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HOUSE OF COMMONS
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PARLIAMENTARY
DEBATES

(HANSARD)

Monday 9 November 2020

House of Commons

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The House met at half-past Two 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

HOME DEPARTMENT

The Secretary of State was asked—

Abortion Clinics: Buffer Zones

Steve McCabe (Birmingham, Selly Oak) (Lab): What assessment her Department has made of the potential merits of introducing buffer zones around abortion clinics. [908389]

The Secretary of State for the Home Department (Priti Patel): The right to protest is a vital part of our democratic society, and no one should be harassed or intimidated at all. In 2018, the Government conducted a review of protests outside abortion clinics. This policy has been kept under review, and following recent engagement with the police and abortion service providers this year, we are considering whether more work should be done to protect those accessing or providing abortion services.

Steve McCabe: I thank the Home Secretary for her answer. A clinic on a quiet street in my constituency has been plagued by 40-day protesters for over 12 months. Staff, local residents, teenage girls on their way to school and patients are all having opinions, leaflets and scripture forced on them. This is a place that offers family planning, counselling for those who have suffered miscarriages and a host of other services as well as terminations. I call what is happening wholly unacceptable harassment. What does the Home Secretary think?

Priti Patel: I thank the hon. Gentleman for raising this important matter. This is a sensitive and complex issue—no question about that whatsoever—and I am really grateful to him for raising his concerns. He is not alone on this; I have spoken to many other Members of Parliament about this, too. He is right to say that harassment and intimidation are utterly unacceptable. Important services and advice are being provided. I can reassure him and say to the whole House that we are reviewing our work and policies on this important issue, and I think that that is absolutely right and proper.

Coronavirus Restrictions: Police Enforcement

Alun Cairns (Vale of Glamorgan) (Con): What support her Department is giving to police officers to enforce coronavirus restrictions. [908390]

John Howell (Henley) (Con): What support her Department is giving to police officers to enforce coronavirus restrictions. [908393]

Kate Hollern (Blackburn) (Lab): What assessment she has made of the adequacy of police resources during the covid-19 outbreak. [908397]

The Minister for Crime and Policing (Kit Malthouse): Our police forces have played a critical role during the pandemic and have been quick to respond to the changes and challenges that we all face. The Government have been clear that they will provide police forces with the support, both moral and physical, that they need to continue protecting the public and keeping communities safe through the coronavirus pandemic. This has included £30 million of additional covid surge funding.

Alun Cairns: I welcome the approach that my hon. Friend and the Home Secretary are taking to support brave police officers up and down the country. Lawful protest is the cornerstone of a democracy, but does my hon. Friend agree that it is wholly unacceptable for groups of protesters to come together and put police officers at risk by breaking social distancing rules, given that the police have a responsibility to keep the public safe?

Kit Malthouse: It is no surprise that my right hon. Friend should put the welfare of police officers to the front of his mind, as should everybody in this country. Our police officers are out there on the frontline keeping us all safe, and it is true that a large gathering has the potential to expose them to a greater possibility of infection by the virus than would otherwise be the case. We have seen extraordinary resilience from our police forces throughout the whole pandemic. Indeed, absence has often been below business as usual. That is important because, besides covid compliance enforcement, we still have crime to fight, and if people want officers to be there at the other end of a 999 call and available to come to their aid in an emergency, they need to ensure that they do not expose them to a greater risk of infection than they would otherwise face.

John Howell: In the first lockdown, we saw a number of large demonstrations and protests, including in Henley, that threatened frontline officers. In this lockdown, are we going to abolish them or try to prevent them from happening to protect officers and, indeed, the public?

Kit Malthouse: I know that Henley has seen its fair share of problems over the past few months, and it is no surprise that my hon. Friend should raise them, as he often does, in this House. All large gatherings are now illegal under the coronavirus regulations, and I am afraid that that includes legitimate protests that would otherwise be tolerated. We are facing an extraordinary challenge as a country, with many vulnerable individuals, older citizens and others exposed to risks that they have never seen before, and we all have an individual duty

towards our collective health. We hope and believe that the police will be able to encourage the vast majority of our fellow citizens to observe the regulations, but where they do not, enforcement is an option, as we have seen over the past weekend.

Kate Hollern [V]: Lancashire has 750 fewer police officers than it did in 2010. Let us compare that with Surrey, which has only eight fewer officers. The discrepancy is because Lancashire is more reliant on Government grant than Surrey, which, as a relatively affluent area, is more reliant on council tax precepts. Given that the Government have promised to recruit 20,000 police officers in the next two years, when is the Department going to recruit them and base them in areas that have seen the biggest cuts, such as Lancashire?

Kit Malthouse: I am pleased that our pledge to recruit 20,000 extra police officers is so popular, particularly in Lancashire. The hon. Lady will be pleased to know that 100 of the 153 that were allocated to Lancashire out of the first 6,000 had already been recruited by 30 September. They join the 5,834 that we have recruited towards our 6,000 target, which was due by next March; as Members can work out from the maths, we are well ahead of target. As for where those officers are based, that is a matter for the chief constable, who makes that operationally independent decision, in collaboration with the police and crime commissioner in the county.

Mr Speaker: We look forward to them in Chorley.

Conor McGinn (St Helens North) (Lab): Let me start by thanking the Minister for meeting me and the Daniel Fox Foundation, which is based in St Helens, does great work on knife crime in my constituency and was very encouraged by his support. We know the impact of coronavirus on our health and the economy, but it also has serious implications for public safety and the country's security. There were anti-lockdown protests on the streets this weekend, but we see deliberate, harmful disinformation online all day, every day. So when ensuring that the police have what they need to meet all covid-related challenges that they face, what resources is he providing to them and the security and intelligence services to robustly counter the false online conspiracy theories, which are designed by nefarious elements, at home and abroad, to undermine our collective efforts to beat this virus?

Kit Malthouse: First, let me say that I enjoyed our meeting with the Daniel Fox Foundation. I am pleased that in the hon. Gentleman's part of the world, St Helens, as in the rest of the country, we are standing shoulder to shoulder in the fight against knife crime. Sadly, we are having to do so once again, but it is a fight that we will and must win—I am sure there will be more about it later today. On misinformation and disinformation, he is right to say that unpleasant and untrue stories are circulating, whether anti-vaccine stories or the crazy stuff about 5G. Both the National Crime Agency and the security and intelligence services are engaged with our partners in the private sector in removing as much of that disinformation as we can. We have a role to play in this House as well, in standing together as democratically elected politicians and recognising that we charge others with assisting us in providing advice and data and that

we must respect and acknowledge their views as being the basis on which decisions are made legitimately. That is the right way forward. I welcome the Opposition Front-Bench team's support on that thus far, and indeed into the future.

Illegal Migration: English Channel

Michael Fabricant (Lichfield) (Con): What steps her Department is taking to stop migrants crossing the English Channel illegally; and if she will make a statement. [908391]

Damian Collins (Folkestone and Hythe) (Con): What steps her Department is taking to stop migrants crossing the English Channel illegally. [908403]

Craig Tracey (North Warwickshire) (Con): What steps her Department is taking to stop migrants crossing the English Channel illegally. [908411]

The Parliamentary Under-Secretary of State for the Home Department (Chris Philp): These small boat crossings are dangerous, as the tragic fatalities last month showed. They are illegally facilitated by reckless criminals, and they are totally unnecessary because France is a safe country with a well-functioning asylum system, where people can seek protection if they need it. We are determined to completely stop these crossings. We are working with the French authorities to prevent embarkations. We are considering action we might take at sea, and we are taking robust law enforcement action, leading so far this year to nearly 100 arrests. Just last week, two people were convicted and sentenced for facilitating these illegal crossings.

Michael Fabricant [V]: My hon. Friend actually answered the question I was going to ask, so I am going to ask him something else instead. We have all been shocked by the number of deaths in the channel, but why does he think people want to leave France?

Chris Philp: I must try to be diplomatic in the way I answer that question. There are a variety of motives, which probably include things such as language. The simple truth is that if people are seeking protection, France has a fully functioning asylum system. It is a safe and civilised country, and there is no reason to attempt and no excuse for attempting this crossing. That is why anyone in need of protection should avail themselves of it by claiming asylum in France and not attempting this dangerous crossing.

Damian Collins: As the Minister knows, this problem has been getting worse throughout the year. We are seeing tragic loss of life and concern for communities on the channel coast because of this problem, which is profiting people-trafficking gangs. What progress is being made, either in preventing more crossings from leaving France in the first place or in stopping boats at sea and returning them to the French coast? If the migrants can see that they cannot get into the country in this way, fewer of them will try.

Chris Philp: My hon. Friend is right to point out that this trade is facilitated by dangerous and ruthless criminals. On activity with the French, we are working with them

to prevent embarkations and we are funding gendarmes who patrol the beaches. In fact, the French authorities have successfully stopped nearly 5,000 crossings this year so far. We are in the process of actively investigating action at sea because, as my hon. Friend says, if it is obvious that nobody can make it across, they will stop attempting such dangerous crossings in the first place.

We are also working to return under the Dublin regulations people who do get across—in fact, this week there are three flights, some of which will contain cross-channel migrants being returned under the Dublin regulations. By a combination of law enforcement on French beaches, potential action at sea and returns, we can remove the reason for even trying such crossings in the first place.

Craig Tracey: Does the Minister agree that the best way to clamp down on these illegal crossings is to prevent the small boats carrying the illegal immigrants from ever leaving European shores in the first place? Will he confirm to the House what steps he is taking with his French counterparts to ensure that they are stepping up their actions in that respect?

Chris Philp: My hon. Friend is absolutely right: we need to do more with our French colleagues to prevent the embarkations. As I say, we are now funding additional gendarmes to prevent embarkations from the beaches, and we are supporting the French to provide proper, safe accommodation for migrants who would otherwise be living in the various camps. We are also investigating action at sea. My hon. Friend is quite right that if we can render these crossings essentially impossible, nobody will attempt them in the first place. Not only is that the right thing to do from a health and safety point of view, but it is the right thing to do to undermine and prevent the ruthless criminal gangs who are behind these crossings.

Joanna Cherry (Edinburgh South West) (SNP) [V]: May I start by extending my sympathies to the relatives and friends of all who have died attempting these crossings?

As a matter of international law, entering a state to seek asylum without a visa is not illegal—I am happy to share with the Minister the advice from the UN High Commissioner for Refugees on the matter—but the crossings are certainly most irregular and very unsafe. Rather than fanning the flames of people's desperation for political reasons, would it not be better for the Minister to focus on creating safe legal routes for asylum seekers? While he is attending to that, will he encourage the Home Secretary to stop her anti-lawyer rhetoric and acknowledge that there is a responsibility on politicians and other public figures to avoid saying anything that could make tensions worse or put people's lives at risk?

Chris Philp: Article 31 of the refugee convention, to which I think the hon. and learned Lady was referring, makes it clear that the prohibition on criminalisation of entry applies only to people who are directly—I use the word “directly”—entering a state from somewhere that is unsafe. I respectfully point out that France is not unsafe; France is a safe country.

On the hon. and learned Lady's question about safe and legal routes, there are a large number of such routes and around about half the people who come here to

claim asylum already do so via legal routes. In addition to that, for the past five years we have been running the resettlement programme, taking people directly from conflict zones—for example, Syria—and bringing them to the United Kingdom. Over that five-year period some 25,000 people, half of whom are children, have come via the resettlement route. The resettlement route—a safe and legal route of the kind for which the hon. and learned Lady calls—is the largest resettlement programme of any European country. We have a proud record of supporting people in genuine need and we will continue to do so.

On the hon. and learned Lady's last question, I of course completely support the Home Secretary and we will continue to fight vexatious, last-minute legal claims when it is appropriate to do so.

Police Community Support Officers: Effectiveness

Daniel Zeichner (Cambridge) (Lab): What recent assessment she has made of the effectiveness of police community support officers. [908392]

The Minister for Crime and Policing (Kit Malthouse): Police community support officers are a valued part of the police workforce as a key liaison point between local communities and policing, and we are all, I know, grateful for their service. Decisions about the best use of resources at the frontline, including the deployment of PCSOs, are for chief constables and democratically accountable police and crime commissioners based on their local knowledge and experience.

Daniel Zeichner: The Minister will know that Cambridgeshire has recently announced that the number of PCSOs is to be halved. The reason, in the words of the chief constable, was

“to ensure budget gaps can be met next year”.

Will the Minister do the right thing: bridge the gap and allow Cambridgeshire to keep our PCSOs?

Kit Malthouse: I am very pleased to say that we have already started augmenting the resources available to Cambridgeshire police, with an award of £10.9 million last year, in the largest police settlement for a decade. Happily, it has already recruited 62 of the 99 allocated police officers, which I know will be making a huge difference in the hon. Gentleman's constituency, as they will across the whole of the county.

101 Service: Call Answering Times

Mr Laurence Robertson (Tewkesbury) (Con): What steps she is taking to improve the call answering time on the 101 service; and if she will make a statement. [908394]

The Minister for Crime and Policing (Kit Malthouse): We recognise the importance of a timely response to 101 calls and the role that technology can play in the relationship between the police and the public, which is why we are supporting national programmes developing new ways for the public to contact the police. Gloucestershire constabulary is a key beneficiary of the Single Online Home for policing, a digital 101 service.

Mr Robertson [V]: I thank the Minister for that response, but the actual response on the 101 service is quite often far too long, and people then revert to the 999 service, putting undue pressure on it. I have a meeting with the chief constable of Gloucestershire on Wednesday, and I will certainly make those points to him. Is there any more the Government can do to improve the 101 service?

Kit Malthouse: It is no surprise that a Member of Parliament who is himself very accessible to his constituents on an almost 24/7 basis should want the same for the police. While I would love to sit behind my desk in Whitehall and manage these things from the centre, the truth is that the response times and the disposition of 101 is a matter for the police and crime commissioner and the chief constable in his county. I know that, if he meets them, they will listen to him carefully, because it is extremely important, as he says, that when people pick up the phone to the police—whether it is the 101 service or the 999 service—they do get a good and efficient response. There is nothing that can undermine the confidence of a person in their police force than getting just a recorded message or, indeed, a call that is never answered. Some of that solution is technological and we think that much can be achieved through the Single Online Home, and I urge him to explore it as a reporting mechanism. I wish him good luck with his meeting, and look forward to hearing the conclusions of it.

Points-based Immigration System

Greg Smith (Buckingham) (Con): What progress her Department has made in introducing a points-based immigration system. [908396]

The Parliamentary Under-Secretary of State for the Home Department (Kevin Foster): The Government are making excellent progress on delivering one of the key promises that we made to the British people at the last election. Our new, fairer, firmer, skills-led points-based system will align the treatment of EU and non-EU nationals and deliver for the whole of our United Kingdom. Some routes are already open and most remaining routes will be open from 1 December.

Greg Smith: I thank my hon. Friend for that answer. Contrary to some of the arguments put forward by those who oppose a fairer immigration system, can he reassure the House that the new points-based system will, in fact, make it more straightforward and easier for medical professionals, from wherever they are around the globe, to be able to come to work in the United Kingdom as part of our NHS?

Kevin Foster: Yes, absolutely. The NHS and health and care sector, including Buckinghamshire Healthcare NHS Trust, can continue to access the best and brightest from across the world under our new points-based system. The health and care visa was launched on 4 August and thousands of statuses have already been granted under it and those eligible benefit from fast-track visa processing, reduced visa fees and will not pay the immigration health surcharge.

Domestic Abuse: Victim Protection

Harriett Baldwin (West Worcestershire) (Con): What steps her Department is taking to protect victims of domestic abuse. [908398]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): This year, in response to the pandemic, our work to tackle domestic abuse has included additional significant investment of £27 million across Government to domestic abuse charities and service providers to bolster the support they give to victims and survivors. We have also run a public information campaign, #YouAreNotAlone, which we continue to build on, and the police have been proactively targeting perpetrators. We also continue to work on the Domestic Abuse Bill, which will help to support victims in the longer term.

Harriett Baldwin: I thank the Minister for listing that extensive programme of work. One of the reasons why I backed last week's national restrictions with such a heavy heart was their impact on domestic abuse. Will the Minister say loud and clear from the Dispatch Box that one of the reasons that someone can leave their home is to flee abuse?

Victoria Atkins: I thank my hon. Friend for raising that really important point. I know that hon. Members across the House will very much have borne in mind the impact that further restrictions may have on victims and survivors of domestic abuse. I am more than happy to reiterate loud and clear that victims of domestic abuse can and must leave their home address to seek help, if they are able to. What is more, the Prime Minister made that very clear in his public statement to the nation at little over a week ago. I ask all hon. Members please to send that message loud and clear to their own constituents—that is, if someone is facing harm or injury at home, they can leave their home to seek help.

Jess Phillips (Birmingham, Yardley) (Lab): I join the Minister in her calls just now. I also make further calls to ensure that when people do need help, there is some help there for them. Due to a decade of cutbacks to our court system and the coronavirus crisis, there is a backlog of around 50,000 Crown court cases. I am sure that the Minister will have heard from those who have bravely come forward—just as I have been told by distressed survivors of domestic and sexual abuse—that trials such as these are being delayed, in some cases by up to two years. In light of these terrible delays to justice, will the Minister answer the calls of the domestic and sexual violence sector, and the Labour party, to ensure that sustainable, long-term funding is put in place beyond March, at least for community-based domestic and sexual violence advisers? Currently, those going through very delayed court cases could end up without the correct support because their court case will certainly run for longer than the funding allocated for their support.

Victoria Atkins: I am grateful to the hon. Lady for raising the point of courts. Another message that we can all spread to constituents—please—is that under this set of restrictions, the court system is remaining open. Last time, some courts had to be closed. There were, none the less, still criminal and family courts

open; indeed, domestic abuse and other forms of personal violence were prioritised by the courts. This time the courts remain open and absolutely can seek justice, and we have seen reports of increased orders, including domestic violence protection orders, issued by the police during the previous lockdown.

On the hon. Lady's wider point about funding, I would say that it goes further than funding independent domestic violence advisers and independent sexual violence advisers, absolutely vital though they are. It is also about a wholesale change in how we deal with victims and survivors of domestic abuse, and with the perpetrators of those crimes. The Government are investing in more perpetrator programmes precisely so that we can stop the cycle of abuse. We will also be piloting integrated domestic abuse courts so that victims and survivors can find an easier atmosphere in which to secure justice, because that is what they deserve.

Knife Crime

Suzanne Webb (Stourbridge) (Con): What steps her Department is taking to reduce knife crime. [908399]

The Minister for Crime and Policing (Kit Malthouse): We are taking action on every level to cut knife crime. This week sees the instigation of Operation Sceptre—a nationally organised week of intensification against that crime. We are also investing millions of pounds in prevention and early intervention to stop young people being drawn into violence in the first place.

Suzanne Webb: In 2017, my constituent Ryan Passey was killed with a knife inside a nightclub in Stourbridge. Absurdly, the perpetrator was acquitted. I am grateful for the work done by the Government so far on sentencing, but does the Minister agree that we need to be tough not just on sentencing, but on all aspects that have thus far allowed the perpetrators of knife crime to go free?

Kit Malthouse: My hon. Friend raises a terrible case. The family of Mr Passey have our deep condolences. Over the past 12 years, I have met far too many parents of children and young people who have sadly been murdered and killed on our streets and in nightclubs, often by people who they regard as friends. Back in the early part of the previous decade, we thought we had beaten knife crime, but unfortunately it is back. My hon. Friend is quite right that we need to concentrate on every aspect of this—from enforcement through to prevention and, frankly, long-term work with young people that shows them that carrying a knife is dangerous not only to others, but fundamentally to themselves. There is a better way. We all need to stand shoulder to shoulder with my hon. Friend and her constituents to show young people that way in life.

Public Order: Covid-19

Karl McCartney (Lincoln) (Con): What steps her Department is taking to maintain public order during the covid-19 outbreak. [908400]

Sir David Amess (Southend West) (Con): What steps her Department is taking to maintain public order during the covid-19 outbreak. [908406]

The Secretary of State for the Home Department (Priti Patel): The vast majority of the public have come together, followed the law and helped to prevent the spread of this virus. Our police forces face unprecedented challenges right now in terms of maintaining public order, but they have been working exceptionally throughout this crisis and have done so with a great deal of determination.

Karl McCartney: My right hon. Friend may well be aware that, while our police forces such as in Lincolnshire have been checking in with pubs and policing the 10 pm curfew, for example, in Lincoln, other crimes are still continuing and on the rise in some cases. What steps are being taken to ensure that our police forces do not take their eyes off the day job?

Priti Patel: I thank my hon. Friend for his question. I praise his local police force in Lincoln for the outstanding work that they are doing and have been doing throughout coronavirus. He raises an important point about additional help and support. He will be well aware of the additional £30 million that has gone to local police forces across the country to really assist them in tackling the root causes, keeping on top of crime prevention and going after the criminals, but, specifically with coronavirus, going after the egregious breaches while also working with the community on the principles of the four Es—engage, explain, encourage, enforce—and encouraging people to comply.

Sir David Amess: While I much regret that we are having another lockdown, Essex police are doing a brilliant job under challenging circumstances. Will my right hon. Friend please spell out again what the powers are to enforce social distancing and to stop illegal gatherings such as those happening too often in Old Leigh in my constituency?

Priti Patel: My hon. Friend is absolutely right. I think I can stand with him with a degree of conviction and praise Essex police for the outstanding work that they have been doing. I was with the chief constable just over a week ago. My hon. Friend asks about the powers that the police have. The regulations and the guidance are very clear in terms of police powers on fines and going after individuals who are breaching the covid regulations with egregious activities such as mass gatherings. We have seen the £10,000 fines being used very effectively, and in Essex as well.

Hate Crime

Mary Kelly Foy (City of Durham) (Lab): What steps she is taking to tackle the recent increase in recorded hate crime. [908401]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): The Government take hate crime very seriously. The police recorded hate crime figures have benefited from an improved understanding on the part of the public but also, importantly, improvements in the way that the police record these crimes. Interestingly, the recent crime survey for England and Wales, which provides wider information on the nature of hate crime and is not affected by how the police record crime, shows a decrease of about 40% in the experience of hate crime over the past decade. However, we do not rest on our laurels on this.

