular, they are huge visitor attractions for people from around the world. We are looking at the situation for them very closely. The detailed guidance on who will be able to claim from this package of measures is currently being put together and we hope to be able to provide more information in the days ahead.

Sir David Evennett (Bexleyheath and Crayford) (Con) [V]: I warmly welcome the Government's decision to give assistance to the performing arts, which will allow the industry some breathing space and help them to survive. Does my hon. Friend agree that creative industries play a vital role in our economy and are a growth industry, and that there is a need for venues to be open as soon as it is safe for them to be?

Caroline Dinenage: Yes, my right hon. Friend is absolutely right, but the key word is "safe"—we want to keep people safe and do not want to go back into a lockdown scenario, which would be disastrous for our economy, for people up and down our country and for the cultural venues we are talking about. My right hon. Friend is absolutely right to raise this issue. Where it is safe for things to restart, they have been and are restarting: film and television production is among the creative industries, and that has already started, and museums and other cultural institutions are able to reopen, albeit they have to overcome some obstacles before they can do so fully. As things gradually can open, we want them to do so, because it is fundamental for people's health and wellbeing for them to be able to access our cultural institutions.

Caroline Lucas (Brighton, Pavilion) (Green): Grassroots live music venues—such as Brighton's Green Door Store, Sticky Mike's and Latest Music Bar—want to know that a fair share of the Government's funds will reach organisations such as theirs, so will the Minister ensure that the Arts Council works in partnership with the Music Venue Trust on the development of a grant-application process that is accessible to grassroots venues, and that the process reflects the sector's unique needs? Will she also have a very urgent word with the Chancellor to make sure that he plugs the gaps in the self-employed support scheme? Many people in the creative sector are dependent on it and they are getting desperate.

Caroline Dinenage: The hon. Lady is right to champion the live music venues in Brighton, many of which I have visited myself; they are a real jewel in the crown of Brighton's entertainment scene. That is why we are keen that Arts Council England works alongside independent experts so that we can make sure that the money is targeted to all the different parts of the sector and the different sectors that need it, where it will make the most difference.

Jason McCartney (Colne Valley) (Con): We all welcome this huge package of support for the arts and cultural sector. Last night, I spoke to a constituent who works as a percussion musician at the annual pantomime at the Alhambra Theatre in Bradford; thinking of him and all the other performers, electricians, musicians, actors, and especially freelancers, can we please make sure that

[Jason McCartney]

this funding does get through to support all of them, because they are the real lifeblood of our arts and cultural sector?

Caroline Dinéage: My hon. Friend is right to say that our creative people and artists are the lifeblood of our industry—without them we simply would not have it. The key is that the cultural organisations that rely on audiences have been particularly hard hit, and if we can bring them back into use, there will be work for the freelancers he mentions. The key to bringing them back is the key to supporting the supply chains that feed them. Support has been available through the emergency funds, for example, through Arts Council England, but we understand that the best way to support our amazing freelancers up and down the country is to give them more work that they can do and get things back open as soon as possible.

Lucy Powell (Manchester Central) (Lab/Co-op) [V]: This announcement will be very welcome news for many treasured institutions in Manchester, such as the Royal Exchange Theatre, the HOME cinema and theatre and treasured music venues such as Band on the Wall. Of course, it is a reflection of the Government's moral obligations to support sectors that are being forced to continue to be closed for sound public health reasons. However, we are talking about a whole ecosystem made up of small production companies, the self-employed, the talent and others. With that in mind, will the Minister go back to the Treasury again and get more support, through an extension of the furlough scheme and support for the self-employed, so that the whole ecosystem can continue through this enforced closure?

Caroline Dinéage: The hon. Lady is right to talk about the ecosystem, because it is what fuels our whole sector. We have been clear that when we produce the guidance on how this money will be allocated, having a mind to the ecosystem it supports will be one of the criteria that we look most favourably upon. I do not think that the Treasury will take kindly to my going back and asking for money after it has just given us £1.5 billion, but it is aware of some of the individuals who have been under extreme pressure in recent weeks and months and will be doing all it can to make sure it fills those gaps.

Sir Robert Neill (Bromley and Chislehurst) (Con): This very welcome announcement has the potential to be a lifesaver for theatres such as the Churchill, in Bromley, in my constituency, but smaller organisations such as Bromley Little Theatre need urgent clarity about their eligibility, sooner rather than later. I refer to my interest as chairman of the all-party group on opera. If the Minister has not already done so, will she listen to the "Music Matters" programme that was on Radio 3 on Saturday, which highlighted the sector's particular problems with the guidance relating to the transmission of coronavirus through song? Opera houses in Europe, with which we are in direct competition, are starting to plan to reopen at the end of the year, with safe mitigation. Our science appears to lag behind that. Will she make sure that the scientific reviews that are being undertaken address that issue as a matter of real urgency?

Madam Deputy Speaker (Dame Eleanor Laing): Before the Minister answers that, I must appeal for much shorter questions, and then she will also be able to give shorter answers. If Members do not ask shorter questions, the people at the end of the list will not have a chance to speak, and that would not be fair.

Caroline Dinéage: Thank you, Madam Deputy Speaker.

Yes, we are very aware of the scientific aspect of this. I have been meeting people from orchestras and choral groups frequently during this lockdown period to try to get the evidence and data we need, and actual scientific experiments are taking place, in partnership with Public Health England and others, to try to build the evidence we need on the risks presented by this terrible disease. The Secretary of State is keen to do what we can to get up and running, and he went with Andrew Lloyd Webber the other day to the Palladium to look at some of the mitigation measures it is putting in place. So we are leaving no stone unturned in trying to address this.

Maria Eagle (Garston and Halewood) (Lab): I welcome the support that has been announced, but does the Minister accept that this package does not address the plight of technical production companies, such as Adlib, based in my constituency, which provides lighting and sound engineering for live performances in theatre, at music events and at festivals, but is not allowed to operate at the moment because of the law and regulations? What help can she offer to this part of the sector so that it can remain in business? It is currently reliant on the furlough scheme, but when that ends, it faces oblivion. What help can she provide it with until there can be a proper reopening of venues, without social distancing?

Caroline Dinéage: We have had an unprecedented package of business support since the beginning of the lockdown, but this is also about getting those venues and organisations that put on events that might require the lighting provided by the hon. Lady's constituents up and running. That is what we mean by the road map. This is about getting places open as quickly as we can, so that people can start working with those parts of the supply chain that rely so much on a vibrant and functioning arts and culture industry.

Mr Richard Holden (North West Durham) (Con): The funding has been greatly welcomed by colliery bands, by the Empire theatre in Consett in my constituency, and by Jack Drum Arts, which was recently visited by a Minister from the other place. A lot of building projects for the arts sector have been cancelled or postponed due to the coronavirus outbreak. Will the Minister enlighten us and say what will be done to help them?

Caroline Dinéage: More than £100 million is available for capital projects, to try to kick-start some of the building projects that have been stalled by the onset of covid and to help get people who are working on those important projects back to the workplace.

Navendu Mishra (Stockport) (Lab): Yesterday morning, the Secretary of State told the BBC that the minimum grant or loan amount is £1 million. Will the Minister explain how that will help many smaller venues, including

Stockport Plaza in my constituency? What is the regional breakdown for that money, and how much will venues in Greater Manchester receive?

Caroline Dinenge: The hon. Gentleman is right to champion organisations across his constituency, and I am sure that all hon. Members will do the same. I cannot set out what the breakdown will be just yet, because guidance on how the scheme will be implemented will come forward in the days ahead. One of the criteria that we are considering most acutely for the allocation of this money relates to how we can support communities and places up and down the country, not just in the big metropolitan centres.

Rob Roberts (Delyn) (Con): Theatr Clwyd in my constituency has welcomed more than half a million viewers to the 2,500 events and community shows a year that it puts on. Recently, the First Minister of Wales said that we do not have the firepower to support this sector in Wales. Given the £59 million in Barnett consequential that will come from this announcement, and the £2.3 billion that the Westminster Government have sent to Wales so far as part of the covid battle, does my hon. Friend agree that it is time for Labour's First Minister in Wales to stop the excuses and finally to support that important sector?

Caroline Dinenge: My hon. Friend is right to champion Theatr Clwyd in Mold and to say that this is a significant sum of money for Wales. I spoke to the Welsh Deputy Minister for Culture, Sport and Tourism at the weekend, and he was delighted with this sum of money. Because of the way that the Barnett formula works, we cannot guarantee that the money will be spent on arts and culture, but he is keen to ensure that when the Welsh Government get hold of it, it goes to the right places.

Daisy Cooper (St Albans) (LD): From Edinburgh to Aldeburgh, the UK's thriving festival sector reaches almost 5 million people a year. Will the Minister clarify whether festivals will be eligible for some of the money from this rescue package? If not, does she agree with me and with the British Arts Festivals Association, which is calling for the £120 million that has been allocated for a festival of Britain in 2022 to be reallocated to all the festivals of Britain that need help this year?

Caroline Dinenge: At the moment, festivals often attract funding through some of the Arts Council funds. It is possible that live events will attract such funding, but that will be set out in the guidance when we release it. Our performing arts and cultural sectors want more than anything to get back up to speed, and get up and running, and Festival 2022 presents a remarkable opportunity for all four nations of the United Kingdom to commission work and get people out there doing what they do—performing, creating and entertaining our country.

Madam Deputy Speaker (Dame Eleanor Laing): We have to go an awful lot faster.

Sara Britcliffe (Hyndburn) (Con): This announcement is welcome news to many across Hyndburn and Haslingden, particularly those at the civic arts centre and theatre in Oswaldtwistle, but can the Minister assure me that the

package will reach smaller venues, including those in my constituency, which are a valuable asset to our communities?

Caroline Dinenge: My hon. Friend has hit the nail on the head. One of the key criteria for allocating the money will be about supporting small cultural organisations that may be the only theatre or museum in their town, that are vital to the arts and culture ecosystem in their area and to other businesses in the supply chain, and that are the key focal point of culture and arts in their area. That will be one of the key aspects we look at when allocating this cash.

Tommy Sheppard (Edinburgh East) (SNP) [V]: The £97 million for Scotland, while welcome, is not a proportionate share of £1.57 billion, so I presume that a fair chunk of the package is either not new, or capital spending. Given that, will the Government either revise the consequential to allow a proportionate share of capital spending in Scotland, or relax the capital controls on the Scottish Government to allow them to provide the same support for the arts in Scotland as exists elsewhere in the UK?

Caroline Dinenge: All this is new money, and £100 million of it is targeted at support for national cultural institutions in England and organisations such as the English Heritage Trust, the Victoria & Albert Museum and the British Library. Some £120 million of it is capital investment to restart construction on cultural infrastructure projects in England, and £188 million, through the Barnett formula, will enable the devolved Administrations to support their cultural sectors.

Marco Longhi (Dudley North) (Con): Our capital city is home to some of our most venerable cultural institutions, but Dudley, as the capital of the Black Country, is also home to some great cultural institutions. Can my hon. Friend assure me that places such as the Black Country Living Museum will directly benefit from the great package that the Government have announced, to tide them through the difficult winter months ahead?

Caroline Dinenge: My hon. Friend is a great advocate for Dudley and all the cultural treasures that it has to offer. As I have said, we very much see this money as supporting the levelling-up agenda and targeting areas up and down the country that really need these vital cultural establishments to be protected.

Catherine West (Hornsey and Wood Green) (Lab): Hornsey and Wood Green is home to so many in the creative sector, and I have had hundreds of emails pleading with me and asking what is being done. Can the Minister assure me that not too much of the money will be capital spend, but that it will go to the people who make the arts? With their expertise and their love of the arts, it is the people who inspire us.

Caroline Dinenge: The hon. Lady is right to raise that. Of the £1.57 billion, £120 million is capital spend. The rest of it will go directly to organisations and institutions up and down the country.

Jonathan Gullis (Stoke-on-Trent North) (Con): I am blessed in Stoke-on-Trent, Kidsgrove and Talke to have the stunning Wedgwood Institute in Burslem, the journey from the pits at Chatterley Whitfield Colliery and the pots of Middleport Pottery. The £100 million for capital projects will help to build, build, build shovel-ready projects such as the Harper Street renovation project in Middleport. Will my hon. Friend meet me to discuss how such projects can apply to access the new funding?

Caroline Dinenage: How could I refuse? My hon. Friend is the strongest possible advocate for all Stoke-on-Trent's cultural offers. I do not think I have ever known so much about pottery as I do since I met him. Of course, we will do everything we can to support them.

Matt Western (Warwick and Leamington) (Lab): I welcome the announcement, which is terrific for organisations such as the RSC. A lot of its members and employees live in my constituency. Can the Minister explain how fantastic organisations such as Playbox Theatre and Motionhouse dance theatre, which has a world-class reputation, can be assured of benefiting from this money?

Caroline Dinenage: This is about supporting our big, key world-class venues, but it is also about supporting the smaller grassroots organisations that are a key part of the infrastructure—not just organisations that have venues, but organisations that may be dance groups, other theatrical groups, or what have you, that are not place based—and are really focusing on the communities that they support.

Mr Laurence Robertson (Tewkesbury) (Con): How can the Government help to get more people, particularly young people, involved in culture and sport of all kinds?

Caroline Dinenage: Again, this is all about the ecosystem that our arts and our culture encourage and about getting young people involved with their local museums and galleries, their local arts and performing arts, and dance and theatre groups. With all those things, if we can capture the imagination of young people very early on, we can open their eyes to a world of culture and arts that will entertain them for the rest of their lives.

Sir George Howarth (Knowsley) (Lab) [V]: In response to an earlier question from my hon. Friend the Member for Garston and Halewood (Maria Eagle) about Adlib in Knowsley, which provides technical support to live events, the Minister effectively said that it will not get any support until the industry gets back up and running and it can then provide its services. Does she accept that, if it is going to take as long as seems to be the case, many companies that provide technical support will have gone out of business by then? Will she reconsider that response, and look at including organisations such as Adlib?

Caroline Dinenage: It is just simply not correct to say that these organisations or these companies have had no support. Our furloughing scheme has supported over 350,000 people in the creative arts and leisure sectors to retain their jobs. We have had huge investment through the various loan schemes that have supported

businesses to stay afloat. The Government have poured millions upon millions of pounds into supporting businesses through this pandemic.

Richard Fuller (North East Bedfordshire) (Con): With cases well below their peak and falling, and with transmission pathways increasingly and more rapidly under control, the Government should now be announcing specific dates for reopening those sectors that regulations required to be closed. That will unleash the investment that can support the whole ecosystem of the arts. Will the Minister consider announcing a specific date on which our arts centres can open?

Caroline Dinenage: We understand that certainty is one of the biggest issues facing our sectors at the moment, and we are doing everything we can to tackle that. In the days ahead, we are hoping to set out a much more fully defined road map, which will help address some of these date issues.

Anna McMorris (Cardiff North) (Lab): The Secretary of State said that this important package will not save every job. Our culture sector is the envy of the world, but it is the people and their talent that make it world leading. We know the show will not go on for many, including many of my constituents in Cardiff North, without direct job support. Why will the Secretary of State not support the thousands of workers in this sector who have been abandoned and excluded from support schemes throughout this crisis? Also, will the Minister tell me when the Welsh Government will be getting this funding—

Madam Deputy Speaker (Dame Eleanor Laing): Order. From now on, each person can ask one question, not two or three questions—no speeches; just questions, please. Let us have a bit of discipline.

Caroline Dinenage: With the best will in the world, we cannot insulate every single organisation against the pressures and challenges they face in this pandemic, but we are doing everything we can. This is a life-changing and a lifeline sum of cash that we have managed to secure for this sector. The hon. Member says we have done nothing to support individuals, but £20 million of the £160 million Arts Council England fund has gone to individuals to support them through this terrible crisis.

Stuart Anderson (Wolverhampton South West) (Con): I am delighted by this announcement, and I would be keen to know what steps the Minister is taking to ensure that a fair share of the £1.57 billion investment reaches local theatres, such as the Wolverhampton Grand theatre in my constituency.

Caroline Dinenage: My hon. Friend is absolutely right to champion the theatre in Wolverhampton. I am sure that it will be absolutely delighted to know that he is fighting its corner. In the days ahead, we will be setting out exactly how this guidance will work and exactly how the money will be allocated, but the focus is on getting it to cultural organisations up and down the country.

Ruth Jones (Newport West) (Lab): Newport West is home to a vibrant and growing cultural scene. I have been contacted by many constituents, such as Sam Dabb who manages the music venue Le Pub, and actors Daniel Williams and Chris Rankin who, like others, have shared their experiences of being freelancers in today's harsh economic climate. Although today's announcement is welcome for some, it has come too late for others, such as the 23 who are losing their jobs at Newsquest—

Madam Deputy Speaker (Dame Eleanor Laing): Order. This is a speech. Will the hon. Lady please ask a question?

Ruth Jones: Thank you, Madam Deputy Speaker.

What specific support will the Government give to those who have fallen through the gaps in the financial safety net?

Caroline Dinenage: As I have said, the best thing we can do to support those freelancers who have not been scooped up by the self-employment income support scheme—very many thousands have been—is get the organisations back up and running so that these individuals can start earning money again.

Damian Collins (Folkestone and Hythe) (Con) [V]: I welcome this incredibly important package of support for the arts, but it is important that it does not become one that principally benefits venues and not the production companies and producers who put on the shows. Has the Minister considered the idea, put forward by Sam Mendes, that the Government could take a financial stake in new productions to ensure that venues are full, both of creativity and of people?

Caroline Dinenage: We have taken soundings from a range of people up and down the sector who have been phenomenal at providing us with all sorts of information and ideas, which has helped us to construct the package. We will set out more clearly how it will work in the days ahead.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP) [V]: Many showmen in my constituency and across Scotland face losing their livelihoods as a result of the pandemic, putting the fun of the fair at risk for future generations. They do not qualify for the new funding for cultural organisations that DCMS announced on Sunday, and the Showmen's Guild is not represented on the covid-19 recovery group for recreation and leisure. Will the Culture Secretary bring forward a similar bail-out package to support travelling funfairs, given that they will face similar delays in reopening?

Caroline Dinenage: That is a very interesting point. I will take it away and write to the hon. Lady.

Sir Roger Gale (North Thanet) (Con) [V]: The £1.5 billion is a massive sum of money and incredibly welcome. However, further to the question from my hon. Friend the Member for Folkestone and Hythe (Damian Collins), it is the men and women who work in the theatres, not the theatres themselves, who really need the support. My hon. Friend the Minister referred to enhanced opportunities for freelancers. Could she put a little flesh on that bone and tell us how that is likely to work?

Caroline Dinenage: My right hon. Friend is one of our Equity card-carrying Members of Parliament, so I always listen carefully when he talks about this issue. There are a number of ways we can help. First, getting everything back up to speed will of course support our freelancers and the workforce up and down the sector. Arts Council England has reinstated the fund that people can bid into for projects, so a number of other schemes—worth £59 million—are available to offer support.

Hannah Bardell (Livingston) (SNP) [V]: Last week the live music industry hosted a webinar with musician and artist Beverley Knight as part of the "Let the Music Play" campaign. It was clear from her and others that there is deep distress in the live music industry. They talked about the impact on associated jobs that are tied up with the industry but have fallen through the cracks of this Government's furlough scheme. Can the Minister tell us how those freelance musicians, technicians, producers and associated professionals will get support, as they appear to have been completely forgotten by her Government?

Caroline Dinenage: We know that the music industry has been particularly badly hit, which is why it will definitely be one of the industries that seek to benefit from this £1.5 billion scheme.

Damian Green (Ashford) (Con): Like others, I welcome this announcement and hope that it will benefit Revelation St Mary's in Ashford, one of those churches that is also—a cultural centre, a subject the Minister has already referred to. Can she give us a little more detail about the support for freelancers? In particular, when does she think some of the money will actually get into their pockets and bank accounts? I know from my constituency that some of them are already looking for jobs outside the sector because they are so worried about their future inside it.

Caroline Dinenage: There are two things to say. We want to get this particular tranche of money—this £1.5 billion—out into the sector as soon as possible, because we know that there are organisations that are really desperate. In terms of individuals, there are a number of packages of support. Many of them have been able to claim from the self-employed income support scheme. We know that some have slipped through the gaps, and, of course, as soon as we can get our sector back up and running again, we will be able to employ more of the amazing workforce who make it so special.

Ruth Cadbury (Brentford and Isleworth) (Lab): Brentford's Watermans arts centre, like many arts centres across London, brings arts to all types of communities that do not access the west end. Watermans' director is grateful for the £87,000 emergency funding, but it is less than a third of what she applied for, so that will only keep it going until September. How will the Government support venues beyond September to survive when they have less than a third of their capacity on their seats and costs are greater than normal?

Caroline Dinenage: The hon. Lady will note that we have just announced a £1.5 billion funding package, and her organisation should be able to apply for that. We will announce more details of how it will work in the next couple of days.

Andrew Griffith (Arundel and South Downs) (Con) [V]: I thank my hon. Friend for the unprecedented package of support that was announced. As she gets into the design of individual components, may I ask her to seek a higher number of individual smaller grants, so that local museums, such as the Amberley Museum, the Arundel Museum and the Steyning Museum in my constituency, get a look in?

Caroline Dinéage: It has been like a whistle-stop tour of cultural and arts venues up and down the country today—in fact, I remember visiting the Amberley Museum as a schoolgirl, so it is also a trip down memory lane for me. My hon. Friend is absolutely right. We need to make sure that we can get that money to as many grassroots organisations up and down the country as possible to save them from an unpleasant fate.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The £57 million in Barnett consequentials will be very welcome north of the border in Scotland. It will be a lifeline to many people who are absolutely desperate. When the Minister hands the cheque over to the Scottish Government, will she consider discussing with them how some of our great national institutions south of the border, such as the Royal Shakespeare Company and the London Symphony Orchestra, might be encouraged to come to perform in Scotland, and, particularly, perhaps the far north of Scotland?

Caroline Dinéage: I think the hon. Gentleman is making a plug for a bit of entertainment in his local area. I am sure that many of our cultural institutions up and down the country will be very keen to get out there plying their trade and travelling around as much as they can, as soon as the covid situation allows them to do that.

Duncan Baker (North Norfolk) (Con): This is wonderful news. Funding is fantastic, but can my hon. Friend tell me when venues such as Sheringham Little Theatre and Wells Maltings in North Norfolk can have a route map and a plan so that they can suddenly throw open their doors again?

Caroline Dinéage: My hon. Friend is absolutely right to raise his local organisations and venues that really want to get back up to speed. We hope to set out the road map of how that will happen, certainly in a socially distanced way, over the next few days.

Mary Kelly Foy (City of Durham) (Lab): Despite this announcement, there is still a lot of uncertainty in the arts industry, most notably among freelancers. Even when productions can resume during the pandemic, this will not go away. Will the Minister tell me whether the Government will create a plan that ensures that companies and their artists are protected financially if their show is cancelled due to a localised lockdown or if a member of the company tests positive for covid-19?

Caroline Dinéage: We are looking at a range of these issues and the hon. Lady is right to raise them. We are very mindful of the fact that there is a huge range of challenges ahead and that this is not going to be plain

sailing in any way, shape or form. Rather than mandating specific routes for organisations, we are asking them to have a plan we can support that will offer good value for money and the best possible resilience for the future.

Madam Deputy Speaker (Dame Eleanor Laing): I am making one more appeal for short questions and short answers. Otherwise, the people at the end of the list just do not get a chance, which, as I said before, is not fair.

Margaret Greenwood (Wirral West) (Lab) [V]: One of my constituents owns a company that supplies video, lighting, sound systems and technicians to performance venues on a rental basis, but his business will not benefit from the Government's announcement. He is really worried that he and many other providers of services to performance venues will have to make many staff redundant within the month. So what will the Minister do as a matter of urgency to support those incredibly important technical staff working in this industry?

Caroline Dinéage: A range of business support measures is available. The bounce back loans have been incredibly successful among so many of the businesses in these sectors. We know that the supply chain is very badly affected by this, but some supply chain organisations have been able to access some of the emergency funding that has been made available by bodies such as the Arts Council.

Peter Gibson (Darlington) (Con): I welcome this package, but may I ask the Minister for reassurance in respect of the plans for the 200th anniversary of the railways, and will she provide every reassurance that Locomotion No. 1 will stay in Darlington?

Caroline Dinéage: Yes, as far as I understand it, the 200th anniversary of the railways is still going ahead. I know that Locomotion No. 1 is the property of the Science Museum, and Dame Mary Archer, the chair of the Science Museum, has agreed to meet my hon. Friend.

Feryal Clark (Enfield North) (Lab): All Safe and Sound and Handheld Audio Ltd are just two of the companies in my constituency working in the arts and creative sector that have lost 98% of their incomes since the March lockdown and will fall off the cliff when the furlough has ended. Will the Minister tell me what support is available from this rescue package for the ecosystem of such companies and businesses that support our creative and arts sector?

Caroline Dinéage: There is an unprecedented package of business support. The furloughing scheme, the business loan scheme and the bounce back loan scheme have poured millions and millions of pounds into supporting businesses up and down the country.

Giles Watling (Clacton) (Con): The Princes Theatre, the West Cliff Theatre and the Frinton Summer Theatre, which I used to run, are all in dire need. The Frinton Summer Theatre is not having a season this year. Could my hon. Friend say a bit more about how these funds will be distributed, particularly to the regions? Theatres are closing. Rome is burning. This funding is needed and it is needed urgently.

Caroline Dinagen: My hon. Friend is another of our Equity card—carrying Members, and one of the greatest champions of the theatre and arts. He has been on so many of the calls that I have been on over recent weeks and months, and I thank him for all that he has done to champion this. We want to make an announcement on how this will work as soon as possible in the days and weeks ahead, and we want to get the money out as soon as possible, because we know that there are some organisations that are literally about to tip over the edge.

Owen Thompson (Midlothian) (SNP): Live music is of huge cultural importance to Midlothian, and the venues at grassroots level are a massive factor in that, but without the performers, these venues can do nothing. What support can the Minister provide to assure our performers, especially freelance performers, that their livelihoods can continue?

Caroline Dinagen: As I have already said, a very large number of performers have been protected by the self-employed income support scheme. We know that it is not everybody. We have been working really hard to try to ascertain who is falling through the gaps and what more can be done to support them. But there have been a number of packages in place, such as the Arts Council England £20 million fund that has gone to individuals.

Peter Aldous (Waveney) (Con): This package is very much to be commended, but, in distributing these desperately needed funds, will my hon. Friend the Minister get the money out as quickly as possible, as many venues are on the brink? And don't forget those companies in the supply chain.

Caroline Dinagen: We know that time is not on our side. My hon. Friend is absolutely right to articulate that, and we do want to get the money out as quickly as we possibly can.

Tulip Siddiq (Hampstead and Kilburn) (Lab) [V]: My constituency is famous for its theatres and culture and I think I am the only MP whose predecessor won two Oscars, but many of my constituents employed in these sectors are extremely worried, having fallen through the cracks of the Government's support schemes and now facing the prospect of their workplaces closing. The news of new funding will be welcomed by venues such as the Kiln Theatre in Kilburn and Hampstead Theatre, but how will the Minister ensure that smaller institutions can access it if they are forced to apply for at least £1 million?

Caroline Dinagen: As I say, we will be setting out in the next few days and weeks exactly how the package will work, how people can apply for the money and what the restrictions will be on the amount that can be applied for.

Sir Desmond Swayne (New Forest West) (Con): Has the Minister listened to "The Archers" recently? It is suicidal. Will she reflect on the fact that the majority of us are more likely to die by our own hand than we are from the virus?

Caroline Dinagen: I will reflect very hard on that. I am a great fan of "The Archers", obviously.

Karin Smyth (Bristol South) (Lab): I felt that the Minister was unusually disrespectful to my hon. Friend the Member for Cardiff Central (Jo Stevens), who asked a very important question about freelancers and how the package is not helping, which has been echoed across the House. There is clearly a lot of support for creative freelancers, who are not supported by the job retention scheme and cannot currently access the other schemes. In Bristol South, they are critical to supporting Bristol's wider creative and music offer. Will the Minister please consider going back to the Treasury to find a way to help that group of people?

Caroline Dinagen: I did not mean to appear disrespectful; I apologise if that is how it came across. I am well aware that a number of people up and down the country have fallen through the gaps and are not being protected in the way we envisaged when we started the self-employed income support scheme. The hon. Lady may be interested to know that, alongside the Government's significant investment, Netflix, working with UK Theatre, the Society of London Theatre and Sam Mendes, has donated £500,000 to set up a theatre artists fund, which is supporting individuals in the theatre industry who are in dire straits at the moment.

Craig Williams (Montgomeryshire) (Con): Agricultural shows are the cultural backbone of our rural communities across the United Kingdom. Will the Minister outline what support there is for such shows? While she is passing the £59 million over to the Welsh Government, will she give a little nudge for the Royal Welsh show?

Caroline Dinagen: I love an agricultural show. Sadly, they fall under the remit of the Department for Environment, Food and Rural Affairs, but in the Department for Digital, Culture, Media and Sport we are doing everything we can to support rural cultural establishments.

Barbara Keeley (Worsley and Eccles South) (Lab) [V]: I want to raise the survival of orchestras. The support package for organisations is welcome, but as we keep hearing, it will not help thousands of freelancers—the musicians who are not eligible for Government support schemes. Other vital measures are reforms to orchestra tax relief and gift aid. To help orchestras survive and rebuild, will the Government look again at support for freelance musicians, and at the vital reforms to orchestra tax relief and gift aid?

Caroline Dinagen: I have met with orchestras almost weekly over the past few weeks as we try to navigate our way through some of the particular challenges that they are experiencing. We will certainly look at some of the hon. Lady's suggestions.

John Howell (Henley) (Con): What impact does the Minister think the £120 million of capital investment will have on arts bodies continuing with projects that they had paused?

Caroline Dinagen: We know that many projects were stalled because of covid, and that the workforce—the creative experts and craftsmen—have been sidelined while that work could not take place. We hope that the

[Caroline Dinenage]

capital investment will kick-start some of that work so that people are employed in the here and now and these incredible cultural and creative venues are protected for future generations.

Virtual participation in proceedings concluded (Order, 4 June).

Points of Order

2.49 pm

Emily Thornberry (Islington South and Finsbury) (Lab): On a point of order, Madam Deputy Speaker. As you know, there was a written ministerial statement today in which the Secretary of State for International Trade announced that we were to begin selling arms once more to Saudi Arabia for use in Yemen. Of course, that flies in the face of the Court of Appeal decision last year. The Government claim that they have carried out a complete review, and that all the alleged instances of war crimes are simply isolated incidents.

How can a statement of such extraordinary magnitude be made by way of a written statement? I know that tomorrow is a busy day, but can we be assured that the Secretary of State has asked to come before the House, either tomorrow or on Thursday, to be able to answer questions, because there is huge interest in this matter in the House?

Madam Deputy Speaker (Dame Eleanor Laing): I thank the right hon. Lady for her point of order. As ever, she is well aware that the way in which Ministers make their announcements is not a matter for the Chair, in so far as the announcement has been made by way of a written statement, but she will also be very well aware that there are devices that she can use, which Mr Speaker will take very seriously, in order to require a Minister to come to the Dispatch Box and answer the questions that she has every right to put.

Mark Tami (Alyn and Deeside) (Lab): On a point of order, Madam Deputy Speaker. Following the announcement today of a sector-specific support package for the arts, I wonder whether you have been given notice that the Secretary of State for Business, Energy and Industrial Strategy intends to come to the House to announce a sector-specific package for aerospace and aviation, as we have seen in France and Germany. The sector has recently announced thousands of job losses, including 1,700 last week by Airbus in Broughton and Filton. Time is running out. The Government need to act, and they need to act now.

Madam Deputy Speaker: I thank the right hon. Gentleman for his point of order. Again, of course, it is not a matter for the Chair, but it is my understanding that the Chancellor of the Exchequer is coming to the House tomorrow. Perhaps the right hon. Gentleman will seek to—ah, I would normally say “seek to catch the Speaker’s eye”. Perhaps he will go on the Member hub and put in to ask his question of the Chancellor tomorrow.

BILL PRESENTED

DECARBONISATION AND ECONOMIC STRATEGY BILL

Presentation and First Reading (Standing Order No. 57)

Caroline Lucas, supported by Clive Lewis, Wera Hobhouse, Claire Hanna and Stephen Farry, presented a Bill to place duties on the Secretary of State to decarbonise the United Kingdom economy and to reverse inequality; to establish a ten-year economic and public investment strategy in accordance with those duties

which promotes a community- and employee-led transition from high-carbon to low- and zero-carbon industry; to require the Government to report on its adherence to the strategy; to establish higher environmental standards for air, water and green spaces; to make provision to protect and restore natural habitats; and for connected purposes.

Bill read the First time; to be read a Second time on 23 October, and to be printed (Bill 155).

Magistrates (Retirement Age)

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

2.52 pm

Edward Timpson (Eddisbury) (Con): I beg to move,

That leave be given to bring in a Bill to amend section 13 of the Courts Act 2003 to change the retirement age for magistrates from 70 to 75; and for connected purposes.

Magistrates, or justices of the peace, are ordinary people hearing cases in court in their community, and have been a fundamental feature of our judicial system since 1361. They continue to be chosen from people of good character, commitment, social awareness and reliability—those who can communicate effectively and are capable of making sound choices when sitting in judgment on their peers.

I had the pleasure of appearing in front of many magistrates while practising on the then Chester and north Wales circuit as a criminal and family barrister in the late '90s and the noughties. My rose-tinted spectacles remind me that, more often than not, my clients got the rub of the legal green, but I also had to accept that I and the bench did not always have a meeting of minds—in other words, I lost.

The one constant, however, was the selfless and enduring dedication displayed by so many of our fellow citizens to the fair and equitable dispensing of justice. I want to take this opportunity to thank all of them, particularly those who have contacted me about this Bill and shared with me their experiences, for their public service. I should add that their overall number includes at least 10 fellow current Members of Parliament.

However, the constant reliable recruitment and retention of our magistracy across England and Wales is under serious strain. The number of magistrates has decreased dramatically over the last decade or so, from about 30,000 to less than 13,000, with the number actually sitting thought to be substantially lower. That has had a profound impact on the case backlog, which is now up to nearly half a million in the magistrates courts, on delays, and even on the way justice is delivered. For example, during 2017-18 there were benches of just two magistrates, including for some trials, in nearly 40,000 court sessions—15% of the total. Inevitably, the covid-19 pandemic has both exacerbated the problem and catalysed the urgency of action, with recruitment and training on hold.

To illustrate this at a more local level, Paul Brearley JP, chairman of the Greater Manchester branch of the Magistrates Association, provided me with details of how the current chronic shortage of magistrates is affecting what is the largest single bench in England and Wales. At its creation in 2014, the bench size was approximately 1,100. As of 24 June this year, the number stood at 792.

From this figure should be deducted 188 justices who are currently on covid-19-related leave of absence and 47 justices appointed but not yet sworn in, leaving just over 550, or about half the original number, in active service. During the pandemic, no more justices have been appointed, despite the fact that the retirements have continued—15 since lockdown.

[Edward Timpson]

Sadly, it is the same story across the country, as is testified by other examples I have received from the chairs of the West Yorkshire, north-west Wales and Herefordshire benches, with the latter seeing a fall from 127 magistrates in 2008 to only 47 in 2020, nine of whom are due to retire in the next 18 months. As we emerge from lockdown, the pressure on our court system has never been greater, and with more police officers on our streets and additional resources for the Crown Prosecution Service, we can expect even more cases, requiring even more capacity.

The measures introduced by the Ministry of Justice to tackle the considerable and escalating delays are welcome, including extending court hours and widening the use of technology where appropriate. Yet much of this will still rely on the human resources—otherwise known as people—working in our courts to meet ever-growing demand. That is irrefutable proof that we desperately need more magistrates as quickly as possible. Any judicial restoration also needs to ensure that it delivers as great a diversity as possible, especially regarding age, ethnicity and social status. As the former chair of the Magistrates Association, Malcolm Richardson, has said:

“The magistracy must reflect the community it serves if courts are to be perceived to be procedurally fair, command public confidence and help civic engagement.”

To that end, I was pleased to hear the Under-Secretary of State for Justice, my hon. Friend the Member for Cheltenham (Alex Chalk), who is sitting on the Front Bench, tell the House only last week that the magistrates recruitment and attraction steering group held its first meeting in February, with a particular focus on increasing diversity, regardless of age.

Despite such laudable and important efforts, recruitment will not, of itself, fix the problem, because the fact remains that nearly 7,500 magistrates—more than half all current magistrates—will reach the age of 70 in the next decade, and, under current legislation, will be forced to retire. Losing these magistrates at 70 is a triple whammy. First, they are often the most experienced. Secondly, they represent a high proportion of presiding justices—those in the court chairs—in this group. Thirdly, they are likely to be retired from work and so more able to accept extra sittings, including at short notice. Paulette Huntington JP, chair of the West Yorkshire branch, tells me that her magistrates who have retired at 70 generally tend to be high sitters as they have more time to give, with many clocking up between 50 and 100 sittings per year, and some even more than that owing to the volume of work—well over the minimum 26 required. In contrast, it is proving difficult to entice those with work and family commitments to the bench, with fewer employers seemingly content or in a position to sanction regular absences.

While every effort should continue to be made to boost recruitment, simply replacing retiring magistrates would be a significant challenge, and given current shortages would not, in itself, be sufficient. Indeed, this year the number of magistrates recruited is expected to be less than the number who retire, partly due to the need for rigorous selection, mentoring and support of newly appointed magistrates. It is worth noting, too, that these difficulties apply to all jurisdictions—adult, youth, and family. The senior judiciary, including the Lord Chief Justice, the senior presiding judge and the president of the family division, are all aware of the seriousness of the situation, as are, I know, the Minister and the Lord Chancellor.

It need not be this way. Jurors are now selected up to the age of 75, doubtless to enable justice to be delivered by people with wide experience of life. You may also have noticed, Madam Deputy Speaker, that the head of the Supreme Court is aged 75 and the almost 73-year-old Roy Hodgson seems to be doing a reasonable job at Crystal Palace. So why should magistrates be deemed incompetent simply because they have hit an arbitrary age?

There are other sound, compelling reasons to apply such logic. First, people live longer. The current retirement age of 70 was set in 1968, when life expectancy was just 72, and it is now nearly 81. Secondly, people work longer. Thirdly, people retire later. As they say, 70 is the new 50. To ensure ongoing competency beyond 70, the recognised and recently updated system for appraisal of all magistrates and retained registrars would need to be extended, but this should not be a block to progress. As John Bache JP, chairman of the Magistrates Association, told me:

“We are rapidly heading for the perfect storm in the magistracy court. The backlog is increasing while the number of magistrates continues to fall, yet we are discarding those magistrates most able and willing to address this crisis”.

I know that my hon. Friend the Minister, on behalf of the Government, is very sympathetic to these arguments and is keen to make progress sooner rather than later, so I urge the Secretary of State, the Lord Chancellor, for whom I have the utmost respect, to grasp this nettle now and give the magistracy the opportunity through this Bill, especially at this vital time of greatest need, to do what it has done for over 650 years, and deliver timely, fair justice for the communities it serves.

Question put and agreed to.

Ordered,

That Edward Timpson, Tracey Crouch, Jeremy Wright, Greg Clarke, Graham Stringer, Andy Carter, David Simmonds, Richard Graham, Karen Bradley, Andrew Jones, Mr Shailesh Vara and Ben Everitt present the Bill.

Edward Timpson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 11 September and to be printed (Bill 156).

Estimates Day

[1ST ALLOTTED DAY]

MAIN ESTIMATES 2020-21

DEPARTMENT FOR EDUCATION

Madam Deputy Speaker (Dame Eleanor Laing): We now come to the motion on the estimate for the Department for Education. Members will be aware that there are three debates on estimates this afternoon. It will also be obvious that it is now nearly 3 o'clock and that there is limited time for each of these debates. I expect each debate to last for between one hour and one and a quarter hours—certainly no more than that. There will be an immediate time limit of four minutes on all Back-Bench speeches. For Members' convenience, it might be helpful to note that I estimate that approximately 10 or perhaps 12 Back Benchers will be called in each of these three debates. I am trying to be fair in giving warning to those who are further down the list that they are unlikely to be called.

We will begin with the motion on the estimate for the Department for Education. The debate would normally be opened by the Chair of the Select Committee on Education, the right hon. Member for Harlow (Robert Halfon), who secured it, but the current rules under which the House is operating mean that this is not possible. Mr Speaker is pleased that the Procedure Committee is reviewing this and related matters as part of its current review. Christian Wakeford will therefore speak on behalf of the Education Committee.

Support for Left-Behind Children

Motion made, and Question proposed,

That, for the year ending with 31 March 2021, for expenditure by the Department for Education:

(1) further resources, not exceeding £33,747,284,000 be authorised for use for current purposes as set out in HC 293 of Session 2019–21,

(2) further resources, not exceeding £16,006,682,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £50,339,978,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Nick Gibb.*)

2.53 pm

Christian Wakeford (Bury South) (Con): I thank the Backbench Business Committee for granting this debate on support for disadvantaged children. I have been asked to speak on behalf of the Education Committee and will deliver a speech along the lines of that which my right hon. Friend the Member for Harlow (Robert Halfon) would have given had the House's temporary coronavirus procedures allowed him to participate.

I should take this opportunity to express my appreciation to all the teachers, support staff, Ministers and Department for Education staff who have been working flat out throughout the coronavirus pandemic. I welcome the increase in funding for education. The Government's extra spending over the next three years adds up to £14.5 billion. This will return spending on schools in

England to the levels seen a decade ago. Back in October 2019, the Government announced a one-off cash injection of £780 million to support children with special educational needs over the 2020-21 academic year in their response to the Committee's report. Will the Minister confirm that the commitment to school and college spending uplifts announced in the spring budget will stand and be met in the coming academic year?

We also have substantial investment in bricks and mortar. The Prime Minister has rightly said "Build, build, build". I welcome the £1 billion announced to fund the first 50 projects of a 10-year school-building programme—I myself am currently lobbying for funding for a new school in Radcliffe in my constituency—and the £1.5 billion for the refurbishment of further education colleges over the next five years. On top of that, an extra £1 billion of catch-up funding will tackle the devastating effects of lockdown on many children's learning and wellbeing—something that I have been campaigning for alongside the Northern Powerhouse Partnership.

Children in poorer households are undoubtedly the most likely to have no internet access and their households are most likely to be struggling to cover the cost of food and other essentials. The extra funding will provide extra tuition for them and level up their learning opportunities to those of children from wealthier families. It would help to hear more from the Minister about how the £650 million going directly to schools will reach our most disadvantaged children. First, will the funding be targeted at areas with the highest levels of deprivation? Will schools have complete autonomy, or will the Department have oversight of spending? Secondly, will Ministers allow the Education Endowment Foundation to signpost non-academic catch-up support to schools, including pastoral care, safeguarding and intervention, in order to look after children who may have spent many months in difficult home circumstances—especially considering the Domestic Abuse Bill, which we debated in this place yesterday?

That brings me on to what should happen over the summer. I welcome the news of a £650 million catch-up fund for schools to host summer schools, the use of which should be encouraged as widely as possible. So many of us have eagerly awaited the Secretary of State's confirmation that all children would return to the classroom come September—a real relief for frustrated parents, children and teachers alike across the entire country. Anxiety has grown over the past few months because every single day that a child is out the classroom chips away at their future life chances, and the consensus is that the wellbeing and learning of disadvantaged and vulnerable children are being scarred the most.

Why does that matter? It matters because even before lockdown, disadvantaged pupils were already 18 months behind their peers by the time they took their GCSEs. It matters because the Education Policy Institute's 2019 annual report showed that the rate at which the attainment gap was closing was already beginning to slow before the pandemic, and we have indications that it was actually starting to widen again in 2017-18.

Some groups are particularly impacted. Looked-after children fall well below the average by the time they leave school, and many children live in persistently disadvantaged households. That group of young people are expected to have fallen further behind—more than at any other time in the past 20 years—because of this

[*Christian Wakeford*]

pandemic. A report produced by the Scientific Advisory Group for Emergencies warned that a whole cohort of children will have experienced a shock to their education that will persist and affect their schooling and work outcomes for the rest of their lives.

The most vulnerable and poorest of children have been hit the hardest, so I put on the record the Education Committee's gratitude to schools, parents and children across the country for dealing with the unprecedented educational challenges caused by this pandemic. In particular, I thank teachers and all the support staff who have kept schools and childcare facilities open for vulnerable children and those of critical workers, and I commend all the teachers and teaching assistants who have put in extra hours to adjust to remote teaching methods.

However, schools' approaches to remote learning have been highly variable, which prompts the question: why? UCL's Institute of Education estimates that a fifth of children, or over 2 million—let that sink in—have done no schoolwork at home and have managed less than an hour a day during lockdown. Another report by the National Foundation for Educational Research indicates that four in 10 pupils have not been in regular contact with their teacher during lockdown. A six-month learning loss is an eternity in a child's life, and this is close to being a national educational disaster. Something has clearly gone wrong, and we must examine why.

While many schools have done remarkable work, others have not been able to provide the same offer for one reason or another, and that also needs investigating.

We have questioned why there was not clearer guidance for schools on what was to be expected of them in supporting remote learning and checking on children, something the September for Schools working group, co-ordinated by parents, has called for. Given Ofsted's oversight of schools, it really should have taken a leading role in setting out expectations during this time. Ofsted seems to have taken a badger approach: reducing its activity and hibernating during these difficult months.

Let me repeat that, 2.4 million children have been doing barely any schoolwork from home. Some 40% of pupils have not had regular contact with their teachers. I know that Her Majesty's chief inspector will respond by saying that Ofsted has encouraged its employees to take up civil service and volunteering roles, and that should be commended. However, the fact remains that the latest plans for Ofsted do not see inspections resume until January 2021, with visits to schools and brief letters published in the autumn term.

I also want to understand why the Department for Education did not appear to do any analysis itself to consider the impact of school closures on children's learning. That was confirmed by the Minister for School Standards, my right hon. Friend the Member for Bognor Regis and Littlehampton (Nick Gibb), in our Committee meeting on 27 May. School closures were widely expected in the weeks before lockdown. Should the Department have published its central guidance earlier to mitigate that? It has not been wholly clear what local authorities were meant to be doing either. Ahead of any further disruption, schools must be set minimum standards for the provision of remote learning and for checking on

those not taking part in lessons. The question is whether or not the standards should have been in place before we even went into lockdown. However, as our Chair has already put on record, I recognise the remarkable achievements of the Department, particularly with the Oak National Academy and the free school meal voucher system. I reiterate our appreciation for all the efforts of Ministers and their teams.

It is clear that Ministers faced huge difficulties because of the pandemic, but that does not mean there are not lessons to be learned. Clearly, if we ever face a situation like this again, there must be strict guidelines from the Department on what schools are expected to teach pupils in terms of distance learning, and clearer guidelines for Ofsted and local authorities to provide a supervisory role.

I mentioned previously that I strongly welcome the £1 billion catch-up programme, but, as has been previously highlighted, that does not include early years or post-16 education. Early intervention is vital, and those groups will clearly have been impacted by lockdown. I speak as the father of a toddler myself. I know the impact it has had on her education and development. Will the Minister explain to the House whether there are any separate plans in the offing to support early years?

It is no secret that the UK's further education sector has been left behind for decades. A briefing on FE by the House of Commons Library outlines concerns about funding that predates the outbreak of covid-19. In 16-to-19 education, funding per student has fallen by 16% in real terms between 2010-11 and 2018-19. The total funding allocated to 16-to-19 providers declined from £6.26 billion in 2013-14 to £5.72 billion in 2018-19. That is a fall of 8.5% in cash terms and 15.7% in real terms. It is the often neglected part of the education system that is frequently thought of as being for other people's children. That cannot continue. FE is sometimes referred to as the Cinderella sector, but it is worth remembering that Cinderella became a member of the royal family. We must abolish the two ugly sisters of snobbery and underfunding.

Like me, the Prime Minister believes that apprenticeships will play a vital role in the recovery post-covid. Young people must have the opportunity to get the skills they need for a prosperous future. The Prime Minister has committed himself to offering every young person an opportunity guarantee, so that they have the chance of an apprenticeship or an in-work placement. That, too, is to be commended. No doubt we will hear more detail on that from the Chancellor tomorrow in his statement. It is no secret that our Committee Chair is a big fan—as am I—of apprenticeships. It is well known that his two favourite words in the English language are “degree apprenticeships”. Apprenticeships combine a real job with training so that people can earn while they learn. They offer opportunities in a huge range of sectors and they have fantastic returns for all involved, so how should we go about guaranteeing an apprenticeship guarantee?

First, now is the time to refocus the apprenticeship levy so that it can be used primarily on apprenticeships for 16 to 24-year-olds and to tackle disadvantage. Secondly, we must look to the public sector to lead the way with a massive increase in jobs and apprenticeship opportunities.

Thirdly, the £3.3 billion national skills fund should be used towards covering training costs and the first year of salary costs for small and medium-sized businesses taking on young apprentices.

Fourthly, we should recalibrate the levy so that employers are incentivised to spend more on taking on younger degree apprentices, those from disadvantaged backgrounds and those in disciplines that meet the country's skills needs, rather than funding middle management apprenticeships.

Finally, we need proper targets for schools for encouraging pupils to go on to apprenticeships—something that I hope we will be discussing when the Education Committee meets tomorrow. There must be much tougher inspections by Ofsted to ensure that schools encourage pupils to go on to apprenticeships and further education. Enough of the letters that do not make a difference: we need a carrot and stick approach, with encouragement and funding.

I welcome the extra catch-up funding, given everything that has happened in recent months, but there needs to be an even greater focus on those who are being left behind. The attainment gap was worryingly wide before and it is still worryingly wide. Given that millions of children may not have been participating in schooling for nearly six months, this position is expected to get even worse. That is why the Education Committee is working relentlessly on tackling disadvantage and why we are approaching all our work with the social justice agenda firmly in our minds. We need to ensure that all our young people can climb the educational ladder of opportunity. That really must be a priority for the Government over the months and years ahead.

The NHS has a long-term plan; so, too, should education. Education should have a long-term, 10-year plan that is focused on closing the disadvantage gap and ensuring that those left-behind pupils, who have suffered enormously during coronavirus, are able to catch up.

Madam Deputy Speaker (Dame Eleanor Laing): We go immediately into a time limit of four minutes.

3.6 pm

Wera Hobhouse (Bath) (LD): I echo many of the things that have been said by the hon. Member for Bury South (Christian Wakeford), but the school funding crisis is not new; the Minister and I have been in many debates on this issue during the previous Parliament. The funding crisis has only been exacerbated by covid-19, and urgent action is needed to stop the widening advantage gap before it becomes a big gulf.

It is a shame that the Government have not been able to get around the table with school leaders, teachers and unions to agree a comprehensive plan to help vulnerable children through the pandemic. Like many Members on the Opposition Benches, I supported Marcus Rashford's campaign to extend free school meals over the summer holiday. However, we need to do much more if we are to curb child poverty. The free school meals scheme remains deeply flawed. Many people in need are not getting the vouchers or are finding that they are not able to spend them in their local supermarket. Families in my constituency have written to tell me that the vouchers cannot be spent in the supermarket of their choice.

Parents in Bath are campaigning hard on the school fruit and vegetable scheme, which was suspended in March. Children are now slowly returning to school, but the Government have given no assurances that the scheme will be reinstated in September. For some children, this scheme provides the only piece of fruit or vegetable that they eat all day. According to Northumbria University, over half of children eligible for free school meal vouchers

have experienced a significant drop in the intake of food and vegetables since schools closed in March. We know how important good nutrition is to a child's ability to learn. Covid-19 has exposed thousands of children to hunger and malnutrition. Unless the Government commit themselves to reinstating the scheme, the disadvantage gap will only get wider. That is why the Liberal Democrats are calling for an emergency uplift in child benefit of £150 per child per month, with £100 for every subsequent child, throughout this crisis.

Councils across the country are concerned that children in need do not have access to a device for online learning or an internet connection, and that increases with levels of deprivation. In the most deprived state schools, 26% of teachers thought that over 20% of children in their class did not have access to an electronic device, compared with 4% of teachers in the least deprived schools. The work that the Department has done to provide vulnerable children with access to devices is welcome, but it does not go far enough. Disadvantaged children are still falling through the gaps. The primary reason for getting children back to school is to close this gap. What will happen if schools are required to shut again later this year and need to return to online teaching? The Government must have a contingency plan in place. They must be able to guarantee that every child will have access to the internet as a matter of priority.

It is concerning that 16 to 18-year-olds have not been included in the Government's catch-up tuition plans. Sixth-form funding is, on average, 10% lower than for younger students. Again, we had many discussions about that in the previous Parliament. Children and staff deserve better than this. It is clear that, despite the crisis we are in, the Government are still not taking the funding crisis seriously enough.

3.10 pm

Damian Hinds (East Hampshire) (Con): I congratulate my right hon. Friend the Member for Harlow (Robert Halfon), and my hon. Friend the Member for Bury South (Christian Wakeford) on his outstanding opening speech, which set out the breadth of issues involved here. At all times, the Department for Education is about both raising attainment for all children in this country and simultaneously narrowing the gap between rich and poor, but never has that combination been more acutely felt and more important than it is right now, because we know that yawning gaps will have developed in this time between different areas, different schools and different children. We need to get all children back on track and narrow that gap simultaneously.

That starts, of course, with being physically back in school. We need to keep building up public confidence in the next couple of months. It will be really important to explain to parents clearly the bubble approach, including why it involves whole year groups in secondary schools, which enables both mixed-ability and setted education, as well as options—we cannot return to a full curriculum without that. I suspect that one of the biggest challenges my right hon. Friend the Minister for School Standards will face is transport, particularly in secondary schools, where children tend to travel longer distances. I am sure that he is working closely with colleagues in the Department for Transport and the Ministry of Housing, Communities and Local Government to use the maximum bus capacity safely.

[Damian Hinds]

This has been a very difficult time for headteachers and teachers, who have really stepped up to the plate, converting their programmes of work in double quick time and keeping their schools open. I know that for headteachers in particular, the weight of responsibility has never felt heavier than it has over the last few weeks. They know that the time to come will be difficult, but they want their children back and are looking forward to September. It will start with some important formative assessment, which I know the Minister will be looking to support.

I welcome the fact that we are returning to a full curriculum and the £1 billion package for catch-up support. I know that the Minister will be conscious of the additional issues and requirements of children with education, health and care plans and those in local authority care or with a social worker.

I want in particular to ask about extracurricular activities, which play such a vital role in children's activity, mental health, interaction and character and resilience development. I welcomed the news at the weekend about the PE premium and the flexibility on leftover moneys from this year. I welcome, too, the continuance of the holiday activities programme. However, I ask the Minister and his colleagues to look closely at the full range of extracurricular activities and maximise the range that children can take part in—not only more sports but debating and public speaking, drama, school orchestras and school choirs, all of which play such an important role.

This has been an ambitious decade in education, with the extensions in early years education, 1 million new school places, the great progress on primary reading, the ongoing major upgrade to technical and vocational education and, of course, the narrowed attainment gap at every stage—in early years, in infant school, in junior school, at GCSE and at university entry.

This new decade is going to be challenging indeed, and the funding is important. I very much welcome the £14 billion over three years, the T-levels funding, the more recent new school capital and of course the billion-pound catch-up fund, but it is people who will make it happen: children, parents, governors, parent-teacher associations, teachers and heads. I know that my right hon. Friend will be behind them all the way.

3.14 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is most important to put on record how grateful we are to teachers up and down the country, including in my constituency, which is the size of Greater London and has 60-plus educational institutions within it. Let us just remember that it is incredibly hard work and challenging to teach 30 children in one place. Now teachers have to try to teach 30 children in 30 different places, as they have over the past few months.

Teachers are having to deal with free school meals, often backfilling for the Government scheme not having worked perfectly everywhere, sometimes literally providing food out of their own pockets for needy children in their communities. They are supporting vulnerable children at home and in a school setting. We should bear in mind that teachers have had no break since before Christmas. Many of them, although they

would not say so themselves, are utterly shattered. They deserve our thanks and support. They are true heroes of this covid crisis.

Since half-term, headteachers have been making decisions, based on what is in the best interests of their children and the whole school community, about how, when and whether to return. We trust those headteachers and we trust their judgment. They are hampered by a lack of clarity in guidance, some of which is beyond the Government's control. Nevertheless, the lack of certainty over whether young children can be transmitters of the virus is a cause of great concern about whether and how schools can return.

Despite our teachers, we have nevertheless undoubtedly seen an increase in the gap between those who have opportunities and those who do not. That includes whether a child has parents who are able to support them and whether they have access to wi-fi and equipment. Not everything the Government have done has worked as well as it might. One school in my constituency has 1,000 children, with 180 on free school meals. Twenty laptops turned up after three months. We have to ask ourselves whether that is good enough to support our children in most need.

We are concerned also about the extra burden on teachers who have made assessments on GCSE and A-level grades. We are concerned about what that might mean for some of those young people who are struggling and who are furthest behind, because they will perhaps be hampered by the average rate of previous cohorts, rather than being able to deploy their skills themselves.

We are grateful for funding for development, new buildings and equipment, but more than anything else, schools need revenue funding for teachers and other staff. In Cumbria, we have seen £11 million of cuts to school budgets, representing £237 a head. If we want to help people to catch up and to progress, we need not to be laying off teachers and teaching assistants, as we have been in the past three or four years. We should invest in more teachers and more teaching assistants.

We also need to ensure that we support special educational needs children. At the moment, we have a system—it predates this Government, but nevertheless needs to be changed—where we force schools to fund the first 11 hours of support for an education, health and care plan for special educational needs students. In other words, we penalise those schools who do the right thing by those children who have the most need. That is why we need to ensure that special educational needs support is always funded from the centre, which would advantage those schools and those children who have the greatest need.

Finally, a word about Ofsted and inspection. As schools return in full in September, I want to be sure that Ofsted inspectors will not be adding to pressure and stress for schools, children and governors when they could instead be using their considerable skill to coach, develop and help our teachers in enabling those children who are struggling the most to reach their full potential.

3.19 pm

David Simmonds (Ruislip, Northwood and Pinner) (Con): The variations in school level funding and funding by local authority area have a history in this place that is older than the corn laws, but I commend Ministers in the Department for their progress in making more

transparent the national funding formula, represented in these estimates, and bringing about an approach to levelling up the amount of funding that we may see at individual school level. However, the progress that we have seen in the past decade around school standards needs to be set against a legitimate concern about children in those parts of the system who will not be familiar to most mums and dads: those children who are excluded; those who are in alternative provision; those at the more complex end of special educational needs and disabilities; those in alternative education; and, as the Department will know, those who are in unlawfully run schools. These are very small numbers, but they are very important to our society. I urge some consideration for how these funds are distributed and allocated, as this is a crucial issue for the most vulnerable.

We have heard about a school funding crisis, but for the last year for which audited figures are available, the cumulative total of all school deficits in England was £233 million, and the cumulative total of school surpluses in England was in excess of £1.7 billion. The challenge is to ensure that the money that is in the system gets to the children who need it most. That task is done at local level by schools forums—the schools-led bodies that make decisions about the local funding formula. However, there is a tendency, as the Minister will be aware, for the voice of big secondary schools to dominate. I invite him, therefore, to consider how, in the context of schools forum decision making, we might see a stronger voice for early years, alternative provision and SEND schools, particularly as Department for Education figures show that across the country 40% of primary schools, 46% of special schools and 34% of secondary schools have budget surpluses that are deemed to be excessive.

Jonathan Gullis (Stoke-on-Trent North) (Con): My hon. Friend is probably one of the finest minds on the Education Committee and on education in general. May I urge him to tell us more about how early targeted intervention for those at risk of being excluded, rather than intervening after they have been excluded, results not only in a huge cost saving but in better long-term outcomes for those young people?

David Simmonds: My hon. Friend makes a crucial point, and I know that this is very much front and centre of the Government's thinking on how we deploy educational resources. In the special estimates, Ministers will spell out in a lot more detail how the recently announced money for the catch-up premium, among other things, is to be distributed.

It is fundamental, in respect of these most vulnerable children, that we consider how the wider system operates, because it is the system that this House is responsible for. There is a risk, when we look at the funding formula, that we prioritise institutional interests, because it is great to be able to point to high-performing schools and outstanding school leaders, but we need to think about the wider context of those children whom institutions are sometimes not so well able to support. This House has, since the Education Act 1944 onwards, passed legislation mandating that every local authority in the country has duties and obligations to support every child. On the whole, local authorities are good at that, and I invite my right hon. Friend the Minister to consider the lessons that might be learned from the operation of our virtual schools. Thanks to the interventions

of local authorities—this goes back to what my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) said about identifying the most vulnerable early on—children who are in the care system now have the best school attendance of any category of children, whereas they formerly had the worst. That is an example of getting ahead of a problem and ensuring that those vulnerable children have access.

However, there is an issue around special educational needs and disabilities, which has rightly been highlighted by several Members. The education and healthcare plan—a visionary way of approaching meeting the needs of those vulnerable children—has a significant accountability gap, in that the local authority is responsible for issuing it but it is dependent on the actions of independent players, particularly schools and the NHS. Again, I invite my right hon. Friend when he responds later to consider how we might make that accountability more vigorous.

In conclusion, this is part of a much bigger picture, which the House will be able to debate. Children do not live simply in the context of the world of the Department for Education. The spend of the Ministry of Housing, Communities and Local Government and the Treasury on things such as tax-free childcare is fundamental, but this is a Parliament focused on levelling up opportunity and outcomes for every child, and it is for this House to ensure that we pay robust attention to the whole system that supports every child, not just to the institutional interests of schools.

3.24 pm

Ben Bradley (Mansfield) (Con): It is a pleasure to follow my hon. Friend the Member for Ruislip, Northwood and Pinner (David Simmonds), and I wholly endorse his words. The case for supporting the most vulnerable children is more important than ever. I have always argued that the compulsory education years are a key time for the state to intervene and equip young people with the skills they need to be independent adults, with the opportunities and personal responsibilities to make a success of their lives. For those leaving school this year and in coming years, that is likely to be more challenging than normal, and we must offer extra support so that those young people are not left behind. Many teachers and school leaders have been working hard to understand and implement huge amounts of guidance and changes, and to support children as best they can in difficult circumstances. I know the whole House is incredibly grateful for that work.

The funding boost across our schools will be welcomed and is much needed. The planned increases will now be supplemented by a £1 billion covid catch-up fund to help schools provide additional support for students who will have missed up to six months of education. I am pleased we have been able to get children in key transition years back into school, but hugely frustrated that all children were not able to go back, as that will have a major impact. The commitment to having all children back in school in September is vital. As my right hon. Friend the Member for East Hampshire (Damian Hinds)—a former Secretary of State—said, if we can, we must get back to a programme that is as full as possible to support our children in September, with all the rounded support and activities that come with that.