As well as doubling hate crime funding for places of worship this year, the Government are working closely with the police to ensure that all forces are providing reassurance to affected people and encouraging hate crime reporting during the pandemic.

Mary Kelly Foy: Reported hate crimes have more than doubled since 2013, and it is a well-established fact that these crimes often spike with an increase in political rhetoric. When the Home Secretary brands Travellers as criminal and violent, and reportedly explored options to house asylum seekers on Ascension Island, what responsibility do the Government take for these increases, and does the Minister agree that it is time for our own lowering of the temperature?

Victoria Atkins: I welcome any call from Labour Members with regard to working together to tackle these dreadful, dreadful crimes, but I again draw the hon. Lady back to the fact that the reports that people make to the crime survey show that there is not the same increase that we are seeing in police recorded crime. The importance of police recorded crime is that it suggests very strongly, first, that the public are recognising when they are victims of the crime, but also that the police are recording it better. That must be key to us tackling this terrible crime. If we measure it properly, then we can make sure that our methods to address it are doing exactly that and stopping this terrible crime.

Bambos Charalambous (Enfield, Southgate) (Lab): Tell MAMA is running its “No2H8” campaign this month, and the Home Office has acknowledged in its own stats that this year’s rise in hate crimes is partly driven by far-right groups targeting Black Lives Matter campaigners. Will the Minister tell me what the Government are doing to support groups that they have been recognised as victims of an increase in hate crime?

Victoria Atkins: The hon. Gentleman will know that we published the hate crime action plan in 2016 and refreshed it in 2018, and we have seen significant improvements, as I have said, which goes back to the point about police recorded crime as well. We are also investing. Through schemes such as the places of worship scheme, we can have a real impact on the local communities most affected by hate crime. In terms of the Black Lives Matter far-right counter-protest, there was a rise in racially or religiously aggravated and non-aggravated public order offences in June and July this year, as compared with the previous year. To push back a little on what the hon. Member for City of Durham (Mary Kelly Foy) said earlier, we must all fight back against extremist politics, whether it is the far right, as the hon. Gentleman has just talked about, or indeed the far left, because there is an awful lot of hatred coming from that direction at the moment. I welcome the calls—I am taking them to be universal—to lower the temperature, to be responsible with our use of language and to ensure that we have the sorts of discourse in politics that I am sure we all wish for.

Unaccompanied Child Refugees: EU Transition Period

Ruth Jones (Newport West) (Lab): What steps the Government has taken to help ensure co-operation at a European level on unaccompanied child refugees after the transition period. [908402]

The Parliamentary Under-Secretary of State for the Home Department (Chris Philp): The United Kingdom tabled a full draft agreement to the European Commission back in May, which included provisions for unaccompanied asylum-seeking children family reunion. That has sadly so far not been agreed, but the negotiations are still ongoing, and I ask the hon. Lady and others to put pressure on the European Commission to constructively respond to the draft text we tabled. When it comes to the United Kingdom’s record on looking after UASCs, we currently look after more UASCs than any other European country.

Ruth Jones: I understand that on 9 August this year, the Home Secretary announced that she had appointed a clandestine channel threat commander. Can the Minister confirm precisely what powers the commander has and why the elements of the role could not be addressed by Border Force?

Chris Philp: Given that the problems posed by cross-channel small boat crossings, as we discussed earlier, are unique, serious, dangerous—as we have tragically seen—and facilitated by ruthless criminals, the Home Secretary and I felt it was important to have a dedicated person with proper experience. He is a former Royal Marine and can work on completely stopping these crossings. That is the safe thing to do, the humanitarian thing to do, and the right thing to do legally.

Police Officer Numbers

Miss Sarah Dines (Derbyshire Dales) (Con): What steps her Department is taking to increase the number of police officers. [908404]

Katherine Fletcher (South Ribble) (Con): What steps her Department is taking to increase the number of police officers. [908405]

Julian Sturdy (York Outer) (Con): What steps her Department is taking to increase the number of police officers. [908409]

The Secretary of State for the Home Department (Priti Patel): This Government are committed to increasing the number of police officers by 20,000 over the next three years, and I am delighted to say, as the Minister for Crime and Policing has already this afternoon, that we have made a great start on that thanks to the commitment of all forces across England and Wales. In recent weeks, we have announced that so far we have recruited 5,824 additional officers, and they have all joined the police force as part of our uplift programme as of the end of September.

Miss Dines: Will my right hon. Friend confirm that the Government not only are committed to increasing police officers, including in rural areas, but will look at increasing the number of police stations in rural areas, such as reopening Bakewell police station in my constituency of Derbyshire Dales?

Priti Patel: I thank my hon. Friend not only for her question, but for her commitment to law and order in her constituency. She is indeed a strong champion of that, including with her representation for getting more

police stations opened in her constituency. We have already recruited 72 additional officers for her local area, and her chief constable and police and crime commissioner should be equally as receptive to not only receiving new officers, but the additional resources that would lead to more police stations being opened.

Katherine Fletcher: West Lancashire and Chorley police do a cracking job, but a number of concerns have been raised in rural areas about groups of youths, potential drug use and certain amounts of antisocial behaviour, especially in Tarleton, Croston and Rufford. Does my right hon. Friend agree that some of the additional police officers that Lancashire is benefiting from could be used to target these rural areas, where the force is stretched a little thin?

Priti Patel: My hon. Friend is right. Of course, community concerns about crime should be addressed at the highest level with police and crime commissioners and the chiefs. She has an outstanding chief constable, who is increasing policing and police patrols across the region. In a rural area, that means more resources and putting more officers on the beat to deal with rural crime and the issue of antisocial behaviour.

Julian Sturdy [V]: Yorkshire has some similar problems to Lancashire. Following a break-in at Robert Wilkinson Primary Academy in my constituency and increased reports of antisocial behaviour in the more rural areas around our city of York, does my right hon. Friend agree that our efforts to increase the number of police officers should be used to improve rural police response times and not just be focused on our city centres?

Priti Patel: My hon. Friend is right. As he has heard the Policing Minister and I say this afternoon, we are absolutely committed that the additional resources going to all forces across the country are there to bolster our communities when it comes to keeping the public safe, including in rural communities, and tackling the root causes of the crimes that are taking place in his constituency.

West Midlands Police: Crime Reduction Support

Nicola Richards (West Bromwich East) (Con): What recent support she has provided to West Midlands police to help reduce the level of crime. [908407]

The Minister for Crime and Policing (Kit Malthouse): West Midlands police are receiving up to £620.4 million in funding this year—an increase of more than £49 million on last year. We have also invested £12 million over two years in bolstering their capacity to respond to violent crime swiftly and robustly and given £6.7 million for a violence reduction unit across the west midlands to address the root causes of crime.

Nicola Richards: Recently, West Bromwich town centre has seen an appalling spate of crime, and I thank the Home Secretary for her support on this so far. Last week, I held a meeting with the town's main stakeholders and local police to see what we can do. Will the Minister continue to work with me and the police to put more officers on our streets, to make West Bromwich East safer, so that we can be proud of our town centre once again?

Kit Malthouse: I am extremely grateful to my hon. Friend for bringing this to my attention. I had a look at some of the incidents that have taken place in West Bromwich town centre, and it is a shocker, to be honest. Hopefully, using the convening power of her office, she can pull all the various groups together, and the police and crime commissioner and the chief constable will pay attention too. I recently had a good meeting with West Midlands police to discuss their general violence reduction, with a particular focus on reducing murder. It sounds like West Bromwich could do with some attention, and I am grateful to her, as I know her constituents will be, for bringing that focus to an area that obviously needs it.

Policing: Dorset

Chris Loder (West Dorset) (Con): What steps she is taking to support policing in Dorset. [908408]

The Minister for Crime and Policing (Kit Malthouse): The police funding settlement for 2020-21 set out the biggest increase in funding for the policing system since 2010, with Dorset police receiving up to £144.3 million in funding. That is an increase of £8.8 million on the previous year. We are giving the police the resources they need to fight crime and keep the public safe.

Chris Loder: Can I thank the Minister very much for his answer? My constituency of West Dorset is served very ably by Dorset police, and they have historically managed their finances very well, but in the national funding formula, we do not fare quite so well, being below average, with 48%, compared with the average of 64%. Could he give me some reassurance that the police in Dorset are valued as much as other police forces around the country?

Kit Malthouse: My hon. Friend need have no fear: every officer and every force in the country stand in equal regard by the Home Office, although I know that Dorset police are close to his heart. I will say two things. First, it is very important that the good people of Dorset elect a Conservative police and crime commissioner in May next year who can continue that good financial management. Secondly, I remind him of the commitment that I gave at the Department's last questions session. While the police funding formula is currently the best basis we have for allocating funds across all forces in England and Wales, it is a bit elderly, and we have undertaken to review it before the next election. During that review, I know that he, along with all the other Members of Parliament from Dorset, will be lobbying hard to ensure that that beautiful county comes out of it well.

County Lines Drug Trafficking

Mr Tanmanjeet Singh Dhese (Slough) (Lab): What steps she is taking to tackle county lines drug trafficking and safeguard vulnerable children from exploitation. [908410]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): County lines trafficking is a heinous crime, and tackling it is an absolute priority for this Government. This is why we are delivering £25 million over two years to surge activity against

these ruthless criminal gangs. This includes investment in national and local law enforcement activity to roll up county lines, and funding for dedicated one-to-one specialist support for county lines victims and their families.

Mr Dhesi: To effectively tackle county lines drug trafficking and safeguard vulnerable children from exploitation—both issues of great concern to my Slough constituents—sufficient, desperately needed resources must be given to our police force. Having first cut more than 21,000 police officers, the Government thankfully did a U-turn and have pledged to deliver 20,000 extra officers, but the recruitment funds have since been repurposed for the covid response. Can the Minister categorically confirm that the recruitment funds will be made available to the police?

Victoria Atkins: The hon. Gentleman surely welcomes the 260 new officers that have been appointed to his local area as of 30 September. We are absolutely clear—this is a manifesto commitment, and one which I know the public took very seriously—that we will recruit an additional 20,000 officers. In addition to those 20,000 officers, we are specifically targeting the heinous crime he has set out—namely, county lines. In Thames Valley alone, we are developing a multi-agency violence reduction unit to the tune of £2.32 million, combining the expertise of the police, local government, health and education professionals, community leaders and others to identify the causes of serious violent crimes, including county lines, and deliver a multi-agency response to it.

Mr Speaker: Sorry, but I am going to have to go on to topicals. Those who did not get in may get picked up if we can get through topicals a bit quicker than we got through the other questions.

Topical Questions

[908499] **Suzanne Webb** (Stourbridge) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Priti Patel): During these difficult times we will not forget those who feel especially vulnerable as we all spend more time at home. For the victims of domestic abuse, I want to be very clear: even during these tougher restrictions, you do not have to stay at home if you are at risk there. Our #YouAreNotAlone campaign has helped domestic abuse victims and the public know how to access vital support. The site alone has received over 330 million online impressions. We have stepped up our work with the National Crime Agency, pursuing child sex offenders, doing more to keep children safe online and supporting charities working with vulnerable children. Of course, the Work and Pensions Secretary this weekend announced £170 million of support to vulnerable children and families, and the police are stepping up in this space as well. My message is clear: for anybody who is subject to abuse, you are not alone and you must seek help from the police.

Suzanne Webb: I agree that the new national restrictions this Government have introduced are absolutely necessary to stop the spread of coronavirus, but for vulnerable people and victims of domestic abuse it has not been an easy week. I have also had the great pleasure of meeting

my local Barnardo's, which works with children who have witnessed domestic abuse at first hand and are therefore victims themselves. I thank my right hon. Friend for the measures she has outlined to protect and safeguard the most vulnerable people from abuse.

Priti Patel: My hon. Friend is absolutely right, and may I thank her for the conscientious way in which she has been raising this issue, but also tackling it locally? I am abundantly clear, and Ministers have spoken of it in the House this afternoon as well, that the support is out there. We continue to work with police forces across the country, which will continue to use the tools of law enforcement to go after abusers, but also to make sure that victims are protected.

Nick Thomas-Symonds (Torfaen) (Lab): With your leave, Mr Speaker, I begin by warmly congratulating American President-elect Joe Biden and Vice-President-elect Kamala Harris. It is historic that we will see the first woman and the first woman of colour to be vice-president. Their victory is a lift for all around the world who believe in decency, value the truth and recognise the unifying power of hope.

Last week, we saw far more depressing news at home, where it emerged that at least nine people have died waiting for compensation for the Windrush scandal and just 12% of people who have applied have received compensation. Those figures are shameful. May I ask the Home Secretary what message she would send to those who are still waiting for justice?

Priti Patel: I thank the shadow Home Secretary for raising the important issue of Windrush, and he will know of my own personal commitment, not just within the Department, to tackle the injustices that have taken place in the past. He is right in the figures he gave about the nine individuals who have passed away, and all our thoughts are with those families. We continue to work specifically with those families, to make the claims and ensure that compensation is still paid out to families of claimants who have passed away. Importantly, the compensation scheme has now paid out more than £1.6 million, and a further £1.2 million has been offered. As the hon. Gentleman will know from all the discussions and from each time I come to the House, I am determined to go further and faster. Let me add one other point: it is important that we treat everybody humanely. These are individuals. They are people and not just cases.

Nick Thomas-Symonds: I recognise what the Home Secretary says, but the Windrush taskforce was set up more than two and a half years ago. Another five months have passed since June, when the Government promised that it was time for action, and the Home Secretary told the House that she had individual cases passing across her desk. Let me be clear: the Home Secretary will not regain trust on this issue unless the process starts delivering. Let me make a suggestion. Will she work to apply targets to the process, and give victims binding guarantees about how long claims will take, so that they can be processed efficiently? Surely she must accept that things cannot go on as they are?

Priti Patel: I have been clear that we are absolutely determined, with conviction and commitment, to support those who have been affected by the whole Windrush

scandal. This is not about targets; this is not just about cases. This is about people, and it is right that processes are in place. I have offered the hon. Gentleman and other colleagues across the House, the chance to work with us and see how those claims are assessed and processed. It is right to pay attention to detail with these cases. Detail was missed in the past, which was how we had that great sense of injustice. I am committed, as are my Department and officials, to righting the wrongs of the past, and we will do that in a thoughtful and proper way.

[908500] **Martin Vickers** (Cleethorpes) (Con): I welcome the efforts of my right hon. Friend and her ministerial team to tackle cross-channel migrants, but she will be aware of growing concerns among our constituents. Can she give an assurance that if new legislation is required, it will be in place before next summer?

Priti Patel: My hon. Friend is right to raise that question, and he heard the Minister with responsibility for immigration compliance speak about that issue today. This is an issue, and we want to ensure that everyone who is seeking asylum comes to our country for the right reasons, and in the right way. Currently, our efforts are being undermined by people traffickers and issues of which my hon. Friend is well aware. We will bring forward legislation—I have been clear about that—to address problems in our asylum system, and ensure that we go after those individuals who are trafficking people, and who frankly are abusing vulnerable people who are seeking to flee persecution.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): We have been told that the Government want to use Interpol databases as an alternative to the SIS II database after 1 January. Will the Home Secretary tell the House how many EU27 countries have agreed to upload all their information on wanted criminals, missing persons, and other crucial information on the SIS II database, on to the Interpol databases? How far will they have completed that task by 1 January? Can the Home Secretary guarantee the House that the police and Border Force will still be able to get access to that crucial criminal information?

Mr Speaker: Order. May I just say to Members that it is unfair to those the call list if I cannot get through it? We were slow on the last set of questions, and topical questions are meant to be short and punchy. Please let us work together. It is not fair on those who are missing out.

The Minister for Security (James Brokenshire): As the right hon. Lady has highlighted, in the absence of SIS II we will use Interpol channels to exchange information with EU member states on persons of interest. All incoming Interpol circulations, notices and diffusions are uploaded to UK border and policing systems. Our use of Interpol predates our SIS II access, and provides the capability to exchange data and communicate with all our international partners quickly and securely.

[908504] **Mrs Sheryll Murray** (South East Cornwall) (Con) [V]: While I welcome the Domestic Abuse Bill, can the Minister reassure me that sufficient time and support will be provided for the police, local authorities

and other services to prepare for their new duties and powers, so that they can offer victims the best possible protection and support?

Priti Patel: I can absolutely give my hon. Friend that assurance. It is right that we support victims and work with the police to give them the tools they need to do so.

Joanna Cherry (Edinburgh South West) (SNP) [V]: Last week I met Peter Krykant, whose pilot scheme for safe consumption spaces in Glasgow last month saw 74 protected injections take place over 40 hours, with zero blood-borne viruses transmitted, zero overdose deaths and 74 needs safely discarded. Will the Home Secretary agree with me that those figures appear to support the conclusion of the Scottish Affairs Committee that safe consumption spaces are proven to reduce the immediate health risks associated with problem drug use?

Priti Patel: The hon. and learned Lady will know that the Policing Minister, working with the Department of Health and Social Care, has been working assiduously on our plans to deal with drug abuse. Those findings will come out in due course, but a great deal of work is being undertaken by this Government through the Dame Carol Black review. We are undertaking a range of work, including some pilot work, on drug abuse.

[908505] **Christian Wakeford** (Bury South) (Con): As we fight against the coronavirus, we must not forget about the other threats facing this country, including terrorists and the hateful ideologies that fuel them. Will my right hon. Friend update the House on what steps her Department is taking to crack down on terrorists and those who fuel hate, such as Iran's Islamic Revolutionary Guard Corps, so that they can no longer pose a threat to the public?

Priti Patel: My hon. Friend is absolutely right to raise this concern. We are, of course, fully committed to tackling terrorism in all forms, and hateful ideologies as well. That is part of our CONTEST strategy and we are constantly reviewing all actions in light of the changing world we are living in.

[908502] **Sarah Owen** (Luton North) (Lab): Over the last four years, knife crime in Bedfordshire has increased by 50%. In Luton North, I have parents who are scared for their children's safety. A few weeks' ago, at a litter pick in a local park, I found a knife as long as my arm. Can the Home Secretary tell the House if she has a strategy to combat the rise in knife crime and how she hopes to deliver it, given that her Serious Violence Taskforce has not even met this year?

Priti Patel: The hon. Lady will be well aware that the Government are fully committed to serious violence reduction. We are working on this with our National Policing Board, as well as her chief constable. She is right to highlight the seriousness of the corrosive aspects of knife crime across society. The police have the tools and the powers to go out there and pursue individuals who are carrying such weapons, and we have the policies we are applying by working with the police.

[908509] **Caroline Ansell** (Eastbourne) (Con): In the recent half-term holiday, Sussex police stepped out across Eastbourne and Willingdon, my home constituency, to address antisocial behaviour. In the course of the operation, they uncovered an instance of cuckooing, where a vulnerable person had been targeted, exploited and their home used as a base for further criminal activity. Will my right hon. Friend join me in paying tribute to Sussex police for their excellent work in such challenging times, and update the House on what further work is being done to address this appalling crime?

Priti Patel: My hon. Friend is absolutely right. I thank Sussex police. I have seen at first hand their work in dealing with county lines, drugs and protecting vulnerable individuals. She is right to highlight this abhorrent crime. We see far too many vulnerable people being used by criminals for criminal purposes. A great deal of work is taking place, in particular on county lines but also on safeguarding victims and vulnerable people.

[908503] **Daniel Zeichner** (Cambridge) (Lab): In recent years, Cambridge has successfully resettled more than 100 Syrian refugees. The local authority nearby is keen to do more, but frequently runs into bureaucratic hurdles. Will the Secretary of State meet me and local representatives to smooth further resettlement?

Priti Patel: Of course, the answer is absolutely yes. The hon. Gentleman will be very aware of the work the Government have done over recent years when it comes to resettling asylum seekers and refugees through our resettlement scheme. I am very happy to discuss that with him.

[908511] **Mr Laurence Robertson** (Tewkesbury) (Con) [V]: Can we look at the visa application system for businesspeople coming to this country? For far too many it is far too technical. and it really does need a review.

Priti Patel: My hon. Friend raises an important change that is coming through our points-based immigration system, with simplification coming into the system, as he will be aware. He is absolutely right; part of our mantra as global Britain is that we are open to the world and, in particular, to those who want to contribute to our economy and our country.

[908506] **Bell Ribeiro-Addy** (Streatham) (Lab) [V]: The British Nationality Act 1981 was amended in 2014 to do away with the outdated notion of illegitimate children and allow a retrospective right to claim a British father's citizenship by descent. However, the same right was not afforded to the children of British overseas territories fathers. It has been six and a half years since the Government stated their intent to remedy this oversight. What plans does the Home Secretary have to bring about a much needed change in the law?

Priti Patel: The hon. Lady is right: that is a much needed change required in the law, and I will make further comments on this in due course.

[908513] **Gary Sambrook** (Birmingham, Northfield) (Con) [V]: For many vulnerable people and victims of domestic abuse, it will not be an easy few weeks in

November during the lockdown. Will my right hon. Friend update the House on what measures her Department has been taking to safeguard the most vulnerable people from abuse?

Priti Patel: I refer my hon. Friend to the comments I made earlier. He will be well aware of the way in which we have empowered the police, who are going out there to ensure that victims are protected while at the same time going after the perpetrators of domestic abuse. My message is absolutely clear: if you are perpetrating abuse, the police will find you and come after you. We are putting more money and support into the system to protect the vulnerable, and we are asking those who are subject to domestic abuse to leave home and seek advice through many of the portals that we have stood up.

[908507] **Ruth Cadbury** (Brentford and Isleworth) (Lab): Throughout the coronavirus, my constituents with leave to remain have faced a number of issues with the Home Office's coronavirus team, from NHS workers facing long delays for biometric cards to arrive to families stranded abroad with British children unable to return to school. My constituents and caseworkers have struggled to get accurate and up-to-date information from this apparently unaccountable team. Will the Secretary of State meet me to discuss this further?