Across the age range, support must focus on the most disadvantaged children, because we know that the existing attainment gap will only be exacerbated by time off

[Ben Bradley]

school. Children who were struggling pre-coronavirus because of chaotic home lives, for example, will have found things even tougher, and we cannot allow that to impact on their long-term life chances any further.

The promise of targeted and funded tuition can be of great benefit to those children, and I hope it will be taken up as widely as possible, along with the £650 million that has been made available for schools to use flexibly. Although that offers an additional challenge for schools, I think it is the right approach. Schools and school leaders know the children best, and they know what is likely to be the best support for their school communities. Combined with a relaxation of the rules on summer clubs, and the reopening of youth provision, that is a major step forward. The challenge is now a logistical one, as schools will have to bring in external providers, find venues, and in many cases try to facilitate that work by pooling resources between schools or across local authorities to get the best provision. That will be a huge challenge in the coming weeks.

Jonathan Gullis: My hon. Friend is another splendid advocate for this topic. Does he think that school buildings are some of the most under-utilised buildings in our local areas, and that the third sector can play a huge part in helping to support the work he suggests?

Ben Bradley: My hon. Friend is right, and I remember from my own time at primary school that external providers came in successfully to do things such as sport and PE. That seems to have disappeared to some extent, whether because of funding or other issues, but a great deal can be done with external providers. I would particularly push for youth workers to be a bigger part of our school community and to work more closely with our schools and teachers.

On the summer programme, much emphasis has been placed on academic catch-up, which is hugely important, but as chair of the all-party group for sport, I think it would not be right for me to ignore the importance of regular sport and activity to the mental and physical health of our young people. Some children will have been out and about during lockdown, taking advantage of that hour of daily exercise to try new things and be active, but many others will have been far less active than normal. I am pleased that the Government have committed themselves to the PE premium funding, which was confirmed this weekend. Keeping kids healthy, and teaching the importance of regular exercise and activity, is just as important as the academic side of things, and it needs to be part of catch-up planning. As my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) said, this might even be an opportunity to make more of the school estate and, when school facilities are open over the summer, to open those sports facilities that are often locked behind school gates at evenings and weekends to the wider community. Perhaps we could consider that in more detail.

I would welcome a steer from the Minister about the welcome £1 billion funding for capital investments, how my local schools might bid for or access that funding, and when the timescales and plans will be laid out, so that as a local MP I can support them to secure some of that funding, which I know they feel is much needed.

I have only a short amount of time left to speak, so I apologise for rushing, Madam Deputy Speaker, but I wish to welcome the approach to further education that Ministers have articulated in recent weeks. We must consider the role of skills in further education—including in our colleges—as more of a priority, and finally accept that the endless drive for all children to go to universities is not always helpful. Further education, including adult learning and retraining will play a huge role in the coming years—I know that West Nottinghamshire College in Mansfield takes that very seriously, and is being incredibly proactive and looking for positive intervention. I have set out a number of ideas on this issue privately to Ministers, and in various recent publications. I think that will be beneficial—many of them are in line with what my hon. Friend the Member for Bury South (Christian Wakeford) said earlier—and I hope that as we lay out new programmes and funding, those ideas will be taken into account.

3.29 pm

Lee Anderson (Ashfield) (Con): First, I want to say a big thank you to all the staff and pupils in schools in Ashfield and Eastwood who have been brilliant during this pandemic: they really have gone the extra mile.

I welcome the Government's continued commitment to increasing investment in our education system, and I also welcome the £1 billion covid catch-up fund, which will help children who have lost teaching time. The national tutoring programme will allow disadvantaged children in Ashfield to access high-quality tuition, which is so important for their development and gives them a better chance of doing well in the future. The extra £1.5 billion to fund additional pension costs for teachers also means that more of the education budget can be directed to the frontline. There can be no doubt that this Government have the best interests of our children at heart. All this is great news for the schools in my area, such as the brilliant Kingsway Primary School, which I visited recently and which has gone above and beyond to keep open.

Last December, seats such as mine in the midlands and the north turned blue for the first time in decades or for the first time ever, and with that came significant challenges. One of the challenges for me and other Conservative MPs in places such as Ashfield is that some schools have been ignored by previous MPs. They have gone under the radar, with no one to shout about them at the highest level. However, the good news is that in Ashfield we now have a Conservative MP—an MP who went to these very schools, as did his children. My family and my friends went to these schools, so it is personal for me, and I am going to do my best.

Only two thirds of young people in the Ashfield area attend a school judged to be good or outstanding, whereas the figure for Nottinghamshire is nine out of 10 young people attending a school judged to be good or outstanding. I believe that even in some of the most deprived areas schools can thrive with the right management and leadership. It is a bit like the NHS, in that it is not always about throwing endless amounts of cash around: get the right management and dedicated staff, and our schools can flourish.

There can be no better example of this than Leamington Primary School in Ashfield. This school overall serves a disadvantaged area of my community, and it was

languishing in the “satisfactory” category, but it has been transformed since being part of the Flying High Trust. It has now been rated good, and it is having a tremendous impact on children’s lives. This school was not the first choice for many parents, but now there is a waiting list. The credit for this goes to the headteacher, Kaye McGuire, and the Flying High Trust, which is one of the highest performing primary multi-academy trusts in the country.

With great leadership and hard work, anything is possible—Leamington Primary School is proof of that—but where there is poor management and poor leadership, with no intervention from local MPs no amount of money can make a school successful. So I welcome all the extra investment, which will undoubtedly help the young people in Ashfield to get a better education. I would like to thank the Secretary of State for Education for visiting Ashfield recently, and I would also like to thank the Minister for School Standards for agreeing to meet me to discuss how we can improve educational standards in Ashfield.

3.32 pm

Matt Vickers (Stockton South) (Con): Education can be the ultimate gap closer, divide smasher and opportunity provider. Every single child deserves the very best start in life and a quality education regardless of their background, where they live and their financial circumstances.

When I think about my home town of Stockton and the schools I have visited, I know that, along every corridor and in every classroom, there is infinite potential that must be backed and harnessed. I have great schools and amazing teachers, and we must back them—from Thornaby Academy, a Government-backed academy trust where kids are taught to reach for the stars and where the school is a place of aspiration and ambition, to Junction Farm Primary School, with its amazing standards and outstanding support for special educational needs that is second to none.

The Government’s plans will ensure that every pupil in every school gets a funding boost. Every secondary school will receive a minimum of £5,000 per pupil in 2021, and every primary school will be receiving £4,000 per pupil by 2021-22. By delivering a game-changing £14 billion investment, we can deliver a world-class education for all and a country in which it is not about where someone is from, but about how hard they work and where they want to go.

During the pandemic, parents across the country have taken up the challenge of becoming DIY teachers, trying their best to support their children’s learning. I cannot imagine that many will have been able to replicate the experiences and enrichments that youngsters receive at school. Some parents will have been better placed to take on the challenge than others, and it is our job to ensure that no child is left behind or falls through the cracks because their parents found it difficult to support them with their school work.

For some youngsters, education provides a way up or a way out, and we cannot let them miss that; 2020 must not be the year when vulnerable youngsters were allowed to fall behind or lose their way. Instead, we should double down to ensure that it is a year of social mobility, when better support and greater investment meant that any child had the greatest chance of success. I welcome the £1 billion covid catch-up package to help schools provide additional support to all children as they return

to school. Moreover, I am delighted to see £350 million going towards high-quality tuition for the most disadvantaged children, accelerating their progress and, crucially, narrowing the educational attainment gap. I do not believe that closing the advantage gap can be achieved solely in the classroom, so it is right that the Government look more widely, and an extra £43 million for social care and disadvantage, if delivered efficiently and appropriately, can help turbocharge the trajectory of the most disadvantaged. I cannot tell Members how important an increase of 11.5% to help address children’s social care and special educational needs and disability will be for many in my constituency.

As we begin the bounce back from the pandemic, we must put the aspirations of young people at the heart of our mission to level up the country. We need this funding for schools to address both the challenges of coronavirus in the short term and investment in resources to help the children who need it most in the long term, supporting our teachers, backing our schools and unleashing the potential of every child. Let us ensure that this Government will be remembered for putting their money where their mouth is, with real investment in the next generation creating opportunity for all.

3.36 pm

Shaun Bailey (West Bromwich West) (Con): I rise with a sense of trepidation after some of the fantastic contributions during this estimates debate. I am thinking in particular of the measured remarks made by my hon. Friend the Member for Ruislip, Northwood and Pinner (David Simmonds), and the contributions from my hon. Friends the Members for Stockton South (Matt Vickers) and for Mansfield (Ben Bradley).

It is important that we look at why we are here in this debate. Often we think that estimates debates bring fear and dread to the Treasury Bench and a degree of excitement to the Chairs of Select Committees, but in this circumstance we need to examine why we are here. It has been articulated throughout this debate, and we have seen it this year: it is for those kids and for the teachers who have stood up in the most unprecedented times we could have imagined and gone that extra mile to ensure that their communities are protected, that their children still get an education and that, whatever happens, we can carry on as best we can.

I wish to pay tribute to the schools in my constituency, the likes of Q3 Academy Tipton, which has been revolutionising the way it provides extra support and care for its children during this crisis; Wood Green Academy in Wednesbury, which has been creating personal protective equipment for our local NHS trust as part of its design and technology classes, using its D&T spaces to do that; and Ocker Hill Academy in Tipton, which has been raising money for our local NHS charities. That is the reason we are here today: they have gone the extra mile for their communities and we now need to go the extra mile for them.

I could rehash the stats we have heard from all my hon. Friends today, such as those about the £1 billion catch-up fund, which has my wholehearted support, or the wins the Department has had more widely, such as the 6% real-terms increase in school spending, and the increases in spending on further education and on children with special educational needs and disability. That is all great, but I want also to bring us more to discussing the future, and to focus on my area, too.

[Shaun Bailey]

My hon. Friend the Member for Ashfield (Lee Anderson) touched on the fact that parts of this country have missed out on the fantastic levelling up that this Government have undertaken, not just now but previously. While we have seen real-terms increases nationally, my area has, on the whole, not benefited from them at times—in 2013, I believe we saw an 11% drop in some of our real-terms funding. However, we have to look forward. As colleagues, including my hon. Friend the Member for Bury South (Christian Wakeford), have said, this is about ensuring that we see this as being not only about how we handle the money but about how that investment is targeted. I reiterate the point that he made so eloquently about FE and that Cinderella story, and getting rid of those ugly sisters of snobbery and—I cannot remember who the other one was. He is right because this is not just about classrooms or schools; it is about aspiration. It is about ensuring that a kid in Tipton, Wednesbury or Ashfield feels that they have just as much chance as a kid in Westminster, and that a child from Princes End can aspire just as much as a child from Pimlico. For too long educational attainment has been determined by where a child comes from. We also need to set out the fact that yes, they can achieve with apprenticeships or manual labour, and there is nothing wrong with that.

This has been a slightly different contribution from the one I had intended to make, so I will wind up simply by saying this. We have to get this right; we have to make sure that the kids in my constituency, and in others like it, feel invested in because for far too long they have felt written off.

Mr Deputy Speaker (Mr Nigel Evans): I am dropping the time limit to three minutes, to try to squeeze in one more contribution. I call David Johnston.

3.40 pm

David Johnston (Wantage) (Con): Thank you, Mr Deputy Speaker—this has just got harder.

I pay tribute to the teachers of Wantage and Didcot, many of whom worked throughout the entire lockdown period to keep schools open for some children, and I welcome the additional average 5% that each of them will get through this additional funding.

We have a gender gap in education, with girls doing better than boys at every stage, and we have an ethnicity gap, with certain ethnic groups doing better than others, but no gap is bigger than that between poor children and non-poor children. At key stage 2 that gap is 21 percentage points, and it widens to 28 percentage points at GCSE. During lockdown the gap has got even worse. We see that with online classes: 79% of children attending private school have had online classes, compared with only 41% of the poorest in our state schools.

Over the past few weeks we have heard a lot from the Opposition about laptops and internet access. I agree that that is an issue, but there is no substitute for being taught in the classroom. I would like to hear a little less about laptops and internet access, and a little more about the stance that the unions have taken, as they have said both that people should not be going to school and, in the words of one leader, that teachers should not be teaching a full timetable or routinely marking work in this period. Do Opposition Members

think that that will make the gap better or worse? I am pretty clear that it makes it worse. I welcome the £1 billion catch-up fund and hope that we can get children into schools in September to make use of it as quickly as possible.

There has been a lot of talk about the dangers facing universities, but we must not forget the students. They have had a long-running teaching strike and low contact time—they have had even less time now—and they have been trapped in accommodation contracts that they could not get out of. Then, when they graduate, students doing some courses at some universities will find that they have worse employment outcomes than if they had simply got a job. We must keep them in mind. The Government are right to cover some of the costs of the international fees gap, but some of those universities that have the highest proportion of international students have the worst records of widening access to young people in this country, so something has to be looked at in the business model.

In closing, I have three quick points to make. First, for everything we fund in education we need to look at outcomes and destinations, and then we need to put more money into the things that provide good outcomes and less into those that do not. Secondly, we have not yet found a way of getting our best teachers to go to those areas that really lack good teachers. Thirdly, we have a big mental health challenge coming for young people, and we will have to prioritise that when the schools return.

4.43 pm

Jonathan Gullis (Stoke-on-Trent North) (Con): May I start by placing on the record my thanks to the amazing teachers and support staff across Stoke-on-Trent North, Kidsgrove and Talke, who have gone above and beyond? They are our unsung heroes. We rightly talk about our NHS and care heroes, but we should never forget the amazing contribution of our teachers and support staff.

As a former teacher with eight years' experience in the profession, and having worked in schools with over 60% pupil premium and over 30% SEND, in some of the most deprived parts of London and Birmingham, I am delighted and proud to be standing here as a Conservative Member of Parliament. I concur with my right hon. Friend the Member for East Hampshire (Damian Hinds), who was part of ensuring that education improved year after year, whether through phonics, the quality of exams or the introduction of a knowledge-rich curriculum. Those are all important parts of the education system, and I am eternally grateful for the work that this Government have done.

With regard to spending, let us not forget that an additional £14 billion is going into education over the next three years, levelling up and ensuring that secondary schools are seeing £5,000 per pupil and primary schools £4,000 per pupil. Those are not insignificant amounts of money. On top of that, £1 billion is going in to help kids catch up who have missed out due to covid. Another £1 billion is going in so that schools can have some rebuilding, or in some cases some brand new building. And £1.5 billion is going into the further education sector—£358 million is going into further education this year. The Government are delivering because they know that education is the biggest driver of social mobility in this country.

If we do not get education right in Stoke-on-Trent North, Kidsgrove and Talke, a generation will be failed. It breaks my heart when I see that just over 50% of my students get grades 9 to 4 in English and maths, and that we are well below average in kids taking up a level 3 or 4 qualification. I concur with what hon. Members have said: further education and apprenticeships will be the economic driver of recovery, not just for the young, but for the old who will sadly be made redundant due to the cost of covid. We must upskill and retrain them, and enable them to see a brighter future. In Stoke-on-Trent, I hope it is in the tech sector—in silicon Stoke—so that we become the heart of the video games, TV and film industry. Staffordshire University now has eight accredited courses; it is leading the way.

I will just say one quick thing to the Minister: expand and invest in holiday clubs. The Hubb Foundation, run by Carol Shanahan of Port Vale Football Club, is desperate for an opportunity. Give her the funding and she will deliver. Make sure the restriction of numbers at universities does not go on for too long, because it will limit social mobility and harm colleges that have links with universities. Finally, please make sure we have a clear transport plan for SEND students in September.

3.46 pm

Robbie Moore (Keighley) (Con): Every parent wants to ensure that their children have the very best start in life, positioning them for a lifelong love of learning so they are poised for success, coupled with a drive and passion for expanding their minds and outlook on the world. I am very pleased to be contributing to this debate, as there is no more important topic to be discussing in the House than the future of our children and the opportunities of a good education and start in life.

My constituency of Keighley and Ilkley is full of awesome, dedicated teachers and support staff, who are constantly going above and beyond to deliver for their students. I have seen that at first hand over the past 100 days or so, as the whole education sector has had to turn on its head and adapt its offering to students very quickly. Of course there have been challenges, but when I have caught up with the many primary schools across Keighley and Ilkley during this period, I have been met with a real can-do attitude among teachers and a willingness to crack on and deliver for their students. That was amplified when I was lucky enough, just a week or so ago, to catch up virtually with some students from Beckfoot Oakbank secondary school in Keighley, who told me that, although they were all looking forward to getting back to school, they had enjoyed learning virtually and had cracked on with it. I want to put on the record my thanks to all the teachers and support staff who have been working extremely hard across Keighley and Ilkley. They have gone above and beyond.

The social and economic status of my community changes dramatically across the constituency. Certain households and communities are much more deprived than others, and certain families need that extra bit of help. During the pandemic, we have seen some of the challenges associated with home learning. Access to the internet and electronic devices was an issue for some families, but I welcome the Government's support to provide laptops. We also experienced challenges of adults, perhaps including, parents, not having the confidence and skills to teach. There were also issues associated

with living in busy households with no quality quiet time. That all illustrates that the best place for children to be is back at school. The Government's drive to get children back to school is great, but it was incredibly frustrating to see the unions not supporting that, coupled with the pandering from the Opposition. It is great to see the Government Benches full; however, there are only two Labour Members present.

When it comes to education, and the opportunities that follow, access for children to grasp their ambitions and desires should not be hampered or bear any relation to where they come from. It should be based on all the opportunities that we put forward for them.

Mr Deputy Speaker (Mr Nigel Evans): Finally, two minutes for Peter Aldous.

3.49 pm

Peter Aldous (Waveney) (Con): The Government have moved very quickly to improve education funding and to support the young people who have been left behind. A gap in support that I would like briefly to highlight is that for 16 to 19-year-olds. In Lowestoft all such education is provided at East Coast College.

It is good news that last autumn per-student funding for 16 to 19-year-olds was increased, and that money is being provided for capital projects, but it is a concern that 16 to 18-year-olds are not able to access the covid catch-up fund. In Lowestoft, there is a big disadvantage gap that prevents young people from realising their full potential. Work is being done to eliminate this at all ages, including in the 16-to-19 age group, where East Coast College is in the vanguard, bringing in a range of initiatives. Nevertheless, the challenge is significant.

Covid-19 has provided a further unwelcome obstacle to closing the advantage gap. Many students leaving school at year 11 have either missed or had an iniquitous school year. They will be moving on with a lot of catching up to do, and colleges such as East Coast will have to provide extra teaching this autumn. At present, there is no funding for this. To address this unfairness—to remove this obstacle—it is important that before the end of term, the Government confirm that all 16-to-18 providers can access covid catch-up funding on the same terms as 11 to 16 providers.

3.51 pm

Kate Green (Stretford and Urmston) (Lab): This has been a very thoughtful debate. I thank the hon. Member for Bury South (Christian Wakeford) for opening it on behalf of the Education Committee.

The Department for Education always has a special responsibility to provide opportunities for the most disadvantaged children to ensure that they enjoy secure, fulfilling and happy childhoods, to provide high-quality education to enable them to achieve their aspirations and reach their potential, and to create a route to lifelong learning that gives them skills for work and enriches their lives and wellbeing. But as many Members have noted, there is an especially significant role for the Department now, in the context of the covid crisis. Most children have been out of school since March, and this will bear most harshly on the most disadvantaged students. A senior official in the Minister's own Department has been reported as saying that the attainment gap could widen by as much as 75% as a result of the covid impact.

[Kate Green]

That is in the context of an already troubling picture. Only 57% of children eligible for free school meals achieve a good level of school readiness, compared with 74% of their peers. Only 25% of children with special educational needs and disabilities are school ready, compared with 77% of their peers. By the time they finish primary school, only 51% of disadvantaged children reach the expected standard in reading, writing and maths, and at GCSE only 25% get good passes in maths and English, compared with 50% of all other students. Pupils with special educational needs and disabilities end up 14 months behind their peers at the end of their secondary education, with Gypsy and Roma children more than 34 months behind, and black Caribbean children nine and a half months behind.

I agree with the hon. Member for Stockton South (Matt Vickers) that the poorer educational outcomes achieved by the most disadvantaged children cannot be addressed by education alone. Poverty scars children's life chances—their ability to learn and make the most of their education. Children who go hungry or who live in overcrowded housing, as the hon. Member for Keighley (Robbie Moore) noted, or whose parents cannot afford educational toys, trips or activities, face extra barriers even before they get to school.

That is why the rise in child poverty over the past 10 years is so dismaying—up from 3.5 million in 2010-11 to 4.2 million today. The hon. Member for Wantage (David Johnston) was right to draw attention to the impact that that poverty has on children's attainment. None the less, our education system should be working to compensate for that disadvantage. Instead, as children progress through school, the gap between the most disadvantaged and other students actually widens and this, as has been noted around the House, affects the destinations of those children as they complete their schooling. They are more likely to be NEET—not in education, employment or training—and they are less likely to gain qualifications as adults. As the hon. Member for Mansfield (Ben Bradley) noted, at a time when we expect the jobs market to be much more difficult as we emerge from the covid crisis, these young people face a particularly challenging future. The Institute for Public Policy Research has said that there will be a further 620,000 young people unemployed at the end of this year.

I recognise that the Government have made some announcements to try to address that—the apprenticeship guarantee; the traineeships; and the funding for careers advice—but these either remain vague, as in the case of the apprenticeship guarantee or the national skills fund, or they are not going to be adequate, as in the case of the traineeships that were trailed earlier this week. We will need much bolder commitments for these young people.

Although the scale of the challenge to come is immense, as has been noted, post-16 education funding is already in difficulty. The FE sector is expecting a £2 billion funding shortfall in 2021, and colleges have already begun to make redundancies, and had done so even before the covid crisis. This is going to make no sense if we see an increase in student numbers in September, which is quite likely if the jobs market becomes very harsh. It is also right to note that it is not clear why

post-16 has been excluded from the catch-up funding, as the hon. Member for Waveney (Peter Aldous) and others rightly pointed out.

The Government need to take a life course approach to tackling the gap in attainment. It begins to open up from the early years. Last year saw a £600 million gap in early years funding and no coherent early years strategy. Giving up on Labour's Sure Start programme was a serious mistake. Childcare funding is over-complex and shuts out the children who could benefit from the most structured provision. The Government's own Social Mobility Commission has pointed to the limited reach of the 30-hour offer and suggested its expansion. Ministers have rejected those proposals.

Meanwhile, the impact of the pandemic on the viability of the nursery sector has been devastating. The Early Years Alliance says that one in four nurseries may not be open in 12 months—it is one in three in the most disadvantaged areas. Yesterday, the House of Commons Petitions Committee called for an urgent review of funding for the childcare sector and I hope the Minister will follow that up.

On schools, I join a number of colleagues, including the hon. Member for West Bromwich West (Shaun Bailey) and the right hon. Member for East Hampshire (Damian Hinds), in thanking school staff who have been working flat out to support children's learning during the crisis and are now working on preparations for a return to school in September. The catch-up funding is welcome for children in school, but I agree with the hon. Member for Bury South that we need more details about it: how much will schools receive; will it be per pupil or grant based; which pupils will be eligible for the national tutoring fund; and how much support will it provide to disadvantaged children?

I agree with the hon. Member for Bath (Wera Hobhouse) that the turnaround on extending the voucher system over the summer holidays for those entitled to free school meals is welcome, but, although the Government have allocated £9 million of funding for it, the picture of holiday activity provision over the summer looks pretty patchy. The hon. Member for Stoke-on-Trent North (Jonathan Gullis) and I agree about the opportunity that could be taken to invest in holiday clubs. Unfortunately, there has been confusion about social distancing guidance among some providers, and a sense of a lack of drive or ownership in Government, with different Departments passing the buck. Given the impact that the long summer holiday has on the attainment gap, even in normal times, this is concerning and with just a couple of weeks to go until schools break up, I urge the Minister to take stock of what provision will be in place and act to plug gaps as a matter of urgency.

Even before covid, schools were facing funding pressure. The Institute for Fiscal Studies has pointed out that 83% of schools are worse off in real terms than they were in 2015, and that has been played out in—among other ways—a significant increase in class sizes, with 13.4% of children now in classes of more than 31 children and the highest proportion of secondary school children in 40 years, and that bears very harshly on disadvantaged children.

The hon. Member for Ruislip, Northwood and Pinner (David Simmonds) was right to talk about how funding is distributed across different schools, and this is going to become especially important in schools with the

most disadvantaged children, as we will see need increase in the aftermath of the covid crisis. There will be more demand to meet mental health needs and those of children with special educational needs and disabilities, children from ethnic minorities and disadvantaged pupils. For poor children, the cost of school, uniform, books, trips, activities and so on, if parents cannot afford it, will often also have to be borne by schools. As more children are on free school meals, as more parents are out of work, there will be more who attract the pupil premium. It would be helpful to hear from the Minister how the Department envisages that additional pupil premium cost being met.

I agree with the Secretary of State that we want a broad curriculum, and the resources must be provided to deliver school sport, arts, music, languages and so on. They are important in their own right and help with attainment in core subjects, too. I agree with the hon. Member for Westmorland and Lonsdale (Tim Farron) about strategies to support the recruitment and retention of teachers to work, especially, with the most disadvantaged children. I wonder whether the Minister can say something about plans to recruit newly qualifying PGCE graduates into the classroom after the summer. Can he also tell us when he will respond to the School Teachers' Review Body recommendations?

More than 390,000 children now have an education, health and care plan. That is a 65% increase since 2014—far more than anyone anticipated—and many are not receiving the education that they deserve. There has been a significant rise in the number of pupils with education, health and care plans in pupil referral units, and over 1,200 children of compulsory school age are not in education at all. That is a terrible betrayal of those children, and yet, parents continue to report difficulty in getting EHCPs. I understand the reason for the pause during the crisis, but we need to know when the SEND review will be completed. I have been told that some schools have used risk assessments to prevent children from attending school during covid. How on earth was that allowed to happen? I am very pleased that the legal relaxations on SEND provision will not be extended beyond September. Will the Minister say whether he is confident that there will not be a backlog of actions to catch up on and that he can guarantee that all children with special needs will have their needs met in full?

On exclusion, there is clearly a worrying picture of children from certain ethnic minority backgrounds being much more likely to be excluded and the fact that the Government will not have a full picture of black and ethnic minority students in pupil referral units, in particular, because many of those are in the unregistered independent sector and are not subject to Ofsted inspection. Labour's Education and Skills Act 2008 provided for the registration and inspection by Ofsted of alternative provision in the independent sector, and plans were in place for that to commence in 2012 until they were put on hold by the coalition Government. Will the Minister say whether the Government will now bring forward and fully implement that legislation?

In conclusion, the emergency funding that has been put in place so far has been welcome, but much more is going to be needed as we reach a crisis point for a generation of disadvantaged children. Underlying structural problems remain unresolved and must be addressed.

For the most disadvantaged children, their future wellbeing, prosperity and ability to achieve their aspirations and fulfil their potential are dependent on those programmes and that funding being in place.

4.3 pm

The Minister for School Standards (Nick Gibb): I congratulate my right hon. Friend the Member for Harlow (Robert Halfon), the Committee Chair, and congratulate my hon. Friend the Member for Bury South (Christian Wakeford) on opening this debate during these unprecedented times. I echo my hon. Friend's thanks to all teachers and educational staff for their commitment during the crisis, going that extra mile for their communities, in the words of my hon. Friend the Member for West Bromwich West (Shaun Bailey). That sentiment was shared by other Members during this debate, including my hon. Friend the Member for Keighley (Robbie Moore). I welcome the shadow Education Secretary, the hon. Member for Stretford and Urmston (Kate Green), to her place—it is nice to see her in that role.

When we presented the estimates to the House a year ago, we talked about creating a world-class education system that offers opportunity to everyone, irrespective of their circumstances or where they live. We talked about greater, fairer investment in our education system and our success in raising standards since 2010, which has seen the proportion of pupils in good or outstanding schools increase from 66% in 2010 to 86% in 2019. But we could scarcely have imagined how life would change in 2020 as a result of the pandemic. I share the sense of urgency of my hon. Friend the Member for Bury South in respect of the extraordinary measures that we shall need to recover from the effects of school closure, but I am confident that we are providing the tools and resources for schools to succeed.

Let me set out the overall funding picture. In 2020-21, the Department for Education resource budget is around £72 billion—an increase of £3.5 billion since last year. Of that £72 billion, £57.1 billion is for early years and schools; £14.1 billion is primarily for post-16 and skills; and £400 million is for social care, mobility and disadvantage.

This debate is on closing the advantage gap and support for left-behind children. Closing the attainment gap has been the driving force behind all our education reforms since 2010, and since then we have been determined to drive out the dreary culture of low expectations that hold back the ambitions of too many children from poorer backgrounds. That point was reflected in the excellent contributions made by my hon. Friends the Members for Stockton South (Matt Vickers) and for Stoke-on-Trent North (Jonathan Gullis).

We are unapologetic about our commitment to teaching all children to read fluently at the very latest by the time they leave primary school. The Government's championing of synthetic phonics has improved performance, such that in 2019 some 82% of pupils met the expected standard in the phonics screening check, compared with just 58% when the check was introduced in 2012. During that period—an "ambitious decade", in the words of my right hon. Friend the Member for East Hampshire (Damian Hinds), one of the contributors to that ambition—school standards have risen, and between 2011 and 2019 the gap between disadvantaged pupils and their peers narrowed by 13% at age 11 and by 9% at

[Nick Gibb]

age 16, as measured by the gap index. Indeed, most disadvantaged pupils now attend good or outstanding schools and the attainment gap has narrowed at every stage from the early years to 16.

Even before the pandemic, we recognised that there was more to do, as my hon. Friend the Member for Ashfield (Lee Anderson) rightly said. Academies continue to embody our belief that autonomy, combined with strong accountability, is the most effective approach to raising standards. The success of leading multi-academy trusts such as Dixons, Star, Ark and Harris show that geography and background need be no barrier to success and high academic standards.

In 2014, we introduced a more knowledge-rich curriculum across England's schools, alongside reforms to GCSEs to make them more rigorous. The changes were driven by a desire to ensure that all children should benefit from the same curriculum and high expectations that are common to the best state schools in the country. We saw the proportions of pupils taking the EBacc—English baccalaureate—combination of subjects increase to 40% in 2019. The proportion of pupils entered for at least two science GCSEs has risen from 63% in 2010 to 95.6% today. The proportion taking a foreign language has risen from 40% to 46.7%.

Nevertheless, no one should underestimate the scale of the challenge following the closure of schools in March to all but a small number of pupils. Education recovery lies at the heart of our national mission as we emerge from the disruption caused by the coronavirus epidemic. No child should see their life chances damaged by their being out of school for so long.

Jason McCartney (Colne Valley) (Con): On this topic, I have two quick questions as co-chair of the all-party parliamentary group on sixth form education. Will 16-to-18 providers be included in the covid catch-up package? Will sixth-form colleges and other colleges be able to access free school meals for their students throughout the summer?

Nick Gibb: As my hon. Friend will know, sixth-form colleges are not included in the catch-up premium. We are continuing to work with sixth-form colleges and other post-16 institutions to establish the best way to make up the disruption due to covid-19. On free school meals over the summer, we will provide further details for FE colleges in due course. During term time, FE colleges should continue to provide support to students eligible for free school meals.

We have secured significant additional resources from the Treasury so that every school will have extra funding to respond to this unique challenge. On 19 June, we announced a £1 billion covid catch-up package to directly tackle the impact of lost teaching time, including £650 million provided directly to schools over the 2020-21 academic year. As my hon. Friend the Member for Bury South intimated, the Education Endowment Foundation will provide evidence-based advice on the most effective approaches to helping children catch up, but the discretion lies at school level, with the teachers and headteachers.

The catch-up package also includes a national tutoring programme worth £350 million to increase access to high-quality tuition for the most disadvantaged young people. This £1 billion package is on top of the three-year

£14.4 billion funding increase announced last year and the £2.4 billion pupil premium. We have also committed more than £100 million to supporting remote education. By the end of June, over 202,000 laptops and tablets and over 47,000 4G wireless routers had been delivered or dispatched to academy trusts and local authorities for pupils without the means to access remote education. It was a huge logistical exercise in a demanding global market for these pieces of equipment. To support pupils at home, 40 top teachers came together to create our new virtual school, the Oak National Academy, which offers 180 online lessons a week for all pupils. In response to the hon. Member for Bath (Wera Hobhouse), I should add that £205 million has been redeemed in food vouchers by families and schools.

As we announced last year, we are increasing core schools funding by £2.6 billion this academic year and by £4.8 billion and £7.1 billion by 2021-22 and 2022-23 respectively, compared to 2019-20, including additional funding for children with special needs and disabilities. On top of that, we are providing £1.5 billion per year to fund additional pension costs for teachers. Overall, this will bring the schools budget to £52.2 billion by 2022-23.¹

Our commitment to helping every child to reach their potential applies just as strongly to children with special educational needs and disabilities as to any other child. We know that schools share that commitment, but we recognise concerns raised about the cost of high-needs provision. We have increased overall funding allocations to local authorities year on year, and high-needs funding will be £7.2 billion this year—up from £5 billion in 2013. My hon. Friend the Member for Ruislip, Northwood and Pinner (David Simmonds) was also right to highlight the £1.7 billion of accumulated surpluses in local authority schools.

Creating more school places is a key part of the Government's plan to ensure that every child has the opportunity of a place at a good school, whatever their background. We have committed £7 billion for school places between 2015 and 2021, on top of the free schools programme. This money means we are on track to have created 1 million school places this decade—the largest increase in school capacity for at least two generations.

Alongside new school places, we have allocated more than £7.4 billion since 2015 to maintain and improve school buildings. On 29 June, the Prime Minister announced over £1 billion to fund the first 50 projects of a new 10-year school rebuilding programme as part of radical plans that will invest in our school and college buildings to help deliver the world-class education and training needed to bring prosperity to our country.

I thank all those who work in the early years sector, who dedicate their time, effort and skills to provide high-quality childcare. Our ambition is to provide equality of opportunity for every child and to support parents and carers. Disadvantaged two-year-olds are entitled to at least 15 hours of free early education each week, and over 1 million children have benefited from this since we introduced the programme in September 2013. In addition, in 2017 we introduced the 30-hours entitlement for working parents of three and four-year-olds, and in January 2020 some 345,000 three and four-year-olds benefited from a 30-hours place—an increase on the previous year.

This has been a good debate, and today's estimates are a reflection of the country's commitment to education and the key priority that it is for this Government. Since

1. [Official Report, 15 July 2020, Vol. 678, c. 9MC.]

2010, most children are now attending good or outstanding schools. The attainment gap between disadvantaged pupils and their peers has narrowed at all stages. A record proportion of disadvantaged students are going to university, and we have a world-class curriculum and ambitions for world-class technical education.

The effects of the current epidemic will be felt across society for a considerable time. It was right that we moved rapidly to secure a massive one-off investment in our schools to tackle lost time in education and to foster a greater focus on proven approaches so that all pupils can receive the education that they have a right to expect.

4.15 pm

Christian Wakeford: I thank all Members from both sides of the House for their contributions. I find myself in a very unusual position in that I am actually in agreement with the Lib Dems—in particular, with the hon. Member for Bath (Wera Hobhouse) on free school meals. I, too, supported Marcus Rashford's campaign, and I refer her to my opinion piece in *The House* magazine. I also fully agree with the hon. Member for Westmorland and Lonsdale (Tim Farron) on SEND funding. There needs to be a greater focus on that; we cannot go back to business as usual. In my opinion, 26 weeks for an EHCP is far too long, and we need to look at refocusing so that the child and family are truly at the centre of the process.

I completely agree with my right hon. Friend the Member for East Hampshire (Damian Hinds) that we all need to work together—Government Members, Opposition Members, local authorities, teachers and unions—to ensure that all schools can go back in September and that we focus on educating our children once again.

My hon. Friend the Member for Mansfield (Ben Bradley) made a valuable point about skills for life, which he has championed for a long time in this place. I look forward to working with him on that. He has also focused on another disadvantaged group—working-class boys, who far too often slip through the cracks. We need to tackle that issue.

My hon. Friend the Member for Stockton South (Matt Vickers) mentioned DIY teaching. Once again, I put on record my thanks to all the parents out there who have taken on the role of DIY teachers. My own experience so far has included being headbutted by my daughter in the middle of a conference call. She also unplugged my router during the Education Committee proceedings, to the point that I could not get back into the Committee. It has been a very trying time, so I thank all parents out there.

My hon. Friends the Members for Stoke-on-Trent North (Jonathan Gullis) and for Wantage (David Johnston) are doing great work on social mobility in the Committee, and I look forward to working with them further in this regard.

I will come to a close very quickly, Mr Speaker. We have talked about targeted intervention. If I had one ask from the Minister, it would be truly to target that intervention at the early years, because if we get a young child's education correct early on, we set up their educational career for the rest of their childhood. If we get it right early, we get it right in its entirety.

Question deferred until Thursday 9 July at Five o'clock (Standing Order No. 54).

HM REVENUE AND CUSTOMS

Coronavirus: Job-Support Schemes

[Relevant Documents: Second Report of the Treasury Committee, Economic impact of coronavirus: Gaps in support, HC 454 e-petitions 200336, 310515, 319899, 303345, 301328, 310471, 310679, 311987, relating to Covid-19 support for employees and the self-employed.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2021, for expenditure by HM Revenue and Customs:

(1) further resources, not exceeding £61,844,066,000 be authorised for use for current purposes as set out in HC 293 of Session 2019–21,

(2) further resources, not exceeding £227,474,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £61,860,408,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Jesse Norman.*)

4.19 pm

Mel Stride (Central Devon) (Con): May I begin by thanking the Backbench Business Committee for allocating time for this important debate? I say that it is an important debate because, of course, Her Majesty's Revenue and Customs is seeking an additional £52 billion as part of the main estimates, those being attributable to the principal job support measures that the Government have brought forward—about £42 billion for the furlough scheme and a further £10 billion for the self-employed income support scheme. Those are vast sums. Even as a proportion of the entire amount that the Government are spending to support businesses and individuals and the economy during this period, those are very sizeable sums indeed. As we know, the amount that has gone into supporting those on furlough is around the equivalent, on an annualised basis, of the day-to-day spending of our national health service.

I think that, in the round, the Chancellor should be applauded for having come out with these measures to support the economy, individuals and businesses, and for both the scale of what he and the Government have delivered and the pace with which it has been delivered. It is important for me to express on the record my satisfaction with both those points.

However, when we come forward with measures of that scale and at that pace, it is almost inevitable that there will be hard edges to policy and, indeed, gaps through which people fall. There are people whom one would normally want to have support who have not yet received that support. That has been the focus of the considerable amount of work that the Treasury Committee has undertaken, with 12 inquiry sessions and a first call for evidence that received a near-record 16,000 responses from self-employed people and those working in businesses up and down the land who are very concerned about these gaps in provision.

I shall focus briefly on two groups in particular. The first group is those who are self-employed and choose to work through a limited liability company, paying themselves both by way of pay-as-you-earn income and through dividends received through that company. The problem arises when it comes to calculating the furlough entitlement for those individuals: it is based solely on their PAYE

[*Mel Stride*]

income and does not take into account in any way the income, albeit self-employment income, that they receive by way of dividend.

Of course, when we had the head of HMRC before our Committee, we asked him about that. I have to say that Jim Harra is a very capable head of HMRC; I worked with Jim when I had strategic responsibility for HMRC as a Minister at the Treasury some time ago, and he is a very capable man. However, he did not give the answer that the Committee wanted to hear on that occasion. He did not allude to the problem being anything to do with the expense involved; he talked about the administrative difficulties of differentiating between income received by self-employed people by way of dividend and other income received by way of dividend, perhaps in respect of passive investments, for example.

I recognise that there is a complication there. However, the question has to be: is it an insurmountable complication? Our Committee's investigations suggest that it is not. HMRC could adopt an approach of basically paying out on the furlough scheme, having a clawback arrangement in place in the event that mistakes are made, and perhaps having a penalty regime alongside that, first to discourage erroneous claims and secondly to help fund the activity involved in policing those arrangements.

The reality is, we estimate, that there are some 700,000 people in that situation who, for the last four months, have not had the support, or the full level of support, that many millions of others up and down the country have received. That cannot be right. It cannot be right because the Government, when they set out their strategy to resolve and tackle the crisis, stated that right at the heart of their mission would be fairness towards individuals and groups. I do not believe that that has been demonstrated in the case of the 700,000 individuals who are not getting the support that they should be getting.

The second group are the new starters: those who took up employment typically around March this year. There was originally a deadline or cut-off point of 28 February for the receipt of furlough—people had to have been employed prior to that date. That was then shifted, for which the Committee was duly grateful, to 19 March. Yet there will still be many individuals who joined businesses before 19 March but, because there was not an electronic communication regarding that employment between the employer and HMRC prior to 19 March, they do not qualify for furlough support. The Committee believes the Government should look more closely at that. Our recommendation in that respect has been to push the date back to the end of March.

There are a number of other categories of employed and self-employed, such as freelancers, those on short-term contracts and many others, who are not receiving the support we believe they should be entitled to. Our estimate is that, in total, certainly more than 1 million people are falling through the gaps. There are others who estimate that figure to be nearer 2 million or 3 million people.

Steve Brine (Winchester) (Con): As ever, I am listening very carefully to my right hon. Friend. I have followed the work of his Committee and the very sound things he has said on this matter. He alluded to this, but the heart of the issue, whether it relates to people who are

new to self-employment, are new to employment or take the majority of their employment through dividends from limited companies, is that we made the bad the enemy of the good. The vast majority in this space who missed out on help were not trying anything on; they were just doing their thing as entrepreneurs in the British economy and were then left out. What we should have done was get help to them to do whatever it takes. HMRC, as we both know, is not averse to taking back what it thinks has been wrongly taken. We really should have got help out there and then claimed it back if needed. Does he agree that the two schemes fell down on the universality of doing whatever it takes?

Mel Stride: I thank my hon. Friend for his intervention and I think he is entirely right. It is simply the case that those who choose to take their income through limited companies by way of dividend are operating entirely within the rules. I do not think there is anybody, HMRC included, who would dispute that, and that lies at the heart of why they should be treated fairly.

Perhaps I could just address two further points in relation to the Government support schemes and ask the Minister if he could comment on them in his wind-up. The first relates to lockdowns. One has already occurred in Leicester, but there may be further lockdowns, unfortunately, across the country. They will be localised, and it is very sensible that they should occur. Undoubtedly, however, they will impose very considerable further economic and social hardship on communities. I have written to my right hon. Friend the Chancellor to ask him what measures he may be considering bringing forward to provide further assistance to those communities in those circumstances. It occurs to me, for example, that the Minister might like to comment on the specific suggestion that businesses in such an area might have more flexible access to the furloughing of staff and be freed from some of the current restrictions in that respect. I would be interested in my right hon. Friend the Financial Secretary's comments on that.

Secondly, in Treasury questions this morning a number of Members asked whether there would be some kind of targeted support when the wholesale nature of the support schemes ends at the end of October. I think the Chancellor is signalling that he is quite resistant to that. I would want to push back on that and say that we should keep our powder dry and wait and see. The Chancellor rightly said that people talk about sectors but often do not explain exactly which sectors. Part of the reason for that is that it is not clear at this stage, because things are unfolding in such an uncertain manner and it is not absolutely clear where the different parts of the economy will be in autumn. However, I think it only prudent that the Treasury keeps a very close eye on the sectors that are still damaged and inhibited as a result of social distancing, but, critically, still have the ability to grow and thrive once we come through the crisis.

That is the kind of business where I think some targeting of these schemes would be appropriate.

I notice from the clock that I have reached 10 minutes, Mr Deputy Speaker, so in line with your earlier exhortation, I will conclude. I thank the Backbench Business Committee for giving us this opportunity. I ask the Minister please to look closely at the gaps that the Committee has identified. Finally, I wish the Treasury well in the enormously important and difficult decisions that it will have to take in the weeks and months that follow.

Mr Deputy Speaker (Mr Nigel Evans): As was announced at the beginning of the estimates debate, the time limit on Back-Bench contributions is four minutes.

4.30 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): I thank the right hon. Member for Central Devon (Mel Stride) and his Committee for their work on this issue. I represent a constituency—indeed, part of a borough—that is the epitome of the gig economy. That is an economy and style of working that this Government have helped to foster, with people working in different ways, and on different pay and conditions. It includes everything from people on zero-hours contracts to sole directors of companies, and from people on repeated short-term contracts to people who are 100% freelance. Although the Government's measures have included support for quite a lot of freelance workers, they have excluded, as the right hon. Gentleman said, at least 700,000—if not, as his Committee estimates, a million—people, who are not supported by the schemes.

I have raised the matter repeatedly in this House, and we have had assurances from the Government that they have introduced a world-beating, groundbreaking set of initiatives to support people who are on furlough and self-employed. They keep parading that as though it were the answer to the question we are asking. Let me be absolutely clear: we could talk a lot about that, but the right hon. Gentleman has covered that territory and I do not need to repeat what he has said. We are talking today about the people who have not had a penny of income for the past four months. For around 100 days, they have had no money coming in.

I completely agree with the hon. Member for Winchester (Steve Brine). Those are not people who have been trying it on, chancing it or thinking that they can avoid tax by some clever dodge; they are hard-working people who have used mechanisms that have been promoted not just by the Government, but by Governments over time, and that have been particularly supported by this Government. They were told, “We will do whatever it takes,” but when push came to shove, they were left out in the cold.

I will give some examples. I came across a shocking example of somebody who worked as an occupational therapist in the NHS—not employed by the NHS, but delivering NHS services—and who was required to go into a personal service company to make sure that they had the required limited liability insurance. That reason drives many individuals to set up such companies. It is either that, or their house or other assets will be on the line—if they have them. I want to be really clear that most of the people who have contacted me about the matter are not on big incomes.

I will take another sector as an example. People who work in broadcasting and television are often on short contract after short contract. They are employed, but only for short timeframes, so they do not qualify for this support. Others who were freelance and employed, but the balance was wrong, got short-changed on this deal.

There is a technical challenge with sole directors of companies that is more difficult to solve, notwithstanding what I have said about many people being driven to that route. However, when people have records with HMRC—when they have paid tax while on short contracts or through self-employment, even if not for the length of

time stipulated by the Government—it is not beyond the wit of this House, this Government, man or woman to work out how to deliver a solution for them. If they have a tax record, the reverse engineering that was done for other self-employed and employed people could surely be done for members of this group.

I urge the Minister, who has told me that he is reflecting on this, not to reflect but to act. After 100 days, where are people going to find work now? They need a solution, and they need support.

Steve Brine: Several constituents have said to me, “I will be quite honest with you; I did not need the help. I was not able to get any, but I did not need it.” The Government may have feared that everyone who earned the majority of their income from dividends would suddenly come forward and add a huge burden to the self-employment income support scheme, whereas the reality was that we could have trusted people. Yesterday, Barratt displayed a huge amount of corporate responsibility by saying that it would pay back the money that it had claimed through the furlough scheme. The fact is that a lot of people out there did not need the support, and they might not have come forward and claimed it. Perhaps we should have trusted them a little more and been a bit more flexible with the scheme.

Meg Hillier: The hon. Gentleman raises an interesting point. One of the issues that I have been looking at in the Public Accounts Committee is the fraud and error in this. I am absolutely in favour of the schemes that have been proposed. I am also keen that the Government come down hard on anyone who has tried to break the rules—I think we agree on that.

It is really important to remember that a lot of these people are not on big incomes—they have absolutely nothing. Because of the high price of housing in London, they are often renting properties, and they are at their wits' end as to how they can manage. This is devastating for them, and these are the people who will be the engine of any economic uplift. We also need to recognise that if we are going to foster this type of economy and working, there needs to be a safety net for people. They did not choose to take this risk. Someone working in broadcasting does not choose to be on a short-term contract; that is just the way the industry works. And do not get me started on the implications of the IR35 reforms. We have had that debate elsewhere, and it is one for another day, but I hope that others in the Chamber agree with me on that.

We need a solution. These people cannot live on fresh air. They cannot keep going on nothing. In many cases, their income will not magically increase in October or anywhere between now and then or next spring, especially if they work in the hospitality sector. I really hope that we will get some answers from the Minister today, and once again, I applaud the work of the Treasury Committee in highlighting these very real issues for many of my constituents.

4.36 pm

Mr Steve Baker (Wycombe) (Con): I begin by referring Members to my declared shareholding in Glint Pay.

I thank HMRC for what it has done to put these schemes in place. It is the most extraordinary achievement that it has managed to put in place the coronavirus job retention scheme and the self-employment income support scheme.

[Mr Steve Baker]

Normally, such things would take months and years and would often be marred by IT failures and delays, and yet HMRC staff have successfully delivered this. I would far rather that they had successfully delivered than failed and left everyone without support. It is the most tremendous achievement, and the staff involved deserve our praise for what they have done, but I think we can see why it normally takes months, and possibly years, to deliver such schemes, because that time is required to deal with what have become hard edges.

Before I go any further, I would like to put into context the scale of the spending that we are talking about. If we look at page 355 of the estimates, there is £52 billion listed for covid-19 as my hon. Friend the Member for Central Devon (Mel Stride) said. When I look up and down the detailed entries for the Department for Work and Pensions, I can see only one sum that is higher than the covid provisions for HMRC. Rounding to the nearest billion, the figures listed are £33 billion for universal credit inside the welfare cap, £13 billion for personal independence payments, £17 billion for housing benefit inside the welfare cap, just £5 billion for universal credit outside the welfare cap and £102 billion for the state pension outside the welfare cap. To see £52 billion appear in the estimates for HMRC is quite extraordinary, and I will return to that figure in my concluding remarks.

Mel Stride: My hon. Friend is making an extremely important point. These are just the main estimates, not the supplementary estimates, and the schemes have been extended and modified since those figures were put together. Does he agree that it would be useful to hear from the Minister what additional funds might be sought through the supplementary estimates?

Mr Baker: Yes, I agree with my right hon. Friend I hope that the Minister will give us a detailed explanation of how these figures break down, because the figure to which I just referred is different from the one on the Order Paper. I refer Members to page 357 for the resource to cash reconciliation, which I am sure my right hon. Friend the Minister will be fully able to break down in detail if he wishes to.

I want to come on to some of the things that the hon. Member for Hackney South and Shoreditch (Meg Hillier), the Chair of the Public Accounts Committee, said. In my constituency, there are plenty of people who, in one way or another, work in the arts and are in quite desperate straits. To reinforce her point about *tronc*, it has been a real disappointment to me that we have not dealt with the issue of people in the hospitality sector receiving perhaps half their income through tips, for which HMRC has PAYE information. I will never forget one particular email from a new father who was shocked to discover that he would be on not 80% of his normal pay but 40%. That is a dramatic difference, and it is because HMRC and the Government have not taken into account *tronc* payments, which they should. The freelancers issue is important and profound. On dividends and directors, we should recognise that sometimes we are talking about make-up artists, for example, who are paid through dividends.

Meg Hillier: Yes.

Mr Baker: I am grateful to the hon. Lady for agreeing. There are real issues of justice and equity at stake here. I remember reading my right hon. Friend the Financial Secretary's 2008 book "Compassionate Economics",

and it is a wonderful book that I would recommend to anyone. I know that he is a compassionate man and that these issues will therefore weigh upon him, so it is no way a criticism of him that I raise such things, but I observe that the edges here are awfully hard.

In the estimates document, HMRC refers to its policy partnership with the Treasury, so I encourage HMRC and Ministers to work together to look across the spectrum of issues—I do not have the time to go through them all—in the Treasury Committee's report to see whether more can be done, even at this late stage, to help those who have been without help altogether. I place particular emphasis on furlough in relation to airlines and workers at airports. Such groups are very much represented in my constituency—west of Heathrow as we are—and people need help there.

My final point, and the reason for declaring my interest, is that the obvious and most dangerous harm from coronavirus is, of course, that it has killed tens of thousands of people, but well down the hierarchy of problems is that it has taught us all to be socialists. All of us have learned to live at one another's expense, often ultimately at the generosity of the Bank of England and the creation of easy money. I say to Ministers that, yes, it was necessary to do this, but please do get us out of this mess.

4.41 pm

Ms Angela Eagle (Wallasey) (Lab): The coronavirus pandemic has ushered in an economic emergency of gargantuan proportions. The estimates show that £42 billion will be spent on the coronavirus job retention scheme and £10 billion on the self-employment income support scheme. These are very large numbers, but size is not everything, and questions need to be asked about the effectiveness of the packages the Chancellor has announced. Is this massive resource being spent in the most effective way? Is it being spent fairly? Is it helping those who need it most? Is it creating the optimal conditions for recovery when the pandemic finally recedes? The jury is still out on all those questions.

A lifeboat has been launched in the shape of the furlough scheme and the grants or loans made available as the pandemic took hold. It is a leaky and inadequate lifeboat that has prevented the economy from going under completely, but it will all come to nothing unless a proper rescue operation is launched to bring the economy back to safety. The Chancellor must make certain that his economic response does not mirror the Prime Minister's pre-lockdown dithering and organisational incompetence, which are likely to have cost tens of thousands of lives and exacerbated the economic damage wrought by the pandemic.

The Treasury Committee has published a report that deals with the gaps and unfairnesses in the Government's schemes. We point out that over a million people have been arbitrarily excluded from the scope of various schemes, even though their livelihoods have been affected by the requirement to lock down and there is no reasonable excuse for leaving them out. As the Federation of Small Businesses pointed out, if those who pay themselves in dividends and who have been excluded from accessing support go out of business, they will take a great many employees on PAYE down with them.

We await the formal Treasury response to the Committee's detailed points, but when questioned in this place, Ministers tend to boast about the size and cost of the schemes they have introduced without addressing the specific issues we have raised.

Meg Hillier: I want to go back to the point about people who had to use personal service company set-ups in order to get liability insurance. Does my hon. Friend agree that that is a crazy system that led to that behaviour, which in turn has led to people going without money?

Ms Eagle: I absolutely agree. This crisis has forced us to look at how our labour market works, and we need to come back to that very strongly indeed.

Tomorrow, I want to hear that the Chancellor is doing something to help the freelancers who power much of our cultural industry, but who have thus far been excluded from the help available. I want to see him announce a strategic sectoral approach to job retention to ensure that the economy thrives. The OECD estimates that the UK could suffer the worst covid-19—related damage among the advanced economies, with a decline of 11.5% in national income and UK unemployment rising to 9% this year. Despite the labour market having been sheltered from a complete meltdown by the furlough scheme, there are ominous signs of a huge strain like a dam waiting to burst. The recent announcement of many thousands of job losses in retail, aviation and leisure could be just the tip of the iceberg if the Chancellor does not take decisive action.

The Government must now switch quickly to a more strategic and tailored response that will enable stabilisation and economic recovery. Certain sectors will continue to be affected because of social distancing rules, and they must be helped. Local authorities and schools, for whom the Chancellor promised he would do “whatever it takes” to fight the virus, should have their costs fully reimbursed. To date, they have received back only a third of what they have spent.

The Chancellor exhorting people to spend, spend, spend, as he did at the weekend, risks entrenching the old debt-fuelled consumer economy and squandering the chance to lay the foundations of greener, fairer, more sustainable future prosperity. The Prime Minister blaming everyone but himself, exhorting us to “build, build, build” and trumpeting a Roosevelt-like new deal while promising to spend 0.2% of UK GDP, whereas President Roosevelt spent 40% of US GDP, would be a farcical response to our predicament if we were not in such a perilous situation.

Mr Baker: I remind the hon. Lady that she stood at the Dispatch Box 10 years ago accusing us of being Hooverite in our liberalism. Although that was historically questionable, it is where she was 10 years ago. Surely she must feel that the references to Roosevelt are an improvement.

Ms Eagle: Clearly somebody in the Conservative party has moved on, but when we look at the difference between 0.2% of national GDP and 40% of national GDP, we can see that a few lessons are yet to be learned.

Coming back to a point made by my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), the labour market is key. Many vulnerable people in the labour market have been left with nothing as a result of the effects of coronavirus. Many in the labour market have also been put at great risk of contracting the virus, and perhaps have to think about a choice between not earning and being ill, which is why we need to look more closely at how our labour market is regulated—and,

crucially, at the 46% cut to the Health and Safety Executive, which enforces labour market rules. The Prime Minister exhorting us to “build, build, build” is all very well, but it would be a farcical response to our predicament if the country were not in such a perilous position; the comparison is ridiculous. The Chancellor and the Prime Minister need to drop the hype and begin to deliver. Our future economic prosperity depends on it.

4.48 pm

Owen Thompson (Midlothian) (SNP): A few months ago, the Chancellor spoke directly to those who had lost their livelihoods overnight. He said:

“To all those at home right now, anxious about the days ahead, I say this: you will not face this alone.”

Those were reassuring words, and they were backed up by a Government promise to do “whatever it takes” to keep the people of these isles healthy and financially secure. I heard no caveat at that time that included “unless you are director of your own company”, “unless you are a freelancer” or “unless you are a contractor”.

The warm words do not ring true for those still struggling to keep their head above water. The Trussell Trust reported a staggering 89% rise in the need for emergency food parcels in April, so “whatever it takes” is clearly a lot more than what is being provided. It is not just a few on the periphery of the Chancellor’s vision who are missing out on this vital support. There is a roll call of people who have been forgotten that it would take a pair of blinkers to avoid seeing. ExcludedUK estimates that around 3 million are missing out—some 10% of the workforce. Every constituency across the UK will have its own heartbreaking examples of hard-working people who somehow did not qualify for the schemes. These are individuals whose lives have been devastated. They are being let down by a Government who are not meeting their commitment to them. They include the newly self-employed, some of whom left good jobs over a year ago to invest and build their own businesses, but whose income collapsed when covid-19 took root; small limited companies that pay themselves partly through dividends; and freelancers who work multiple jobs.

When someone’s income is the wrong mix of self-employment or short PAYE contracts, neither scheme will help and the computer simply says no. That is the fate of many freelancers in the creative sector, which is so crucial to the economy around the Lothians. Those people do not always make a lot for themselves, but they contribute massively to the communities, our culture and the wider economy.

At the time of the launch of the self-employment income support scheme, the Chancellor said that 95% of those who were majority self-employed would be covered, and that most of those who would not be covered were high earners, but the evidence from countless cases suggests that simply is not the case. There are employees struggling who are not included in the furlough schemes because they picked the wrong time to change their jobs and seasonal workers whose bosses simply did not get the paperwork done in time. UKHospitality told the Treasury Committee that somewhere between 350,000 and 500,000 people in that sector were potentially missing out because they had not had their first payslip before the end of March.

[Owen Thompson]

There is growing unease among those who were furloughed that support will start to be tapered before they can build some earnings again and that their jobs will be on the line, too. We cannot simply shrug our shoulders and say “Too bad, mate”, to all those issues, blaming the complexities of the rules and saying that there are some who may try to bend them. Yes, there are challenges to making the system work, but in an emergency such as this it is the role of Government to put the people first. There is no excuse for missing anyone out.

Now is the time to finesse, improve and extend support for small and medium-sized businesses and freelancers, who will be more than willing to repay the Government’s efforts in their taxes over future years. Withdrawing support at a crucial time would be an economic disaster.

Fairness and equal treatment should be at the heart of action from HMRC, which is why I must mention my great disappointment that the Government refused to review the unfair application of the loan charge and to stop the IR35 tax law changes from pressing ahead. IR35 introduces yet another group of zero-hours employees. The Chancellor has listened to many of these concerns, and I know he has taken steps to resolve some of the issues in the past. I commend him for those efforts, but I urge him not only to keep listening, but to take action.

4.52 pm

Judith Cummins (Bradford South) (Lab): In this debate on the HMRC estimates, I will focus on the potential economic effect of local lockdowns and the need for a flexible local furlough scheme and wider economic support for affected areas. As has been widely reported, Bradford has had a higher than average rate of infection in recent weeks, but I am pleased to say—the whole House will be pleased to hear this—that it has been coming down. However, the risk of things worsening again is very real.

As a city, Bradford has a higher proportion of people who work in high-risk jobs: as key workers in health and social care, in retail and in the gig economy. Out of 198,000 employees in the district, 75% have never worked from home. These people are sadly at higher risk of catching the virus, but they also need more economic support in the event of a local lockdown. Many of my constituents do not have the luxury of vast savings to fall back on. We are not talking here about decisions on whether to take a holiday, but real dilemmas about how people will feed their families.

The furlough scheme and the self-employed income support scheme need the flexibility to deal with local lockdowns. If people in a certain area are told by Government to stay at home, it is only right that they can be furloughed during that period. That must include people who work in an area under lockdown, as well as those who live there. I urge Ministers to bring forward proposals on that now, before it is too late. We urgently need more information from the Government on how local lockdowns will work and what support and information will be provided.

The local data has been too slow to come to local authorities, and the criteria used to determine whether somewhere should go into or come out of lockdown are unclear. Clearer information from Public Health England and the Department of Health and Social Care on local

infection rates would also allow areas to plan their responses. The Government should publish local figures on test and trace, so that we can see where the system is not working as well as it should and take steps to improve it.

Importantly, the Government should take proactive measures to prevent places such as Bradford from needing to go into a second lockdown. This might include more funding for the council for public health outreach as well as financial incentives for people to do the right thing. The economic impact of a second lockdown on a local area will be huge. The Government must be clear about what financial support they will provide in these circumstances to protect jobs and livelihoods, and to help with local economic recoveries. A failure to act will cause economic devastation for many and, ultimately, by undermining the public health advice, cost lives.

Mr Deputy Speaker (Mr Nigel Evans): Thank you for taking only three minutes, because that is where we are now going in order to get as many in as possible. I call Patricia Gibson, with a three-minute limit.

4.55 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): The Government’s action to save jobs through the job retention scheme was welcome, but there is a growing chorus across this House that too many have fallen through the cracks—the newly employed, the contract workers, the freelancers. This is deeply unfair because these people have been passed over, they have been excluded and they have been abandoned. Of course, whatever system we put in place, this was always going to happen. That is why there should have been a universal system of support for all workers affected. That way, truly no one would have been left behind.

However, there is still time for the Chancellor to put these support mechanisms in place, and we urge him to do so. For example, we urge him to put in place an emergency basic payment to all those who have been left behind. If he does not think that is appropriate or suitable, let us hear his way of dealing with this, because doing nothing is no longer an option. The whole point of the job retention scheme was to save jobs, but if this furlough support is withdrawn too early, on 1 August, and rolled back, it will fail in that goal. The task to save jobs must be completed: it must be allowed to do its job and save tens of thousands of jobs for our constituents.

Of course, the other thing we can do is to convert the loans that businesses have taken out into grants. I petitioned the Chancellor on this very issue in early April, and I am still to receive an answer. The driving force in everything that is done must be about saving jobs and saving our economy. The Bank of England has said that the debt incurred through this crisis must be treated as war debt, and that sounds eminently sensible to me, because in a way this is a war. It has been a war on our health and it has been a war on our economy.