Priti Patel: Of course I will meet the hon. Lady. If she can give me the specific examples that she is referring to, I will look at them.

[908517] **Patrick Grady** (Glasgow North) (SNP): I wonder whether the Home Secretary or one of her Ministers would be prepared to engage with some of the asylum support groups that I met recently in Glasgow to hear at first hand how they feel that the ASPEN—asylum support enablement—card system is financially and digitally excluding them during the covid virus pandemic and making them feel that the hostile environment has not gone away.

The Parliamentary Under-Secretary of State for the Home Department (Chris Philp): I have been speaking very regularly to people working with asylum seekers in Glasgow. Just last week, I spoke to Aileen Campbell, the Communities Secretary, and I have spoken—I think twice now—in recent weeks to the leader of Glasgow City Council. We are doing a great deal of work with those providing services to asylum seekers in Glasgow. We have managed to reduce the number of people accommodated in hotels from over 400 to about 200. It is regrettable that Glasgow City Council still has 600 people in hotel accommodation.

Holly Lynch (Halifax) (Lab): I am eternally grateful to you for calling me, Mr Speaker. On 1 October, the shadow Health Minister and I wrote to our counterparts in Government asking why it was taking months to process the one-year visa extensions promised to healthcare workers, leaving them without their biometric residence permits, which is exposing this country's heroes to the hostile environment. We have not had a response to that letter, so I will ask again: now that we are in a second national lockdown, why was the visa extension scheme closed at the start of October and why are the permits taking so long to process, only compounding the pressures on healthcare professionals rather than alleviating them?

Priti Patel: First, if the hon. Lady has not received a response, I will ensure that she receives one. The fact of the matter is that we are doing everything in our power to support the NHS heroes who have been working flat out throughout this coronavirus crisis, and there will be more activity on this front to come.

Graham Stringer (Blackley and Broughton) (Lab): Greater Manchester police officers keep blowing the whistle to the *Manchester Evening News* about the failures of the new computer system, iOPs—the integrated operational policing system. Her Majesty’s inspectorate of constabulary has said that the system is putting vulnerable people at risk of harm. The system released the details of victims’ names and addresses online earlier this year. The £27 million scheme is massively overspent. Has the Secretary of State made a recent assessment of the project?

Priti Patel: As the hon. Gentleman is aware—he has referred to this—we have sent Her Majesty’s chief inspector of constabulary, Tom Winsor, to look at what has been going within Greater Manchester policing with iOPS. The cases that we have seen and the inability to record crime data—the points that the hon. Gentleman has made—are clearly unacceptable. We are keeping it under review, and we will keep him and other hon. Members informed of the progress of the work that is being undertaken on this front.

Carolyn Harris (Swansea East) (Lab): The Centre for Social Justice report “It Still Happens Here” estimates that 90,000 victims of modern slavery went unidentified under the previous lockdown. Under the second lockdown, what proactive steps will the Government take to identify, rescue and protect victims of modern slavery?

Priti Patel: I thank the hon. Lady for her really important question. She is right about the report published by the Centre for Social Justice. I am acutely aware, as are officials across the Department, of the scale of modern-day slavery. Much of it is underground, in the black economy, where people are captured and put into bonded labour. There is extensive work taking place in the Home Office and with law enforcement, and I would be very happy to share some of that work with the hon. Lady.

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 a few minutes.

3.36 pm

Sitting suspended.

Speaker's Statement

3.40 pm

Mr Speaker: Before the urgent question, I wish to make a short statement about Divisions. Following the changes to the proxy system agreed by the House last Tuesday, there are now at least 370 proxy votes in operation. In view of this, I will reduce the voting time before the doors are locked from 12 minutes after the start of a Division to 10 minutes. In due course, I may reduce this further to the normal time of 8 minutes. As at present, the occupant of the Chair may extend the time in a particular Division when there is evidence of delays or problems getting to the Division Lobbies.

Jonathan Taylor: SBM Offshore

3.41 pm

Caroline Nokes (Romsey and Southampton North) (Con) (*Urgent Question*): To ask the Secretary of State for Foreign, Commonwealth and Development Affairs if he will make a statement on what steps HM Government have taken to secure the return of Jonathan Taylor to the UK in order to complete inquiries into corruption by SBM Offshore.

The Parliamentary Under-Secretary of State for Foreign, Commonwealth and Development Affairs (Wendy Morton): I am very aware that my right hon. Friend has been taking a very keen interest in this issue. Mr Taylor exposed corruption at the Monaco-based Dutch multinational SBM Offshore in 2012. He was arrested in Croatia on 30 July this year on an Interpol red notice issued by Monaco for charges of corruption and bribery.

At this time, we have no evidence that the arrest is linked to Mr Taylor's whistleblowing on corruption at SBM Offshore. However, Mr Taylor has alleged that the arrest is linked to his whistleblowing activities. On 3 October, the Croatian extrajudicial council issued its decision to extradite Mr Taylor to Monaco. Mr Taylor has been on bail since 4 August.

Mr Taylor appealed against his extradition to the Croatian Supreme Court, which has advised that the UK should first be asked if it wanted to extradite Mr Taylor as a UK national. We understand that the Crown Prosecution Service has advised that it has no outstanding case against Mr Taylor. Therefore, the UK has notified the Croatian authorities that we are not seeking to extradite him. The Croatian court will now reconsider the issue.

We are following the progress of Mr Taylor's appeal very closely and will continue to do so. We have approached the Monégasque prosecutor's office to request the details of the specific charges against Jonathan Taylor. We have also spoken to Mr Taylor's UK lawyer to understand the grounds on which he is appealing the charges, and we are providing consular support to Mr Taylor. We have stayed in very regular contact with Mr Taylor and sought updates on the case from the Croatian judge.

Consular staff spoke to airport police on 30 July, when Mr Taylor was first arrested. They spoke to Mr Taylor and provided him with a list of local English-speaking lawyers. Staff have spoken to the judge for information on the local legal process and for regular updates on the progress of the case, to the prison social worker to check on Mr Taylor's welfare, and to the president of the extrajudicial council. They have also spoken to Mr Taylor's wife.

Since the decision to extradite Mr Taylor, Foreign, Commonwealth and Development Office staff have been in contact with Mr Taylor on multiple occasions and have spoken with Judge Djordjo Benussi of the county court in Dubrovnik. If we receive any evidence that Mr Taylor's arrest is linked to his whistleblowing activities or that due process is not being followed, we will of course consider what further steps we can take to support him. However, it is a requirement of the Vienna convention on consular relations that signatories do not interfere in the internal affairs of other countries. We cannot interfere in the legal proceedings of other countries, just as we would not accept similar interference.

I met the right hon. Member for Barking (Dame Margaret Hodge) and a co-chair of the all-party group on anti-corruption and responsible tax on 15 September. More broadly, my right hon. Friend may be interested to know that the UK has seconded a senior lawyer to the Interpol taskforce working to prevent abuse of Interpol systems.

Caroline Nokes: I welcome my hon. Friend's obvious interest in this case. As she says, my constituent, Jonathan Taylor, is a whistleblower who has provided evidence to numerous agencies across the globe, including our own Serious Fraud Office. He is currently detained in Croatia under a European arrest warrant and is trying to prevent what he describes as a politically motivated extradition to Monaco.

My hon. Friend has stated the Government's position with no ambiguity—the FCDO cannot and will not interfere in the judicial proceedings of another country—but in this case the FCDO has been explicitly asked by the Croatian court to provide a statement. She has highlighted that the National Crime Agency is not seeking Mr Taylor's surrender under the EAW, but we do not know whether the FCDO has separately responded to the court. If it has not, why not, and if it has, may we have details of the response? Although my constituent may not be wanted by the NCA, he has been providing information to the SFO regarding the actions of his former employer. Has that been considered when stating that Her Majesty's Government are not seeking his surrender?

We know from other cases where British citizens are detained abroad that the FCDO does comment—indeed, the official Twitter account referenced one such case just six days go—so the UK does get involved, but apparently not in the case of whistleblowers. That sends a chilling message to others thinking of doing what my constituent has done in blowing the whistle on his former employers, SBM Offshore—a company that paid \$240 million to settle criminal charges over improper payments to officials.

What consideration has been given to Mr Taylor's human rights? Does my hon. Friend have absolute confidence that he will receive a fair trial in Monaco? What conversations has she had with authorities in Monaco regarding the case, and can we have details further to the one she referenced? I know she will not comment on the quality of the evidence provided, but its flimsiness has caused lawyers concern. It is not satisfactory to repeat that Her Majesty's Government do not get involved. My constituent has whistleblower status and deserves the appropriate protection.

Wendy Morton: I shall endeavour to answer my right hon. Friend's questions as best I can, but I think it is important to recognise that it is a requirement of the Vienna convention on consular relations that signatories do not interfere in the internal affairs of other countries. I am sure she understands that.

As I said, we have no evidence that Mr Taylor's arrest is linked to whistleblowing on corruption at SBM Offshore. If evidence emerges or if there is an indication that the process is incorrect, we will of course look again.

My right hon. Friend asks about contact with Monaco. The British embassy in Paris has approached the Monégasque prosecutor's officer to obtain more information about the charges against Jonathan Taylor,

which are not specified further than bribery and corruption; we await a response. I assure her that we are providing consular support, and we are in contact with Mr Taylor and his family. We have also spoken to his UK lawyer and to the Monégasque prosecutor's office to request the details of the charges. I can only reiterate that, if we receive evidence that Mr Taylor's arrest is linked to his whistleblowing activities or that due process is not being followed, we will consider what further steps we can take to support Mr Taylor.

Lisa Nandy (Wigan) (Lab): I start by extending my best wishes to the Foreign Secretary, who I understand is self-isolating.

I thank the right hon. Member for Romsey and Southampton North (Caroline Nokes) for securing this urgent question. There is no doubt that the case of Jonathan Taylor, as she said, sends a chilling message to others who find themselves in a similar position. That is why it was so disappointing to hear the Minister's response today.

Does the Minister agree that the charges of bribery and corruption brought against Mr Taylor bear all the hallmarks of a retaliatory act by the Government of Monaco for the widespread wrongdoing his evidence helped to expose? Mr Taylor's legal team, whom she referred to, have stated repeatedly that there is no basis in law for the red notice issued by Interpol for his arrest and have challenged its legitimacy as a clear abuse of process.

Mr Taylor has spent 100 days since his arrest in Croatia awaiting the outcome of legal proceedings that will determine whether his extradition to Monaco is granted. Why, during those 100 days, have the UK Government failed to make representations on his behalf to the authorities in Croatia or Monaco? The message this inaction sends to potential whistleblowers is serious: that a British citizen who brings to light bribery and corruption overseas can be pursued by foreign powers without protection or intervention from their own Government.

The Monégasque authorities have failed to instigate a single criminal investigation into the corruption that Mr Taylor's whistleblowing brought to light. I was pleased to hear that the FCDO has approached the Monégasque authorities, but I remind the Minister that it was only four months ago that the Foreign Secretary stood at the Dispatch Box and praised Sergei Magnitsky for his bravery in highlighting corruption and wrongdoing. Will she tell us what has caused the Government to review their position?

The Minister said that the UK Government are unable to intervene in the legal processes of Croatia and Monaco, but surely she accepts that abdicating their responsibility to a British citizen is a clear contradiction to the interventions the Government have previously made on citizens facing similarly spurious charges elsewhere.

Finally, what message does the Minister think this inaction sends to British citizens who unearth the kind of widescale corruption that Mr Taylor brought to light, who believed that the granting of protected witness and whistleblower status would safeguard them from harassment and persecution? What message does it send to foreign Governments about the willingness of this Administration to stand up for and protect their

[Lisa Nandy]

own citizens abroad? The silence from the Foreign Secretary and his Ministers is deafening, and it will be heard throughout the world unless the Government change course and take the steps necessary to bring Mr Taylor home.

Wendy Morton: I will certainly pass on the hon. Lady's good wishes to the Foreign Secretary.

On the case of Mr Taylor, I absolutely do not accept the charge that we were abdicating responsibility. I have tried to make it clear that, in the first instance, we are providing consular support. We are in contact with Mr Taylor and his family, as I am sure the hon. Lady would expect. We have spoken to his lawyer. We have spoken to the Monégasque prosecutor's office to request the details of the specific charges. As I indicated earlier, if we receive evidence that Mr Taylor's arrest is linked to his whistleblowing activities or that due process is not being followed, we will see what further steps we can take to support him.

I referred to the Vienna convention with regard to consular relations. I reiterate that we cannot interfere in the internal affairs of other countries, just as we would not expect similar interference here. Mr Taylor has appealed to the Croatian supreme court and that process should be allowed to run its course. We understand that Mr Taylor is facing charges of bribery and corruption, and we have approached the Monégasque prosecutor's office to request more information.

I assure the hon. Lady, as I endeavoured to assure my right hon. Friend the Member for Romsey and Southampton North (Caroline Nokes), that we take this matter very seriously.

Mr David Davis (Haltemprice and Howden) (Con) [V]: The Vienna convention is important, but it does not overrule the Foreign Office's duty to protect British citizens while they are abroad and it does not overrule the presumption of innocence. In Croatia in particular, it does not overrule the European Union whistleblowers directive of 2019. As a first measure, will the Minister remind the Croatians of their duties under that directive, which requires them to protect whistleblowers and, in my interpretation, requires them to return Mr Taylor home?

Secondly, will she speak to the Monaco authorities? Monaco is known to be a tax haven, but if its authorities choose to interpret that to make it a centre for corruption and to defend corrupt practices and if they do not uphold justice, this country should review its double taxation arrangements with them, which would be very painful for them.

Wendy Morton: Under EU law, before deciding the Monégasque extradition request, Croatian courts should ask the UK law enforcement authorities if they wish to extradite Mr Taylor to the UK. It is however important that I explain that this is a CPS/police matter, and they do not wish to extradite Mr Taylor to the UK.

Alyn Smith (Stirling) (SNP) [V]: I commend the right hon. Member for Romsey and Southampton North (Caroline Nokes) for bringing forward this issue; it is important for the House to take stock of it. I note the

Minister's comments on the Vienna convention and the inability to interfere in Monégasque or Croatian legal proceedings, but UK nationals have a right to avoid malicious prosecution and there is credible evidence that casts doubt on the case against this gentleman. The Minister said that the Government have been in touch with the Monégasque authorities. When do we expect an answer? Will the Minister assure us that, if the evidence brought forward is not credible, she will be vocal in her view that it is not credible and basis for extradition?

Wendy Morton: I assure the hon. Gentleman that we have approached the Monégasque prosecutor's office to obtain more information. I cannot be certain about when we will get a response, but we continue to take the case seriously. As I have made clear, if further evidence comes forward, we will look at that.

Bob Stewart (Beckenham) (Con): In 2005, I was very unfairly arrested on a Europol red notice in Ukraine. I fully realise that the Government can do little, especially if this gentleman is accused of corruption, but will my hon. Friend ensure that Mr Taylor gets as much support as possible in Croatia—and Monaco, if he goes there—from the British Government?

Wendy Morton: I assure my hon. Friend that we have already given a lot of consular support to Mr Taylor and we will continue to do so.

Dame Margaret Hodge (Barking) (Lab) [V]: May I join in congratulating the right hon. Member for Romsey and Southampton North (Caroline Nokes) on securing the urgent question and thank you, Mr Speaker, for granting it? The all-party parliamentary group on anti-corruption and responsible tax has taken an interest in this issue for some time, and I thank the Minister for meeting us. We provided her with the evidence she needs that both links the case with Mr Taylor's action as a whistleblower and shows that due process has not been followed.

Jonathan Taylor has blown the whistle on bribery and corruption across the globe, from Brazil to Angola, from Iraq to Equatorial Guinea and from the USA to the UK. He is a British citizen, and this brave man's evidence has led to arrests, convictions and nearly \$1 billion-worth of fines across many jurisdictions. Will the Minister explain what on earth the Government are waiting for? I simply cannot understand it. What else will it take for them to make the obvious, straightforward, necessary and important representations to both Croatia and Monaco to stop this ridiculous extradition process and bring Mr Taylor back home?

Wendy Morton: I am well aware and appreciate that the right hon. Lady takes a close interest in the case. As I said in my opening remarks, I met her and her fellow co-chair of the all-party parliamentary group on anti-corruption and responsible tax. I must reiterate however that there is a process and the Vienna convention to follow, and we have no evidence that the arrest is linked to Mr Taylor's whistleblowing on corruption at SBM Offshore. Mr Taylor has alleged that the arrest is linked to his whistleblowing activities. On 3 September the Croatian extrajudicial council issued its decision to

extradite Mr Taylor to Monaco. He appealed against his extradition. We understand that the CPS has advised there is no outstanding case against him.

Scott Benton (Blackpool South) (Con): What actions are the Government taking to ensure Interpol's systems are not abused?

Wendy Morton: The UK has seconded a senior lawyer to the Interpol taskforce, working to prevent the abuse of Interpol's systems.

Layla Moran (Oxford West and Abingdon) (LD): We owe a debt of gratitude to whistleblowers such as Mr Taylor, and corruption thrives at times of chaos, such as in a pandemic, for example. Transparency International has shown that there is a risk of global corruption rising as a result of this pandemic. Does the Minister not accept that this Government's inaction sends the wrong signal to the very whistleblowers who we need on our side right now, and further to that, what are this Government doing to ensure that transparent processes are being followed during this pandemic?

Wendy Morton: What I do not accept is that this Government are not acting. I have repeatedly explained what we are doing in terms of support for Mr Taylor, particularly along the consular grounds, and I have made it very clear that we have no evidence that his arrest is linked to whistleblowing on corruption at SBM Offshore.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): Does the Minister not believe that a whistleblower such as Jonathan Taylor, who is continuing to support UK law enforcement agencies in their battle against corruption, deserves the urgent support of his Government, the UK Government? Why are the Government repeatedly refusing to support one of their own citizens?

Wendy Morton: I have made it very clear that we are supporting Mr Taylor and his family with consular support, and we are in contact with his lawyer.

Imran Ahmad Khan (Wakefield) (Con): The targeting of Jonathan Taylor, years after notifying and assisting the UK Serious Fraud Office, as well as investigators in Brazil and the Netherlands and the FBI and the US Department of Justice, regarding the \$275 million-worth of bribes made by SBM Offshore raises serious questions about the protections granted to whistleblowers. What further protections will Her Majesty's Government grant to whistleblowers and investigative journalists in the light of Jonathan Taylor's case?

Wendy Morton: As I am sure you will understand, Mr Speaker, for the purposes of this UQ, I am very much focusing on the case of Mr Taylor and the support we are giving to him and the allegations he has made that his arrest is linked to whistleblowing activities. I assure my hon. Friend that we take this matter incredibly seriously.

Marion Fellows (Motherwell and Wishaw) (SNP) [V]: The right hon. Member for Maidenhead (Mrs May) recently scorned the Chancellor of the Duchy of Lancaster's claims that the UK can operate more effectively to

safeguard British people from outside the EU post Brexit. This is contrary to the remarks that the president of the Police Superintendents Association made in today's *Independent* newspaper. Can the Minister provide this House with an update on the security talks taking place in the UK-EU negotiations, given that they will affect each and every one of us in fewer than seven weeks' time?

Wendy Morton: The hon. Lady is trying to draw me into a debate about EU negotiations. It would be wrong of me to get drawn into that today, but we have left the EU, and the end of the transition period will be at the end of this year.

Bob Blackman (Harrow East) (Con) [V]: I believe that I am correct in wishing my hon. Friend a happy birthday. Given that we need to protect whistleblowers who bring home the issues of corruption across the globe, can she update the House on what measures we can take to allow whistleblowers who are arrested on foreign soil to return to the UK and be properly protected?

Wendy Morton: I thank my hon. Friend very much; alas, due to covid restrictions, I cannot share my cake with anyone, so I will eat it all myself. On his more serious point, my hon. Friend raises a very important question, and the simple answer is yes. That is why, if there is any evidence that Mr Taylor has been charged because of his whistleblowing, we will urgently consider what action to take.

Matt Western (Warwick and Leamington) (Lab): The Minister says that the Government are following due process, but it has now been 100 days since Mr Taylor was arrested. There has been a request from the Croatian Supreme Court for information, but the Government do not appear to have responded. What signal does that send out, not just to him but to other whistleblowers in the future?

Wendy Morton: I do not accept that we have done nothing. As I have repeatedly set out, we have made it clear that if we receive evidence that Mr Taylor's arrest is linked to his whistleblowing activities or that due process is not being followed, we will consider what further steps we can take to support him. Rest assured we are providing consular support, and we are in contact with Mr Taylor and his family.

Marco Longhi (Dudley North) (Con): Will the Minister kindly outline for the House exactly what type of support the United Kingdom has provided for Mr Taylor?

Wendy Morton: My hon. Friend makes an important point. We are providing consular support, and we are in regular contact with Mr Taylor and his family. We have spoken to Mr Taylor's UK lawyer and to the Monégasque prosecutor's office to request details of the specific charges. At the risk of repeating myself, if we receive evidence that Mr Taylor's arrest is linked to his whistleblowing activities or that due process has not been followed, we will consider what further steps we can take to support him.

Dr Rupa Huq (Ealing Central and Acton) (Lab): The only plus for Jonathan Taylor, now languishing in a foreign jail after exposing wrongdoing, is that he is represented by my constituent, the brilliant barrister

[Dr Rupa Huq]

Toby Cadman. Can the Minister answer a question for both of us? Should not the European convention on human rights apply to every British citizen whenever their rights are under threat, because every rule in the book is being broken?

Wendy Morton: As I have set out, we continue to support Mr Taylor. If any evidence comes forward that he has been charged because of his whistleblowing, we will urgently consider it, and if there is evidence that the process has not been followed, we will consider that.

Kevin Hollinrake (Thirsk and Malton) (Con): I am interested in this case as the vice-chair of the all-party parliamentary group on whistleblowing. The Minister says that we do not intervene in other jurisdictions' legal cases, but we have done so in Iran, with Nazanin Zaghari-Ratcliffe. If the evidence is pointing towards this being a retaliatory act, and if we fail to act to protect this individual, who is a British citizen, what message does that send to other whistleblowers who may be in similar circumstances? Does this not strengthen the case for an office for the whistleblower to advise and support whistleblowers?

Wendy Morton: My hon. Friend raises some other cases of whistleblowing, but it is really important that we recognise the need to examine each individual case carefully. As I have said, if there is any evidence that Mr Taylor has been charged because of his whistleblowing, we will urgently consider what action to take.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Mr Taylor's action should be applauded. He should not be pursued, and we condemn Monaco's action on this. Failure by the UK to support whistleblowers will send a terrible message to those who we need to speak out. I know that the Minister does not want to answer this, but it is important that she does. What measures will the UK Government now take to protect those who need to speak out in future over such issues?

Wendy Morton: I have been very clear about our response to the case of Mr Taylor, and I think that it is really important that I remain focused on that. We are continuing to give him consular support and, as I said,

at this time we have no evidence that his arrest is linked to his whistleblowing on corruption, so I think that it would be wrong of me to speculate.

Chris Bryant (Rhondda) (Lab): I am sorry; I like the Minister but her answers are about as much use as a bath full of blancmange. They are not going to do Mr Taylor any favours, and the real problem is that whistleblowers around the world are going to take away the message that the Interpol red-notice system can be abused with impunity because countries like the United Kingdom are not even going to say boo to a goose. We have seen it repeatedly, time and again: countries such as Russia against Bill Browder and lots of other countries—authoritarian regimes—are completely abusing the Interpol red-notice scheme. Do we not now need proper reform?

Wendy Morton: I do not accept the hon. Member's assertion about saying boo to a goose at all. I have been very clear about the support that we are giving to Mr Taylor, and that at this time we have no evidence that this arrest is linked to his whistleblowing on corruption.

Christian Matheson (City of Chester) (Lab): The only reason why we have any idea at all about the murky, corrupt and usually criminal world of offshore tax havens is leaks such as the Paradise papers or the Panama papers, or, now, the activities of Mr Taylor. Does the Minister not share the concern of Opposition Members and others in the House that there will be fewer such leaks to help us to bring tax havens to justice and to stop their nefarious activities, which, frankly, are corrupting huge parts of the way the world operates?

Wendy Morton: I would of course always be concerned about stories relating to corruption, as the hon. Gentleman would expect, but I have to reiterate that in the case of Mr Taylor we have no evidence that this arrest is linked to his whistleblowing on corruption at SBM Offshore. We are continuing to give Mr Taylor consular support through the FCDO.

Mr Speaker: I wish the Minister a happy birthday.

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 now suspend the House for three minutes.

4.11 pm

Sitting suspended.

Future of Financial Services

4.14 pm

The Chancellor of the Exchequer (Rishi Sunak): With permission, Mr Speaker, I would like to take this opportunity to update the House on our plans for one of the UK's most productive and innovative sectors: financial services. They will be essential to our economic recovery from coronavirus, creating jobs and growth right across our country. As we leave the European Union and start a new chapter in the history of financial services in this country, we want to renew the UK's position as the world's pre-eminent financial centre. My hon. Friend the Economic Secretary to the Treasury will lay the foundations later, through the Financial Services Bill. I would like to put that Bill into context now by setting out for the House our plans to make this country more open, more technologically advanced and a world leader in the use of green finance.

Financial services have been fundamental to Britain's economic strength for centuries and they remain fundamental today. The vigour and creativity of this industry adds over £130 billion of value to the UK economy, employs over 1 million people and has been a critical source of revenues to support the NHS through coronavirus, contributing nearly £76 billion in tax receipts last year. Let us put paid, once and for all, to the myth that financial services and the City of London are synonyms; two thirds of the people employed in financial and professional services work outside London, in places such as Edinburgh, Leeds, Durham, Cardiff and Belfast. About half of all financial services exports come from outside London too, with the north and midlands alone exporting as much as the entire financial services industry of France.

This is the start of a new chapter for financial services. The industry is better regulated, better capitalised and more resilient than it was in 2008. Coronavirus has reminded us that financial services are essential services, and the whole House will share my gratitude to the people keeping their local bank branches open, supporting vulnerable customers and working at extraordinary pace to deliver over £60 billion of new loan schemes, reminding us that this industry is at its best when it puts the interests of consumers first. As we leave the EU, we have an opportunity to set out a new vision for this sector—a vision based not on a race to the bottom, but for a financial services industry that is open, innovative and leads the world in the use of green finance.

I am taking three steps towards that vision today. Our first task as we write this new chapter for financial services is to give certainty on our approach to regulation after we leave the transition period. One of the central mechanisms for managing our cross-border financial services activity with the EU and beyond is equivalence. I remain firmly of the view that it is in both the UK's and EU's interests to reach a comprehensive set of mutual decisions on equivalence. Throughout, our ambition has been to manage these co-operatively with the EU, but it is now clear that there are many areas where the EU is simply not prepared to even assess the UK, so we need to now decide on how best to proceed. Of course, we will always want a constructive and engaged relationship with the European Union, but after four years I think it is time for us to move forward as a country and do what

is right for the UK. To provide certainty and stability to industry and deliver our goal of open, well-regulated markets, I am publishing today a set of equivalence decisions for the EU and European economic area member states. Of course, we are ready to continue the conversation where we have not yet been able to take decisions, but in the absence of clarity from the EU we are acting unilaterally to provide certainty to firms, both here and in Europe.

I am also publishing today a detailed framework for our approach to equivalence more generally. Our approach here will be simple: we will use equivalence when it is in the UK's economic interest to do so, taking a technical, outcomes-based approach that prioritises stability, openness and transparency. And of course we now have the freedom to build new, deeper financial services relationships with countries outside the EU. We are making good on that promise already, progressing our partnership with: Switzerland, the second biggest financial hub in Europe after the UK; India, holding a significant economic and financial dialogue just two weeks ago; and Japan, agreeing a new partnership that goes further than the EU's own financial services arrangements.

Equivalence is not our only tool to ensure openness as a jurisdiction. Control of our own regulatory regime means that we need to be clear with our trading partners about how our overseas firms access the UK's markets in a way that is predictable, safe and transparent, so I am announcing today that we will launch a call for evidence on our overseas regime before setting out our future approach next year. To boost the number of new companies that want to list here in the UK, I am setting up a taskforce to make recommendations early next year on our future listings regime. To build on the 113,000 jobs already supported by investment management, we will shortly publish a consultation on reforming the UK's regime for investment funds. To encourage UK pension funds to direct more of their half a trillion pounds of capital towards our economic recovery, I am committing today to the UK's first long-term asset fund being up and running within a year. To ensure that UK financial services exports to the EU remain competitive, we will treat those exports the same as we do for other countries. That means that UK firms will be able to reclaim input VAT on financial services exports to the EU—support for British industry and jobs worth £800 million.

We are known in this country not just for our openness, but for our ingenuity and inventiveness, too. The second part of our new financial chapter for financial services will use technology to deliver better outcomes for consumers and businesses. We are building on our existing strengths as a leading global destination to start, grow and invest in FinTech, and I look forward to welcoming Ron Kalifa's report in this important area. We are staying at the cutting edge of payments technologies where we have just concluded the first stage of our payment landscape review and will shortly publish new plans to support the sector. We will make sure our regulatory environment is ready to manage the far-reaching implications of technology on money itself. We will publish a consultation shortly to make new forms of privately issued currencies, known as stable coins, meet the same high standards we expect of other payment methods. The Bank of England and the Treasury are considering further whether central banks can issue their own digital currencies as a complement to cash.

[Rishi Sunak]

Finally, this new chapter means putting the full weight of private sector innovation, expertise and capital behind the critical global effort to tackle climate change and protect the environment. We are announcing the UK's intention to mandate climate disclosures by large companies and financial institutions across our economy by 2025, going further than recommended by the taskforce on Climate-Related Financial Disclosures and we will be the first G20 country to do so. We are implementing a new green taxonomy, robustly classifying what we mean by "green" to help firms and investors better understand the impact of their investments on the environment. To meet growing investor demand, the UK will, subject to market conditions, issue our first ever sovereign green bond next year. This will be the first in a series of new issuances, as we look to build out a green curve over the coming years, helping to fund projects to tackle climate change, finance much-needed infrastructure investment and create green jobs across the country.

We have set out today our vision for this new chapter in the UK's financial services industry, a vision of a global open industry where British finance and expertise is prized and sought after in Europe and beyond, a technologically advanced industry, using all its ingenuity to deliver better outcomes for consumers and businesses, a greener industry, using innovation and finance to tackle climate change and protect our environment and, above all, an industry that serves the people of this country, acting in the interests of communities and citizens, creating jobs, supporting businesses and powering growth as we direct all our strength towards economic recovery. I commend this statement to the House.

4.24 pm

Anneliese Dodds (Oxford East) (Lab/Co-op): We have become used to disjointed, last-minute policy making recently in this House. Today's events—with a statement entitled "the Future of Financial Services" on the very day that the Financial Services Bill is being debated—surely takes this to new heights.

The UK produces 1% of global emissions, but companies and financial institutions based here produce 15% of those emissions. Action from the Government to match the green ambitions of many in financial services cannot come too soon. Recent developments have unfortunately gone in the wrong direction. Over the last decade, the UK has pumped £6 billion into overseas fossil fuel projects via UK Export Finance, so will the Chancellor do as Labour has demanded and immediately ban the financing of fossil fuel projects through UK Export Finance?

Labour supports the move to greater disclosure of climate-related information. Two months ago, we called on the Government to show leadership and introduce mandatory reporting ahead of COP26. The Chancellor's announcement and that of the Financial Conduct Authority this morning are positive, but they only relate to a "comply or explain" basis, with full implementation not set for many years—until 2025. The climate crisis demands bolder action. Will the Chancellor move to mandatory reporting in the 2021-22 reporting year?

Again, the introduction of green gilts is welcome, but they are mechanisms, not ends in themselves; they obviously depend on where the money raised is then

invested. So far this year, the UK Government have announced around £5 billion in green investment. That compares with £36 billion in Germany and £27 billion in France. Where is this Government's ambition for a green recovery from the coronavirus crisis, and where is the replacement for the green investment bank that the Conservatives sold off?

As the Chancellor rightly said, the financial sector is of course critical in ensuring that start-ups and scale-ups can access the capital that they need to grow and succeed, and that is so important right now. But that must go hand in hand with oversight and protection. The drive to encourage more tech companies to list on our stock exchange cannot come at the expense of corporate responsibility, so what will he do to ensure the long-term health of British companies and the protection of British investors? And where is the action here to protect people's access to local bank branches and to cash on their high streets? There is more in this statement about stablecoins—hardly the talk of living rooms up and down the land—than there is about people's access to cash.

While we debate these often welcome measures, we must not forget the elephant in the room: this Government's mishandling—I am calling it that because that is what it is—of ensuring market access for our firms to our largest trading partner. One in every 14 UK workers is employed in financial and related professional services, yet the City of London Corporation has recently said that the approach to negotiations makes them feel like the

"neglected child of an acrimonious divorce".

With weeks to go until we leave the transition period, we still do not know whether the EU will determine that our rules are equivalent to its own. The Chancellor's predecessor said that

"achieving equivalence on day one should not be complicated."

The deadline for achieving equivalence was June of this year. By that date, the UK had filled in just four of the 28 forms that it needed to complete. This Government cannot even complete the paperwork on time to secure market access to our largest export industry. The Chancellor said that today he was setting out our approach to equivalence. That should have been done months ago; it is such a critical aspect of the UK's economy.

We have already seen damage being done. EY research suggests that over 7,000 jobs have already gone and that £1.2 trillion in assets are set to be relocated from the UK, with potentially worse to come as firms making plans decide not to locate those plans and jobs within our borders. It is too late now to strike a deal that would preserve market access securely; too late now—a phrase, sadly, that we are coming to associate with this Chancellor. Let me ask him, when did one of our most important sectors fall so far down his list of priorities?

Rishi Sunak: I was hoping that this would be a rather more technical discussion. It was telling that we had all those questions from the hon. Lady but not really, until the last sentence, any word of praise or recognition for this industry. [Interruption.] Absolutely, it was about trying to score political points, sneering and sniding, with no recognition of the importance of this industry up and down the country and all the people who are employed in it—no recognition whatsoever. When I talked about the hard-working people in this industry

who were making sure that customers had access to their branches and access to loans during the coronavirus, all I heard was muttering. That is not the right praise for the people in this industry because they have been working very hard and it is appropriate that they get the recognition that they deserve for that—and they will get it from this Government.

The hon. Lady asked about the TCFD disclosures and comply or explain. Comply or explain is the approach that others have taken. We will be the first major economy—the first in the G20—to mandate disclosures by 2025. A road map has been published today. It is the most ambitious timetable that any major economy has done to date. In fact, it goes far beyond what was recommended by the taskforce. I think that is something that Government Members at least will very proud of.

The hon. Lady asked about access to cash. She should know that, in the middle of October, on about the 15th, we published our access-to-cash call for evidence, which I announced back at Budget in March. The responses to that will inform our future legislative strategy. We laid out clearly that we believe it is important that everyone has access to cash. Depending on the responses to that consultation, we will decide on the appropriate next steps.

The hon. Lady commented on our response to the equivalence process from our EU partners. I think she was trying to accuse us of being slow in replying, or not quite replying sufficiently. That will be news to the team that has spent months producing 2,500 pages of responses to the Commission responses. I might add, as she seems more willing to defend the EU in its conduct of this process, that we have not had a single question back from the European Union after sending 2,500 pages of responses over to it. I might also add that we did not feel it necessary to send it thousands and thousands of pages—we adopted a constructive approach that required very little answers, given that we know its current regulatory arrangements because we all share the same ones.

We have chosen to take an approach that prioritises financial services. Rather than wait, we have acted unilaterally to provide certainty to our financial services firms and to enshrine our reputation as a place where global firms can come and do business, because this will always be the most open, the most competitive and the most innovative place to do financial services anywhere in the world.

Mr Speaker: We have two withdrawals, so I come to Alison Thewliss, the SNP spokesperson.

Alison Thewliss (Glasgow Central) (SNP): Thank you, Mr Speaker. The Chancellor said in response to the shadow Chancellor that he was expecting a technical discussion. Well, technical discussion might have been possible if we had not received a heavily redacted statement at one minute to 4, which is disgraceful and disrespectful to Opposition Members. He does it time and again, and it is just not on.

Financial services are of huge importance to Scotland. I note that the Chancellor did not mention Glasgow, where we have the huge Barclays complex coming out of the ground as a sign of confidence in the Scottish economy. It is not uncommon that financial services companies have been planning on moving their assets from London to elsewhere in the UK, and the Chancellor

really needs to get behind that. Things have been moved out of the City of London to right across these islands because these are important, good-quality jobs.

This year, coronavirus has overtaken Brexit for financial services in terms of focus and capacity. As a consequence, there has been significantly reduced bandwidth for people working in financial services companies to prepare for the disastrous consequences of Brexit. So can the Chancellor tell us how he will support companies with their preparations, particularly as we do not know what we are preparing for—details of the relationship with Europe are so scarce because we still do not know what that relationship is going to look like? Given that instability and uncertainty are anathema to the financial sector, can the Government provide any clarity on what people ought to be preparing for in only a few weeks' time?

We welcome the introduction of green gilts. The Treasury Committee has been looking at them, and 16 other countries have done this, including Germany and Sweden. Can the Chancellor tell us how this will impact on Scotland? What discussions has he had with the Scottish Government on this? How will he ensure that Scotland gets its fair share of any investment to come? Will the UK Government take this opportunity of new financial powers to back the transition to a low-carbon future, to accelerate their net zero targets and to match the Scottish Government's ambitious commitments?

Equivalence is a point in time, and as the UK diverges, there is a huge risk to our access to European markets. As the Association of British Insurers has pointed out, equivalence has been used in the past as a political weapon, so how does the Chancellor plan to mitigate that?

Lastly, the Government must put their own house in order on green issues. The Treasury has a good opportunity to work across different Departments, such as UK Export Finance, to ensure that they are all making their contribution to a greener future. The Chancellor must take this seriously right across the Departments if he is going to come to COP26 in Glasgow next year with anything worth the candle.

Rishi Sunak: The hon. Lady talked about moving jobs out of London. It is already the case that the majority of financial and professional services jobs—two thirds—are out of London. I completely agree with her that Scotland has a proud heritage in financial services, and long may that continue.

With regard to providing certainty for firms and the support given to them, the hon. Lady will be aware that we put in place a temporary permissions regime some time ago, which provided that certainty to overseas firms needing to continue operating here after the transition period. They have known about that for a while, and it has been warmly welcomed. With regard to specific financial support, I point her to the announcements on input VAT, which will ensure that UK exports of financial services to the EU are not at a competitive disadvantage. Those firms will be able to reclaim input VAT, which will be worth several hundred million pounds in benefit to them, wherever they are in the UK.

The hon. Lady mentioned the ABI. I think that the ABI will warmly welcome the review that we have put in place on Solvency II. The feature of our insurance industry is the prevalence of long-term annuities. The capital treatment of those is not well managed by European

[*Rishi Sunak*]

rules, and there is an opportunity for us to improve things in that area, which is why the ABI has, I think, warmly welcomed our review of the Solvency II insurance regulations.

Lastly, the hon. Lady talked about the fact that others might wish to use equivalence as a political weapon. As I have set out, that will not be our approach. We will approach equivalence in a technical and outcomes-based way and seek always to provide transparency and stability, because in doing that, we will cement our reputation as the best place to do financial services in the world.

Kevin Brennan (Cardiff West) (Lab): I listened carefully to the Chancellor, and he announced a green curve, a landscape review, a call for evidence, a taskforce and, God help us, a road map. Where is the bold action that is needed on green jobs and green finance? What people want is not a technical discussion but the sort of initiative that will allow things such as the Swansea bay tidal lagoon to be developed. Is he just paralysed by Treasury orthodoxy, which killed that key green project?

Rishi Sunak: The hon. Gentleman asks about bold action on green measures. I have announced today that we will be the first major economy in the world to mandate the recommendations of the Task Force on Climate-Related Financial Disclosures, doing so across the economy by 2025. That demonstrates both boldness and leadership on this vital issue.

Robert Largan (High Peak) (Con): Financial services are worth over £130 billion to the UK economy and support over 1 million jobs, two thirds of which are outside London, so I wholeheartedly welcome this statement. I also welcome the announcement on the sovereign green bonds. Can the Chancellor confirm that those bonds will fund crucial projects to tackle climate change, such as the restoration of the moorlands in the Peak district and vital infrastructure investment to improve public transport across the north of England?

Rishi Sunak: My hon. Friend is absolutely right. The transition to net zero will require enormous sums of capital to help finance it. Along with all the other market developments that it will catalyse, this bond will ensure that we can attract that capital into the UK to build the infrastructure we need.

Andrew Gwynne (Denton and Reddish) (Lab) [V]: My hon. Friend the shadow Chancellor was right to raise the fact that this Government needlessly sold off the Green Investment Bank in 2017, because when the transition period ends and we cease to be part of the European Investment Bank, we will become the only country in Europe without a public investment bank. So can I ask the Chancellor: how does he propose to fill this gap in our green finance ambitions?

Rishi Sunak: I would urge the hon. Gentleman to wait for the imminent publication of the national infrastructure strategy, which will address that specific concern.

Rob Butler (Aylesbury) (Con): Can I warmly welcome the announcement of a sovereign green bond, and may I congratulate my hon. Friend the Member for Grantham and Stamford (Gareth Davies) on his tireless campaigning on this issue? Can my right hon. Friend say whether he agrees with me that these green gilts will help tackle climate change and create green jobs in firms of all sizes, including the many micro-businesses in my constituency of Aylesbury?

Rishi Sunak: I think my hon. Friend is absolutely right. The transition to net zero will create enormous economic opportunity for companies large and small, and I know that he will champion his small businesses as they seek to benefit from it and help not just drive our recovery, but create jobs in his local area.

Christine Jardine (Edinburgh West) (LD): The Chancellor mentioned that jobs are leaving London for the rest of the UK. I would point out that jobs are leaving the UK for Europe and assets are leaving at a frightening rate—£1.2 trillion. The announcement about the green gilts is welcome, but again it is too late. We had a Green Investment Bank in this country, and at that point we could claim to be ahead in the fight on climate change. So does the Chancellor appreciate why constituents such as mine in Edinburgh West, the second largest financial sector base in this country, are concerned that this Government simply are not on top of what is happening and up to date with what this country's economy needs?

Rishi Sunak: What the financial services sector needs is a vision for the future that will ensure we remain the most competitive place to do financial services in the world, and the announcements that we have made today will ensure that that becomes a reality.

Jim Shannon (Strangford) (DUP): Can I thank the Chancellor for his statement and for bringing very often to this Chamber some good news? He is absolutely right about the financial and professional services work outside London. In Belfast, there are some 24,000 jobs playing a very significant and key role. Therefore, all of the United Kingdom of Great Britain and Northern Ireland benefits. Bearing in mind the need for small and medium-sized enterprises to export their products and services to the global economy—and for that to happen and take place, financial services and banks must be regulated by the FCA in a more efficient way—could I ask the Chancellor to outline how this can be done and how it can be better achieved?

Rishi Sunak: I would point the hon. Gentleman to the phase 2 consultation that is currently outstanding of our future regulatory framework review. The key purpose of that review is to ensure that our regulatory regime, after we leave the transition period, is fit for purpose. It will take into account a wide range of inputs from stakeholders, and I would urge him and his small businesses to feed into it.

Sir Robert Neill (Bromley and Chislehurst) (Con): I particularly welcome the Chancellor's recognition that our financial services are critical not only to our national interest, but to the long-term funding of our public services. Against that background and with a shared

objective of maintaining the position of the sector in its pre-eminence, will he confirm that, while we have set out our own equivalence decisions, we will continue to seek, wherever possible, the closest agreement and alignment with the EU, which remains an important market, and that the door is not closed upon that; and, secondly, that as we develop the very welcome proposals for a new regime for listings, a new regime to deal with the investment funds and also with the overseas persons regime, he will not hesitate to draw on the very real expertise that exists—particularly in the City, but elsewhere—for example, through the International Regulatory Strategy Group and the Financial Markets Law Committee?