What we need is for the Government to throw every available tool at their disposal at defeating this enemy. We need targeted support for the aviation, tourism and aerospace sector. We need targeted support for our islands, which face a real threat of depopulation. The islands are in a unique position: 300,000 people in the UK live on islands, and they are hit with the double

whammy—not just the crippling of our tourism industry, but, as easing takes place, social distancing on the ferries to access islands will create further difficulties for them.

We know that UK Government borrowing will reach £340 billion this year, and quantitative easing will reach £745 billion. Scotland has received a total of £10 billion, but where is the rest of Scotland's share? What Scotland needs is more effective tools at its disposal to take charge of the situation for ourselves. We need greater powers to deal with this economic tsunami, because that is what it is. It is an economic tsunami, and it is threatening to engulf us, so we need more action, more support for our constituents and more work to save more jobs.

4.58 pm

Daisy Cooper (St Albans) (LD): This morning, almost a quarter of all MPs—about 150 of us—joined a Zoom call for the first meeting of the all-party parliamentary group on the 3 million workers who have been excluded from Government schemes.

Like many others in this House, the Minister will be aware that I have been quite persistent in raising the issue of the plight of limited company directors. On 1 May, I tabled a written question with a very specific, concrete proposal from Directors UK, asking the Treasury if it would consider the idea that limited company directors could submit dividend certificates through an online portal linked to HMRC's self-assessment process. I was pleased when I got the response five days later, because it said that he would be reviewing that proposal.

A further seven days later, the Minister held a call with a number of Members of this House on the launch of the self-employed system, and again, when I raised it, he agreed to look at this specific proposal about the use of dividend certificates. A further five days later, I wrote again to the Minister, following up on that call and gently reminding him that I was looking forward to receiving a response. A further eight days later, in despair, I wrote to the Chancellor asking about the same issue, as well as many others who have been excluded from the schemes.

A further eight days later, on 3 June, we had another phone call when I raised this issue once again, and asked explicitly for a written response on why the dividend certificates idea had not been considered and why we could not get an answer. Much later, on 23 June, I got a response from a Treasury official—it was a response, but not an answer, and said simply that under current reporting mechanisms, it is not possible for HMRC to distinguish between dividends that are derived from an individual's own company and those from other sources. It went on to state that targeting additional support for those who pay their wages via dividends is much more complex than existing income support schemes. It seems that the Treasury has thrown its hands up in the air and stuck the issue in the “too hard” basket. With all due respect, the Government must do better. It is clear that the Chair of the Treasury Committee, the right hon. Member for Central Devon (Mel Stride), and many other Members agree.

Here we are, with directors of limited companies, new employees and the newly self-employed, all of whom feel utterly abandoned by the Government who

have labelled them as “too complicated” to support. That is also having an enormous impact on people's mental health, and many cannot see a way out. They are spending their life savings, and are worried for their livelihoods and their homes. I have been trying hard for two months to get an answer to the specific, concrete proposal about the use of dividend certificates. I now ask again, for a sixth time, whether we may have an answer to that specific proposal, whether it can be used technically, and, if it cannot, for an explanation as to why it will not work so that Directors UK and others can come back with a new idea.

5.1 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to take part in this debate, and I join Members across the House in representing the excluded in the United Kingdom. I am fascinated by the way that those who have chosen to adhere to Government advice and set up limited companies are currently being treated as if they are some sort of Mr Bill Gates. Those who decided to set up such companies are not all a Bill Gates. They were told to do this. Indeed, the advice they were given was to create such an arrangement for financial security, yet they now find that there is no financial security for them. I join other hon. Members in hoping that the Government will address that issue.

The Government must also address the issue of who is self-employed and who is not. They have had the Taylor review for three years but they have sat on it, and far too many people in the economy are directly employed yet designated as self-employed. They are also missing out on Government support, particularly those who, over the past couple of years, have found themselves directly employed and then moved to being self-employed. I hope the Government will consider that area.

I want to offer huge thanks to the HMRC staff who have performed heroics to ensure that companies have been paid through the various support schemes. We have seen the benefits of home working, and many of those employed by HMRC have been working from home and gone the extra mile to ensure that companies are paid. What is the thanks they get? They get a notice from HMRC, notifying them that they could very well find themselves in a redundancy situation. That is an absurdity. HMRC went ahead with its office closure programme, but we have now seen the benefits of home working. Why should someone who has been asked to travel 100 miles to their next workplace be faced with a redundancy notice when this crisis, this pandemic, has proven the benefits of working from home to keep the economic wheels turning? I hope that the Minister will respond to that disgraceful treatment of HMRC staff. Perhaps instead they should be given the reward they deserve, which is an above-inflation interim pay rise, as that is exactly what the civil service deserves in these times.

5.4 pm

Stephen Farry (North Down) (Alliance): I want to start by acknowledging the scale of the intervention from the Government with regard to the self-employed support scheme and the job retention scheme, and also to recognise the speed with which they moved to put those in place. But what could have been a universally good and welcome story has been somewhat soured by the gaps that have been identified. I do accept that gaps

[Stephen Farry]

were inevitable, especially with something that was put in place so quickly: that is not the criticism. Where there is valid criticism is in the fact that many solutions have been put forward over the intervening months, and these have been essentially pushed back without any real consideration of those who have been dismissed. Whenever we write to the Treasury or HMRC, we tend to get the schemes explained back to us when we are actually asking for flexibilities around them. We know the rules around them already—that was not exactly the point.

Many Members have raised concerns about this on the Floor of the House. All the Opposition parties have spoken to the Prime Minister behind the scenes and received warm words but no action. It is important that we pay tribute to groups like ExcludedUK, which have been campaigning on this issue. The fact that we now have the ExcludedUK all-party parliamentary group established under the leadership of the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone), with 180 Members signed up to it for its first meeting, is an indication of the scale, right across this House, of the concern about these ongoing situations. I am certainly pleased to have become the secretary of group, and declare that for the record.

The Chair of the Treasury Committee, the right hon. Member for Central Devon (Mel Stride), has outlined the different categories, so there is no need to repeat that, but I do want to pay tribute to the work of the Committee and its report. Some of the gaps that have been identified involve young entrepreneurs and freelancers. They are the future of the economy, and we have a Government who want to encourage entrepreneurship, in theory at the very least. People are offended by being labelled as potential fraud risks. There are also issues around access to finance, given that some of them depend on different types of finance rather than through the traditional banks. There is also an issue emerging around 14 July as the qualifying date for the second phase of the self-employment scheme, which ignores the fact that some people have not been able to work through June but are only now, through the relaxation of the rules, going back into work.

I also want to put on record the issue around Northern Ireland driving licences and the use of Irish passports for registration. While a workaround solution was found in that regard, some people from Northern Ireland have had to jump through more hoops than others, and that reflects some of the problems of putting the Good Friday agreement identity rights into law in the UK as a whole. We need to fix the gaps and extend the future prospects of the key areas of aerospace, tourism and the leisure.

5.7 pm

Jim Shannon (Strangford) (DUP): I begin by thanking the Government for the steps that they took at the outset of this pandemic. There are many shops on my high streets and many businesses in my constituency that would have not been open today were it not for the grants and for the staff receiving the furlough. I believe in giving credit, so I give credit to the Minister and to the Government for all the help that they have given. I want the Minister to remember that that is my starting point, because I am not criticising but I want to highlight a number of issues.

With reference to the self-employed income support scheme, my constituent Alan Petticrew ran into difficulties due to the fact that trading profits must be no more than £50,000 and at least equal to non-trading income for 2018-19. Alan's trading profits were less than that so he received no assistance at all, despite the fact that he had overheads and creditors. The Government can and should make provision for limited company directors. It is not right that anyone who has suffered financially as a result of the public health measures should be left out of support. It is not right for the economic recovery either. The UK relies on an army of limited company directors and freelancers for economic growth. They already face more uncertainty, more risks and lower levels of protection than other workers, and the recovery will be slower if they are not about.

Carla Lockhart (Upper Bann) (DUP): The Treasury has done a magnificent job, but ultimately Martin Lewis has summed it up: a number of people have not benefited, including people who have changed jobs, started a business in the past 18 months, been freelance, directors or agency workers, or had an employer who did not really care.

Jim Shannon: I thank my hon. Friend for her intervention. She is absolutely right. That will be reflected in all our constituencies across the whole of the United Kingdom of Great Britain and Northern Ireland.

My next example is that of our fishing sector. A self-employed fisherman whose average earnings were just above the threshold for the self-employed scheme was not entitled to any financial support from the scheme. The guidelines should have been amended, as the scheme pay-out was capped at £2,500 and seemed discriminatory in that it only offered assistance to the self-employed earning under £50,000. This was also not in line with the PAYE scheme. The Government stated that this affected only a small percentage of people—it is just unfortunate that many of those people happen to be in my constituency and are my constituents. Not everyone who was employed during the tax year 2018-19 but has since become self-employed qualified, so they had no recourse to wages. That was despite being employed and switching to being self-employed. Again, the issues are very clear. Some people's income through employment was more than their income through self-employment because they decided to become self-employed part of the way through the year 2018-19, and they did not qualify. Again, I believe that is very unfortunate and unfair.

The Chancellor set the date for the furlough scheme at 19 March rather than 31 March, but that excluded thousands of people, like my constituent Carl. Most companies end their financial year on 31 March, and many like Carl take their annual salary then. The date that the Chancellor set excluded my constituent and many others from the scheme. It is more than a case of semantics.

The discretionary aspect of the furlough scheme also led to difficulty with small business employers who were able to keep their shops open. With a third of staff asking to be furloughed, those who owned the shops had to work six days on 18-hour shifts in an attempt to keep their businesses afloat and their staff happy. On the other hand, there were employers—we all know

about them—who refused to furlough when companies on mainland UK did. Again, the guidance could have been a wee bit better.

The fact is that we are facing the worst recession in living memory, and brighter and better minds than mine have come up with steps that could be taken. I put forward the suggestion, which has been mooted in the press and elsewhere, of spending vouchers for certain British businesses on my high streets in Newtownards, Comber, Ballynahinch and Saintfield. That would help many businesses and suppliers in the local economy.

I thank the Minister and the Government for what they have done. Please continue sowing, and we will reap the bounce back from the recession much more quickly. If the things that I and others have talked about are done, our businesses will be in a better place.

5.11 pm

Alison Thewliss (Glasgow Central) (SNP): I want to start with two quotes:

“Everyone in this country has benefited one way or another from what we have been able to do”,

and

“everyone, no matter where they are, has access to more support than they did before this crisis began.”

The Chancellor’s answers to me this morning have rung very hollow for those who have missed out on the coronavirus job retention scheme and the self-employment income support scheme.

My Twitter timeline is full of people infuriated at being left high and dry by the UK Government. Groups campaigning on this matter include ExcludedUK, New Starter Justice, ForgottenLtd, Forgotten Freelancers, Forgotten PAYE, the maternity petition group, those affected by the £50,000 cliff edge, Women in Film and TV, the Association of Independent Professionals and the Self-Employed, which points out the impact on disabled self-employed workers, the people the hon. Member for Wycombe (Mr Baker) mentioned who are campaigning on tronc, and the Federation of Small Businesses. All those people in all those groups, estimated to number around 3 million, would dispute the Chancellor’s assertion. They have gone for more than 100 days with no income, and there is no prospect of that changing very soon unless the Chancellor acts. As other hon. Members have pointed out, those are ordinary people. During this debate, a taxi driver who lives in my constituency, who has had to live on £380 a month, has been in touch to say that he risks bankruptcy as a result of this. He has bills to pay—he has to pay for his taxi and the rest of his household bills—but has had no income.

I do not dispute that the UK Government’s intervention has been substantial. The right hon. Member for Central Devon (Mel Stride) set out quite well the report that came out of the evidence collected by the Treasury Committee, on which I sit. There are many who have fallen through the gaps. The report states:

“the Government must assist these people if it is to completely fulfil its promise to do whatever it takes to protect people from the economic impact of coronavirus”.

The job retention scheme—furlough—has kept many people in employment. By choosing to roll it up prematurely, the Government undermine the whole objective. Businesses fold, and people lose their jobs and are pushed on to benefits, if they are eligible for them at all. There has

been a disturbing increase in the number of firms making employees redundant in recent weeks, with reports of some businesses exploiting furlough to cover the notice period and cut redundancy payments.

Businesses that have had no income for months cannot take the additional burden of national insurance costs, followed by an increasing proportion of wages. That is particularly true of hospitality, tourism, travel and the cultural sector as a whole. The engineering and manufacturing sector, which may have fulfilled order books but have not been able to bring in new work due to the lockdown, may also be struggling.

Differential lockdown across the nations of the UK, and indeed within them, also poses a problem for the future. As my hon. Friend the Member for North Ayrshire and Arran (Patricia Gibson) and the hon. Member for Bradford South (Judith Cummins) pointed out, if there is a sudden spike in an area, as there has now been in Leicester, once the coronavirus job retention scheme and SEISS are wound up, families will be placed in an impossible situation. The furlough scheme must stay in place for as long as it is required.

The design of SEISS has meant that people have faced an arbitrary cut-off, which does not exist in the job retention scheme. There are issues with the design of universal credit: I have had constituents ineligible for support because of their partner’s income or because they have been over the savings limit due to their business savings. An emergency basic payment would plug some of these gaps and help to ensure that people have at least some money coming in.

On further administrative issues with the schemes, I would, first, like to make it clear that I do appreciate the strain on the system and the work that staff have done, even though, as my hon. Friend the Member for Glasgow South West (Chris Stephens) mentioned, they have also faced job losses. I appreciate the scale of the task, both for Ministers and for HMRC. I would be remiss in my duties, however, if I did not raise concerns about the difficulties that businesses and their employees are facing. I have spoken to businesses in my constituency that are still unable to access the JRS, 11 weeks after it opened, and it is clear to me that HMRC has little discretion when it comes to overturning claims, and that this rigidity would appear to be a direct instruction from the Treasury. Businesses have shown me evidence of how HMRC’s mistakes have meant they cannot access the JRS. Often there were delays with uploading real-time information that were not their fault. Online access codes were posted to the wrong place or not at all, and call-backs that were promised never materialised. I should add that HMRC often did not call me back either.

In the case of one business in my constituency, the Sub Club, a much-beloved venue in Glasgow, I asked the Financial Secretary to the Treasury, in an email of 22 June, to use any influence he might have to save a stalwart of Glasgow’s night-time economy. Unfortunately, I am yet to receive an acknowledgement of the email, and the Sub Club had to launch a crowdfunder today to keep going. NY Slice has had perpetual difficulties submitting RTI to HMRC. After much to-ing and fro-ing, a complaints handler advised the business on 21 May that its furlough claim had been rejected and there was no right of appeal. The owner contacted me this morning in utter desperation, as he is now being

[Alison Thewliss]

taken to an employment tribunal by staff who had expected their wages. That could have been avoided had HMRC been more reasonable and more supportive.

Glasgow Guild Antiques and Restoration Ltd and KOHI have also faced issues with the RTI registration, as has the Erskine Bridge hotel, in the constituency of my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands), where 73 employees have been left destitute. The incompetence of HMRC, the failure of its internal processes and its refusal to entertain any appeals, even on the basis of its own mistakes, are needlessly pushing businesses across this country to the brink. The Treasury is aware, yet it seems content with that direction of travel. I beg the Minister to look again at those businesses left on the margins, and to do the right thing by these very viable businesses and their employees.

Lastly, I wish to ask the Minister to clarify the report by Martin Lewis that workers will need to pay tax on vital coronavirus tests. That is utter madness and will completely undermine the hard work of businesses, organisations and all UK Governments across these islands that has gotten us to where we are now. A life-saving test is not a “workplace benefit”, and for HMRC to class it as such shows how completely out of touch the Tories are with reality. I ask the Minister to take action on that today.

The job retention scheme and SEISS have been significant. The Chancellor has a choice tomorrow. I ask him to extend the furlough scheme and SEISS for as long as the UK’s four nations require it, so that nobody is left behind.

5.18 pm

Dan Carden (Liverpool, Walton) (Lab): I am delighted to be taking part in this debate on behalf of the Opposition Front-Bench team, with this being my first time at the Dispatch Box opposite the Financial Secretary. Let me start by thanking the Treasury Committee for its important work in preparation for this debate. This is by no means a run-of-the-mill estimates debate; these are exceptional times, and the schemes put in place by Government, and called for and supported by the Opposition and the trade unions, are incomparable to anything we have seen before, with £42 billion for the coronavirus job retention scheme and £10 billion for SEISS.

Since March, communities up and down the country, families, workers, the self-employed, traders and business owners have had their way of life changed beyond recognition. A public health crisis became an economic crisis. The lockdown meant that businesses had to close, work dried up and all but essential parts of the economy came to a standstill. From the beginning, the Government have been too slow: too slow to take the threat seriously; too slow to lock down; and too slow to test, track and isolate. The key aspects of the response required Government to communicate public health messages clearly and to earn public trust for their actions. They have, regrettably, without question, failed on both those measures.

I turn now to the schemes. More than 9 million jobs have been furloughed and more than 2.5 million claims have been made for self-employed income support. Where improvements are needed, we have made suggestions,

plugging gaps and ensuring flexibility, and we are still calling on the Government to abandon their one-size-fits-all winding down of these schemes. It was a shame to see the Chancellor dig his heels in on this earlier today. And we are still calling for changes to sick pay so that people are not forced to choose between their health and their income.

There have been problems and missed opportunities with these schemes. All of us will have dealt with the heartbreaking situation of constituents being laid off, despite their employers being eligible for the scheme. The scheme was made available to all employers, but early communication failed to make it clear that firms were expected to furlough staff, not lay them off. New starters were not covered by the scheme. There was a lack of clarity to ensure that employers furloughed staff who needed to shield at home even if businesses continued to function. Agencies, including umbrella agencies, too often chose not to furlough staff, but rather to keep them on their books without work.

Meg Hillier: We were shocked in the Public Accounts Committee to discover that, despite planning for a pandemic, there had been no planning for what to do with the economy in a pandemic, which rather goes to the point that my hon. Friend was making about the muddled advice and the changes to the scheme as it was being implemented.

Dan Carden: I thank my hon. Friend for that intervention. She is absolutely right that far too little preparation was done. We saw that with the stocks of PPE at the beginning of this crisis.

Too many did fall through the gaps. We have heard that it was as many as 3 million, according to ExcludedUK, and upwards of 1 million, according to the Treasury Committee. Perhaps most shamefully, some companies, such as British Airways, have used lockdown and the job retention scheme not to protect jobs, but as cover to plot mass redundancies and drive down the pay, terms and conditions of their workforce. That is a situation that could have been avoided had our Government followed the example of Denmark by making support schemes conditional on jobs being retained. So why did the Chancellor fail to act in the interests of workers? There were also missed opportunities to change corporate tax behaviour, to secure environmental gains, to drive up employment rights and to work with trade unions. It is just plain wrong. Companies that have avoided paying their taxes have received taxpayer bail-outs, with no requirement to change their behaviour, to stop tax avoidance, to stop profit shifting and to stop their use of tax havens. So did the Chancellor fail to act in the interests of taxpayers?

We have called for a full back-to-work Budget, one that is focused on preventing mass unemployment and on creating the jobs of the future, but instead we have an economic update from the Chancellor tomorrow, and we will have to wait to see what comes of that. Some 3.4 million people have already been moved on to universal credit since March and, with lockdown easing, it seems that we have an exit without a strategy.

Let me turn to HMRC itself and where the principle of job retention, it would seem, does not apply. HMRC’s staff numbers have fallen from 105,000 in 2006 to 65,000 in 2019. During those years, the UK cut more

revenue collectors than any other European tax authority. Only Greece cut more staff as a proportion of population. The current office closure programme puts a further 2,000 HMRC jobs at risk on top of the more than 900 jobs already cut. One hundred and seventy local tax offices are closing around the UK, leaving 13 regional hubs and four London offices. That will leave no tax office for the south-west closer than Bristol, no tax office in East Anglia at all, and none in Scotland north of Edinburgh and Glasgow, severing the connection with the communities they serve. We oppose the office closures programme. Counter to the Government's levelling-up narrative, it will see offices closed and jobs lost in towns across the country, from Wrexham to Warrington, Stockton, Dudley, Shipley and Solihull.

Low pay, poor staff retention, high staff turnover and redundancies are all wasting thousands of years of institutional knowledge and expertise at HMRC. It is the incredible work of staff administering the coronavirus schemes that has done so much for people across the country, but it has also meant that key duties elsewhere have had to be suspended. Perhaps our biggest challenge in the coming years will be to restore our public finances and reinstate our tax base, and for that we need HMRC firing on all cylinders.

We know that tax audits bring in at least four times what they cost—£4 to £6 for every £1 spent—and those subject to audits also declare more of their profits in future years. Quite simply, we need tax collectors in order to collect tax. I say sincerely to the Minister that, in the light of the challenges ahead, he should halt the redundancies, stop the office closures and commit himself to a properly funded and resourced HMRC.

We need the Government to break away from their blanket approach to this crisis. They must look again at sector-specific support beyond October. It can make no sense for viable jobs and sectors simply to be left to collapse, and I implore the Minister to work with trade unions and the TUC to that end. As my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) said, the Government have fostered, and indeed pursued, the growth of a gig economy across this country, and the lack of support for those people has been astounding. We have a crisis of hunger in our communities, with food bank use multiplying and people unable to pay their bills, their rent or their mortgages. The Government must do more for those left unemployed by the coronavirus pandemic.

We are also living through the most incredible demonstration of the value of our public services. There has never been greater urgency to ensure that our tax system is fit for purpose, so that those with the broadest shoulders pay their fair share. Never again can a crisis be heaped on the least well-off and the least able to afford it.

During the last decade of austerity, the richest 1,000 people in the UK increased their wealth by 183%. Aggregate private wealth is now over six times our GDP. We therefore welcome the serious academic research under way on how a UK wealth tax would work. That research is being carried out at the London School of Economics and the Centre for Competitive Advantage in the Global Economy at the University of Warwick, alongside the Institute for Fiscal Studies, the Institute for Government, the OECD and the Resolution Foundation.

In order to sustain funding for universal public services, deliver the coronavirus support schemes and create the sustainable green jobs of the future, we need fair and progressive taxation that confronts growing wealth inequality, to build a just and sustainable economy that puts people, jobs and the planet first.

5.28 pm

The Financial Secretary to the Treasury (Jesse Norman): I thank my right hon. Friend the Member for Central Devon (Mel Stride), who chairs the Treasury Committee, and the Backbench Business Committee for using this estimates day debate to shine a light—in many ways a warm light—on the performance of Her Majesty's Revenue and Customs during this extraordinarily testing and difficult period. I am grateful to all Members who have contributed to this interesting and lively debate.

I welcome the hon. Member for Liverpool, Walton (Dan Carden) to his first debate as my opposite number, which I hope will be the first of many, although I do think that he slightly missed the tenor of the argument in calling the Government too slow, given that most other Members who have commented have been concerned about the sheer speed of our delivery and whether people might have been missed out in this set of measures. The coronavirus has the potential to spread with extraordinary speed across a population.

In March, the Government took the unprecedented step of asking businesses and employees to halt their normal activity for an extended and, at that time, indeterminate period of time. At the same time, or shortly afterwards, the Government unveiled an extensive package of support that included a business rates holiday, VAT and income tax deferrals, and Government-backed and guaranteed loans worth £300 billion.

At the heart of that response was, as has been highlighted in the debate, not one but two major schemes that between them covered the vast majority of the working population. As right hon. and hon. Members from all parties have mentioned—my great friend the Member for Wycombe (Mr Baker) in particular highlighted this—had that been done in normal circumstances, it might have taken months or, more likely, years to deliver just one of the schemes, let alone two. My hon. Friend was absolutely right to highlight what an extraordinary achievement it was to bring in both schemes at the speed at which they were introduced. He used the phrase “extraordinary achievement”, and he was right.

Meg Hillier: It was an achievement, but although there was a planning exercise—there have been many planning exercises for pandemics—the Treasury has told us that in 2016 there was no economic planning for a pandemic. Was the Minister aware of that, and does he think that should change?

Jesse Norman: I have not gone into the arrangements for pandemic that the Treasury had in 2016, at the time the hon. Lady mentions, so I cannot comment on that. What I can say is that when pandemic struck, the two schemes were put in place with astonishing speed and capability. I do not think that is contested in the Chamber; it is well understood.

The coronavirus job retention scheme was announced by the Chancellor on 20 March and opened for applications just one month to the day afterwards. Six days later, the Government announced the self-employment income

[*Jesse Norman*]

support scheme, with a target of making the first payments by the middle of June. In fact, the online portal opened for applications on 13 May, weeks ahead of schedule, with the first grants being paid into bank accounts on 25 May and within six days of application thereafter. That was achieved with more than 80% of HMRC staff working from home. Silos disappeared and timelines were condensed to extraordinarily short lengths of time as officials from across Whitehall came together to solve the problems. In so doing, they set up a kind of exemplar of what a really effective 21st-century civil service would look like. It is a model that we are looking at very closely in our thinking about how we might change the tax administration system to make it more resilient in response to the concerns.

The achievements I have outlined have been widely welcomed in this debate, and rightly so. There cannot be any Member who has not walked down their local high street in the past week or two and spoken to those at the shops that are reopening who have had the benefit of the furlough scheme, or to traders who have had the benefit of the self-employment scheme. I am massively proud—we should be proud as a House—of HMRC's efforts to design and deliver the schemes so quickly and with such effect.

The CJRS—the furlough scheme—has helped 1.1 million employers throughout the United Kingdom to furlough 9.3 million jobs, while 2.6 million self-employed individuals have applied for grants worth more than £7.7 billion. As has been said often, I do not pretend today for one moment—I do not think any one of us does—that the schemes are a panacea. Right hon. and hon. Members have rightly highlighted instances of groups and individuals who are very regrettably and unfortunately not eligible under the scheme rules. It is important to say that under no circumstances and at no point have those people been in any way forgotten by the Government; we have listened carefully to Members, as well as to employers, and refined both schemes to include more people where possible. For example, those returning to work after periods of parental leave and reservists who return to their jobs after active service in the armed forces are now able to access the flexible version of the furlough scheme, and similar accommodations have been made with respect to the self-employment scheme.

Together, the measures I have outlined represent an economic intervention unmatched in recent history. Nevertheless, the practicalities are such that the Government have not—I recognise this—been able to support everyone in exactly the way they would want. If I may, I shall address some of the specific points raised in the debate in a moment, but first it is important to understand the principles that guided the Government's response.

Ms Angela Eagle: It is not that we wish the Minister to support people in the way that they want. He has to recognise that there are 1 million people who have been given no support at all; we want some consideration for them. Their businesses and livelihoods have been affected because of Government decisions that—understandably, for health reasons—closed down the economy. Will he please address that?

Jesse Norman: I will be coming to some of the points that the hon. Member raises later in my remarks. We are focusing on the furlough scheme and the self-employment

scheme, but of course these schemes have been a small percentage of the overall response, which has included a vast array: £300 billion of loans, tax deferrals, grants, reliefs and the rest of it, as well as support under universal credit and other forms of benefit. It has been a very, very comprehensive system of support, of which we can be proud.

Let me push on. I was talking about the principles involved. The scale and urgency of the crisis were such that the Government's overwhelming and overriding motivation was to deliver the greatest help to the greatest number of people as quickly as possible. That was the driver behind the schemes. Both were designed to make use of existing processes and verifiable data precisely in order to make the implementation happen in the fastest possible time and to minimise the risk of fraud, error and delay. Any delay would have meant that millions of people who benefited from the schemes would not have received the support when they needed it most.

It has not been possible to extend the self-employment scheme to individuals who became self-employed after 2018-19, because although self-employed taxpayers can file returns for 2019-20, this would have created an opportunity for fraudulent operators and criminals to file fake returns. It does not take an enormous amount of mental mathematics to calculate that a relatively small percentage of additional fraud would equal quite a lot of additional schemes that would have had to be assessed and worked through the system. That is what makes it so difficult. As the House knows, these problems have been highlighted in testimony to the Treasury Committee. It is also important to be clear that these are just two measures within a much larger package of Government support.

I only have one minute left, so let me turn quickly to the points that have been raised. My right hon. Friend the Member for Central Devon raised the question of fairness to individuals. I understand his point. I think he is aware that the schemes are targeted at those who need them most, and the self-employment scheme is most reliant on people's self-employment income. He has had an explanation of the 95% figure that we have used—that is, those who get more than half their income from self-employment and who could be eligible for the scheme. Of course, many of those people are also entitled to claim other benefits.

The hon. Member for Hackney South and Shoreditch (Meg Hillier) said that it cannot be beyond the wit of the Government to address these issues. Of course, it is true that people have found groups that have been left out, but I put it to her that this has been extraordinarily difficult. We have been able to make changes at the margins but not at the core, precisely in order to deliver the benefits we wanted.

Let me finally say, in response to my hon. Friend the Member for Wycombe, that the OBR has projected some £60 billion in total for the current schemes and £15 billion for supplementary estimates. That may be the order of magnitude that we are talking about. I wish that I could speak for longer.

5.38 pm

Mel Stride: I will be brief, Madam Deputy Speaker, because I realise that there is another debate to follow. I think that we largely agree across the House about what is working and the fact that the Government have come

out with a major programme at considerable pace, which has been laudable. However, that is not the same as saying that everything is perfect or that it cannot be fixed. It seems to me that the Government and the Chancellor have in the past taken an iterative approach to some of these schemes, as the Minister has just been setting out, and our question will be: why can he not take an iterative approach to some of the gaps?

When the head of HMRC appeared before the Treasury Committee, he used an expression to the effect that HMRC has discovered in this process of rolling out these programmes that it has been capable of doing things that it did not think it was capable of doing. I say to HMRC and the Government: let us have that same approach adopted now in respect of the gaps, and let us look after and support those million-plus hard-working people up and down the country who are worthy of it.

Question deferred until Thursday 9 July at Five o'clock (Standing Order No. 54).

5.40 pm

Sitting suspended.

Business, Energy and Industrial Strategy: Departmental Spending

[Relevant Documents: Oral evidence taken before the Business, Energy and Industrial Strategy Committee on 14 May and 4 and 18 June 2020, on the Impact of Coronavirus on Businesses and Workers, HC 219 First Report of the Petitions Committee, The impact of Covid-19 on maternity and parental leave, HC 526 e-petition 306691, entitled Extend maternity leave by 3 months with pay in light of COVID-19.]

Motion made, and Question proposed,

That, for the year ending with 31 March 2021, for expenditure by the Department for Business, Energy and Industrial Strategy:

(1) further resources, not exceeding £28,238,529,000 be authorised for use for current purposes as set out in HC 293 of Session 2019-21,

(2) further resources, not exceeding £8,707,662,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £23,687,553,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(*Kwasi Kwarteng.*)

Madam Deputy Speaker (Dame Rosie Winterton):

The debate will be led by the Chair of the Business, Energy and Industrial Strategy Committee, the hon. Member for Bristol North West (Darren Jones). I inform Back Benchers that I will impose an immediate four-minute time limit—I am sure you will appreciate that there is a great deal of demand for this debate.