Rishi Sunak: My hon. Friend has long been a fantastic champion and advocate for this sector, and he is right to be so. I agree with him about the importance of making sure that our listings regime is as competitive as it can be to make sure that we attract companies to list here in London. I look forward to getting input from him and the bodies he mentioned in the forthcoming review that we have commissioned.

Joanna Cherry (Edinburgh South West) (SNP) [V]: Would the UK Government not be in a better position to deploy these bonds if they had not flogged off the Green Investment Bank, which is headquartered in my Edinburgh South West constituency? Will the Chancellor consider passing these bond-issuing powers to the devolved Governments so that they can be put to best effect in facilitating low-carbon developments across the United Kingdom?

Rishi Sunak: Sovereign gilt issues will remain a reserved competency, but one of our hopes is that creating a sovereign green bond market will catalyse a domestic green bond market, as we have seen elsewhere, which would provide a benchmark for private companies to issue private green credit. I hope that will provide more capital for more companies in every part of the UK.

Nigel Mills (Amber Valley) (Con) [V]: I thank the Chancellor for his statement. Does he agree that our financial system should also be the cleanest in the world and free from dirty criminal and corrupt money? Would he look further at the failure to prevent economic crime across our financial sector?

Rishi Sunak: My hon. Friend has focused on that issue for as long as I have been in this House—and rightly so. He will know that we passed the Sanctions and Anti-Money Laundering Act 2018 the year before last, and in the Budget we said we would consult on introducing an economic crime levy that would provide additional funds to combat the scourge of crime in our financial system. My hon. Friend the Economic Secretary will be outlining further measures on market abuse in the debate on the Financial Services Bill.

Alison McGovern (Wirral South) (Lab): We do not see very much of the Chancellor of the Exchequer in this place. I wonder what it could possibly be about the Monday after the electoral routing of populism in the USA over the weekend that makes him want to come to the Dispatch Box and speak about climate change. Never mind the good management of his reputation, his Government cannot escape the consequences of

Brexit and the lack of the deal that was promised for financial services. Given the shape of the UK's economy, the consequences will be far worse for those workers that we keep talking about who are in financial services outside London and in other regions. Will he confirm what he believes will be the relative regional impact of the current state of the Brexit negotiations? What is his policy to stop Brexit making regional inequality even worse?

Rishi Sunak: It would not be right for me to give a day-by-day commentary on the negotiations. As we heard from the Prime Minister at the weekend, we have made significant progress. Those talks are ongoing and it is clear that a deal can be done, but it will require both sides to act constructively. We remain ready to do that and are working hard at it.

Nickie Aiken (Cities of London and Westminster) (Con): I welcome my right hon. Friend's statement. Yet another statement—he seems to be here more often than not. Although I recognise that two thirds of the 1 million-plus jobs that the financial services industry supports are outside London, it is the City of London, in my constituency of Cities of London and Westminster, that is the heart of financial services in this country and supports those jobs across the UK. What further measures will the Government take post transition to ensure that the UK maintains and enhances its global competitiveness in the financial services sector?

Rishi Sunak: My hon. Friend is rightly proud of this industry, given her constituency, and she is right that we should not rest on our laurels. We may be world beating today, but we want to remain the most competitive place to do business. The initiatives that we have launched today, for example the listing reform, which was mentioned, the investment funds regime reform, or Solvency II, will provide opportunities for us to tweak and flex our regulation going forward, and attract capital and business so that the industry can continue to grow and go from strength to strength.

Stella Creasy (Walthamstow) (Lab/Co-op) [V]: Citizens Advice tells us that 6 million of our constituents have already fallen behind on a bill during the pandemic. One group exploiting the FinTech explosion that the Chancellor is talking about are the legal loan sharks of the credit sector. In the last financial crisis, the coalition Government waited too long to act and the Wongas of this world ripped off millions of our constituents, yet someone is now better protected if they take out a payday loan than credit card debt, because at least the interest rate is capped. As millions of our constituents face a terrible Christmas, will the Chancellor please learn the lessons of the last financial crisis when dealing with the financial sector? Will he please bring in a cap on the cost of all credit, so that we make sure that some of these new FinTechs—the buy now, pay later of this world—are not the kinds of financial companies that we get coming to our shores to exploit our constituents yet again?

Rishi Sunak: I know the hon. Lady has spent an enormous amount of time in this Chamber focused on these issues, and rightly so. The FCA is currently taking action to address the issues in the buy now, pay later

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sector, but more generally to her important question around debt and consumer credit, it is worth bearing in mind that we have provided around £38 million to debt providers this financial year, bringing the total to £100 million. Colleagues will know that from May next year, the breathing space initiative that was recently passed in this place will provide a period for individuals who are struggling with debt issues to take a pause and agree a repayment plan. Indeed, in the Bill we are considering later, the Economic Secretary to the Treasury, my hon. Friend the Member for Salisbury (John Glen) will be introducing provisions for statutory debt repayment plans, which will further help those who are struggling paying back credit.

Rehman Chishti (Gillingham and Rainham) (Con) [V]: I thank the Chancellor for the statement and all the financial support he has given to my constituents in Gillingham and Rainham during covid-19. My question is specifically in regard to the work of the Financial Ombudsman Service and the six-month statute of limitation when dealing with complaints, as raised with me by a constituent in Gillingham and as faced by constituents around the country. With all other ombudsmen, such as the Parliamentary and Health Service Ombudsman, there is a 12-month statute of limitation. Can the Chancellor explain that discrepancy? Will he be kind enough to take the matter away on behalf of my constituent in Gillingham and look at this anomaly in the interests of fairness?

Rishi Sunak: I am very happy to take the issue away, and I look forward to discussing it further with my hon. Friend on behalf of his constituents.

Richard Thomson (Gordon) (SNP): I have to say to the Chancellor that his announcement this afternoon will do little to stem the haemorrhaging of jobs and assets that we have seen since the failure so far of his Government's negotiations on Brexit. Earlier in the year, Germany announced a £46 billion investment in the green economy to stimulate recovery. How will the Chancellor's sovereign green bond attempt to match that? What discussions has he had or does he intend to have with the devolved Administrations around these islands to discuss how the proceeds of any such bond issue might usefully be put to work?

Rishi Sunak: I point the hon. Gentleman to our Budget in March, where we set out a sense of the capital plans for the next few years. What he will see there are plans to spend more than £600 billion in capital investment in this country over the next five years, raising capital investment to the highest sustained level it has seen in almost half a century.

Craig Whittaker (Calder Valley) (Con) [V]: I thank my right hon. Friend for his statement. Many of the three quarters of a million jobs outside London in the financial services sector are located in places such as West Yorkshire, and in particular in Calderdale. Does he agree that keeping the UK at the forefront of financial services regulations and supporting an open and dynamic economy is the surest way to ensure we remain a competitive economy as we emerge from the coronavirus pandemic?

Rishi Sunak: My hon. Friend is absolutely right. As we seek to drive our economic recovery from coronavirus, financial services can play a key part in that. Critical in ensuring that is making sure we remain an open and, as he said, dynamic place that adapts to what is changing, and that is indeed what all our measures today will ensure happens.

Chris Bryant (Rhondda) (Lab): The great success of the financial services industry in this country sometimes means that it is also vulnerable to threats from other people around the world who want to launder money through the British system. It is good that we now have a beneficial ownership register, but the threshold for that is 25%, which is quite high—higher than some other countries. Lots of companies are granted exemptions by Government Ministers from having to show their real beneficial ownership, and Companies House has next to no resources with which to investigate whether what it is being told by individual companies is actually true. Is it now time for us to launch a further effort to tackle money laundering? Would it be good if the Government were able to say, as soon as possible, that the overseas territories, which are part of this country's financial services institutions, were also making their beneficial ownership registers publicly available?

Rishi Sunak: The hon. Gentleman is right that this important issue deserves our focus, and I am pleased that in its independent review the year before last, the Financial Action Task Force judged the UK to be one of the best regimes in the world for tackling money laundering. The hon. Gentleman will know that there is an outstanding consultation on a review of the Companies House regime, and I look forward to hearing his thoughts on what we should do to take that forward.

Joy Morrissey (Beaconsfield) (Con): I thank my right hon. Friend for updating the House with his statement, and for the plethora of statements that he has offered to the House. I also remind Opposition Members that this is not a UK crisis; this is a world crisis, it is a pandemic. I thank my right hon. Friend for everything that he has done to help those in the financial sector and the green economy. Many people in Beaconsfield work in both those sectors. Will he outline to the House how green finance can be used to build back the UK economy post-coronavirus, as well as meeting our climate change commitments and delivering a greener economy?

Rishi Sunak: I thank my hon. Friend for her warm comments. She is right to say that we need that finance to develop new technologies, which have helped to meet our climate ambitions. To give a couple of examples, we can be a world leader in carbon capture and storage, and similarly for offshore wind—those are the kinds of investments that will need extra financing to help develop those technologies, or further their export capabilities, and that is exactly the type of investment that this new capital will help to fund.

Patricia Gibson (North Ayrshire and Arran) (SNP): I confess I was surprised to hear the Chancellor say that he was grateful to the people who are keeping local bank branches open. I now have seven towns in my constituency with no bank, and only three that do have access to a local bank—it is surely the hardest hit in

the UK. If he really wants to help people to keep bank branches open, when will he do more to ensure and help facilitate banking hubs in my constituency of North Ayrshire and Arran, and across Scotland?

Rishi Sunak: The hon. Lady will have heard my previous answer about our plans to take forward initiatives on access to cash, and protecting it. The outstanding consultation will conclude shortly, and then we will decide on a future legislative strategy.

Alec Shelbrooke (Elmet and Rothwell) (Con): My right hon. Friend has put in unprecedented help to people during this crisis, but tragically in my constituency almost 2,000 people have lost their jobs. Does he agree that, as he said in his statement, Leeds is a key financial hub in this country, and many of my constituents, if not employed directly in the financial services industry, are part of the support network around it? Does he also agree that the green bonds that come out will trickle down to small manufacturers, of which I have a plethora in my constituency? Will he push ahead with great speed on that, and how quickly does he think that he can get this recovery? What I have heard from him today, quite frankly, has been, “jobs, jobs, jobs.”

Rishi Sunak: My hon. Friend is right about the importance of Leeds to our financial services ecosystem in the UK, and about the importance of that industry to jobs in his local economy. We are keen to see the industry prosper across the country, in his constituency and elsewhere, and one thing that might be of interest to his constituents is the review that we are launching into the UK funds regime. That review will specifically consider whether, and how, fund domicile activity could be focused in specific UK areas to support our levelling-up agenda. I look forward to hearing my hon. Friend’s contributions to that, and I know that the industry in his area will continue to grow locally from strength to strength.

Charlotte Nichols (Warrington North) (Lab): The pandemic has accelerated the decline in the use of cash across the country, but there are still 8 million people who say that it is an economic necessity, and many others who are employed in the cash industry, including in Warrington North. According to the National Audit Office, the Bank of England does not know the whereabouts of around two-thirds of known currency—about £50 billion—which may be in the shadow economy. Does that show the need for a comprehensive plan for cash?

Rishi Sunak: My hon. Friend the Economic Secretary is absolutely abreast of the issue and has been for a while, which is why we have a strategy around protecting access to cash. We announced an intention to consult and potentially legislate at Budget. The consultation is outstanding, and I would very much welcome the hon. Lady’s comments, because she is right: although the economy is transitioning in a digital way, we need to protect access to cash for those who need it.

Andrew Griffith (Arundel and South Downs) (Con) [V]: I congratulate my right hon. Friend on becoming the climate change Chancellor. Does he agree that private sector businesses and investors are fundamental to achieving our target of net zero? Only they have the capacity to

innovate, to make changes in the supply chain and to generate the prosperity that will make the choices we make as consumers and citizens much easier to accomplish.

Rishi Sunak: As my hon. Friend knows well from his own private sector experience, we absolutely need to attract private capital alongside public capital to deliver on all our ambitions. That is why a sovereign bond is so important—it can help to catalyse a domestic private sector industry for corporates and other institutions that issue on the back of a Government issuance. All of that will leverage private sector capital and expertise to build the infrastructure that we need.

Geraint Davies (Swansea West) (Lab/Co-op) [V]: Talking of private capital, Barclays has moved €200 billion out of the UK—€3,000 per person; J.P. Morgan has moved €200 billion out of the UK; HSBC has moved 1,000 jobs to Paris; the Government have abolished the Green Investment Bank; and we are leaving the European Investment Bank. If the Chancellor is serious about investment in green infrastructure, will he look at the Development Bank of Wales as a mechanism for focusing on green infrastructure in a knowledgeable way, as happened with the Swansea Bay tidal lagoon, so that taxpayers’ money can be deployed effectively to grow and green our economy?

Rishi Sunak: Last year, we had the infrastructure financing review, which contemplated these specific questions. We will issue a response alongside the national infrastructure strategy, which I think will adequately address the hon. Gentleman’s questions.

Dr James Davies (Vale of Clwyd) (Con): I very much welcome my right hon. Friend’s statement, particularly in terms of the issuing of green gilts. Will he confirm that the benefits of the sovereign green bond will be available alongside revenue support mechanisms to support hydrogen production and carbon capture and storage, as exemplified by the HyNet project for north-west England and north-east Wales?

Rishi Sunak: Without commenting on specific projects, I think my hon. Friend is right to highlight some of the areas of interest to the Government. On carbon capture and storage, he will that know we have already outlined over £800 million of investment over the next few years to help develop two carbon capture and storage clusters with the private sector. This is something the UK can be world-leading on, and it is important that we move quickly.

Dame Diana Johnson (Kingston upon Hull North) (Lab) [V]: As the shadow Chancellor pointed out in her excellent remarks, the United Kingdom, under successive Tory Governments over the past decade, has pumped £6 billion into climate-damaging fossil fuel projects overseas via UK Export Finance. Will the Chancellor now commit to ban this activity immediately and make it a priority to invest in British green energy industries in places such as the Humber estuary and to create the future jobs we need for a real green northern powerhouse?

Rishi Sunak: The hon. Lady will know the importance of offshore wind in her area, and she will have welcomed the Prime Minister’s announcements for that sector, including the increase in the amount of domestically manufactured content as we look to build on our advantage

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as a user of offshore wind to make sure that we also build an advantage in manufacturing the turbines. That is exactly what the hon. Lady is asking for, and this Government are in the process of delivering it.

Bim Afolami (Hitchin and Harpenden) (Con): I welcome the Chancellor's statement, which foreshadows a huge increase in powers for the Financial Conduct Authority and a huge increase in the amount of legislation and regulations that will come through this House. What thought has the Chancellor given to establishing a specialist financial services Select Committee of this House, perhaps with some oversight capacity, so that we can manage this huge influx of legislation and regulations once we get out of the transition period on 1 January?

Rishi Sunak: It is not for me to suggest that the Treasury Committee needs something else to do, but my hon. Friend is right that there will be a change in the regulatory alignment after leaving the transition period, which is why our future regulatory framework review is so important. We are just embarking on phase II of that. It will consider the right balance between Government, Parliament and the regulators. That is the appropriate place for him to feed in his thoughts on how we can get that balance right.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): In answer to the hon. and learned Member for Edinburgh South West (Joanna Cherry) earlier, why did the Chancellor rule out allowing the devolved Governments to issue their own green bonds? Surely that would be one way to help the Welsh Government directly fund the Swansea Bay tidal lagoon project, considering that the Treasury views the contract for difference model to be too costly.

Rishi Sunak: Obviously the Welsh Government will make their own decisions on supporting their own local economy. The issuance of sovereign bonds is obviously a reserved capability and it is appropriate that it remains that way.

Neil O'Brien (Harborough) (Con): Short-termism in financing public companies has long been a concern in the UK, so I welcome the measures my right hon. Friend is taking today, which build on the work of the patient capital taskforce. I welcome the review of Solvency II, which is potentially deterring long-term investment, and I welcome the long-term asset fund, too. Will my right hon. Friend set out what he hopes it will achieve and what metrics he will use to assess whether it is working or not?

Rishi Sunak: My hon. Friend is absolutely right. To give him a sense of what we are trying to achieve, we know that today defined-contribution pension schemes in particular are not particularly well invested in long-term illiquid instruments—roughly 1% of their portfolios compared with about 10% for defined benefit schemes. If we can unlock that difference it is worth tens and tens of billions of pounds of extra investment in long-term infrastructure and assets in this country. I think that is a valuable prize and we will make a start on making that a reality next year.

Peter Kyle (Hove) (Lab): I join the shadow Chancellor in celebrating the success and importance of the financial services sector in our country. The Chancellor said he was making a unilateral announcement about equivalence, so can he confirm that the British financial services sector now has to wait for the EU to make its unilateral announcement on equivalence and other measures that will dictate what is possible in terms of access for British businesses? The Government signed the political declaration that committed them to finding the agreement by June last year. If British business was as good as this Government at doing deals, there would be no financial sector in this country.

Rishi Sunak: Maybe I can help clear this up for the hon. Gentleman. There are a set of decisions that we can make unilaterally. There are others that we cannot, because the nature of the decision requires mutual collaboration between us and the other partner. We have obviously refrained from making those decisions. We have also refrained from making decisions where it would not be in our economic self-interest to do so. But we remain ready, and we stand ready, to talk constructively and co-operatively with our European partners and reach agreement on the remaining outstanding decisions.

Mrs Heather Wheeler (South Derbyshire) (Con) [V]: I thank my right hon. Friend for his statement. I strongly welcome the new sovereign green bond, an idea I have been promoting for many months, especially in the far east. Can he explain how he will ensure that the projects invested in are suitable projects?

Rishi Sunak: I pay tribute to my hon. Friend's campaigning on this important issue. She asks the right question to make sure the money is going where we want it to go. I can give her the reassurance that we will be using the use of proceeds structure, along with the principles from the International Capital Market Association. That is the most widely used and recognised structure in the ESG—environmental, social and governance—investing space, and it is the structure that is used by pretty much all other sovereign issuers. It will ensure that the money raised goes where it is required and deserves to go.

Mike Amesbury (Weaver Vale) (Lab): Credit unions have been a lifeline for many people in local communities during the pandemic. What steps is the Chancellor taking to support credit unions and the mutual sector in terms of growth?

Rishi Sunak: The hon. Gentleman is absolutely right about the importance of credit unions in providing credit to those who need it. My hon. Friend the Economic Secretary recently hosted a roundtable to make sure the industry is getting the support it requires.

Ben Lake (Ceredigion) (PC): The announcement of a sovereign green bond is to be welcomed as an important step forward in the financing of infrastructure and industry, and is essential to achieving net zero, but what sort of access will the Welsh Government have to this important source of green finance to ensure that projects and priorities that fall within its remit are adequately supported, given that the Chancellor seems to have ruled out empowering the Welsh Government to issue their own green bond?

Rishi Sunak: The UK Government issue UK debt. Where spending has a Barnett implication, the money is provided to the Welsh Government. The sovereign bond is just a way of financing the expenditure of the United Kingdom. The Barnett consequential will always be provided if and when the appropriate expenditure is made, for the Welsh Government to use as they see fit.

Gareth Davies (Grantham and Stamford) (Con): I warmly welcome the statement today, particularly on the issuance of green gilts, which is a great idea. Does my right hon. Friend agree with me that the issuance of a green gilt marks a great opportunity to showcase Britain's place in the world in terms of our financial services power to move towards net zero by 2050?

Rishi Sunak: I pay enormous tribute to my hon. Friend, who has campaigned tirelessly, written tirelessly and advocated tirelessly for many years for the UK to issue a sovereign green bond, and I know he will be heartened by the announcement today. He is absolutely right, and he knows better than most what a signal this will send across the world of our desire to be a global leader in green finance and to deliver on all our ambitions. I know he will pay a key part in making sure that we do.

Patrick Grady (Glasgow North) (SNP): The Chancellor seems to be either deaf to or in denial about some of what Opposition Members are saying to him today. EY has calculated that over £1 trillion of assets are being moved out of the UK to the EU as a result of Brexit. Does he accept that? Is he proud of it? Does he think it is a price worth paying for Brexit? Does he seriously think that what he is announcing today will mitigate that somehow?

Rishi Sunak: What we are announcing today will ensure that the UK remains the most open, competitive, technology-leaning and dynamic place to do financial services anywhere in the world. It is a constantly changing industry and it is right that we are on the cutting edge of

developments. Now that we are outside the EU and leaving the transition period, we have the ability to make further changes to our regulatory regime, to enhance our competitiveness and to attract jobs, capital and business to the UK.

Richard Fuller (North East Bedfordshire) (Con): Regarding the comment made by the hon. Member for Wirral South (Alison McGovern), I do not know where Labour MPs have been these past few weeks, but the Chancellor has been here today, 9 November, and on 5 November, on 22 October, on 20 October, on 14 October, on 24 September and on 15 September. No Chancellor has been more responsive to the needs of Members of Parliament than this Chancellor, which is why I welcome his statement today. It demonstrates that neither the financial services sector nor he as UK Chancellor are going to sit around and wait for the EU to respond, but that he will point the way forward in leadership in green finance, in financial technology and in financial transparency. Will my right hon. Friend build on the green sovereign bond announced today, so that ahead of COP26 retail investments will be available for retail investors?

Rishi Sunak: I thank my hon. Friend for his question. He will know from his extensive experience in financial services how important the announcements today are. He makes a very interesting suggestion, and I would love to meet him to discuss it further and see what we can do.

Madam Deputy Speaker (Dame Rosie Winterton): Thank you. We will have a three-minute suspension to allow the safe exit and entry of right hon. and hon. Members.

5.13 pm

Sitting suspended.

Supporting Disadvantaged Families

5.17 pm

The Secretary of State for Work and Pensions (Dr Thérèse Coffey): Throughout the coronavirus pandemic, this Government have put an unprecedented package of support in place to strengthen the safety net for individuals, families, communities and businesses who need help at this critical time. We recognise that this has been a challenging year for everyone, especially for those who have lost their jobs and those families who are feeling the extra strain, worrying about putting food on the table or money in the meter. The Prime Minister has been clear that this Government will use all their efforts to make sure that no child should go hungry this winter. This Government also want to ensure that every child reaches their full potential. That is why I am announcing a comprehensive package of support to see these families through the winter months and beyond, through the new covid winter grant scheme, increasing the value of Healthy Start vouchers, and the national roll-out of the holiday activities and food programme for the longer holidays in 2021.

With Christmas coming, we want to give disadvantaged families peace of mind and help those who need it to have food on the table and other essentials so that every child will be warm and well fed this winter. Through the covid winter grant scheme, we are delivering £170 million to local authorities in England, starting next month, to cover the period until the end of March. That fund builds on the £63 million already distributed earlier this year and, as then, funding will be disbursed according to an authority's population, weighted by a function of the English index of multiple deprivation. Any Barnett consequential are already included in the guaranteed £16 billion funding for the devolved Administrations, so there is funding available for every child in the UK, and I hope that the devolved Administrations will play their part in this mission.

Local councils have the local ties and knowledge, making them best placed to identify and help those children and families most in need, and it is important to stress that the scheme covers children of pre-school age, too. Targeting this money effectively will ease the burden faced by those families across the country worrying about the next bill coming through the letterbox or the next food shop. Grants will be made under section 31 of the Local Government Act 2003, and different from earlier in the year, they will carry conditions and reporting requirements to ensure that the scheme is focused on providing support with food and utility costs to vulnerable families with children who are affected by the pandemic. We will require that at least 80% of the grant is spent on children with their families, providing some flexibility for councils to help other vulnerable people. We will also require councils to spend at least 80% on food and key utilities, again providing some flexibility for other essentials.

In trying to give children the best start in life, it is important that food for young children and expectant mothers should be nutritious, as that will help in their future health and educational attainment. That is why we are increasing the value of Healthy Start vouchers by more than a third, helping low-income families to buy fresh milk and fruit and vegetables, and helping to boost their health and readiness for school. From April 2021, the value of vouchers will rise from £3.10 to £4.25.

The third part of our comprehensive package is the extra support we will be giving children and families during the longer school holidays. After successful pilots of our holiday activities and food programme, I am pleased to let the House know that it will be expanded and rolled out across the country starting from Easter next year, through the summer and the Christmas holidays, supported by £220 million of funding.

Our manifesto set out our commitment to flexible childcare, and the expansion of the holiday activities and food programme has always been part of that commitment. We are building on the learning from the successful delivery of the programme over the past three years to expand it across England, as we had set out to do. The programme, which is being extended to all disadvantaged children, offers that vital connection for children during the longer school holidays to enriching activities such as arts and sport which will help them perform better in school, as well as a free, nutritious meal while they are there.

In May, the Government provided £16 million to charities to provide food for those struggling due to the immediate impacts of the pandemic. I announce today that we will match that figure again, making a further £16 million available to fund local charities through well-established networks and provide immediate support to frontline food aid charities, who have a vital role to play in supporting people of all ages. The package taken as a whole will make a big difference to families and children throughout the country as we continue to fight the virus.

We are taking a long-term, holistic approach, looking at health, education and hunger in the round, not just over the Christmas period but throughout the winter and beyond. This is not just about responding to the pressures of winter and covid but about further rolling out the holiday activities fund, which is an established part of the Government's approach to helping children reach their full potential. With this announcement, we are ensuring that as well as taking unprecedented action to protect jobs and livelihoods, we are protecting younger generations.

We are living under extraordinary circumstances, which require an extraordinary response, but I am steadfast in taking action to support all children to fulfil their potential long after we have beaten the pandemic. Social justice has been at the heart of every decision this compassionate Conservative Government have made, whether that be protecting over 12 million jobs through our income support schemes, injecting over £9 billion into the welfare system or providing over 4 million food boxes to those shielding. This is yet another example of how the Government have supported people throughout the pandemic.

5.23 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I thank the Secretary of State for advance sight of her statement. The Opposition welcome any move that will stop children from going hungry over the tough months that lie ahead. I would hope that that is true of everyone elected to this Parliament, so I still cannot believe that the Government have had to be dragged kicking and screaming to the right place and to acknowledge that, in this country, in this day and age, no child should be going hungry. I am astonished that the Government can

somehow pretend that we did not all hear hours and hours of justification from them, in this House just a fortnight ago, for why they thought the absolute opposite of what has been announced today.

In my 10 years in Parliament, I have never been so depressed as I was when I listened to the comments made on the Conservative Benches during the holiday hunger debate and on social media afterwards. That was not because of the disagreement on policy; debate and disagreement are what Parliament is all about. What I could not stand was the toxic commentary and the stigmatising of good people in hardship due to the economic mess this Government are themselves responsible for. I am talking about the unacceptable insinuations about money for children's food being spent on brothels and drugs, with no evidence to back that up. I am talking about Tory MPs attacking businesses in their own constituencies that had stepped up when the Government would not do so, and using that compassion as evidence that financial support was no longer required for those businesses. I am talking about the same tired old clichés about state dependency at a time when it is the state itself that has had to close businesses and workplaces to deal with the virus. People who themselves have only ever known privilege were showing us that they did not even know how poverty was measured in this country, and in one case did not know the difference between the calculation of a median wage and an average wage. It was unedifying, it was ignorant and it was insulting to British families, so I ask the Secretary of State to start with an apology for that debate and that vote, because the tone of her statement today does not match the tenor of the debate.

Welcome as this statement is, the Government have, as at every stage of the pandemic, acted too late. Half term has been and gone, so let me thank the real hero of the hour: Marcus Rashford. I think the Secretary of State might have forgotten to mention him, but Marcus deserves immense credit for his campaign and for what he has achieved in such a short space of time. The depression that I and many others felt when we listened to the debate here in Parliament turned to joy when his activism unleashed the most incredible response from UK businesses over the half-term holiday. Even though they are facing extremely tough times themselves, they stepped up. That is because in a compassionate society it is a given that children should not go hungry, but why did it take that extraordinary outpouring of community support to make the Government see that?

Let us get to the heart of the issue. All of this is so important because the social security system in this country does not give people the support they need when they hit hard times. That is why this announcement matters so much. That is why furlough had to be invented. That is why the self-employed and contractors are in such a precarious position. In her announcement today, the Secretary of State once again referenced the £9.3 billion that the Government have put into social security since the beginning of the crisis. I ask the Government and all Conservative MPs to reflect on this question: if, after they have spent an additional £10 billion, there is still so much incredible hardship and unmet need out there, what does that say about the system that they have created over the 10 years preceding the crisis? I note, by the way, that there is still no sign of the Department for Work and Pensions' review of food bank use, which was due out on 19 October, but we all know what it will say.

At the beginning of this crisis, the Opposition asked for five urgent measures to stop families falling into significant hardship: sharing the £20 increase in universal credit across legacy benefits; scrapping the savings threshold so that savers would not be punished; ending the punitive two-child limit; ending the benefit cap so that people could receive what the Government had already announced; and turning the universal credit advance into a grant, rather than a loan. Those five measures would have been a big step towards alleviating child poverty and giving people the support they need, and they are still required. Yet, unbelievably, instead of acting, the Government are still on course to cut universal credit by £20 in April next year, when we know the pandemic will still be affecting people's livelihoods. That will be a cut for 6 million families. I ask the Secretary of State to spare Britain's families that brinkmanship and spare us the inevitable U-turn after the event. On top of the announcement today, will the Government commit to not cutting universal credit in six months' time? For once, will they make the right decision before it is too late?

Dr Coffey: I welcome the hon. Gentleman's support for these measures, but I am somewhat disappointed by his approach. It is quite simply false to label this as anything other than a significant expansion of existing support measures and delivering on our manifesto commitments to support disadvantaged children and families. This summer alone, 50,000 children benefited from the holidays and activities fund and, as we have said, next Easter, summer and Christmas, that will be open to all eligible children who want to take part in it. Also, I think that an additional 2,500 breakfast clubs have been started during covid.

I would remind Labour Members that their proposal simply to extend vouchers for free school meals recipients over Christmas would have cost £40 million for the two-week period, and that only school-age children would have been eligible. By contrast, our new package of support, building on the £63 million earlier in the year for the local welfare assistance fund, is £170 million. It will last 12 weeks and support thousands more disadvantaged children and families. That is not to mention the commitment to extend the holiday activities and food programme, the Healthy Start vouchers and food redistribution charities. Recognising the Barnett consequential, this represents more than half a billion pounds of support for children and families. That is happening in a much more targeted way, trusting our local councils, which can draw on the variety of information they have to ensure that we help the most disadvantaged and vulnerable people at this time.

It is that targeted approach that really sets this policy apart. We will work with councils up and down the country to ensure that every child is warm and well fed this winter.

Paul Maynard (Blackpool North and Cleveleys) (Con): As someone who did not support the Government in the Lobby a fortnight ago, I none the less welcome this announcement by the Secretary of State. It will make a difference to literally tens of thousands of people in my constituency. I praise Ministers, who have been working on this package not just over the past fortnight but for many months, for their perseverance through the political maelstrom. Will the Secretary of State say a little more about how, when the project is delivered by local councils,

[Paul Maynard]

we will ensure that the money is spent not just on meeting immediate need, but on improving the life chances of young people for the long run?

Dr Coffey: I thank my hon. Friend. We wanted to ensure that this was a comprehensive package, and we said in the debate a couple of weeks ago that we wanted to ensure there was targeted intervention. He is right that, as a Government, we want to make sure that every child can fulfil their potential. I hope he will recognise that the schemes we are announcing today, with the extended funding and extended coverage, are among the most important things we can do to make a difference to a young child's future life.

Neil Gray (Airdrie and Shotts) (SNP) [V]: I thank the Secretary of State for advance sight of the statement. I am just sorry to say that as welcome as some of these measures are, they are just not enough. They will serve only to partially catch up with where Scotland has been for some time. When the Scottish Government introduced their Best Start Foods payment last year—the equivalent of the Healthy Start payment—they had already increased it to £4.25. The Scottish Government have also gone beyond their £70 million food fund commitment and made over £130 million available to tackle food insecurity caused by the pandemic.

On free school meals, I am delighted that the UK Government appear finally to be relenting to the incredible campaign run by Marcus Rashford. The decision today will no doubt be welcomed by the same Scottish Tories who failed to support it only two weeks ago. The UK Government are only starting to give free school meals in the holidays from next year, whereas the Scottish Government committed last month to making £10 million available to extend free school meals into the Christmas holidays and Easter. The need is now. That is why it is so welcome that the new Scottish child payment, described as game-changing by anti-poverty campaigners, opens for applications today, with payments starting early in the new year.

There has been nothing on the two-child cap, nothing on the five-week wait—those advances should be made into grants—and nothing on the temporary uplift to universal credit. In response to the significant campaign led by the Scottish National party, the Joseph Rowntree Foundation, Save the Children and others, which is now supported by the Secretary of State's predecessors at the DWP and the leader of the Scottish Conservatives, the Treasury has been flirting with extending the much-needed increase to universal credit—and no wonder. Even with the temporary £20 a week extra, the Secretary of State knows that those who are out of work are £1,000 worse off today compared with 2011.

Will the Secretary of State put it on the record today that she expects the temporary uplift to universal credit to be made permanent and, so that there is no longer the unfairness of sick and disabled people on legacy benefits not getting the same, will she finally commit to extending the uplift to legacy benefits?

Dr Coffey: I am not sure whether the hon. Gentleman welcomed these measures or not. He will see that the Barnett consequential will feed through to the Scottish

Government. I do not think the Scottish Government provided support over half-term, but I am conscious that future support is part of their legacy already.

In terms of moving forward, I remind the hon. Gentleman of aspects such as the fact that advances are actual grants to people—they are just the phasing of universal credit payments over the year, and soon to be over two years if that is what claimants want. As a consequence, we need to make sure that we continue to manage, with our customers, to make sure that they are financially resilient. We will continue to try to support them in that endeavour.

In terms of recognition, as I say, I am sure that the Scottish Government will take full advantage of the money they receive as part of that £16 billion between the three devolved Administrations and make sure that they use it best and ensure that no child in Scotland goes without warmth and food this winter.

Dean Russell (Watford) (Con): I completely understand the strength of feeling in the country in respect of supporting children and families at this really difficult time. Does my right hon. Friend agree that the measures announced rightly go far beyond any of the provisions that were recently called for on free school meals? Will she please assure me that this measure will provide the right support, targeted in the right way and in a sustainable way, long-term, as we laid out in our manifesto last year?

Dr Coffey: First, I congratulate my hon. Friend: he has been exemplary in volunteering in his in Watford constituency throughout the pandemic. I know that he will continue to serve his constituents well.

I believe that this approach is far more comprehensive in the number of children it will help, particularly by focusing on using local expertise. One thing that people may not be aware of is that councils have access to information on people who are on benefits, and of course councils in the upper tier will hold information on who is on free school meals if they wish to decide that that is the best way to target support. I want to make sure that every child who is vulnerable this winter is supported, and I believe that our councils are well placed to make sure that that happens, alongside the ongoing activity for a child's future potential.

Stephen Timms (East Ham) (Lab): I do hope that the Secretary of State will have the good grace to acknowledge and thank Marcus Rashford for his campaign, as I certainly do.

I welcome the additional support that the Secretary of State has announced today. Will she outline how the funding is going to be allocated among all the local authorities in England? What will the basis for that allocation be? I welcome her reference to "funding available for every child in the UK"; will she confirm that families with no recourse to public funds will be eligible for help from the funding she has announced?

Dr Coffey: I thank the Chairman of the Work and Pensions Committee for his comments. In answer to his first question, the approach is the same as that taken earlier in the year, using the index of multiple deprivation. A letter should go out to colleagues today setting out the amount of money that every council gets, but, candidly, the right hon. Gentleman can take the amount

that was distributed earlier in the year, which was intended to spread over three months from the beginning of August, and divide it by 63 and multiply it by 170.

Yes, of course I congratulate Marcus Rashford. He has shown his passion for wanting to make sure that no child goes hungry. That is a passion that I share, and I think it is a passion that everybody in this House shares, which is why we are working on it right across Government, as we are today. We have been working with other Departments to get this package together—it has not just arrived by magic; it is part of an ongoing plan to support families to support children so that they can do better in life. That is why the package takes a holistic approach, looking at health and education. We will continue to make sure that we have a family strategy—which, again, I am working on with a variety of Departments—to really try to make sure that families, including every child, are well and truly supported.

Steve Double (St Austell and Newquay) (Con): I thank the Secretary of State for this announcement, which is clearly an extension of our policy of making sure that help is targeted at those who need it most. Will she confirm that we have given the additional funding for this winter to councils because they are best placed to understand the needs of their communities and to get the support to the families that need it most? Does she share my view that this support should not just be used to support those who qualify for free school meals? Many families are not eligible for free school meals and it is important that they get the support that is available as well.

Dr Coffey: Indeed, my hon. Friend is right. Using councils is probably the best way because they have the variety of information that I referring to earlier, but we can also use social services and health visitors. This goes beyond just children at school, and we need to make sure that all the information is well considered, in the round, so that the children who need help this winter get it.

I am conscious that people have asked why this is going to a variety of councils in the upper tier. It is because those councils generally have a statutory duty towards children. However, the best councils I have seen are working together right across their counties to make sure they make full use of the levers of local government to help children, an aim we share in this House, along with our councillors up and down the country, regardless of what party they represent.

Sarah Owen (Luton North) (Lab): Nearly 4,000 children in Luton North and 8,000 children across the whole of Luton did not know where their next meal was coming from last half-term. Yet again, our wonderful community stepped up when the Government stepped back. When the Prime Minister chose to ignore Marcus Rashford's campaign, it revealed a moral and compassion deficit that runs rife throughout his Government. Does the Minister agree that she should ensure that no child faces holiday hunger again, not just for the winter months but beyond this pandemic, and that she should start by paying workers a real living wage and ending in-work poverty?

Dr Coffey: The universal credit system is designed to ensure that people are better off working than not working, and this Government introduced the national living wage, which has seen a huge uplift for a lot of

people. In addition, by raising the personal tax allowance to more than £12,000 we have lifted at least 4 million people out of paying tax altogether. So people's take-home pay has risen thanks to the actions of this Government, and we will continue to support families. However, under the In-Work Progression Commission, I want to go further, and Baroness Ruby McGregor-Smith is working on that because we want to make sure people can continue up the career ladder as well.

Steve Brine (Winchester) (Con): I really welcome this package today, most of all because it is a comprehensive, coherent and funded plan. We are spending our constituents' money, and this plan has been put together outside a political storm, which has to be the right way to proceed. Will the Secretary of State confirm that support with food costs will not just be confined to families with school-age children, but will extend to all eligible pre-school children? We have to make sure we look after pre-school meals as well as free school meals.

Dr Coffey: My hon. Friend is absolutely right on that, and I welcome his support for this package. We are taking that comprehensive, holistic approach, trusting our local councils to target the people who need that support. Commendable as people may have thought the motion discussed in the House a few weeks ago was, we wanted to make sure that every child at risk of going hungry this winter would be helped. This is also why we want to continue this approach with councils, whereby with these additions to their welfare funds they can really try to ensure that people have the money, if necessary, to heat their homes and prepare good nutritious meals.

Wendy Chamberlain (North East Fife) (LD): I join other Opposition Members in welcoming the Government's movement on the issue, and I am pleased that they finally agree that no child should go hungry in the UK, but the devolved Administrations had their priorities on this issue right from the outset. Just moments ago, we heard that this is a significant expansion in England but that the devolved Administrations are to make do with moneys already announced last week. So will the Secretary of State explain why the devolved Administrations are arguably being penalised for having not only their priorities right on this issue, but their sums right?

Dr Coffey: I am afraid that the hon. Lady is completely wrong on that. One thing the Chancellor set out last week was a recognition that, through the Barnett formula, every time we do certain different policies the devolved Administrations want to do additional things. We have a mature relationship with the devolved Administrations. They have been set a guaranteed amount of funding, and I assure her that there is still more room in terms of Barnett consequentials. The Chancellor was right to make the decision he did, and she should welcome it.

Christian Wakeford (Bury South) (Con): Although I did not support the Government in the vote a few weeks ago, like all in this Chamber I welcome the announcement of the covid winter grant scheme, especially with the inclusion of pre-school children. However, there is much more we can be doing, such as implementing the School Breakfast Bill, which stands in the name of the hon. Member for South Shields (Mrs Lewell-Buck)—I look

[*Christian Wakeford*]

forward to working with my right hon. Friend on achieving that. Does she agree that putting on enriching activities through the holiday activities fund is a great way of both helping disadvantaged children in closing the attainment gap and ensuring they get a healthy meal?

Dr Coffey: My hon. Friend is absolutely right about the purpose of the holiday activities fund. I do not want to call it a summer school because it is not, and we certainly do not want to put children off from attending because they have the idea that that is what it is. It is this element of enriching activities that keeps children involved. When they are away from school for longer than a week, we start to see them dropping away potentially, so it is really important that we have that engaging element where they can have fun and enjoy themselves. Certainly, it is my understanding from my hon. Friends at the Department for Education that the programme will help, and it is helping, children improve their educational attainment, which is so important for their future lives.

Andrew Gwynne (Denton and Reddish) (Lab) [V]: I welcome the package of support for tackling child hunger over Christmas. As a Manchester City fan, let me pay tribute to that United hero, because without him, I do not believe that this Government would have done anything here, so thank you Marcus Rashford. Child poverty is serious. It is not just about free school meals; it is also about the proposed cut to universal credit in April and the inadequacy of the local housing allowance that is pushing too many children and families into poverty at this time. Rather than U-turning again next spring, which is probably inevitable, why will the Secretary of State not do the right thing now?

Dr Coffey: I am conscious that we did boost the local housing allowance to the 30th percentile, which cost more than £1 billion, and I am sure that that may have helped some of the hon. Gentleman's constituents. One thing we must recognise—we are working across Government on this—is what we can do to try to help reduce the cost of living. An interesting paper by the University of Bristol talks about the poverty premium, half of which is energy related—about £250 out of the £490 it identified. That is why I am working with people such as the Under-Secretary of State for Education, my hon. Friend the Member for Chelmsford (Vicky Ford), the Minister for Business, Energy and Clean Growth, my right hon. Friend the Member for Spelthorne (Kwasi Kwarteng) and a wide range of people in this Government to tackle issues that face not only the poorest in society, but other households as well. We will continue to do that and I look forward to ongoing activity in and out of Government in order to ensure that we reach as many people as possible and make their lives better.

Damian Hinds (East Hampshire) (Con): I particularly welcome this very large extension of the holiday activities programme. Will my right hon. Friend assure me that, in rolling it out, the Government will learn from some of the best deployments such as Connect4Summer in Hampshire, with a focus not only on a nutritious meal, on the daily mile, and on purposeful activity to address the holiday learning loss to which she has just alluded, but on things such as cooking from scratch workshops, first aid, and whole family sessions?

Dr Coffey: Indeed, my right hon. Friend, a former Secretary of State for Education—a notable one at that—is right to put his finger on this and say that it is a comprehensive approach. I am aware that some of the best courses have included the whole family, which ensures that we can help them build that sustainable and resilient future. They also include some basic elements as well as some really sophisticated ways to try to improve these enriching activities, which I am sure they will enjoy.

Mohammad Yasin (Bedford) (Lab) [V]: I have had many heartfelt letters from directors of small and medium-sized enterprises who have received no financial assistance from the Chancellor, despite running successful businesses. Many have no idea how they will make ends meet for their families this Christmas—the families that this Government have forgotten about. Universal credit is not the answer. When will the Government do the right thing and support these businesses through the crisis, so that they can be there to support the economic recovery?

Dr Coffey: The Chancellor has appeared before this House on several occasions, as have other Treasury Ministers, setting out how we are supporting self-employed people. I am very conscious that there is access to help, whether it is through business loans, or, for those people who do not have savings that are not business assets, universal credit, but one thing about this particular scheme is that it will be for local councils to identify and decide who is eligible for support. I am conscious that the hon. Gentleman wishes to see other elements, but this is a comprehensive package from which many of the people he refers to may well benefit.