5.43 pm

Darren Jones (Bristol North West) (Lab): It is a pleasure to open this debate, and I will try to keep my remarks as short as possible to give time for colleagues in the House to contribute. Before I begin my substantive remarks, I pay particular tribute to the right hon. Member for Tunbridge Wells (Greg Clark), who chairs the Science and Technology Committee, and the right hon. Member for Ludlow (Philip Dunne), who chairs the Environmental Audit Committee, for their support. I note that the right hon. Member for Ludlow is unable to take part today because of the lack of virtual proceedings, but he had intended to do so.

The Department for Business, Energy and Industrial Strategy is at the heart of Britain's recovery. If we are to recover from the economic costs of the pandemic and tackle the climate crisis, it is imperative that we build back better for Britain, with a more inclusive, productive and sustainable economy that provides opportunity, security and resilience for families in every part of the United Kingdom.

That means good jobs for every generation in every part of the country; it means investing in key sectors in order to increase British manufacturing and British exports; it means Government partnering with business to bring forward investments in digitisation and technology transformation to improve productivity, with a specific focus on small and medium-sized enterprises; and it means recognising the importance of a fiscal stimulus in people as well as infrastructure, in the knowledge that an investment in every worker's skills is an investment in the interests of the British economy. In each of those

[Darren Jones]

priorities, embedded in every single spending commitment, the Government must set out how they will accelerate our transition to net zero. Tackling climate change should no longer be a standalone policy; it should be at the heart of every Government decision.

I am confident that across Britain, in every part of our great country, from students and workers to business leaders, entrepreneurs and innovators, we have the capacity to rise to the patriotic challenge before us—that together, we can get Britain back on its feet. That is why, at this turning point for Britain, as we leave the European Union and reset our role in a world quickly changing around us, the Government have an opportunity to rise to the challenge and create a modern, dynamic and aspirational Britain that is fit and ready for the future.

The breadth of interest in this debate is a function of the gamut of responsibilities and policy areas contained in the BEIS brief—an important brief for us to hold to account. The pandemic has given the Government, and BEIS most of all, an overriding and immediate task: to save as many jobs, businesses and livelihoods as possible. Covid has seen day-to-day departmental spending increase eightfold in the space of a year, from £2.1 billion in 2019-20 to £15.9 billion in 2020-21, with a significant majority of it concentrated on delivering emergency loans to the hundreds of thousands of businesses that have required help.

Mark Tami (Alyn and Deeside) (Lab): Obviously, the aerospace industry is not going to come back any time soon, so we must look at how we will invest to keep those jobs and skills in the medium and longer term. In particular, we have seen the sort of support that has come from the German and French Governments; we really must look at least to mirror that in this country.

Darren Jones: I thank my right hon. Friend for his intervention. He and I have shared constituency interests in that important industry, which I will touch on later in my remarks.

It has been entirely right that the Government have acted quickly, but the scale of the expansion underlines the need for Parliament to scrutinise the effectiveness of its delivery, the extent of the future liabilities to which it exposes Government, and the plan for how support will be provided to the many businesses that are not yet out of the woods and will emerge from this crisis newly indebted—in short, what comes next.

The first key test for the Department must be to ensure that businesses large and small get the help they need in respect of both liquidity and debt management. In the course of our inquiry into the impact of coronavirus on businesses and workers, my Committee has seen evidence of employers doing the right things, but also of businesses and employers doing the wrong things. Conditionality on future support, in respect of both corporate behaviour and embedding the net zero transition and worker training, should become the new normal.

The Department should also take the opportunity to learn lessons from the initial phases of support. For example, my Committee heard consistent evidence of frustration at grindingly slow approval processes for Government-backed coronavirus business interruption loans and a reluctance to lend on the basis of the

Government's 80% loan guarantee, in addition to a widespread perception that eligibility requirements were not being applied consistently.

I wrote to the Secretary of State following the publication of the main estimates to seek an update on whether approval and take-up rates under the interruption loan schemes ever actually increased, particularly following the roll-out of bounce-back loans. It will be vital for my Committee and the House to understand the complete picture in that respect. Equally, although I recognise the trade-offs that exist when support is provided at pace, I am conscious that Ministers have since notified the House of a contingent liability of £27 billion. That figure was not included in the estimates and, needless to say, it could dramatically increase.

Today is not the right occasion for a full analysis, but it is more than conceivable that if the Government had been willing to reform the initial loans frameworks and supplement them with targeted help for the worst-hit sectors, they could have provided materially more support earlier in the day at a lower eventual cost to the Exchequer. As Britain emerges from lockdown into a state-sponsored recovery, it is vital that the Department learns the lessons of the past few months in making the strategic interventions necessary to get businesses back on their feet, while balancing the fiscal risks of significant borrowing against value for money and potential future increases in interest rates. We must spend the money we are borrowing wisely. I therefore ask the Minister, in his summing up, to set out for the House what lessons have been learnt about the effectiveness and value for money of the initial support packages, and which lessons will be taken forward in the design and delivery of future support.

Evidence taken by my Committee from sectors in the most immediate need has also underscored the urgency of strategic sector-specific support packages and the high cost of failing to act. As the Member of Parliament for Bristol North West, I see that especially in the hospitality and aerospace sectors, and, while the hospitality sector can start to slowly reopen, the aerospace sector cannot. The aerospace sector should command a bespoke package of support bringing forward decarbonisation targets for new aircraft and developing the technologies of tomorrow, not just to protect vital jobs and skills, but to maintain our international competitiveness in this important sector. However, the Government seem unwilling to take a coherent sectoral approach. I appreciate that the Minister cannot make any announcements in advance of the statement tomorrow, but I wonder whether he might tell us if he thinks his Department will move from a one-size-fits-all approach to a more sophisticated sectoral approach in the months ahead.

Those decisions should be underpinned by the industrial strategy, a key long-term metric for the Department's success. In its annual report earlier this year, the Industrial Strategy Council identified key areas for improvement. One was in relation to the Department's multi-agency research and development spending, principally through UK Research and Innovation. In their letter to me last week, the Secretary of State and the innovation Minister, the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Derby North (Amanda Solloway), undertook to engage and consult on the Department's research and development road map ahead of the autumn spending review. I hope it will include a clear commitment to seeking third-country

membership of Horizon Europe, which would contribute about £2 billion of value to British research, regardless of the outcome of trade talks. That would send a much more valuable signal about the Government's seriousness in ensuring that science and innovation in Britain are supported for the long haul and that the ambitious spending targets identified in the industrial strategy are met.

Of equal importance to the Department's role in shaping the post-pandemic recovery is the Industrial Strategy Council's call last month for a clearer overarching vision for UK skills, with a strategic overhaul and expansion of training policies and institutions. It identifies a median scenario whereby 7 million current UK workers will have seen their jobs automated by 2030 in the absence of sustained investment in reskilling in our workforce. As OECD analysis has shown, the employees most at risk from automation are often the least likely to participate in training. The pandemic only compounds the latent injustices, with the rise of remote working and learning making investment in digital access and digital skills even more important.

I am an advocate of the acceleration of automation and technology adoption, but it must be coupled with economic stabilisers from the state for training and jobs transition for workers, and it must tackle inequalities and have a clear view of modern competition. It must also be coupled with consumer and workplace health and safety regulations that protect workers, and it must prevent monopolisation and overbearing corporate power from the owners of data technology and digital services. Yet we seem to be in a twilight zone where the Government have an industrial strategy but often seem to lack reference to it, or indeed ignore it, making spending decisions—for example on the OneWeb satellite company—that seem to bear no resemblance to the published strategy while intervening in the market in an often incoherent and opaque manner. That cannot continue, and the Government must set out the framework in which they will operate in the years to come so that the market can understand what rules will be followed and on what basis.

Those of us content with the idea that the state plays a role in the economy would recognise such interventions from the Government in the past few months as an industrial strategy, so it would be useful if in summing up today the Minister set out what the Government's industrial strategy actually is and how it will be used in the decisions for post-pandemic growth. This, to be clear, should not be about picking winners. It should be about working with business to deliver on economy-wide objectives. If the Government are going to truly level up the economy, they need to trust, empower and properly finance local decision-making in a real partnership between the functions of the state and business and trade union leaders.

Lastly, as I said at the beginning of my speech, I do not see climate change as standalone policy, but one that is embedded in every decision. I hope the Government will set out how every decision, through the billions of pounds that they spend, helps us to reach our net zero target.

At a time of shifting global power, we should take these opportunities not only to re-emphasise the importance of multilateralism and the rules-based international order in terms of climate and trade, but to evidence why it is in all our interests to work together. The Government have a rare opportunity right before them to create a

more inclusive, productive and sustainable economy that delivers good jobs, good pay and security for families at home here in the United Kingdom, while using our soft powers to show the world what we can all achieve together. That goal will be the defining test for this Government.

5.54 pm

Mark Pawsey (Rugby) (Con): It is a pleasure to follow the new Chairman of the Business, Energy and Industrial Strategy Committee, who is making good progress. I draw the House's attention to my entry in the Register of Members' Financial Interests.

It seems to me that businesses face two separate and distinct challenges right now: meeting the social distancing requirements and complying with the Government regulations on the one hand, and, on the other, establishing whether there is enough demand for the product or service they provide. Those are very different. Some businesses are unable to trade because of the social distancing requirements or are not permitted to trade, but for many others, there is not enough custom. Either way, that can lead to a decision to cease trading or, far worse, to business failure.

In terms of those businesses not permitted to trade, I have had regular contact with Helen Taylor of Helen Taylor Aesthetics in Rugby, which is a clinic offering anti-ageing face and body services and skin treatments. It is an environment with high levels of cleanliness and sanitation, and she believes there is a strong case for her business to be open at a time when pubs, non-essential retail and hairdressers are open. I hope the Minister will be able to give some good news to that sector.

Another sector hit hard in respect of both regulation and demand is hospitality. I welcome the move to 1 metre-plus, but that still represents a challenge in many locations where it is only possible to operate at 70% capacity. For many businesses, that is sub-economic in the short term, so they have not opened. Those businesses, like others, welcome the Government's support. The furlough scheme and the grants and loans have enabled many to keep going, but the question is, for how long? The hospitality sector employs many young people, and it needs a stimulus. I hope that we will hear the Chancellor announce tomorrow not a tweak to the standard rate of VAT—a small amount off the rate will not make much difference to the decision on whether or not to spend—but zero rating of restaurant meals, which would have a big impact on the sector, taking 20% off the price.

Having set up a business, built it up and then sold it, I want to focus on the Department's role in encouraging entrepreneurship. I get feedback from regular meetings with the Federation of Small Businesses, my chamber of commerce and other business breakfast groups, and one of the best and most interesting inquiries the Select Committee did in the last Parliament was on small business productivity. We found that the support for people running small businesses and the guidance and advice is incredibly patchy. Those running businesses are often unsure where to go and unsure of their obligations in running a business, and that continues through their life.

It is important to recognise that businesses are often set up because somebody is good at a particular trade. They may be an electrician or a builder, and they may have done an apprenticeship. They have learnt the skills needed in that trade, but few have had any training in

[Mark Pawsey]

running and managing a business. It is a different skillset, and it is one that Government need to recognise. Some support is provided by local enterprise partnerships and growth hubs. We have a fantastic one in Coventry and Warwickshire, but we heard that this was incredibly patchy.

We also heard that businesses should make time to work on their business as well as within their business. Often businessmen are too busy, but they need to make some time available and have some support for personal development. One of the skills that we need more businesses to have is salesmanship. Nothing happens until a sale is made. Salesmanship is a professional career recognised by the Association of Professional Sales, and right now, we need the country's best salesmen pushing for sales of UK-produced products.

Caroline Nokes (Romsey and Southampton North) (Con): I am taking from my own time by intervening, but my hon. Friend has said “businessmen”, “salesmen”, “salesmanship” and “salesmen” again—will he please acknowledge that there are women in this world?

Mark Pawsey: I certainly acknowledge that point. With four minutes to speak, I am rushing through the content of my speech, but I take the point. We need people to be trained in these skills.

With the little bit of extra time I now have, I want to put in a plug for manufacturing. My constituency is adjacent to Coventry, the home of motor manufacturing. My constituency is also home to the Manufacturing Technology Centre, which has contributed to a new paper, “West Midlands: the Speed to Scale Region”. There is a strategy to deliver new products at pace, and we need to make certain that we include manufacturing as part of our overall business mix.

5.59 pm

Judith Cummins (Bradford South) (Lab): It is a pleasure to follow other members of the Business, Energy and Industrial Strategy Committee. On youth unemployment, the Select Committee heard that workers aged under 25 were about two and a half times more likely than other workers to be in a sector that was shut down during the pandemic. The Government must act now to save jobs and create a plan to get young people back into work. I strongly support the TUC's suggestion of a jobs guarantee for young workers. In essence, it would provide a guaranteed job, including training and payment of at least the living wage, for young workers who have been out of work for more than three months.

In the time I have, I will focus on the economic powerhouse that is the beauty industry—an industry that employs over 300,000 people across the UK in every town, village and city. In many places, including my own constituency, beauty salons are the lifeblood of the high street. The sector's success is critical to our economic recovery.

Carolyn Harris (Swansea East) (Lab): Does my hon. Friend agree that the beauty industry, which contributes billions of pounds to the economy and provides over 370,000 jobs, is no laughing matter, despite the Prime Minister's frivolous and flippant dismissal of the question when he was asked about it in Prime Minister's questions last Wednesday?

Judith Cummins: I wholeheartedly agree with my hon. Friend. Of course, this industry is predominantly run by women, employing women, and yet the beauty sector has seemingly been forgotten. Hairdressers and barbers have been open since the weekend, but the wider beauty sector is left in a deeply uncertain position. The hair, beauty, spa and wellness industries are a highly integrated sector, with many businesses and premises containing both hair and wider beauty services. Allowing only the hair part to open makes many such businesses economically unviable. The Government have already produced the guidelines for the safe reopening of these businesses, so there is no reason for any delay.

Another industry that has been extremely hard hit in recent months is the wedding and connected hospitality industry, including Pakistan Catering in my constituency. The industry needs guidance as soon as possible on when receptions can resume. Many thousands of jobs in the beauty and hospitality sectors are at risk, and with the Government beginning to wind down the furlough scheme wholesale rather than sector by sector, both sectors need clarity quickly on when they can reopen. I hope the Minister can provide that when he winds up.

Last week, over 200 beauty-related businesses from across the country wrote to the Prime Minister to urge him to provide immediate clarity on when they will be allowed to restart work, and my hon. Friend the Member for Swansea East (Carolyn Harris) and I wrote to him about the disregard and disrespect with which the industry has been treated in this place. It is not a pink and fluffy industry; it is a sector of highly trained professionals, and, quite frankly, they deserve better. My message is simple: this is no laughing matter. The Government must act now to save jobs in this important industry.

6.3 pm

Alexander Stafford (Rother Valley) (Con): The Department for Business, Energy and Industrial Strategy is at the heart of our post-covid recovery. In my speech, I wish to focus on the repatriation of jobs to Britain, boosting our home-grown manufacturing, capitalising on our region's rich industrial heritage and levelling up across our great country. Those are urgent priorities, which are integral to BEIS's efforts to relaunch UK plc post covid and, in doing so, ensure that the public are guaranteed the best return for the money that is entrusted to us.

Too many jobs have left Britain in the past decade or so, lured away by cheap labour and loose employment protection laws. Companies have left in their droves, while still benefiting from our consumer market. Germany, a country with a similarly sized population and economy, has protected its industries and largely succeeded in encouraging German companies to retain their operations at home. It is our job to make the case for the UK as a hub of innovation with a highly educated, highly skilled and highly creative workforce. Companies that have moved jobs abroad have found that the grass is not always greener. In an increasingly complex global climate characterised by the slowdown of China and its tension with the west, and Britain's withdrawal from the European Union, there is inherent value to business in the stability of our governance and the quality of our British labour market.

We must focus not on repatriating jobs to Britain, but on nourishing and supporting the enterprises that are here. This House knows only too well that many businesses

are struggling to survive during the crisis and face many tough months ahead. Accordingly, I welcome the proposal to increase BEIS funding by £12 billion.

For us to emerge from the crisis, we must draw on the industry and ingenuity for which this country is famous. BEIS must support a renaissance in home-grown manufacturing, while promoting the UK as a world leader in certain fields. We have already achieved that in medical research and pharmaceuticals, and there is no reason why we cannot apply that success to sectors such as green energy and renewables, and in doing so steal a march on our rivals. We are already ahead of the game in technologies such as wind power, but we must act with speed and commitment to implement a hydrogen strategy to harness the full potential of this exciting zero-emission fuel of the future. Much of my work on the BEIS Committee revolves around such issues, and I welcome ideas from other Members to make them a reality.

I envision this industrial renaissance being spread out across a chain of innovative manufacturing hubs all across the UK. The Government's levelling-up agenda is key to a strong economic recovery that works for every Briton and for every part of this nation. I speak from experience: my constituency of Rother Valley in South Yorkshire has a rich industrial heritage from many generations of coal mining and steel production, which is mirrored in constituencies across the north of England, the midlands and other parts of the United Kingdom. Such areas have been neglected and unemployment has soared. Now is the time for BEIS to utilise the manufacturing knowledge and skills possessed by locals in these areas and repurpose it for the industries of the future. This transformative action would provide high-quality jobs to those left-behind areas while firmly positioning the UK as a world leader in new sectors. We would reduce our reliance on overseas actors and be able to use British goods for British infrastructure projects.

As I draw my speech to a close, I underline the incredible opportunity that BEIS has to bring back jobs to Britain, restore struggling business to full health, and open a new frontier for British manufacturing and industry. By reinventing areas with an industrial legacy and including them in our plans, we will not only recover from this dreadful virus, but usher in a new industrial revolution and a whole new era for a global Britain.

6.7 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr, Madam Ddirprwy Lefarydd.

It is undeniable that the covid-19 pandemic has slammed the brakes on economic activity across the board, but few sectors have taken so severe a shock as tourism. Why? At least half of the income-generating season is now irretrievably lost. In Wales, around 144,000 people are employed in the tourism sector. Coming out of lockdown is essential for many, many communities. While the level of Government support has been so far unprecedented, the impact on the Welsh tourism industry looks set to be long lasting.

The Welsh Government tourism barometer carried out a survey of firms between 22 April and 1 May indicating that the tourism sector experienced an average drop in revenue of 20%. The same survey revealed that 70% of Welsh firms have put at least one worker on furlough—70% of Welsh firms. In the north, the figure was 80%, probably reflecting the higher reliance on tourism and

hospitality in our region. Without additional support, I fear that the clock is ticking on an unprecedented unemployment crisis in regions that have become increasingly reliant on tourism and hospitality.

The first signs of the crisis can already be seen in universal credit and jobseeker's allowance numbers. Office for National Statistics figures from this spring show an increase of 24% in people claiming unemployment benefits in my constituency of Dwyfor Meirionnydd. For the tourism sector to flourish in the long term, we need sustained Government intervention and a new approach to ensure that tourism can contribute to reinvigorating our rural and coastal communities.

I urged the Government this week to commit themselves to paying tourism and hospitality employers' national insurance contributions, as well as increasing the threshold at which national insurance contributions are paid. We also need a temporary VAT cut for both hospitality and tourism, allowing for targeted stimulus for the sectors that most need support. Many in this House have used EU rules on VAT to argue the case for Brexit, but this is one area where flexibility already exists. There is a dispensation for a lower rate—say between 5% and 15%—and frankly it is shocking that the UK has not already reduced VAT for tourism activities when every other country in the EU except Denmark has done so.

My constituency is the proud home of a total of six heritage railways. Across the UK, heritage railways employ 4,000 paid staff alongside 22,000 volunteers, and they attract 13 million visitors. Social distancing requirements make it difficult to run cost-effective timetables, and heritage railways are calling primarily for an extension of the furlough scheme for key staff until spring 2021 in order to cope with the three-winter scenario. Anybody who is talking to anyone in the tourism sector will have talked about the three-winter scenario, and about how we can get businesses through when they are facing the prospect of no income whatsoever. That is particularly true for the heritage railway industry, and I am sure that the Government will be looking to ensure that those jewels in many areas of tourism are maintained into the future.

With our vast mountains and hills and our 870 miles of coastline path, Wales is ideally placed for socially distant tourism, but attracting tourists at any cost should not be our priority. Post covid, sustainable tourism can be a vehicle for supporting our cultural heritage as well as combating the multiple crises of our age: the climate emergency, loss of biodiversity, pollution, and social and economic inequalities. Out of this crisis, we have an opportunity to assess our tourism industry and its role within our economy, and I urge the Government to grasp this opportunity to create a future-proof model of tourism with sustainability at its heart.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. After the next speaker, I will have to reduce the time limit to three minutes.

6.11 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): As Chair of the Petitions Committee, I want to speak today about the report that we published this week on the impact of covid on new parents. Over 227,000 petitioners have called for maternity leave to be extended

[*Catherine McKinnell*]

for a period of three months in the light of the difficulties faced during the pandemic. Despite many people benefiting from the Government's many support schemes, many parents feel forgotten. As a mum of three, I know how challenging it can be to have a new baby at the best of times. The pandemic is posing huge challenges to new parents across the country and it has been hugely disruptive to the crucial early weeks and months of parenthood.

We have heard from parents who feel like anomalies whose circumstances have been missed by the Government. We have heard from parents who feel that their jobs are at risk as they are unable to find childcare. We have also heard from parents whose mental health has suffered and who are in desperate need of help and support. One mum told us:

"The stress of the Coronavirus pandemic, lockdown, having to give birth alone, no visitors after having a c-section etc has ruined the beginning of what is meant to be a memorable happy time and has led to severe anxiety."

Another new mum said:

"Covid 19 has affected me massively...I have been unable to get the support I need".

The petitioners are requesting longer maternity leave so that they can have time to do the things that many of us take for granted. They need time for all the things that have been impossible while they have been isolated at home. They need time to adjust back to the realities of everyday working life with a whole new addition in tow. They need time to access childcare, to introduce new babies to families and friends and to attend baby classes. And they need time to get the support they have missed out on, from health visitors, mental health services, dentists and doctors. The Government's response to the petition to date has been to turn down these requests.

We have heard compelling evidence on the importance of supporting new parents. They have missed out on crucial support, and the science shows us that this has the potential to have a damaging effect on their mental health and that of their children. Dr Alain Gregoire, chair of the Maternal Mental Health Alliance, told our Committee:

"You are the first generation of legislators who have this scientific knowledge...So, there is a huge potential for acting and acting now, to prevent effects in 20- or 30-years' time, as well as effects tomorrow."

Our Committee has therefore called on the Government to take action now to prevent damage in the years to come, and we recommend that they should

"extend parental leave and pay for all new parents affected by the pandemic."

This should include extending adoption leave and considering similar entitlements for special guardians who have welcomed new children into their families during the pandemic.

We also recommend that the Government undertake an urgent review of health visitor services and consider the additional support needed for vulnerable families. They should also consider an extension of maternity dentist provision for six months for those who have not been able to access vital care during lockdown. They should also urgently review funding for the childcare sector to ensure that there are enough childcare places for parents who need to return to work.

We also recommend that the Government prioritise extending redundancy protection to new parents and give them longer to challenge unfair dismissal when it

happens. We also recommend that they bring forward plans for neonatal leave and ensure priority covid testing for families and babies in neonatal care. When it comes to supporting families in the early years, the cost of doing nothing can be far greater than the cost of intervening early.

If the Government do not urgently review how new parents are supported during this crisis, the negative effects of this pandemic could be felt for years to come by families and the economy. I urge the Government to heed the warnings on maternal mental health, as well as the evidence and recommendations in our report, and to do the right thing now for thousands of families.

6.15 pm

Jackie Doyle-Price (Thurrock) (Con): We in this House are very good at talking about what is going wrong, and talking this country down, but for many of our workers the last few months of dealing with covid have been business as usual. I thank all those workers who have carried on going to work and serving us in our shops. In particular, I thank my constituents who work in the ports and logistics sector, and who carry on unloading those ships and ensuring that our supermarkets are stocked.

As we move out of this crisis, it is important that we do so in a spirit of ambition and positivity, because that is what will get us through it. It will not be the Government; it will be the energy and commitment of all our entrepreneurs and workers, who will seize those opportunities if we give them leadership and encouragement. As an example, just in the past couple of months we have opened a brand new port facility at Tilbury in my constituency. We have seen the opportunities that will be created by Brexit, and invested in them. We got planning permission one year ago, and one year later a £250 million investment has been made, creating new jobs and taking advantage of those opportunities. Take an example from south Essex's competitive and entrepreneurial spirit, and we will get out of this. It is the job of Government to ensure that they do not get in the way of that.

I would like to raise two points with the Minister. First, we need to find lots of money to pay for what we have invested to get us out of this crisis, but we must ensure that we continue with a competitive taxation system. BEIS needs to act as that entrepreneurial champion and not be a regulator, and it was with some dismay that I heard that 42 pages of regulation were given to hairdressers to help them reopen. We must do much better than that.

I also wish to associate my voice with those who have already called for the reopening of the beauty industry. It has been disappointing to hear the reaction of fellow Members of Parliament when that issue has been raised in the past. Is that because those businesses are run by women who employ women? I sincerely hope not, but it certainly looks like that to the public. Beauty is a major industry, and if people want our hotels to reopen and be profitable and sustainable, they must also open their spas. This is not just about nail bars; the beauty industry offers a whole range of treatments. More to the point, with office workers still staying at home, people need a reason to go to the high street and continue that footfall in shops. I encourage the Minister to look favourably on that sector.

6.18 pm

Nadia Whittome (Nottingham East) (Lab): Just as the UK was not prepared for the covid-19 pandemic, so the Government are failing adequately to prepare and protect people from the effects of climate change. What are the latest Treasury estimates for the cost of the likely damage to communities, food, food production, and industry as a result of climate change and environmental degradation over the next five to 10 years? Although I welcome several of the measures touted to make the Chancellor's Budget tomorrow, particularly the green homes grant scheme, a responsible approach to the climate and environmental emergency will require far more than just one or two eye-catching measures and a few slogans. To say that anything less than systemic, transformative fundamental change to society, the economy and lifestyles is needed would be to peddle a dangerous and reckless myth.

In the light of what we have seen, or not seen, from the Government on climate change and the environment, I am somewhat sceptical about their new-found love for interventionist approaches. Analysis shows that policies opposed by the Government to date on onshore wind, offshore wind power, home installation, tidal power and transport would have led to nearly 70 million tonnes of CO₂ emissions savings per year by 2030. The UK is off track to hit our latest carbon budget emissions targets. We are missing most of our international biodiversity targets, and Natural England and the Environment Agency have been cut so severely that they are barely able even to fulfil their basic statutory functions. In the context of all this, the Cabinet Committee launched to co-ordinate climate policy has, remarkably, met just once.

Covid-19 has shown that we all have the ability to make drastic changes to our way of life, when necessary. We must learn from these changes, not merely return to the old habits and old ways of thinking, and that goes for Government too. As a minimum, any company support package from the Government must ensure there is a clear commitment to tackling climate change. Will the Minister commit to the principle of public money for public goods today, and will the Minister commit to a comprehensive training, jobs and investment programme built around net zero and the circular economy—a green industrial revolution?

6.20 pm

Mrs Maria Miller (Basingstoke) (Con): The Prime Minister has presented a compelling new deal to rebuild Britain following the unprecedented events of the past three months. This Department is at the heart of delivering that, and it has already done so much: the unprecedented support for businesses, large and small, to help protect existing jobs and create new jobs for the future; the unprecedented support for families by helping businesses meet the cost of keeping their employees paid throughout the coronavirus lockdown; and, for those unable to continue their work as usual, an unparalleled furloughing scheme that has supported more than 9 million people.

The events of the last three months have created some of the biggest changes in working practices that this country has ever seen. Overnight, businesses and organisations have switched from almost entirely office-based operations to home working. Remarkably, it is estimated that 60% of UK adults were working from home during the coronavirus lockdown. This is a testament to the businesses and the workforce we have.

As the Government plan for the future, we need to think carefully about what getting back to normal looks like. Some of my constituents joined me in a virtual lobby last week to talk about climate change, and one thing was clear: they wanted to see a green recovery for the economy. With CO₂ emissions dropping by a quarter during the lockdown, the number of good quality air days increasing by 22% and nitrogen dioxide levels falling by 40%, these things have changed considerably.

Inevitably, as the economy returns to normal, some of those improvements will diminish, but there is an opportunity to embed some of the behavioural change we have seen for the future, particularly when it comes to commuting into work. Experts in the US estimate that more than one in three jobs could be done entirely from home, and it would be interesting to look at the figures for the UK. If some of those who could work remotely continue to do so, this could make a significant contribution to the Government's plan to be net zero by 2050, and help to alleviate some of the overcrowding on public transport.

Of course, many other issues need to be looked at if those working patterns are to be sustained, but this Government have already delivered so much when it comes to the environment—greenhouse gas has been reduced and, indeed, thousands of new carbon-free buses and a comprehensive network of cycleways have been introduced—so embedding this new trend for home working could well be a positive legacy from lockdown that truly helps produce a truly green recovery following the coronavirus lockdown.

6.23 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): Expectations are very high for the Chancellor's economic statement tomorrow. According to the Office for National Statistics, the UK economy has shrunk since March by a staggering 20.4% and unemployment is climbing rapidly. Cutting the furlough scheme from 1 August while making employers responsible for pension and national insurance contributions will simply make it more expedient for struggling companies to make people redundant. It is vital to stimulate economic growth, boost employment, reduce VAT to 15% across the board and to at least 5% in tourism and hospitality, as many European countries did even before the pandemic, and alleviate the financial burden facing households.

We need more support for our fragile island economies, the unique circumstances of which make them extremely vulnerable for the 300,000 people across the UK who live on our islands. If we want to prevent the depopulation of these islands and to secure their long-term economic sustainability, special measures must be taken to support them. We need more for our aviation, aerospace and tourism sectors—their fates are intertwined—which collectively support 1.6 million jobs and contribute £92 billion to gross domestic product.

We must emerge from this pandemic with a green economic recovery that has inclusion and wellbeing at its heart, which is why the SNP Government commissioned an ambitious and wide-ranging report that emphasised the importance of employment, environment, education and equality in the recovery phase. I commend that report to the Minister for his perusal.

The Prime Minister announced his "new deal" to great fanfare last week, but it amounted to little more than shuffling around money that was already pledged;

[Patricia Gibson]

interestingly, it is not expected that his announcement will deliver any new money for Scotland. The current powers and financial flexibility that the Scottish Parliament has are woefully inadequate to respond effectively to the host of challenges we face. Scotland needs more powers to do more for ourselves, to protect our own jobs and to protect our own economy. People make the best decisions for themselves.

6.26 pm

Wera Hobhouse (Bath) (LD): The climate emergency is real and, as the word “emergency” suggests, it needs urgent action now. I want to thank the Minister for his time yesterday, and I will continue to engage with him; some of what I am going to say now he heard yesterday. I continue to worry that although the Government do something to address the need to lower our carbon emissions, they fall short of addressing the urgent need to get to net zero in the next few decades. The Government need to publish a comprehensive and coherent plan of how to get to net zero, not just to low carbon emissions, across all sectors of our economy—transport, heating, energy, agriculture, construction and so on. All this has to be done simultaneously. It is well understood that this is a very complex task, but any Government who took a climate emergency seriously would have such a plan, not just announce piecemeal measures.

One of the biggest set of carbon emissions comes from heating our homes and buildings. The Government need to set out what they believe the future of heating our public and private buildings will look like, and how the transition to net zero is going to be achieved. If the Government are serious about hydrogen, significant pilot schemes need to be rolled out soon, not only to guarantee their safety but to indicate to investors and businesses what the future direction looks like. I urge the Government to fast-track green hydrogen production, so that we do not end up with hydrogen coming predominantly from natural gas and we do not still pump fossil fuels out of the ground in 30 years’ time. The production of green hydrogen requires a large scaling-up of renewable energy production, so thinking about one sector branches out into another. District heating could play an important part in heating our homes, but rather than going forward with its roll-out, since 2018 we have gone backwards. The energy company obligation scheme is going to be continued into 2022, but I urge the Minister to look into widening it to include the most vulnerable people.

If private vehicles will be largely powered by electricity, we need a large increase in grid capacity. People will find it a lot easier to switch to electric vehicles if they can be confident that they can quickly and easily charge their cars. However, I hear from car makers across the board that the Government have not committed themselves yet to the large infrastructure changes needed to allow them to be confident about the quick and large-scale take-up of electric vehicles. Taking steps in the right direction is not good enough; we need a coherent plan and big leaps to get to net zero.

6.28 pm

Sir David Amess (Southend West) (Con): This time last year, the House was in gridlock because of Brexit. We then changed Prime Minister, had a general election

and left the European Union, and I was very excited about the new business opportunities we would get, but then, of course, we had to face this invisible enemy. As far as the Department is concerned, I say to the Minister that only time will tell whether or not we have addressed the current situation well, but from what I can see at the moment I think we have reacted pretty well. Many colleagues have mentioned that beauty salons, tattoo and piercing parlour owners and gym owners feel very much left out in all this. They tell me that they already have personal protective equipment when they help the people who want to take advantage of the service they are offering, so we need to address that.

Since 2012, easyJet has been flying from Southend Airport. Unfortunately, I got a phone call last week to say that it is pulling out of the airport. It is absolutely devastating. I am speaking on behalf of my hon. Friends the Members for Rochford and Southend East (James Duddridge) and for Castle Point (Rebecca Harris) and my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois). There are 185 people who are crying out for help because of the downturn in the numbers of people booking flights. Everyone loves Southend Airport. That is why we are going to become a city, but we desperately need Government support at the moment.

I was delighted with the package that was arranged for the performing arts. Southend West was the alternative city of culture. We are awash with actors, actresses, painters, dancers and all that, which is absolutely magnificent, but now I am getting emails from constituents saying, “David, when precisely are we going to get the money, and how is it going to be dished out?”

I am delighted that the coronavirus local authority discretionary grants fund is open, but we need more clarification around who qualifies. I have three local examples: one is the director of Currency Farm Ltd; another is the owner of the Spread Eagle pub; and the final one is the owner of the magnificent Boatyard restaurant. May I ask the Minister to have a word with the Secretary of State to see whether we could give greater guidance as to precisely how these grants are to be administered? This is a lot of money that we have given to local authorities to administer, and we need to know how much leeway they have in terms of discretion.

6.32 pm

Caroline Nokes (Romsey and Southampton North) (Con): I want to talk about the entrepreneurs—the people who learned to trade, finessed it working for other people, then took a risk and set up on their own, rented premises and went on to employ others in their turn. I will not repeat the comments of the hon. Member for Bradford South (Judith Cummins), but I am, of course, talking about the beauty industry. If I were talking about construction, we would revere the contribution that it makes to the economy, but, because it is beauty, it is okay to trivialise the massive contribution that it makes to the UK’s GDP. Although it is not okay, and I have a very clear message. This is a formidable sector full of brave, ballsy women—I am not sure I am allowed to say that. They are people who need to be taken seriously. I am prepared to declare an interest, but this is not for me, Madam Deputy Speaker; it is for the industry the length and breadth of the country.

Today I have an opportunity to be a voice for the businesses of Naomi, Bethany, Rina, Karen, Jemma—you get the gist, but I could carry on—and for the hundreds

of other entrepreneurs and business owners in the beauty industry, including, indeed, those in tattooing where there are a few more men. They found their businesses described as “parlours”. Have we actually returned to the 1970s? The word “parlour” has all sorts of unfortunate connotations. It is not for the 21st century immaculate clinics and studios that those of us who use the services would recognise.

I am here to emphasise to BEIS Ministers that this is an industry full of professionals who have worked hard to ensure that their businesses are covid-secure. They are angry that they cannot reopen. They are disappointed that it is possible to go to a chiropodist, while Liz at Romsey Holistic Beauty cannot so much as trim the toenails of an elderly customer. They are confused that we can have acupuncture, but not have a new nipple tattooed on after reconstruction surgery. They are angry that, apparently, it is okay to have physiotherapy, but not reflexology. And they are offended that the phrase “not covid-secure” is used in this Chamber in reference to their industry, but not to a Wetherspoon on a Saturday night.

All businesses need to plan. They need to know when they can open, so that they can schedule clients and forecast the income that they will bring in, even if that means working long hours, seven days a week, just to re-establish a previously successful business. If the message does not come soon, they will be at the doors of the jobcentres, reliant on the state rather than on themselves, and these are fiercely independent women who do not want that. They are proud of standing on their own two feet, proud that they are reliant on themselves for financial wellbeing, and proud of the emotional and mental wellbeing they deliver to their clients. They need a date. They need to be taken seriously, and they need that now.

6.34 pm

Richard Thomson (Gordon) (SNP): It is vitally important that we recognise that not every business, not every sector and not every area will recover at the same rate. It is vitally important that support is not removed prematurely or arbitrarily. That is as true for individuals who furlough under the self-employment income support scheme as it is for businesses themselves.

As something approaching normality returns as lockdown eases, we must allow the returning demand in the economy to do whatever it can, but some things are too important to be left entirely to market forces. That means that we will need Governments across these islands to target investment and support. That means, as the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) said, a VAT cut to boost the tourism sector. It means converting loans into grants and perhaps the Government taking equity stakes in key strategic sectors.

In the remaining time I have, let me say that there is no more strategically important sector to this country than the North sea in terms of the billions it generates for the Treasury, whether that is through the petroleum revenue taxes or through the economic activity that it generates elsewhere. It is on the brink of thousands of job losses. The Scottish Government have already invested £62 million in an energy transition deal. We need the UK Government to match that ambition and invest that money. There is no route to net zero without harnessing the expertise of that sector.

Time, just as it is for me in this debate, is running out for something to happen. The UK Government must act, in congress with the industry and very swiftly.

6.36 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): A few minutes cannot cover a Department that has responsibility for business recovery, energy, industrial strategy, climate change, net zero, getting the carbon budgets back on track and leading on COP26. It is not credible that one Secretary of State has all those responsibilities under his belt, as well as leading in the Cabinet on climate change.

If we look at covid business support, we are supposed to believe that only by being in the UK was Scotland able to access support for businesses. It is an absurd proposition that if Scotland were an independent country, somehow it would be the only independent country that could not access borrowing and fund support schemes to support its businesses.

It is no wonder that the Higgins report concluded that additional borrowing is required, rather than the financial straitjacket that Scotland is currently held in. Scotland can only borrow a maximum of £450 million of capital a year, limited to £3 billion overall, yet not that long ago we were hearing the Prime Minister promise us a £20 billion bridge to Ireland—a bridge that we do not want or need. We would far rather have control and have an £8 billion stimulus package for a green industrial recovery.

The business loans that have been administered by BEIS were welcomed initially. They were a good move at the start of the covid outbreak, but more needs to be done. Some of the loans need to be converted to grants, because businesses will not be able to afford to repay the loans, especially when the interest-free period ends. The Chancellor said that up to £330 billion would be available, but only £43 billion of loans have been accessed. That tells us that the scheme has not worked as it was designed to and some major rethinks are needed. The Government could use the outstanding moneys to further the green recovery.

A green recovery will need investment and commitments on a greater scale than anything we have seen to date, and it is shocking to think that BEIS only spends £1 billion a year on tackling climate change, yet spends £2 billion a year on nuclear waste at Sellafield. The nuclear waste liability is estimated to be £131 billion. What a legacy that is, yet the Government and BEIS are still infatuated with nuclear, despite the failing business models. Hinkley has a strike price of £92.50 per MWh for a 35-year concession, yet offshore wind is now at less than £40 per MWh for a mere 15-year concession. It is crazy, and it is time to abandon the nuclear sector deal, which is sucking another £190 million out of the Department’s budget. The nuclear fallout needs to be ended and there needs to be greater investment in renewables. If the Government are still arguing that we need a baseload, I would argue that they should be finding a route to market for pumped hydro storage, which would give the required baseload, rather than nuclear energy.

The contracts for difference scheme operated by BEIS has been welcome and has helped drive down the cost of onshore and offshore wind and solar. To make up for the period when the Government reneged on allowing

[Alan Brown]

those technologies to bid in the CfD process, I suggest they look at annual auctions. They also must remove the capacity cap on auctions going forward.

I also suggest that the Government should provide a ring fence for early-stage technologies within the CfD mechanism, to support Scotland's wave, tidal and floating offshore wind sectors. That would allow Scotland and the UK to become true world leaders. We all know that the UK lost out in the manufacturing of onshore wind because of a lack of Westminster support, so lessons must be learned. Such technologies really do offer a green industrial revolution.

The same is true of carbon capture and storage and hydrogen production: the funding of such projects at scale is required in order for us to become world leading. It is critical that funding is provided for the Acorn CCS and hydrogen-production project at St Fergus. The Committee on Climate Change recommends that a funding mechanism must be in place this year.

Support is also required for the oil and gas industry so that it can have a just transition to renewables and the net zero target for 2050. When are we going to see some of the £350 billion of Treasury revenues that came from oil and gas coming back to Scotland to support the sector?

To assist the green recovery, the CfD process should also be refined to incentivise the use of UK supply chains. It is ridiculous that BiFab has made redundancies when so much work could be fabricated at its yards. CS Wind in Campbeltown should also see greater benefits from the UK Government procurement system.

Another simple ask on which the Government have dithered is the installation of energy efficiency measures. It is cost-effective and can transform housing, both inside and out. It creates jobs and could reduce future energy demand by up to 25%. The required funding has to be a minimum of at least the £9 billion that was pledged in the Conservative manifesto. We really need to see a programme, and it needs to be greater than the rumoured £3 billion.

On facilitating green investment in infrastructure, there also need to be upgrades to national grid pinch points and a resetting of transmission charging, which right now punishes renewable projects in Scotland. We need greater investment in electric vehicle infrastructure, and to have a coherent strategy for a green recovery, we need to see the energy White Paper. We need a national infrastructure strategy to come forward. The heating building strategy, transport decarbonisation plan and net zero review all have to align and come together. The options for investment are massive; if the UK Government will not grasp them, they should give Scotland the powers so that we can continue on our green journey.

6.42 pm

Matthew Pennycook (Greenwich and Woolwich) (Lab): It is a real pleasure to take part in what has been a good debate. I commend the Chair of the Business, Energy and Industrial Strategy Committee, my hon. Friend the Member for Bristol North West (Darren Jones), for his characteristically thoughtful and articulate opening remarks. The quality of my hon. Friend's contribution was matched by many others that followed, and I mention in particular the forceful and powerful speeches made by my hon.

Friends the Members for Bradford South (Judith Cummins) and for Newcastle upon Tyne North (Catherine McKinnell). Given the toll that the pandemic has taken on our economy, it is right that they and a number of other Members chose to focus their remarks on the measures introduced by the Department to support businesses and individuals through the lockdown, and on what still needs to be done to address the gaps and deficiencies that exist.

Justin Madders (Ellesmere Port and Neston) (Lab): On that point, my hon. Friend will be aware that Airbus in Broughton announced 1,400 redundancies last week. Does he agree that when we see countries such as France and Germany offering multibillion-pound support for the aerospace industry, we too need a sector-specific strategy for the aerospace sector?

Matthew Pennycook: Absolutely. My hon. Friend makes a very good point: other countries have done it and we have been calling for sector-specific packages for those in most need. The Government have done it for steel; let us get on and do it for aerospace and the other sectors that need additional support.

A number of other Members mentioned the environment and climate emergency. Given the primacy of the climate threat over the long term and BEIS's lead role in ensuring that our country plays its part in tackling it, I want to use the time that I have to focus on the Department's record in driving progress towards the net zero target for which we legislated just over a year ago.

Although 2050 is too late, we can continue to take pride in the fact that we were the first major economy to adopt a legally binding target to cut greenhouse gas emissions to zero. But setting a target is one thing; hitting it is quite another. As things stand, not only are the Government failing to do anything like enough to meet our legally binding 2050 target, but they are not even on track to meet the less ambitious target that preceded it. I am afraid Ministers give every impression of being entirely relaxed about that fact. How else do we explain that over the past 12 months, while basking in the virtuous afterglow of legislating for net zero, the Government have done precious little to set us on the road to carbon neutrality?

The Committee on Climate Change put it in characteristically diplomatic terms when it stated in a recent annual progress report that last year

“was not the year of policy progress that the Committee called for in 2019.”

The charge is irrefutable. According to the CCC, last year the Government failed on 14 of the 21 progress indicators, fell further behind in many areas, and met only two of 31 key policy milestones. It is simply not good enough.

The human, economic and social cost of the coronavirus crisis has been severe, but as we turn our attention to rebuilding, the Government have a once-in-a-generation opportunity to accelerate the decarbonisation of our economy and make up lost ground, and it is imperative that they seize it. There have been some positive signs in recent weeks that suggest that the Government may recognise the force of this argument. Take the package on energy efficiency measures that was trailed yesterday. We believe that the amount allocated to social housing is woefully inadequate, we take issue with the fact that

the private rented sector has been almost entirely overlooked, and we have concerns about whether it will be possible to deliver in the seven-month window provided, but the investment is welcome. However, it has to be the first step, rather than the last word, when it comes to energy efficiency; the start of a long-term, year-on-year programme of support rather than merely a one-off annual boost. The same principle must apply in other areas.

All of which is to say that when it comes to judging the impact of tomorrow's statement and the autumn spending review on our decarbonisation efforts, what matters is not only the scale and nature of the stimulus, but whether the measures to be announced form part of a co-ordinated long-term approach and are interwoven with the policy change required to drive emissions reductions through the remainder of this crucial decade.

If we are to get on track for net zero, the impetus ultimately has to come from the centre, but for obvious reasons BEIS has a crucial role to play in supporting the centre to set that strategic direction on decarbonisation and direct its spending appropriately to that end. Yet in several crucial areas the Department is still failing to provide the clear, stable and well-designed policy framework that businesses and investors require.

With that in mind, I will finish by putting a series of specific questions on the record, in the hope that the Minister may be able to answer at least some of them in his response. First, for the past year, as we have heard, we have been repeatedly promised that the energy White Paper, the aim of which is to provide much-needed certainty to business on the future energy system, is imminent, yet there is no indication in the estimates we are debating today that the Department is preparing for anything other than business as usual. Are we therefore to assume that the White Paper will be further delayed, or is it still the Department's intention to publish it before the end of this year and then ask the Treasury for the necessary additional resources at a later date?

Secondly, when it comes to the decarbonisation of heat, the estimates merely appear to contain a broadly static commitment to expenditure on the renewable heat incentive. Leaving aside whether funds allocated to the RHI will be rolled over to underpin other proposed low-carbon heat schemes, does the Minister agree that the total resources currently allocated by the Department to heat are nowhere near enough to respond to the challenge presented by this most difficult of sectors?

Thirdly, taking the estimates in the round, is the Minister not uncomfortable about the apparent disparity between the lofty ambitions set out by his Department when it comes to low-carbon energy, particularly in the clean growth plan of 2017, and the focus of day-to-day spending by the Department on older, high-carbon sources?

Fourthly, and finally, given the commitment to phase out coal from our energy system entirely by 2024, why has the application for a new open-cast mine at Highthorn in Northumberland not been dismissed out of hand by the Government?

6.48 pm

The Minister for Business, Energy and Clean Growth (Kwasi Kwarteng): It is a pleasure to respond to this excellent debate, and I commend all hon. Members who

have spoken for their thoughtful contributions. In particular, I thank the hon. Member for Bristol North West (Darren Jones) for opening the debate.

I will deal first with the series of questions posed by the hon. Member for Greenwich and Woolwich (Matthew Pennycook). His first question was about the energy White Paper, which we fully expect to be published this year. He will understand that after the new Government took office in July last year, we had the summer recess, followed by the Prorogation debate, debates about the election, then the general election, the Budget and then covid. There were substantial reasons—they are regrettable, I accept—why the White Paper was delayed. We fully expect it to be published this autumn.

The hon. Gentleman asked about the decarbonisation of heat. I refer him to the fact that we have a heat in buildings strategy, which will outline the policies clearly and simply. There is certainly a great deal of movement in that area.

The hon. Gentleman said that there are lofty ambitions for day-to-day spending, and suggested that our spending is perhaps more carbon-emitting than it should be. We have actually had great success on the carbon emissions front, particularly in electricity generation. He will know that in 2010, when I entered the House—he entered in 2015—offshore wind seemed like a fantasy, but in 10 years we have massively ramped up capacity. People say flippantly, “Oh, well, the cost is £39.50 per MWh”—the hon. Member for Kilmarnock and Loudoun (Alan Brown) said that—but that did not just happen by accident. It was a serious attempt by a serious Government to construct an auction—a CfD round—and it managed to drive down costs. It was led by policy and evidence. It has been very successful and is admired throughout the world. That is an example of BEIS delivering substantial change and innovation on carbon emissions reduction and the climate change debate.

On the open-cast coal mine that the hon. Member for Greenwich and Woolwich mentioned, that was a difficult question that involved the local community and consideration of the amounts of coal and jobs. He will accept that, as far as the coal ambition is concerned, the initial date for removing coal entirely from the electricity generating network was 2025, but we will deliver it a year in advance. How often are a Government anywhere in the world able to say in a parliamentary assembly such as this, “We are going to do better than our target”? That is another area where he is on very shaky ground.

Jackie Doyle-Price: The fact of the matter is that there are industrial processes that still require coal for generation. Is it not better that we mine coal in this country, rather than ship it from Siberia and Australia?

Kwasi Kwarteng: That may well be the case, but I think taking coal off the electricity generating system—the power generation network—is historically one of the most significant things that this country has done. If we look back in our own lifetimes, we see that coal and industrial questions relating to it were a dominant part of industrial and political debate only 20, 30 or 40 years ago, but we hope in 2024 to remove coal entirely from electricity generation. That is a huge success. We typically do not get the credit we would like in this House, but that is a significant achievement.

[Kwasi Kwarteng]

I want to talk briefly about some of the broader questions relating to this debate. It would be invidious of me to single out individual speeches, as there were so many good ones, but there are one or two areas where I want to reconfirm Government policy and give a good account of what we have achieved.

Many of the speeches I heard as I sat on the Treasury Bench were understandably focused on the Government's response to the covid-19 outbreak. At the start of the crisis, the Government made it perfectly clear that we would do whatever it took to support our businesses and economy, and we have substantially delivered on that. The hon. Member for Kilmarnock and Loudoun mentioned the £330 billion commitment from the Treasury and said that it is an example of failure because the amount of debt—the loans that we have given—is a fraction of that, but of course the £330 billion also includes the furlough scheme, which was not in the form of a loan. It was the Government intervening and paying wages. It was a huge intervention, and it had nothing to do with loans. I am sure the hon. Gentleman understands that. This has been a cross-Government effort, and we in the Department for Business, Energy and Industrial Strategy have played our part in delivering a range of Government-backed finance schemes.

Let me re-enumerate those schemes: the coronavirus business interruption loans scheme, the bounce back loans, the coronavirus large business interruption loan scheme, and the future fund, which is an equity-to-debt scheme. As of this week, £45 billion-worth of loans have been approved through those schemes, backed largely by Government guarantees.

Justin Madders: The Minister is listing a lot of things that have been done in the past. My constituents want to know what is going to happen next, particularly those in the aerospace sector who are losing their jobs now. They look at France and Germany, where they see support for that sector. Can we have sector-specific support, please?

Kwasi Kwarteng: The accusation from some quarters of the House was that the Government had not done enough, and it was very much necessary to state for the record what we actually had done, and that is what I will proceed to do.

In the last few minutes of my remarks, I turn my attention to what is at the centre of the Department and at the centre of its strategy: the net zero commitment. I think it was the hon. Member for Bristol North West who said that this cannot just be a stand-alone policy. It is not; it is at the heart and centre of Government strategy. I also reject those voices that say that somehow we are the laggards and the backward students. That is a completely wrong characterisation. I mentioned coal. Germany's date to remove coal from its electricity power generation is 2038—a whole 14 years after this Government and this country will have left coal behind. We are leaders, not followers, in many of these respects. The Prime Minister outlined in his speech on 30 June that we intend to “build back better, build back greener, build back faster”, and that is exactly what we intend to do.

The Prime Minister has already spoken of our plans to run 4,000 new zero-carbon buses and the new plan for cycleways as part of the upgrades to transport

infrastructure. Since the outbreak of covid-19 in this country, we have published the first stage of our transport decarbonisation plan. That plan provides a measure of certainty and a clear pathway to the future. We have announced a £2 billion package for cycling and to encourage people to walk, which is not only more energy efficient, but also tackles issues such as obesity and exercise. We can remobilise and decarbonise at the same time, and that is exactly what we intend to do.

The hon. Member for Nottingham East (Nadia Whittome) made a passionate set of arguments, and I agree with her to some degree—we can always do better and go faster—but I disagree with the idea that somehow we have simply idled our time away and done nothing.

Thank you, Madam Deputy Speaker, for your patience and for the very brisk way in which the debate has been handled. We have heard some excellent speeches. BEIS is now considering how best to support businesses. The green recovery is at the heart of what we want to do post covid, and we are exceptionally focused—more than any other Department—on delivering the strategic goal of net zero. In all this work, we will continue to listen to businesses, large and small. I particularly look forward to engaging in debate with Members of this House, as I have done in the past. We are also listening to business representative organisations. We are determined to get it right for individuals and businesses who need support, for our economy and for the future.

6.58 pm

Darren Jones: I thank the many right hon. and hon. Members who have spoken for their contributions today. Whether on key sectors such as the aerospace and the beauty industry, about which we have heard from hon. Members in this debate, or from loud voices such as Unite the union for aerospace, or from over 400 letters from thousands of workers and women to the Minister regarding the beauty industry; whether from the Petitions Committee on parents, on our lack of progress on net zero or on entrepreneurs and those who have fallen between the cracks, the demand on the Government has been clear this evening. That is, we expect a more sophisticated, coherent and transparent set of policies from the Government. With all due respect, the Minister was unable to announce anything about the future this evening. I hope that is because we will hear the plan that we need for Britain and British workers tomorrow from the Chancellor of the Exchequer. No doubt we will all be back to hear that and to hold the Government to account tomorrow.

Question deferred until Thursday 9 July at Five o'clock (Standing Order No. 54).

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

PUBLIC HEALTH

That the Health Protection (Coronavirus, Wearing of Face Coverings on Public Transport) (England) Regulations 2020 (S.I., 2020, No. 592), dated 14 June 2020, a copy of which was laid before this House on 15 June, be approved.—(David T. C. Davies.)

Question agreed to.

PETITION

Impact of COVID-19 on Luton Borough Council

6.59 pm

Rachel Hopkins (Luton South) (Lab): I speak on behalf of my constituents in Luton South and those of my hon. Friend the Member for Luton North (Sarah Owen). The petition, on the impact of covid-19 on Luton Council, states:

The Petition of residents of Luton,

Declares that the COVID-19 crisis has radically impacted upon the operation of London Luton Airport, resulting in a significant drop in commercial income, which in turn has impacted upon Luton Borough Council's provision of vital services; notes that in 2018-19 London Luton Airport Ltd paid £20.2 million in dividends to Luton Borough Council to support its funding of vital services; further notes that Luton is facing a £49 million impact on its 2020-21 budget due to the reduction in revenue from its airport, a drop in council tax and business rates, and other costs due to the crisis; further notes that Luton Borough Council has been forced to produce an emergency budget to find savings of £22 million this financial year; and further notes that a related Change.org petition calling for additional funding to Luton for essential services has over ten thousand signatures.

The petitioners therefore request that the House of Commons urge the Government to review the level of support provided to Luton Borough Council to ensure there is no reduction in vital services.

And the petitioners remain, etc.

[P002586]

Ipswich Hospital: Orthopaedic Services

Motion made, and Question proposed, That this House do now adjourn.—(*David T. C. Davies.*)

7.1 pm

Tom Hunt (Ipswich) (Con): I thank the Minister for being here to respond to this much-needed debate. It is needed because on 14 July, the Ipswich and East Suffolk and North East Essex clinical commissioning groups will make a decision on plans to remove elective orthopaedic surgery from Ipswich Hospital and transfer it down the A12 to a new centre in Colchester, away from the people who rely on it. If the plans were to go ahead, they would represent a downgrade to Ipswich Hospital and make it the only hospital in the east of England that I am aware of not to offer a full complement of orthopaedic services. Despite that, the CCGs' papers for the 14 July meeting will recommend that the plans be approved.

In many ways, it is disappointing that this debate is needed in the first place. Public opposition to the plans is overwhelming. I will come to the important reasons why later, but first I want to make the House aware of the scale of the opposition to the plans. An online petition to protect orthopaedic services at Ipswich Hospital established by the Orwell Ahead campaign group currently has more than 8,700 signatures, despite having been up for only a few days. I have already shared the petition with the Minister, but I want him to be aware of how many more people have added their names to it since we last spoke.

As well as the number of signatures, I am sure that the Minister and others who have studied the petition will not have failed to notice that it refers to a joint quote from me and the Labour leader of Ipswich Borough Council, Councillor David Ellesmere. Anyone who follows day-to-day politics in Ipswich will know that Councillor Ellesmere and I do not always see eye to eye, but on this issue we are united as the principal national and local representatives of our town. The quote in the petition comes from one of two joint letters about these proposals that we have sent to the chief officer of the Ipswich and East Suffolk clinical commissioning group. Combined, those letters, which detail our cross-party opposition to the plans, stretch to more than nine pages. However, that is by no means the extent of the opposition that has been expressed.

The 12-week consultation on the plans, which ran between February and April, found that almost two thirds of respondents were opposed to the new centre in Colchester. That is despite the fact that the consultation took on board the views of people in Colchester as well as people in Ipswich. Had the consultation taken place just in Ipswich, that number undoubtedly would have been far higher.

Over the last few weeks, that has been reflected in my inbox. I have received hundreds of letters, emails and other messages from constituents about this issue and not one has expressed support for the plans. They include not only former patients who have told me they would not be walking today were it not for the first-rate orthopaedic care currently provided at Ipswich Hospital, but hospital workers, and elderly and vulnerable people who are worried about the prospect of having to travel to Colchester in future.

[Tom Hunt]

When the chief executive of the hospitals trust asked me to pass on the correspondence that I have received from constituents so he could address their concerns, I did. I sent over a dossier that was 20 pages long, yet this still only represented a fraction of the correspondence that I have received. It also excluded many people who have contacted me from further afield in Suffolk, who are among the 390,000 people who depend upon the services provided by Ipswich Hospital. Many of them share my constituents' concerns, and some patients to the north of Ipswich face even longer and more difficult trips to Colchester than patients in Ipswich.

It is clear now that the only way for the concerns of my constituents and others to be addressed is for these plans to be reviewed. Of course, my overwhelming preference is for new plans to be drawn up and for the approximately £44 million that is currently earmarked for a new centre to be invested in both Ipswich and Colchester hospitals. I know that many of the people from across the political spectrum who signed the petition and who have written to me are also tuning into BBC Parliament this evening and are watching what is being said here very closely.

I think it is only right to use this opportunity to refute the claim made jointly by the chief executive of the hospitals trust and the chief officer of the clinical commissioning group that the public's petition is causing unnecessary concern and fear. Leaving aside the substance of those remarks for one second, I point out that this is not the first time that the chief executive of the hospitals trust and the chief officer of the CCG have written a joint letter or made closely aligned statements. Given that the chief officer of the CCG will be at the heart of the decision-making process on this issue, it is questionable why he is already so firmly in line with the trust on its plans. This adds to the widely shared sense that, to all intents and purposes, this decision has already been made, and that the decision-making process has been compromised. I hope that Ministers will consider that very carefully when looking at this issue and at how these plans are being pushed through against the wishes of my constituents.

I think it is clear to almost everyone, except senior NHS management locally, that it is not the public petition that is causing concerns, but the plans themselves. It is the local NHS management who have failed to make the case for these proposals. They are the ones who have failed to take the public with them on this journey. Unfortunately, these latest remarks by the chief executive and the chief officer are just more evidence of that same senior management failing to listen to the public. However, the public's concerns deserve to be heard, and that is why I will set them out very clearly now.

The removal of elective orthopaedic surgery would mean that patients in Ipswich had to travel further for their surgery. There must not be an assumption that everyone will have loved ones who can take them to Colchester and back or that they will be able to take public transport, especially after just having had a hip or knee replacement. Constituents have also told me that it would be harder for them to visit their loved ones who have undergone surgery in Colchester to give them crucial comfort and support.

Robbie Moore (Keighley) (Con): I feel for my hon. Friend's constituents who potentially have to make that extra journey. In my constituency, I am very fortunate that the Airedale General Hospital provides orthopaedic surgery to constituents on a local basis. Does he agree that the right thing to do is to provide that local service so that his constituents in Ipswich can benefit?

Tom Hunt: I agree with my hon. Friend. There is a national challenge when it comes to tackling waiting lists for hip and knee replacements. There is not one hospital across the country that does not have to meet that challenge, but in meeting that challenge, we need to keep services as local as possible for the people who depend on them. That is what I am arguing for this evening.

So far, neither the hospital trust nor the CCG has presented sufficient detail about how vulnerable patients will be supported in making the journey to Colchester, and the reassurances we have received about joint working and engagement with the public just do not cut it. There is major concern among my constituents about the plans, and it is no surprise that people do not support them while this crucial element is not in place.

Secondly, Ipswich Hospital is currently ranked in the top 10% in the country for both hip and knee replacements, and I would like to thank all the surgeons and staff who work in the orthopaedic services. There are real concerns that the fine quality of care currently available to patients in Ipswich will be diminished when combined with the practice in Colchester. Many of my constituents are currently going through an anxious wait for hip and knee replacements during covid-19, but the knowledge that they will receive first-class surgery at their town's local hospital provides a great deal of reassurance. Under these plans, however, the surgery would certainly not be at their local hospital, and there are fears that the standard of care could be lower too.

James Cartlidge (South Suffolk) (Con): I am grateful to my hon. Friend and neighbour for giving way. It was great to campaign with him in the election; I knew that he would be a doughty fighter for his constituents, and he is showing that tonight. Does he agree that, however we configure services, the priority must be the people he is talking about who are waiting for elective surgery that has been cancelled or shifted back many months because of covid, and we need to focus on bearing down on that backlog?

Tom Hunt: I thank my hon. Friend. As I said to my hon. Friend the Member for Keighley (Robbie Moore), I am not blind to the fact that covid-19 is putting huge pressure on the NHS and hospitals up and down the country, including Ipswich Hospital, where the frontline staff have gone above and beyond to serve my constituents. We need to deal with these waiting times, but we need to do so in a way that keeps services closer to people. That is very important.

Under the current proposals, most of the surgeons in Ipswich Hospital's orthopaedic team would split their time between Ipswich Hospital and the new centre in Colchester. In many cases, this would mean that the surgeon who operates on a patient in Colchester one day will not be there to make crucial check-ups on their patient in recovery over the following days. Only the operating surgeon is best placed to see how their patient is responding to the surgery that they carried out. These

personal check-ups are also an important source of confidence for patients. This important aspect of high-quality care would largely be lost under the current plans. Questions have also been left unanswered about the impact of the plans on the highly rated emergency orthopaedic practice, which would remain at Ipswich Hospital, with doctors and resources diverted elsewhere.