Robert Halfon (Harlow) (Con) [V]: I strongly welcome the announcement, which shows a Government who are committed to social justice. I particularly welcome the holiday activities programme. Will my right hon. Friend give guidance to councils to ensure that access to the £170 million covid winter grant is as unbureaucratic as possible for families? Will she also confirm when Healthy Start vouchers will be digitised? We know that national uptake in October was just over 50%, partly due to the paper application form and voucher system.

Dr Coffey: I welcome my right hon. Friend's support for the scheme, particularly the holiday activities fund. On guidance to councils about the winter grant, I am sure that they will work with a number of public sector organisations in their areas, and get valuable knowledge from schools. I am conscious that take-up of the Healthy Start voucher is not 100%, but I will ask the Health Secretary to write to him about that particular issue.

Holly Lynch (Halifax) (Lab): Like everybody in the Chamber today, I very much welcome this announcement. But will the Secretary of State join me in paying tribute to Calderdale Council, the Community Foundation for Calderdale, the Piece Hall and so many others in Halifax that came together to launch the Never Hungry Again campaign, which was made possible by donations from the general public and plugged the gap of free school meals over the recent half-term? Following her announcement today, will the Secretary of State commit to reimbursing Calderdale Council for the resources it had to invest to ensure that no child went hungry over the recent half-term?

Dr Coffey: Throughout this pandemic, we have seen communities and councils come together to support those in more difficulty than themselves. It has been a tremendous response by the people of this country. I think it is fair to say that the £63 million of funding allocated to councils earlier in the year was designed to extend from the beginning of August through to October. Of course, councils used it in a variety of ways. My own council—Suffolk County Council—was allocated £700,000 and added another £800,000 itself, and it has used £600,000 of the funds in total. It wanted to ensure that it was using the best knowledge to reach the most vulnerable people, and I am sure that Calderdale Council can be congratulated on ensuring that it has done that too.

Mrs Heather Wheeler (South Derbyshire) (Con) [V]: I thank my right hon. Friend for her statement. Does she agree that putting on enriching activities through their holiday activities fund, especially in South Derbyshire, is a great way of helping disadvantaged children and ensuring that they get a free and healthy meal, about which many of my constituents are so concerned?

Dr Coffey: I am sure that the holiday activities fund will be a huge success in my hon. Friend's constituency, as it will have her full support. I am conscious that having a nutritious meal is part of that, but I am also sure that the enriching elements that children will enjoy over the longer holidays will be a welcome relief both for parents and their children, and will keep them connected to the ongoing progress that they can make in their educational attainment.

Chris Stephens (Glasgow South West) (SNP) [V]: The Secretary of State said earlier that advances are grants. That, of course, is not the view shared by the cross-party Work and Pensions Committee, which describes advances as loans that should be replaced by grants. Will the Secretary of State tell us when she will be in a position to respond to that report, and whether she is considering making the £20 uplift to universal credit permanent, as Feeding Britain estimates this would prevent 300,000 children from going into poverty?

Dr Coffey: The universal credit that is given out every month to benefit recipients is a grant. The advances are simply an early payment of that grant, and then the total amount is spread over the year. I have been asked about the report a few times; as I have said to the Select Committee previously, we have ongoing discussions with the Treasury about aspects of welfare support and those discussions are continuing.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op) [V]: I know the Secretary of State to be a very pleasant colleague and woman, but I have to tell her that I have never seen such poverty in our land in all my 40 years in Parliament. What she has announced today is too little, too late. She talks about working across Government—I remember how they got rid of Sure Start and children's centres. Early years provision, which so many working families depend on, is in deep financial trouble. When is she going to do something across Government to tackle the family poverty that stalks this land right now?

Dr Coffey: The hon. Gentleman is a long-standing Member of the House, and I am conscious that he will be seeing things exacerbated in his constituency by the

issues that we face in tackling coronavirus. It is a great sadness that so many people have lost their work or are on reduced hours, and that is why we put in the extra injection of more than £9 billion of welfare support, to help people through this time.

In terms of helping young children, the Under-Secretary of State for Education, my hon. Friend the Member for Chelmsford (Vicky Ford), has just reminded me that we have the most generous support for pre-school children ever undertaken by a Government. We continue to want to ensure that every child reaches their potential. While I am conscious of how proud the Labour party was of Sure Start, the key difference is that we wanted to ensure that the interventions we undertook were exceptionally targeted, so that every child was able to fulfil their potential. I am confident that the measures in place will continue to accelerate that, because that is the right thing to do.

Margaret Greenwood (Wirral West) (Lab) [V]: People who have already had a mortgage holiday for six months are not eligible for another one under the Government's scheme, so many people will be worrying about how they will keep a roof over their heads this winter. Furthermore, the scheme does not cover mortgage interest, so that will still accrue during any payment holiday. Back in April 2018, the Government scrapped the support for mortgage interest payment and replaced it with a loan, despite warnings from Labour that that would put low-income households at risk. What consideration has the Secretary of State given to reinstating SMI, and will she abolish the nine-month waiting period, which renders the scheme unfit for purpose?

Dr Coffey: One of the things the hon. Lady fails to mention is that if those who are new to benefits have had full contributions over the last nine months, there is no cap on the benefits that they may receive. The support for mortgage interest is continuing. She is right to say that the Government changed that from a grant to a loan. That was the right thing to do, because people have an asset, and we are helping them to keep it. I am conscious of the extensive work undertaken by the Chancellor on ensuring that mortgages could be rearranged or that payments could be made. I am also conscious of the excellent work done by my right hon. Friend the Secretary of State for Housing, Communities and Local Government on ensuring that no evictions would happen as a result of the issues we are facing, except, more recently, for people who are nuisance neighbours. We have done a lot to ensure that people can stay in their homes and keep a roof over their heads.

Mrs Maria Miller (Basingstoke) (Con): I warmly welcome this package of measures to support families through what will undoubtedly be a very hard winter. My right hon. Friend will be aware that, in constituencies such as mine, more than half of the people on low incomes are in single-person households, and they face a very different set of issues this winter. Can she confirm that funding for programmes that help people through homelessness, support rough sleepers and provide support on issues around mental health will not be diminished by the package of measures announced today?

Dr Coffey: I know Basingstoke well, because that is where I worked for many years, and I am conscious of the wide variety of communities there that are supportive

[Dr Coffey]

of one another. I hope my right hon. Friend will be aware of the £700 million package announced by my right hon. Friend the Secretary of State for Housing, Communities and Local Government last week, to ensure that rough sleeping really does become history.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Today's measures are reactive; they have been forced out of this Government by the covid pandemic and the epic campaign of Marcus Rashford. The truth is that last year, the Trussell Trust had to provide 720,000 emergency packages of support to children in this country. That is more than 700,000 higher than when Labour left office in 2010. All we are asking today is for the Secretary of State to be proactive—scrap the benefit cap, scrap the universal credit delay and scrap the “no recourse to public funds” restrictions, which will all leave children hungry across this country if the Government continue to fail to listen.

Dr Coffey: This is a massive expansion of the holiday activities fund that we have been running for the past three years, and I am sure that the hon. Gentleman will welcome that. In terms of building on what we distributed earlier in the year—£63 million, as well as the covid summer scheme—£170 million will be there to make sure that every child has no need to go hungry in this country. I am sure that he will welcome that too. We will continue to work on helping people to try to get ready to get back into work as and when the economy recovers. We are doing that through our plan for jobs, which I am sure he will welcome too.

Tom Hunt (Ipswich) (Con): Over the summer, the Under-Secretary of State for Education, my hon. Friend the Member for Chelmsford (Vicky Ford), visited me in Ipswich because we were one of the pilots where the holiday food and activities fund was in operation. I can tell everyone in this House that this has been a long time coming—it has been worked on by Government for a very long period and was very much a plan that they hoped to extend across the country. This is far more ambitious than what was proposed in terms of simply extending the school meal vouchers into the holidays; this is an unprecedented intervention to help those who need the help the most, and I fundamentally welcome it. But does my right hon. Friend agree with me that we all have a big job to do, both in this place but also as Government and as councils, to make sure that before December everyone is aware of this fund and the profile is raised so that we can ensure that those who are vulnerable and need the help the most get access to it in a timely way?

Dr Coffey: I completely agree with my hon. Friend and neighbour on the excellent work that was done through the holiday activities fund in the summer in Ipswich. He will be conscious of the diverse community that he represents, but also the excellent work undertaken by Suffolk County Council, and indeed all public sector leaders, in trying to make sure that they have distributed the funds that were allocated to them earlier in the year and have added money on top. I am convinced that the £2 million, I think it is, that will be going to Suffolk will really go a long way towards making sure that children

in Ipswich, in my constituency, in Lowestoft and right across the county will be sure of getting the help that they need.

David Johnston (Wantage) (Con): I very much welcome this package of support today, which will rightly tackle more aspects of poverty than efforts with vouchers could have done. Regarding the additional support for FareShare, we have in my constituency one of its regional partners, SOFEA, which I volunteered for regularly in lockdown, seeing first-hand what a great job it does. Does my right hon. Friend agree that charities such as this are often better placed to understand the needs of their communities than central Government are?

Dr Coffey: I congratulate my hon. Friend. I know how dedicated he was, before entering this House, to social mobility and tackling poverty, and he continues to be so. I fully agree that a lot of local charities have a particular insight into their communities and are often helped by more national organisations such as FareShare. However, they are not the only ones out there. There are plenty of others trying to make sure that we help people in different ways: not only help to get food on the table but help through some of the wraparound care that is so important for families at this time.

Barbara Keeley (Worsley and Eccles South) (Lab) [V]: I want to raise the issue of carers and financial disadvantage. During this crisis, millions of unpaid carers have taken on more caring duties or started caring for a family member for the first time, and many of them are struggling to make ends meet. Although universal credit was uplifted during the crisis to provide people with more support, there was no change to the level of carers allowance, despite it being the lowest benefit of its kind. Will the Secretary of State recognise the monumental impact that the pandemic has had on carers' lives and introduce an equivalent uplift payment to that for universal credit for carers in receipt of carers allowance?

Dr Coffey: I heard part of the hon. Lady's question and I think the whole House can agree how much we value carers not only as a Government but often through experiences in our own individual lives. I am conscious that carers allowance is not a salary—it is there as a benefit to help people who undertake that duty. I continue to make sure that we try to offer as much help as we can, as a Government, not only to social services but through how we can help people to undertake these caring responsibilities in as flexible a way as possible.

Andy Carter (Warrington South) (Con): Can I welcome the statement today from the Secretary of State? It is very much an extension to our policy, and it is adapting to the extraordinary circumstances we find ourselves in in this country. Can she confirm that the £170 million scheme builds on the £63 million already announced earlier this year, and as with previous funding allocations, it is local councils that get that cash—in my constituency, it is Warrington Borough Council—because they are best placed to be able to deliver the support that local disadvantaged families need in this time of extraordinary circumstance?

Dr Coffey: My hon. Friend is absolutely right. The people in Warrington will benefit significantly from this addition to what is—in effect, through the covid winter

grant—an extension of the local welfare fund, which we had already given money to earlier in the year, as he identifies. I think it is important that we continue to use the strengths of local councils in order to make sure that the help goes to those who need it the most and is really well targeted. I am sure that they will draw on every capability and insight in order to make sure that no child in Warrington will go cold or hungry this winter.

Mary Kelly Foy (City of Durham) (Lab): Last month, Conservative Members took to social media to claim that free school meal vouchers were being spent on prostitution and drugs, as well as to criticise selfless business owners who stepped in to provide the support that the Government refused to. Will the Secretary of State condemn these comments by MPs as not only false, but as yet more demonisation of those in poverty by the Conservative Government?

Dr Coffey: This Government continue to strive to help people who are vulnerable and disadvantaged, and we will continue to do that. I welcome any support given in order to help local communities. I am conscious that we need to continue to try to make sure we reach people of all ages; in particular, this grant is focused on children. There will be flexibility in supporting local organisations to do the right thing, but I also continue to welcome other organisations, such as businesses in the hon. Member's constituency, that also reach out to help.

Jonathan Gullis (Stoke-on-Trent North) (Con): Obviously, this is a very welcome package, and I thank the Secretary of State for giving this much-needed money—over £1 million for Stoke-on-Trent City Council and over £2 million for Staffordshire County Council. The Hubb Foundation in Stoke-on-Trent, in the mother town of Burslem, is an amazing holiday club, run by Carol Shanahan. I really implore the Minister and ask the Minister to meet me and Ms Shanahan to discuss how its holiday programme is one of those exemplary holiday programmes not just locally but nationally, and to ensure that it gets funding for the Christmas and Easter period coming up?

Dr Coffey: My hon. Friend, with his vast educational experience, will have been a true witness to the benefits that activities like the holiday activity fund can really bring to the future potential of children. I am very happy to say that my hon. Friend the Minister for children will be leading on this programme, with support from the welfare delivery Minister—the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Colchester (Will Quince)—and I am sure that they will both be delighted to meet him and the lady to whom he refers, because we want to keep learning from success to make sure that every child who is eligible for that support will get equally excellent educational and enriching activities over the coming holidays.

Naz Shah (Bradford West) (Lab): I came into politics because I had this feeling that politics was broken and today's example of the Secretary of State coming in here and using the words of social justice when announcing this package is just absolutely shocking. But I do welcome—I genuinely welcome—anything that helps my constituents, when I have in my constituency the fastest growing rate of child poverty in the whole of

Yorkshire and Humber. The country's compassion shone through. It filled the gaps where the Government failed, and I just want to say thank you to the council, Cafe West in Lower Grange, the churches, the Bradford Foundation Trust and Bradford Central food bank, which really stepped up. But what an insult to all these businesses came from the hon. Member for North Devon (Selaine Saxby), who suggested that she was delighted that businesses had bounced back from the pandemic to offer this support and should no longer receive Government help. Does the Minister agree with me that that was a shameful comment?

Dr Coffey: To be honest, I do not really know what the hon. Lady is talking about and I reject her assertion—*[Interruption.]* I reject her assertion and the comments that she made. I think she should consider them carefully. Hon. Members right across this House want to do the right thing by children. We have been particularly affected as a country and as a nation by the coronavirus pandemic. She should not—*[Interruption.]* She should not underestimate what has happened over the last 10 years. This Government are in a place to actually extend the financial support that we have offered to families, businesses and other organisations—to many charities—across the country. Frankly, it may have happened 10 years ago, but when Labour left government, it left nothing; there was no money left. It has taken 10 years of hard work, the ongoing support to this country and the passion of this country in order to recover from the horrific economic deficit. It is through that that we continue to be able to borrow to make sure the issues today can be addressed and we continue to bounce back. Things such as the furlough scheme will have helped the hon. Lady's constituents get through this difficult time, and I am sad that she seems to have just dismissed it entirely.

Miriam Cates (Penistone and Stocksbridge) (Con): I thank my right hon. Friend for her statement. I am delighted that, in my constituency, Barnsley Council will be receiving more than £900,000 and Sheffield will be receiving more than £2 million from the covid winter support grant, which will go to support our most vulnerable families this winter.

There has been a huge amount of coverage in the past few weeks about free school meals, but of course this has never been a debate about school meals, which by definition are provided in school in term time and have never been intended to support families in crisis. So I welcome this comprehensive approach to supporting the families who have been most affected by this pandemic. This year more than any other year, families' circumstances have changed so quickly. So can my right hon. Friend confirm that local authorities will be able to use this to support all families, not just those who have previously registered for support?

Dr Coffey: My hon. Friend is absolutely right to welcome the funding, which will support her constituents. Working with local councils, we want to ensure that money reaches the people who really need it, and there will not be pre-qualification through other ways. Councils are well placed with sources of information to make sure they help children not just at school age but before that. They will have access to benefits data. They have access to other data from social services and health visitors—the list goes on—so they can really target their support.

[Dr Coffey]

I am sure they will also be helped by many local charities and organisations, such as those in my hon. Friend's constituency.

Beth Winter (Cynon Valley) (Lab) [V]: Research by the Joseph Rowntree Foundation has found significant increases in poverty rates as a result of the covid pandemic. Local and devolved Governments in every country of the UK have now democratically called for pilots of universal basic income. There is a clear will across political parties and among the public for such pilots to go ahead. Will the Secretary of State agree to meet me and the other co-chairs of the cross-party group on UBI to discuss what support her Department can provide for that important initiative?

Dr Coffey: I know that the hon. Lady is interested in universal basic income. She once asked me a question in this House that took more than a minute. The answer was no then and it is no now to UBI. I am conscious that she is being tenacious on this matter, but she will not make UBI happen under this Government.

Jack Brereton (Stoke-on-Trent South) (Con): I join my hon. Friends the Members for Stoke-on-Trent North (Jonathan Gullis) and for Stoke-on-Trent Central (Jo Gideon) in fully supporting this announcement. Unemployment is above the UK average in Stoke-on-Trent, so schemes to help low-income families and get people into work are vital. What steps is my right hon. Friend's Department taking to support those who have found themselves out of work to find new employment opportunities?

Dr Coffey: My hon. Friend is right to point out that, while we continue to support people through the welfare system, we know that the best way ultimately for people to get out of poverty is to work. That is why, through our plan for jobs, we have been extending the number of training courses that people can do. In particular, a new scheme called JETS—job entry targeted support—tries to get people ready to go back into work. The jobs finding support scheme is particularly tailored to help people who had been in work for a long time; to try to find work is a new experience for them. There are also swaps: in some sectors, the future does not look quite so bright for the next few years, and we want to encourage people to consider swapping careers, even if it is just in the short term, to ensure they can try to get back into work. That is a successful programme for which there is huge demand. We are seeing huge delivery of these programmes.

Yvonne Fovargue (Makerfield) (Lab) [V]: I welcome the expansion of grants, but can I urge the Secretary of State to scrap the five-week delay in claiming universal credit? An advance that has to be repaid over whatever period is a loan. There is increasing evidence from debt charities that that is pushing vulnerable families further into debt.

Dr Coffey: If somebody comes to make a universal credit claim, they can get money pretty quickly—within about three or four days. Yes, that is an advance but there is an earlier payment of the sum that would generally be available over the year. Instead of getting 12 payments,

a recipient will get 13. It is important that if people need help, they get it, but then the payment will be spread over the rest of the year.

Kevin Hollinrake (Thirsk and Malton) (Con): As co-chair of the all-party group on poverty, may I welcome my right hon. Friend's statement? Despite protestations from the Opposition, I do not remember any similar package of support being available in 2008-09, when millions of people faced similar hardship. It is important to take a strategic approach, so will my right hon. Friend outline how this strategy will dovetail with the national food strategy, which was commissioned by this Government in 2019 and has made similar recommendations?

Dr Coffey: My hon. Friend is right to point out that the Government continue to try to support people through this challenging time. They have put their money where their mouth is to get that direct support to families, as well as to businesses and communities more generally. On the national food strategy, Henry Dimbleby has produced his initial review, and once we get phase 2 of his work and suggestions, the Government will develop a food strategy. We are united in ensuring, particularly through Healthy Start vouchers, that the food that young children and expectant mothers have is nutritious, because that is important for the development of our young children.

Dr Philippa Whitford (Central Ayrshire) (SNP) [V]: Last year, the UN special rapporteur on poverty highlighted that disabled people have been among the hardest hit by 10 years of this Government's austerity agenda. They are particularly reliant on legacy benefits which, unlike universal credit, have not been increased by £20 a week during the covid crisis. Will the Secretary of State commit to a permanent increase in universal credit, and support disabled people by extending the uplift to all legacy benefits?

Dr Coffey: People can move to universal credit, apart from that small cohort of people who currently receive the severe disability premium, and they will be able to make that move from January. It is important that people check to see whether they will be better off, but we think that the vast majority of recipients will be better off on universal credit than they are on legacy benefits, and we will do what we can to help them in that journey.

Caroline Ansell (Eastbourne) (Con): I sincerely thank my right hon. Friend and the Ministers who have worked intensively during this period to bring these measures to the House today. They are incredibly welcome and will make a real difference to children in Eastbourne and Willingdon. I recognise that they go further, wider and deeper than the motion I supported two weeks ago. I particularly welcome the extension of the holiday and food activities programme, not least because we have seen schools close this year, and the learning gap has widened. These measures will help with that and be impactful. The programme is new to Eastbourne. I have seen the success of pilot schemes in other areas, and it is something I hugely welcome. Will my right hon. Friend assure me that good practice in other areas will be shared with county councils that do not have experience of delivering these programmes, to ensure that every child benefits to the maximum?

Dr Coffey: I thank my hon. Friend for her remarks, and she is right to recognise that this support package is much more comprehensive in reaching disadvantaged children. I particularly welcome her support for the national roll-out of the holiday activities programme. Not only will there be guidance, but I genuinely hope that we can do something innovative regarding how we share best practice between the most successful schemes. We must encourage charities, in a covid-secure way, to find out what is happening in different parts of the country, so that they will be well prepared when these programmes start at Easter.

Christine Jardine (Edinburgh West) (LD): While I welcome this latest U-turn from the Government on supporting children, I ask them to consider the fact that there are still millions of people in this country, like the constituent I spoke to on Wednesday who was at her wits' end, who have had no help, no support, no finance from the Government at all since March. Will the Government reconsider? Will they consider universal basic income? Will they extend the help we have at the moment to the excluded?

Dr Coffey: No, we will not be doing universal basic income.

Siobhan Baillie (Stroud) (Con): A long-term and local approach was always going to be the best thing to help families. I feel quite emotional about this, because I was told that I was starving children and that I was killing children—I had the worst abuse ever. I abstained because I wanted to help the Government to look at that long-term approach. If Opposition Members really thought that children would be starving over the half-term holidays, they would not have brought that just before the half-term holidays. The local approach is working and I ask the Secretary of State to give praise to charities such as The Long Table, the Freezers of Love initiative and Paganhill community groups, and say to them that the money and the funding will be there, because they know where the families are who they can help.