This all feeds into a third main concern, which is about the wider effect of these plans on the reputation and standing of Ipswich Hospital. Addenbrooke's Hospital, Peterborough City Hospital, Hinchingsbrooke Hospital, Norfolk and Norwich University Hospital, Queen Elizabeth Hospital, Princess Alexandra Hospital, Colchester Hospital, West Suffolk Hospital and James Paget University Hospital are all general hospitals in the east of England that provide elective orthopaedic surgery. Under the current plans, Ipswich Hospital would become the only hospital of its size in the eastern region not to provide a full complement of orthopaedic services. In fact, James Paget University Hospital in Yarmouth serves a population under half the size of Ipswich Hospital.

The question is, why should Ipswich Hospital be stripped of its first-class elective orthopaedic surgery and placed in such an unusual position? More and more people in Ipswich are beginning to answer that question by looking at whether the merger of Ipswich and Colchester Hospitals has been beneficial to Ipswich Hospital and whether the promises that were made about both hospitals improving together have been kept.

In fact, there are significant doubts that the hospitals trust fully explored the options that would allow both Ipswich and Colchester Hospitals to improve their orthopaedic care together, without one hospital losing core services. My understanding is that a full assessment was not made of repurposing space at Ipswich Hospital, to open up room for two additional operating theatres, and the borough council's two alternative proposals to the Colchester centre were essentially dismissed out of hand.

The hospitals trust has insisted, the whole way through, that the Colchester centre is the only way to create enough capacity to cut waiting times and cancellations of planned surgery. I have spoken to the hon. Member for Strangford (Jim Shannon) about what we have to do on that across the country.

I ask what justifies these sweeping plans; for many, including within the hospital itself, have doubts that the plans are even justified on their own terms. The proponents of the plans have highlighted the fact that five new operating theatres for hip and knee replacements would be added, and that these would simply replace five existing operating theatres currently in use at Ipswich and Colchester. Cutting waiting times and delays is undoubtedly an important aim, and I am sure, as I said, that there is no hospital in the country where the pressure on waiting lists for hip and knee replacements has not increased due to covid-19. As I mentioned, these plans would largely replicate existing services, at great financial expense and at the unquantifiable cost of moving them further from where people live. It is therefore disappointing that some in north Essex—some of my colleagues in north Essex—cannot see how important it is that both Ipswich and Colchester improve together, side by side.

The last major concern I want to mention is that key voices within Ipswich Hospital have been muffled on this issue. The chief executive of the hospitals trust has claimed that the plans are clinically led and that only three out of 27 consultants are opposed to them, but it

is my belief that the cards have been stacked in favour of this position. I understand that the 27 consultants he refers to include spinal surgeons as well as surgeons in Colchester. He has also assumed that surgeons who have not directly expressed their opposition to the plans must be in favour of them. Following the private conversations I have had with senior representatives at the hospital who have approached me, I understand that nine out of 12 surgeons at Ipswich Hospital who deliver non-spinal elective and emergency orthopaedic care do not support the proposals, but, understandably, many of them do not want to put their careers at risk by speaking out publicly. However, two surgeons did speak out publicly during one of the consultation events, which turned out to be the only one where the audio recording of a public meeting was not uploaded online. It was eventually put online only when the surgeons themselves pointed this out.

To summarise, the plans are incredibly unpopular in Ipswich. The concerns for patients within Ipswich Hospital's core service are real, and the decision-making process seems to be nothing more than a rubber-stamping exercise to push through the plans against the wishes of my constituents. When I stood for election and won the great honour of being elected as the Member of Parliament for Ipswich, I said to my constituents that I would fight for them with everything that I have. I love my constituency and I love my constituents, and I know how important the hospital is for them.

That is why it is really important for us to be here today. We do need to deal with the waiting lists, and we do need to make sure that people do not wait in pain for hip and knee replacements, but we need to do so in a way that keeps services closer to people. The merger needs to be about Ipswich and Colchester hospitals thriving together side by side, and I will work with my colleagues across the region to make sure that that is the case. At this late stage, I ask the Minister to look into the matter, reflect upon it, and meet me to discuss my concerns before the decision on 14 July.

7.18 pm

The Minister for Health (Edward Argar): I thank my hon. Friend the Member for Ipswich (Tom Hunt) for securing a debate on the important topic of orthopaedic services at Ipswich Hospital. His commitment to his constituency is commendable and well known. He raised this issue with me when we met very recently, and in his recent letter. I pay tribute to the persistence that he has shown in ensuring that his constituents' voices are heard on this topic, as on all others.

If I recall correctly, when my hon. Friend last spoke in the House on this matter and I responded, he secured my commitment to visit, which I had the pleasure of doing, with him, in February, and it was a visit that I greatly enjoyed. He is undoubtedly a strong voice for his constituents. Of course, when circumstances allow it, I will be very happy to visit Ipswich once again. I also had the opportunity, that same day, to visit Colchester with my hon. Friend the Member for Colchester (Will Quince), who is a similarly strong voice for the interests of his constituents, his local hospital and the needs of his county, and I pay tribute to him.

James Cartlidge: Many of my constituents use both Ipswich Hospital and Colchester Hospital, and I pay tribute to their staff for the incredible effort they have

[James Cartlidge]

put in throughout the pandemic to look after my constituents, and those of my hon. Friend the Member for Ipswich, to ensure that we get through this keeping our NHS intact. We should be proud of that.

Edward Argar: I am grateful to my hon. Friend, whom I have known for many years. As ever, he puts his finger on exactly the right point. I join him in paying tribute to all the staff at Ipswich Hospital, Colchester Hospital and across our NHS for the amazing work that they do day in, day out, particularly at this time.

My hon. Friend the Member for Ipswich set out his case very clearly. I would say that his hospital has no greater friend than him. I reassure him that there is no question of Ipswich Hospital continuing to be anything other than the first-class hospital it is today. He highlighted, in outline, a little of the background on this issue. In 2015, Suffolk and North East Essex sustainability and transformation partnership concluded that change in the organisation of services was needed, particularly in orthopaedic planned surgery. Since then, East Suffolk and North Essex NHS Foundation Trust has been developing a proposal for an orthopaedic elective surgery centre. As he mentioned, the proposal outlines that the centre would see a roughly £35 million investment in orthopaedic surgery services for the population, offering at least 48 new beds and up to six state-of-the-art ultra-clean operating theatres, providing additional capacity for emergency patients across the area. The NHS in Suffolk and Essex ran a consultation, between 11 February and 1 April 2020, on the specifics of the proposal to create an elective orthopaedic care centre in Colchester, but, as I have set out, those plans have been in genesis for many years and have been extensively and widely consulted on.

I note the points raised by my hon. Friend in his speech, and, indeed, those raised in his letter to the chief officer of Ipswich and East Suffolk clinical commissioning group recently. I encourage the clinical commissioning group to take that letter seriously and to respond fully to my hon. Friend, as part of the local accountability which is so important to all our public services. Let me be clear—I will emphasise this again later—that this is a process and a proposal that is rightly driven by the NHS at a local level in his and my hon. Friends' constituencies. He is right to commend the performance of Ipswich Hospital over recent years. I appreciate that he wants to ensure that for his constituents, and, indeed, for all those who use the hospital, the reconfiguration does not in any way diminish the achievement of his hospital and its staff, or have any impact on its other services.

My hon. Friend will appreciate that in winter the number of emergency admissions is much higher than it is during the summer. One aspect of this consultation is that it seeks to address planning for that by enabling more beds across the hospitals to be used to meet the demand. I would not seek, nor should I seek, to prejudge the decision that will be reached next week by the CCG on this matter—it is rightly its decision—but I will set out its rationale in putting the proposals forward. It states that, in practice, if the orthopaedic centre were built at Colchester, it would release 24 in-patient beds at Ipswich, where they are indeed needed. The new orthopaedic centre would be adjacent to the main Colchester Hospital, but away from the emergency department.

I greatly appreciate the insight my hon. Friend has shared from his constituents in Ipswich, who are thankful for the brilliant surgeries they have been able to access in the NHS. Indeed, that was something he highlighted again when I went to wonderful Ipswich with him. When the CCG considers this matter, I would of course expect it very carefully and respectfully to reflect on the points that he and his constituents have made. The proposals reflect the importance of the surgeries. I hope he and his constituents will welcome the fact that the proposals will not remove access to orthopaedic services at Ipswich Hospital. Of nearly 46,000 in-patient day cases and out-patient appointments completed for orthopaedic patients at Ipswich last year, only about 3% would move to the new centre at Colchester under what the trust is proposing. In its proposal, the trust sets out that day surgery, including shoulder and elbow joint replacements, would remain at Ipswich Hospital, as would services for emergency patients, such as joint replacement after a hip fracture.

As I just mentioned, my hon. Friend described the life-changing impact such surgeries have had on constituents who have been treated at his hospital. This proposal, as the trust sets out, seeks to achieve shorter waiting times for surgery and shorter stays in hospital, so that patients can seek the comfort of home more quickly, and to minimise the risk of cancellation of surgery, as the proposed centre will be built safely away from the emergency department and the knock-on impacts that a busy emergency department can have. It also seeks to achieve improved clinical outcomes in terms of reliability from the standardisation of care and provide training, education and research opportunities for clinicians. The trust maintains that it is on that clinical basis that it is putting forward the proposals, which, it states, seek to support the excellent performance of hospitals in the area by organising services in a sensible way so that necessary elective operations can take place while the system supports patients admitted in an emergency.

My hon. Friend also mentioned the merger of Ipswich and Colchester in June 2018. At the time, NHS England outlined several service improvements that the merger would bring about. There would be improvements in various services from paediatrics to emergency ambulatory care, and the enlarged organisation would also have an expanded catchment area, leading to improved opportunities for training, providing a more attractive option for clinicians, resolving a number of historical recruitment and retention issues at both trusts, and improving finances. It is important, however, as my hon. Friend suggested, that the trust is held to account for those promises and that it ensures, by the merger, that both hospitals continue to improve.

I briefly touched on the consultation earlier in my remarks, and my hon. Friend raised several points about the process. He is absolutely right to say that important decisions are made with the best interests of patients from across the area in mind, and that the views of local clinicians should not be diminished. There has been much lengthy consultation. As well as the formal process, my hon. Friend highlighted the petition, which has been signed by many of his constituents and, I suspect, more widely. It is absolutely right that everyone has their say, and I commend him for what he is doing to ensure that they have their say. Again, such views should be considered with respect and care when decisions are reached.

My hon. Friend also rightly raised the issue of patients and transport, and said that they must be supported to travel should the plans go ahead. He has raised the need for a comprehensive plan, both locally and with Ministers, to ensure that all patients can be supported to access the right care. Access to the current patient transport scheme will, the trust states, be available for those unable to make the journey themselves. Under the proposals, pre-surgery and post-surgery appointments would still take place at the patient's normal point of care at Ipswich or Colchester. Indeed, I pay tribute to my hon. Friend for fighting his constituents' corner, should the decision not turn out the way he wishes, and for playing an important part in highlighting that issue as well. The only change for patients would be the actual site travelled to for the planned surgical procedure, which would involve a lengthy stay of three days in hospital. I have also been reassured that local partners completely recognise that, alongside these provisions, additional support will be needed for some patients and, should the proposal be approved, further work is already under way to address that.

Being conscious of the time, I reassure my hon. Friend that the Department of Health and Social Care recognises how important these decisions are and recognises

that the right accountability, consultations and people must be included in the process of discussing proposals to change services. This is, of course, not a decision for me or, indeed, for the Secretary of State. The next step, as my hon. Friend said, is the final decision, which will be made locally by the CCG on 14 July, but the proposal is not to downgrade or diminish Ipswich, but to promote an alternative way of delivering clinical services. I have no doubt that the CCG will have heard my hon. Friend's case today, as will his constituents, in whose interests he has spoken so eloquently. I again encourage the CCG to ensure that it carefully considers his words and the representations in making its decision.

I conclude by thanking my hon. Friend and congratulating him on securing this debate. I also thank the other Members who have intervened. My hon. Friend has set out his case powerfully, and his constituents are lucky to have him as their Member of Parliament.

Question put and agreed to.

7.30 pm

House adjourned.

Written Statements

Tuesday 7 July 2020

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Intellectual Property

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Amanda Solloway): Our industrial strategy sets out the Government's vision for making the UK the most innovative country in the world. The UK starts from a position of strength and is already ranked in the top five of the global innovation index and top 10 by the World Bank as the best place to start and grow a business. But the global landscape is changing and we must continue to invest in research and development. The industrial strategy has set an ambition to raise total research and development to 2.4% of GDP by 2027, helping businesses access the right funds and equip them to face the opportunities and challenges presented by new technologies and new ways of doing business.

Intellectual property (IP) plays a crucial role in innovation and touches everything that makes modern life more enjoyable, easier, safer and prosperous. It provides inventors, creators and entrepreneurs with the confidence to invest knowing that they will reap the benefits of their investments. UK investment in IP rights reached almost £64 billion in 2016 and studies have shown that industries that rely on IP have accounted for over a quarter of UK employment and almost half of GDP. Our IP system matters. It creates jobs and economic growth and is helping to propel Britain to the forefront of innovation.

The Intellectual Property Office (IPO) corporate plan 2020-21 explains how through its stewardship of the IP system, it will help the UK to be the most innovative and creative country in the world. It will do this through delivering excellent IP services, creating a world leading IP environment and attracting and retaining the best people by making the IPO a brilliant place to work.

The UK already has one of the best IP regimes in the world, consistently ranked as one of the top regimes in indices such as those from the US Chamber of Commerce International IP Index, and during 2020-21, the IPO will continue to contribute to building a business environment that makes the UK the best place in the world to start and run a business.

As an executive agency and trading fund of the Department for Business, Energy and Industrial Strategy, the IPO has set targets which are agreed by Ministers and laid before Parliament. I am glad that today I can inform the House that for 2020-21 the IPO's targets are:

Deliver excellent customer service with our average overall customer satisfaction at least 85%.

Deliver our services efficiently through continuously improving our systems, processes and ways of working to make things better for our customers and our people, reduce costs and improve the value for money we provide. Our target is to achieve efficiencies worth at least 3.5% of our core operating costs.

We will have created equivalent UK rights from existing EU trademarks and designs to the UK register on 31 December 2020.

We want to ensure that the UK's IP framework incentivises the development and adoption of AI technologies, supporting the Government's ambition of putting the UK at the forefront of the AI and data revolution. We will do this by developing our understanding of how AI impacts the IP framework through launching a call for views and publishing our response so as to provide the clarity our customers need to confidently invest in AI.

It is important to note that our plan and our targets were developed prior to the outbreak of the coronavirus (covid-19) epidemic. At present our targets are unchanged but we will review this as the impact of the virus becomes clearer. We have the ability to adapt our finance and resource models according to emerging trends and we will do so. We will also work with BEIS and our other partner organisations to review our priorities regularly, ensuring we support wider Government responses to the economic impact of the virus and seek to focus our efforts and resources where they will have the most significant impact driving the UK innovation and creative economy.

[HCWS342]

CABINET OFFICE

UK-EU Future Relationship Negotiations

The Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office (Michael Gove): The Government have made a commitment to update Parliament on the progress of our future relationship negotiations with the EU. This statement provides an update on the intensified talks process as agreed at the high level meeting between the Prime Minister and the three presidents on the EU side on 15 June. The timetable for this process was published on 12 June as an addendum to the terms of reference on the UK-EU future relationship negotiations.

Intensified talks took place in Brussels between 29 June and 2 July in a restricted format and led by the UK chief negotiator David Frost. The talks covered: trade in goods; trade in services and investment and other issues; fisheries; horizontal arrangements and governance; level playing field for open and fair competition; criminal law and judicial co-operation; mobility, social security, thematic co-operation; energy and transport; and participation in Union programmes.

These talks were comprehensive and useful. However, they have underlined the significant differences that still remain between us on a number of important issues. Further discussions will take place later this week in London. The UK remains committed to working hard to find an early understanding on the principles underlying an agreement out of the intensified talks process during July, as agreed at the high level meeting on 15 June.

[HCWS346]

DEFENCE

Armed Forces Pay Review Body: Appointments

The Minister for Defence People and Veterans (Johnny Mercer): I am pleased to announce that the Secretary of State for Defence has appointed Miss Jenni Douglas Todd, Mr Julian Miller CB and Rear Admiral William Entwisle OBE MVO as members of the armed forces'

pay review body. Their appointment commenced on 20 May 2020 and will run until 30 April 2023. These appointments have been conducted in accordance with the governance code for public appointments.

[HCWS341]

Armed Forces: Wraparound Childcare

The Secretary of State for Defence (Mr Ben Wallace): I am pleased to announce today the launch of a wraparound childcare pilot scheme for UK armed forces families. This announcement represents another significant step towards the Government meeting their manifesto commitment to provide free wraparound childcare for forces families.

It is the latest in a series of measures which my Department has introduced with the aim of easing the unique burdens on service families. Our armed forces have a 24 hours a day, seven days a week commitment to their duties and meeting this manifesto pledge will not only provide them with the support they deserve, but also help to build the diverse workforce we need for a modernised UK Defence.

I am determined to make the armed forces a more modern, inclusive and family friendly employer, in order to improve the working environment for retention of all personnel but also to encourage more talented women to pursue long, and fulfilling careers in uniform.

This follows the introduction of flexible service last year, which allows—for the first time in the armed forces—personnel to flex their working arrangements to accommodate changes in personal circumstances.

By introducing these measures we plan to make life easier for service personnel and their families, who are required to be mobile and can be deployed at short notice. Wraparound childcare will help them to secure appropriate support when it is required, by covering early starts and late finishes for eligible working parents of children aged four to 11.

The first pilot sites of RAF High Wycombe and RAF Halton will see funding for before and after school care during term time from the start of the 2020 academic year. Further pilot sites at Catterick garrison and the Plymouth naval area will follow in January 2021.

Service personnel assigned to each of the pilot sites will be eligible to access the funding, regardless of the geographical location of their children within the UK. The few families located in Scotland but assigned to the first pilot sites will, therefore, begin in August.

The launch of this pilot comes amidst the wider return to education, following the disruption of the coronavirus pandemic. Service personnel from all of our armed forces have provided critical support to their colleagues in health and social care, often deployed away from home at short notice.

Their professionalism, versatility, and commitment make them the best armed forces in the world, and we are committed to honouring their service by providing them the best support possible.

[HCWS343]

DIGITAL, CULTURE, MEDIA AND SPORT

Arts, Culture and Heritage: Support Package

The Secretary of State for Digital, Culture, Media and Sport (Oliver Dowden): I wish to set out to the House details of the £1.57 billion rescue package that the Government have provided to support the arts, creative and heritage sectors to respond to the economic shock caused by coronavirus.

The coronavirus pandemic has affected the whole economy, but presents particular challenges for organisations that depend on engaging with audiences and visitors in person. It has forced thousands of cultural institutions to close their doors and, while some galleries and museums reopened on 4 July, even those that have reopened face significant financial constraints on operating in a socially distanced way.

Through the establishment of the Cultural Renewal Taskforce, and the Entertainment and Events Working Group, I have been working closely with the cultural sector and medical experts to address these challenges and to try and help organisations to reopen as soon as it is safe to do so.

However, this pandemic will continue to disrupt business models in the cultural sectors and social distancing will mean that crowded venues are not possible for some time. This means that much of the UK cultural sector, including well-established organisations that had robust business models prior to the coronavirus pandemic, are not able to restore their incomes, and face significant financial risks which if not mitigated could lead to widespread insolvencies and loss of much of the UK's invaluable culture and heritage.

Government have therefore taken action to provide the necessary support that will help organisations to survive this period and reopen when it is safe and economically viable to do so.

This funding represents the biggest ever one-off investment in UK culture, and builds on the financial assistance many cultural and heritage institutions have already received from the Government's pan-economy measures including loans, business rate holidays and participation in the coronavirus job retention scheme. More than 350,000 people in the recreation and leisure sector have been furloughed since the pandemic began.

The rescue package will support thousands of organisations across a range of sectors including the performing arts and theatres, heritage, museums, galleries, live music and independent cinema. It will cover both the largest and most famous institutions, and the lesser known but equally cherished cultural and heritage organisations in regions across the country—those which have been the anchors of their local communities for years.

This funding package includes:

£1.15 billion support for cultural organisations in England delivered through a mix of grants and repayable finance.

£100 million of targeted support for the national cultural institutions in England and the English Heritage Trust.

£120 million capital investment to restart construction on cultural infrastructure and for heritage construction projects in England which were paused due to the coronavirus pandemic.

This new funding will also mean an extra £188 million for the devolved Administrations—with the following allocations via the Barnett formula: Northern Ireland (£33 million); Scotland (£97 million); and Wales (£59 million).

Decisions on awards will be made by DCMS arm's length bodies, in particular the Arts Council England, British Film Institute, Historic England, and the National Lottery Heritage Fund, working alongside expert independent figures from the sector.

The funding will predominantly be grant funding, with repayable finance available for the largest organisations. This repayable finance will be issued on generous terms tailored for cultural institutions to ensure that it is affordable.

In order to receive support, organisations will need to demonstrate that they are at risk in this financial year and have done all they can to support themselves. We will be prioritising institutions of national and international significance and those that are crucial to safeguarding access to culture and driving economic growth across the whole country.

Further details on the scope of the fund, the criteria that will determine which organisations are eligible for each element of the fund, and the timing for allocating funding, will be set out in detailed guidance. DCMS is working intensively with its arm's length bodies, and will publish this guidance for applications shortly.

[HCWS345]

HEALTH AND SOCIAL CARE

Coronavirus Update

The Secretary of State for Health and Social Care (Matt Hancock): On 26 March 2020, the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 came into force, imposing restrictions on people's movements and gatherings, and requiring the closure of certain retail and public premises, to protect public health in light of the coronavirus pandemic. We have kept these regulations under continual review and have amended these regulations four times.

On 23 June 2020, the Prime Minister announced in Parliament the changes being made following the fourth review of the coronavirus regulations. Due to the substantial changes being made at this point, I am revoking the existing regulations and replacing them with The Health Protection (Coronavirus, Restrictions) (No. 2) (England) Regulations 2020. This approach will mean that the regulations are clearer and easier for the general public to understand.

These new regulations mean that from 4 July, a wide range of sectors have been permitted to reopen, with guidance that covid-19 secure measures are implemented in their reopening. This includes the hospitality, leisure, tourism, and recreation sectors. Group prayer and collective worship, overnight stays in self-contained accommodation, including hotels, second homes, and bed and breakfasts are also allowed. Although most businesses are now able to open, a number remain which are still considered too high risk to reopen due to the likely prolonged exposure and close contact between individuals; these businesses are listed in the regulations as having to remain closed.

These new regulations have also removed the restriction on overnight stays. The previous gathering limits have been removed from legislation and replaced with a 30-person limit on gatherings in private dwellings, ships or boats, and public outdoor spaces. This new gathering limit will ensure that police have the powers to prevent the type of gatherings taking place which are not likely to be able to follow social distancing measures, such as house parties, boat parties or raves. These gathering limits are subject to exceptions. These regulations have removed most of the restrictions placed on individuals by the previous set of regulations, however the Government have provided clear guidance outlining what steps people should be taking to protect themselves or others. This outlines that gatherings should be limited to two households indoors, or two households or six people outdoors (whichever is greater). It is very important that everyone continues to follow the guidance—and continues to socially distance from those they do not live with (or have not formed a support bubble with).

As national restrictions are rightly relaxed to reflect the lower infection rates, we must ensure that we have the ability to act swiftly and effectively where risky behaviour occurs. These regulations therefore introduce new powers for the Secretary of State to either restrict access to or close public outdoor places (for example beauty spots) by a direction if this is judged necessary to protect public health.

As I announced to the House on 29 June, the changes that came into effect on 4 July will not apply in Leicester. This follows a rise in cases and is based on clinical advice. In addition, non-essential retail based in Leicester has had to close. The new regulations make this a legal requirement. In addition, they will prohibit overnight stays by Leicester residents inside and outside of Leicester, and by residents from elsewhere within Leicester. They will continue to prohibit gatherings of more than six people outdoors and mixing between households, apart from where this is allowed by the support bubble policy. The new regulations will continue to only allow places of worship to open for specific reasons, including private prayer. We are continuing to monitor the situation and we will review whether this position can be changed by 18 July.

Publicly available Government guidance on gov.uk is being updated to ensure it fully corresponds with the new regulations.

[HCWS340]

HOME DEPARTMENT

Violence and Abuse towards Shop Staff: Call for Evidence

The Minister for Crime and Policing (Kit Malthouse): Today the Government have published their formal response to the call for evidence on violence and abuse toward shop staff. The Government recognise that the violence and abuse shop workers face can have a significant impact, not only physically but mentally and emotionally.

The Government launched a call for evidence in April 2019 on violence and abuse towards shop staff to understand the scale of the issue, the measures which may help prevent these crimes and the extent to which

existing legislation is being used to tackle them; and to identify examples of best practice. I want to emphasise that violence and abuse of shop staff is unacceptable and must not be tolerated, and we will work towards tackling these crimes. I would also like to take this opportunity to thank the retail sector who have during the coronavirus pandemic worked tirelessly to keep the nation fed while implementing social distancing measures to keep the public safe.

In light of the responses to the call for evidence, the Government recognise that there are issues which need to be dealt with in an evidence-based manner with the support and involvement of the sector. Therefore, I have begun work with the National Retail Crime Steering Group, which we co-chair with the British Retail Consortium, to jointly develop and deliver a programme of work to drive down abuse and violence, with three key aims:

Deepen our understanding and address the drivers of violence and assault against shop worker;

Send a clear message that such crimes are not tolerated and should be recorded whenever and wherever they take place;

Provide effective support to those shop workers who are the victims of violence and abuse.

In delivering these priorities we will work with partners, including the Welsh Government, to ensure that plans are tailored and effective. The call for evidence generated a high level of interest and the Government would like to thank all those who took part and for the work they have contributed. The evidence and comments received has been vital in helping develop a better understanding of the issue. I wish to be clear that this is only the beginning of the process, rather than the conclusion as further work is needed to deliver an evidence-based response to these crimes.

The “Government Response to the Call for Evidence on Violence and Abuse Toward Shop Staff” will be placed in the Libraries of both Houses.

[HCWS344]

INTERNATIONAL TRADE

Export Licences: Saudi Arabia

The Secretary of State for International Trade (Elizabeth Truss): I want to update the House on the steps that have been taken to comply with the judgment of the Court of Appeal of 20 June 2019 regarding licences for military exports to Saudi Arabia for possible use in the conflict in Yemen.

The legal proceedings concerned the decisions of the then Secretary of State for Business, Innovation and Skills of 9 December 2015:

Not to suspend extant export licences for the sale or transfer of arms and military equipment to Saudi Arabia for possible use in the conflict in Yemen; and

To continue to grant further such licences.

The legal proceedings concerned Criterion 2c of the Consolidated EU and National Arms Export Licensing Criteria—which requires the Government to assess Saudi Arabia’s attitude towards relevant principles of international law and provides that the Government will not grant a licence if there is a clear risk that the items might be used in the commission of a serious violation of international humanitarian law (IHL).

The Divisional Court found in favour of the Government in its judgment of July 2017, noting that we applied a rigorous and robust, multi-layered process of analysis to making our licensing decisions. Our approach has focused on a predictive evaluation of risk as to the attitude and future conduct of the Saudi-led coalition, recognising the inherent difficulties of seeking to reach findings on IHL for specific incidents where we do not have access to complete information. Even so, this analysis has always incorporated a detailed and careful review of past allegations of incidents of concern. This included analysis, to the extent possible, of whether there were patterns of concern, in particular arising from trends in the number of allegations of civilian casualties and of damage to key civilian infrastructure. The Court of Appeal broadly endorsed this decision-making process.

The principal issue in the Court of Appeal was whether this analysis needed to go further. In the Court’s judgment, the question of whether there was an historic pattern of breaches of IHL was a question which required to be faced. Even if it could not be answered with reasonable confidence for every incident, at least the attempt had to be made. It was because we had not reached findings on whether specific incidents constituted breaches of IHL as part of our assessment of clear risk, under Criterion 2c, that the Court of Appeal concluded that our decision-making process was irrational and therefore unlawful.

To address the Court of Appeal’s judgment, we have developed a revised methodology in respect of all allegations which it is assessed are likely to have occurred and to have been caused by fixed-wing aircraft, reflecting the factual circumstances that the court proceedings concerned. Each of those allegations has been subject to detailed analysis by reference to the relevant principles of IHL and in the light of all the information and intelligence available. An evaluation has then been made, in respect of each incident, whether it is possible that it constitutes a breach of IHL or whether it is unlikely that it represents a breach. For a number of incidents, as envisaged by the Court of Appeal, there is insufficient information to make this evaluation. Where an incident is assessed as being a “possible” breach, it is regarded—for the purposes of the Criterion 2c analysis—as if it were a breach of IHL. By setting the threshold as “possible” the IHL analysis has captured the widest range of relevant potential IHL breaches, to provide a base from which to assess the prospective risk for Criterion 2c.

The IHL analysis has now been applied to all credible incidents of concern of which we are aware. Some of these incidents have been assessed as “possible” violations of IHL. These have therefore been factored into the overall Criterion 2c analysis on the basis that they are violations of IHL.

We have sought to determine whether these “violations” are indicative of:

any patterns of non-compliance;

a lack of commitment on the part of Saudi Arabia to comply with IHL; and or

a lack of capacity or systemic weaknesses which might give rise to a clear risk of IHL breaches.

We have similarly looked for patterns and trends across the incidents which have been assessed as being unlikely to be breaches of IHL and those for which there is insufficient information to make an assessment.

This analysis has not revealed any such patterns, trends or systemic weaknesses. It is noted, in particular, that the incidents which have been assessed to be possible violations of IHL occurred at different times, in different circumstances and for different reasons. The conclusion is that these are isolated incidents.

I want to emphasise that the IHL analysis is just one part of the Criterion 2c assessment. In retaking these decisions, I have taken into account the full range of information available to the Government. In the light of all that information and analysis, I have concluded that, notwithstanding the isolated incidents which have been factored into the analysis as historic violations of IHL, Saudi Arabia has a genuine intent and the capacity to comply with IHL.

On that basis, I have assessed that there is not a clear risk that the export of arms and military equipment to Saudi Arabia might be used in the commission of a serious violation of IHL.

Having now re-taken the decisions that were the subject of judicial review on the correct legal basis, as required by the Order of the Court of Appeal of 20 June, it follows that the undertaking that my predecessor gave to the Court—that we would not grant any new licences for the export of arms or military equipment to Saudi

Arabia for possible use in Yemen—falls away. The broader commitment that was given to Parliament, relating to licences for Saudi Arabia and its coalition partners, also no longer applies.

The Government will now begin the process of clearing the backlog of licence applications for Saudi Arabia and its coalition partners that has built up since 20 June last year. Each application will, of course, be carefully assessed against the Consolidated EU and National Arms Export Licensing Criteria and a licence would not be granted if to do so would be a breach of the Criteria. It may take some months to clear this backlog.

Finally, as indicated in the statement made to the House on 20 June 2019, we sought permission to appeal to the Supreme Court against the Court of Appeal's judgment. Permission was granted by the Court of Appeal on 9 July 2019. In light of the revised methodology which I have just described, I will now be taking steps to withdraw this appeal. I want to update the House on the steps that have been taken to comply with the judgment of the Court of Appeal of 20 June 2019 regarding licences for military exports to Saudi Arabia for possible use in the conflict in Yemen.

[HCWS339]

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