Dr Coffey: It is nice to see my hon. Friend back in the House after her maternity leave. She speaks with appropriate compassion and she recognises some of the local organisations in her area. I encourage her to work with them and her council to help to ensure that the £170 million funding can be effectively distributed, so that the most disadvantaged children and families are truly helped. We want to make sure that that activity continues to support similar children through the holiday activity fund.

Madam Deputy Speaker (Dame Rosie Winterton): 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 a few minutes.

6.21 pm

Sitting suspended.

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

Financial Services Bill

Second Reading

6.26 pm

The Economic Secretary to the Treasury (John Glen): Earlier today, we heard the Chancellor describe the UK's financial services industry as fundamental to our economic strength. I wholeheartedly agree with that statement. This is an extraordinary industry: it drives growth and generates millions of jobs in every corner of our country, it has secured our reputation as a dynamic and world-leading financial centre, and it contributes vast sums to the public purse—money that has helped this Government to support millions of individuals and business through the pandemic. Now, however, as we leave the European Union and start our recovery from coronavirus, we commence a new chapter in the sector's story.

We have set out a vision to create an industry that is even more open, more technologically advanced and greener than before; an industry that serves the people of this country and drives our economic recovery. That is underpinned by an unwavering commitment to high quality, agile and responsive regulation, and safe and stable markets. Through this Bill, I am laying the legislative foundations on which we will build to achieve those goals. I will speak briefly about the context in which the Government are bringing forward the Bill.

Until now, most of our recent financial services regulation was introduced through EU legislation. Having left the EU, we now have the opportunity to take back control of decisions governing the sector and, guided by what is right for the United Kingdom, to regulate differently and regulate better. That is why the Government are also undertaking a more fundamental review of our financial services regulatory framework, which will allow us to consider how the way in which we make our future rules might change to reflect the UK's position outside the EU. The review will take time, however; the Government are consulting on it and there are changes that need to be made now. The Bill is therefore an important first step in taking control of our financial services legislation, which will support our position as a global hub for the sector in line with international standards.

In many parts, the Bill is consistent with the approach we took while this country was still part of the EU, but there are areas where it will better suit us to choose our own path, and this Bill marks the start of a process of evolution towards our goals. The Bill has three objectives: first, to enhance the UK's world-leading prudential standards and protect financial stability; secondly, to promote openness between the UK and international markets; and thirdly, to maintain the effectiveness of the financial services regulatory framework, along with sound capital markets. I will speak about each of those objectives, starting with the first.

Clauses 1 and 2, along with schedule 2, require the Financial Conduct Authority to create a tailored prudential regime for investment firms—businesses that provide a range of services that allow investors to access financial markets. At present, investment firms are part of the same prudential regime as banks, even though their services are quite different and they do not pose the same risks to financial stability. The Bill will therefore require the UK's independent regulator, the Financial

[John Glen]

Conduct Authority, to set more proportionate prudential requirements, which better reflect these firms' risks. These measures will drive healthy competition across the sector, while allowing the UK investment industry to thrive outside the EU.

The UK's regulators are globally respected, in large part as a result of the expertise of leaders such as Nikhil Rathil of the Financial Conduct Authority, Sam Woods at the Prudential Regulation Authority, and, of course, Andrew Bailey as Governor of the Bank of England. That is why it is appropriate to delegate responsibility to them for this complex and technical area of financial regulation. However, I can assure the House that the Bill also introduces an accountability framework to ensure greater scrutiny and transparency of the FCA's decision making when implementing this regime.

This framework will sit alongside the prudential regime for banks and the largest investment firms, whose failure would impact the wider economy. They will remain subject to internationally agreed prudential standards. That is why clauses 3 to 7, along with schedule 3, will enhance the prudential regulatory regime in line with the latest global Basel banking standards endorsed by the G20. That will increase the UK's resilience to economic shocks, while meeting our international commitments to protecting the global financial system. The Bill will enable the PRA to implement the standards in its rulebook. It, like the FCA, will be subject to an accountability framework. These measures illustrate this Government's commitment to global financial stability.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): Is there any chance, therefore, that, as part of this process, some of the commitments the UK has signed up to, such as those under Basel III, will be watered down?

John Glen: I am grateful to the hon. Gentleman for his intervention. The driving principle guiding the Government in bringing forward the Bill is to maintain the highest possible standards; indeed, our reputation globally relies on the maintenance of such standards. However, it will be in the role of our regulators, with their technical expertise, to determine how those standards are implemented.

Let me move on to the next part of the Bill.

Kevin Hollinrake (Thirsk and Malton) (Con): My hon. Friend mentioned the word "banks", which obviously stimulated my interest as the co-chair of the all-parliamentary parliamentary group on fair business banking. He mentioned prudential risk around banks. Currently, the capital adequacy requirements for banks are all pretty much treated the same, which can deter competition from new entrants, such as regional mutual banks. Is he interested in looking at that issue in this legislation or in a future piece of legislation?

John Glen: My hon. Friend has unrivalled expertise and tenacity in bringing these matters before the House. He is right that there is a challenge to examine the relative regimes for different sized banks and institutions. That is something that regulators, subsequent to this Bill, will need to look at—indeed, they are keen to look

at it—and I would welcome my hon. Friend's further interventions in discussions in this place as we move forward on that legitimate question.

Eight years ago, the world was shocked by the LIBOR scandal. As the House will recall, traders at multiple banks attempted to manipulate that crucial benchmark, which contributes to interest rates for everything from complex derivatives to mortgages. Since then, significant improvements have been made to the benchmark's administration. However, the Financial Stability Board, an international body that monitors and makes recommendations about the global financial system, has stated that continued use of LIBOR and other major interest rate benchmarks poses a serious source of systemic risk. That is because the decline in the inter-bank lending market has meant that such benchmarks depend increasingly on the judgments of panel banks rather than actual transactions. UK regulators have been encouraging firms to gradually shift away from LIBOR and are at the forefront of the global response to the transition, so to ensure that that transition was orderly, the FCA agreed with the LIBOR panel banks that they would continue to contribute to the benchmark for a temporary period. However, that temporary period will expire at the end of 2021, and after that point there is a risk that the benchmark will become unrepresentative of the market that it measures, potentially leading to disruption.

While we want firms to take the initiative in migrating from LIBOR, we recognise that there are some contracts that cannot be realistically amended to achieve that goal, so clauses 8 to 19, along with schedule 5, will give the FCA the powers that it needs to oversee the orderly wind-down of critical benchmarks, including LIBOR, and clause 20 will extend the transitional period for benchmarks with non-UK administrators from the end of 2022 until the end of 2025. This will avoid difficulties for our firms while the Government consider any changes required to our third country benchmarks regime to ensure that it is appropriate for the United Kingdom.

I will move on to the second objective of the Bill: to promote openness to overseas markets. I am delighted that clauses 22 and 23, along with schedules 6 to 8, establish a framework to provide long-term market access between the UK and Gibraltar for financial services firms. As many will know, Gibraltar boasts an array of thriving businesses in the sector, many of which are UK household names, including Admiral and Hastings, to name just two. The new Gibraltar authorisation regime in this Bill delivers on an earlier ministerial commitment and recognises our long-standing special relationship.

Sir Robert Neill (Bromley and Chislehurst) (Con): I refer to my entry in the Register of Members' Financial Interests. May I say, as chair of the all-party group on Gibraltar, how delighted I am to see this in the Bill? I know that that is echoed by Her Majesty's Government of Gibraltar and the whole Gibraltar community. The Government have made good on a promise and it is very welcome. The Minister is right to set out that some 20% of UK insurance contracts are written by Gibraltar-based insurers. Will he undertake that, as well as this important piece of legislation, we will now build on it with his colleagues in other Departments to develop a full free market—a free-trade area effectively—between the UK and Gibraltar in services and goods?

John Glen: My hon. Friend is absolutely right with that 20% statistic and to point to the extensive orientation of the Gibraltar insurance industry towards the UK. Ninety per cent. of the business that it writes comes to the UK. He is right to say that this is foundational to a deepening relationship, and I will ensure that Gibraltar firms can continue to access the UK market on the basis of aligned regulation and supervision. I look forward to listening to him, as we move forward, on further steps that he thinks would be appropriate.

The proposals will guarantee close co-operation between our regulators, and this measure highlights the spirit of openness that underpins our approach. The same can be said of clauses 24 to 26 and schedule 9, which make up the overseas funds regime. These measures will simplify the process under which overseas investment funds are marketed in the UK. Under the present system, the FCA has to assess the protection standards of every individual fund before allowing it to be offered to UK consumers. However, the Bill will allow the Treasury to give market access to entire categories of funds from other countries that have so-called equivalent regulatory standards to those in the UK. Funds in this group can then undergo a simpler application process, due to the confidence provided by their home regime, which will allow overseas investment funds to be marketed in the UK, maintaining the UK's position as a global centre of asset management. There are currently over 9,000 funds that passport into the UK from the EU, and let me stress that the existing process will remain for funds that have not been declared equivalent.

Sir Robert Neill: I am grateful to the Minister for correcting me. Of course, my figure of 20% related purely to motor insurance policies; it is 90% for all Gibraltar-based insurance. Can he help me on the specific point of the overseas funds regime? It is widely welcomed in the sector that he will allow access for overseas funds that have not yet achieved equivalence, but can he help give some clarity on a matter that is of concern to some providers? What is the position if people have invested in the fund and for some reason equivalency is withdrawn? What would then happen in practical terms if, for example, additional money is invested in the fund after suspension? Can he help as far as that is concerned? It is important for many people.

John Glen: It would not be for me at this point to set out the deductions to be made on individual funds, but I would like to follow up with my hon. Friend formally on that matter, because a process is under way for that to be examined, and I am happy to engage with him further in due course.

I will move on to the importance of ensuring that the FCA has an appropriate degree of oversight over firms that could register under the regime. To my hon. Friend's point, there is a tension between the objectives set in Parliament and the regulators' judgment on the ground. We need to ensure not only that they are accountable, but that we have set the right prescription for the outcomes we wish to see.

Richard Fuller (North East Bedfordshire) (Con): Will my hon. Friend spend a moment putting the Bill in context? Earlier today, we heard the Chancellor outline the bold initiatives on green finance and on making the UK a leader in transparency internationally and financial

technology. As we leave the European Union, we are keen to accelerate away from a sclerotic, introspective set of financial markets. The Bill looks very worthy, but can he put it in the context of those broader ambitions for financial services? Is this the first of a series of Bills we will see, or is it clearing things up so that afterwards we are in a position where we can move forward to capture that opportunity?

John Glen: This is a portfolio Bill of 17 measures, some of which I have been wanting to introduce for some while. It is the first step on a journey, and there will, if the authorities allow me, be further financial services legislation that we will need to make following the consultation on the future regulatory framework. We need to be ambitious for financial services. We live in a dynamic world where financial services are evolving all the time, and we need to have regulators that are nimble in developing world-class regulation that allows us to continue to grow, and that is reflected in our appetite for FinTechs, stablecoins, digital currencies and the right regulatory framework for firms of different sizes, as my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) referred to earlier.

The third objective of the Bill is to maintain the effectiveness of the financial services regulatory framework and ensure sound capital markets. Clause 28 introduces a streamlined process for the FCA to remove an inactive firm's authorisation and position on the public register. That will improve accuracy, while reducing opportunities for fraudsters.

Clause 29 makes small changes to the market abuse regulation, making the regime more effective, while reducing some of the administrative burden facing firms. I draw attention to clause 30, which raises the maximum sentence for two kinds of financial market abuse from seven to 10 years in prison, bringing the penalties for those offences in line with other forms of economic crime, such as fraud. Clause 31 will ensure we can enforce the rules that apply to trusts. The Government are also taking proportionate and effective action elsewhere to prevent the misuse of these trusts, collecting a range of ownership information on those that have a connection to the UK.

Kevin Hollinrake: My hon. Friend mentions economic crime, the prevention of fraud and the penalties for fraud, but one of the things the Government are committed to doing is bringing forward a corporate offence for the failure to prevent economic crime. It is not within this Bill. Is there any reason why not? What timescale might we see around that kind of legislation?

John Glen: As my hon. Friend mentioned to me a few days ago, he is aware that the Ministry of Justice is conducting a consultation on that matter, and that will drive the Government's response overall, but it is a matter we take seriously. Following the Financial Action Task Force review at the end of 2018, we needed to move forward a number of measures to improve and tighten our regime. It is critical for the integrity of the United Kingdom's financial services industry to have in place the appropriate sanctions and the important regulations on reporting standards across the whole of financial services.

[John Glen]

Let me turn to clause 32, which will strengthen our breathing space scheme that supports people with problem debt. That has long been a priority of mine as City Minister, and I put on record my gratitude to my hon. Friend the Member for Rochester and Strood (Kelly Tolhurst), who introduced a private Member's Bill on this issue, for all her efforts, and to Members across the House for the consensus on that legislation's introduction. The Bill contains crucial amendments that are required to implement fully and effectively statutory debt repayment plans, which will help people facing problem debt to pay back what they owe within a manageable timeframe. The Bill's measures will allow us to compel creditors to accept these new repayment terms, providing greater peace of mind to consumers, many of whom will be vulnerable.

Bim Afolami (Hitchin and Harpenden) (Con): I congratulate the Minister on the work I know he has done over many years on this subject. I understand that the Bill amends the Financial Guidance and Claims Act 2018 to ensure that the statutory debt repayment plan can include debts owed to the Government or Government Departments. Will he explain a bit further how that will work in practice? What will the ranking for claims be for creditors? Will it require a mediated process?

John Glen: I thank my hon. Friend for his question. As he says, the purpose of the measure is to provide, during the eight-week moratorium—longer for those with a mental health condition—a set of options, and it is key that the Bill will allow us to compel creditors to accept the new repayment terms. He is right to say that it will provide peace of mind to all consumers, with a compulsion under the provision to bring in debts owed across the public and private sector. He asked me to list the hierarchy of debts, which is probably beyond my capacity at this point, but I am happy to write to him to set out in more detail what the provision gives us room to do.

Clause 33 complements the Government's pioneering Help to Save scheme, which supports people on low incomes to build up a nest egg. These changes will ensure that people can continue to save through a National Savings & Investments account after their participation in the scheme ends.

As I mentioned earlier, there will be some areas where this country will decide that it is right to diverge from EU regulation. Clause 34 is a good illustration of that, making amendments to the packaged retail and insurance-based investment products regulation, commonly known as PRIIPs. That EU legislation was laudable in its aims, although, one might argue, not quite as laudable in its outcomes and achievements. Concerns have been raised by Members across the House, and most tenaciously by my hon. Friend the Member for Basildon and Billericay (Mr Baron), that it is not working as intended and that there is a risk that consumers may be inadvertently misled by disclosures that firms must provide under the regulation. I am pleased finally to be able to address those concerns. The Bill will allow the FCA to clarify the scope of the regulation. It will tackle the issues around misleading performance scenarios and allow the Treasury to extend an exemption from the PRIIPs regime for undertakings in collective investments in transferable securities—UCITS—which are a type of investment fund.

These are some examples of how we intend to take advantage of a new ability to address issues in retained EU law. However, we have no intention of needlessly, ideologically or recklessly diverging from EU legislation. Instead, we will maintain existing regulations where they make sense for the financial services industry in this country. One instance of that approach is clause 35, which finalises reforms to the European market infrastructure regulation, which the UK supported as an EU member state, while clause 36 contains a change that should provide certainty to markets by ensuring the legal validity in the past and in the future of the financial collateral arrangements regulations.

Finally, clause 37 will make the role of the chief executive of the Financial Conduct Authority a fixed five-year term appointment that is renewable only once, in line with other high-profile roles in financial services regulation. That was recommended by the Treasury Committee not so long ago.

I recognise that Members might be concerned that some of the Government's prior commitments are not included in the Bill. I assure the whole House that our focus on these issues has not wavered. One issue that came up in questions to the Chancellor earlier was access to cash. The Government are committed to ensuring that everyone who needs it has easy access to cash. I have heard representations on the issue from Members across the House in recent weeks, including my right hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), whom I met recently, and Members from across Scotland and the whole UK.

Earlier this month, we launched a call for evidence, seeking a wide range of views on the subject's key considerations. Once we have reviewed the findings, we will bring forward legislation as soon as parliamentary time allows.

Alison Thewliss (Glasgow Central) (SNP): I thank the Minister for making that point, because I was not going to make a great deal of it in my remarks. Does he appreciate the fears on the SNP Benches that by the time the Government get around to legislating on this, there will be no banks left?

John Glen: I understand the hon. Lady's anxiety—it is one she has expressed to me a number of times over the past nearly three years.

We asked Natalie Ceeney to do a review last spring. Immediately the review was completed, we put together the JACS process—the joint authorities cash strategy—and brought together the Payment Systems Regulator, the FCA, the Bank of England and the Treasury. We are working closely with LINK and the banks to look at a new way of making cash available. The cashpoint network in this country is not fit for purpose and urgent work is going on behind the scenes to bring forward a cohesive solution.

The prospect of legislation remains, and the call for evidence a week or so ago is another step in moving this forward as rapidly as possible. This problem has been extended and made worse by our recent experience of covid. I assure the hon. Lady that I am committed to getting to the end of this in a positive way.

To conclude, the Bill marks an important moment in the history of the UK's financial services sector. It is the next step of an ambitious programme of regulatory

reform that will be guided by what is right for UK industry. In short, the Bill will support financial stability and high regulatory standards, promote openness between the UK and international markets, and maintain the effectiveness of this country's financial regulatory framework. I commend it to the House.

6.52 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): I thank the Minister and his officials for the information they have shared about the measures in the Bill over the past couple of weeks. I have, of course, been riveted by the Bill in recent days, but I confess that I had to put it down for a while at 5 o'clock on Saturday to watch CNN when something more exciting than the Bill came through on the news.

Harriett Baldwin (West Worcestershire) (Con): Will the right hon. Gentleman clarify whether that is where all his colleagues are this evening? I note that he does not have many behind him. In fact, his Benches are empty.

Mr McFadden: There is a phrase: I am not my brother or my sister's keeper. They will have to answer for themselves.

The backdrop to these measures is formed by two significant events in recent years. The first of those is not Brexit but the financial crash of 2007 and 2008, which exposed the risks being run in the financial services industry and the huge knock-on effects for the rest of the economy when those risks go wrong. That experience prompted a global rethink about banking regulation, the capital levels that banks and other financial institutions are expected to hold, resolution measures in the event of banking failure, and the balance of obligations between the industry and the state. Much of that rethinking was expressed in the series of directives with which the Bill deals and in the Basel process on capital rules.

For all the complexity in the detail of these things, at root the questions are quite basic. First, how much capital should institutions hold as insurance against things going wrong? Secondly, who should be on the hook if things do go wrong? And thirdly, how do we insulate the wider economy from the consequences of instability in financial services? It is on these questions that much financial services regulation has focused over the past decade. The UK has been a key player in this process at both a European and a more global level. These are not things that have been imposed on us; we have played a significant role in the design of the measures that we are onshoring through the Bill.

The second event is, of course, Brexit and the consequent withdrawal from the European regulatory institutions responsible for the oversight and implementation of these directives. By definition, the process requires a recasting of regulatory responsibilities in the UK, and much of the Bill is concerned with that. The key question, then, is not so much the onshoring of the regulations themselves, but what happens next. Do the Government intend to diverge significantly from the rulebook, and in which direction will they go?

Jonathan Edwards: I am grateful to the right hon. Gentleman for setting the scene. Many of us are concerned that the Basel III regulations did not go far enough—that

is, they did not really solve the “too big to fail” issue. We need to be very careful that we do not water down the proposals. Does he agree with that position?

Mr McFadden: I do, and I will talk later about the Basel III regulations; certainly Basel II did not prove to be any kind of protection against what happened in 2007 and 2008.

The other issue that we will have to consider is the role of Parliament in debating and deciding these matters. The approach that we will take is to ask at each stage what these measures will mean for the UK financial services industry, for the wider economy and for consumers. Do they guarantee robust regulation in the public interest, or do they expose the consumer to greater risk?

There is a particular onus on the UK to get this right, because we are a medium-sized economy with a globally significant financial sector. There are obviously crucial benefits of that to the UK: the huge number of jobs generated around the country by financial services; the investment that comes into the country through being a world leader in the sector; and, of course, the tax revenue that goes towards supporting our public services. But, as we have also learned, there are risks if things go wrong, and it is in no one's interest for the post-Brexit regulatory system to result in a race to the bottom, where the public are exposed to greater risk in the name of increased competitiveness.

We know that parts of the financial services sector will be knocking on the Minister's door. They will not put it in terms of watering things down; they will tell the Minister that they could be so much more competitive if only he changed this rule or that rule, or gave them this or that exemption. Of course, we do not argue that any rulebook should be frozen in time. Regulation must adapt to circumstances and innovation, but these things are there for a reason. Capital has to be held against lending and other products for a reason. These rules are the public's insurance policy against the risks involved in the enormous capital flows that go across countries and between financial institutions. They are the as yet untested firewall against a repeat of what happened across the globe a decade ago.

Bim Afolami: What is the right hon. Gentleman's view on an expanding, ever more complex set of measures obscuring good supervision and prudential management of the financial services sector? To what extent would he welcome any efforts—whether cross-party or by the Government—to simplify regulatory standards while also ensuring that they continue to be robust? There is a danger for many in different parts of the industry not of watering things down, but of such complexity making it very difficult to manage a business on an ongoing basis.

Mr McFadden: Nobody should be wedded to complexity for complexity's sake. As I said, beneath the complexity, the issues are actually not that complicated. They are about the safety of insurance and resilience when things go wrong, and that is what we are focused on, rather than defending complexity for complexity's sake.

The second thing that we will have in mind as we debate the Bill is the broad question of what financial services are for. The Chancellor set out green goals for the UK financial services industry in his statement today, and we welcome, for example, what he said on

[Mr McFadden]

green gilts. But those green goals are not mentioned in the accountability framework set out in the Bill. Indeed, in schedule 3, the accountability framework states that the regulator must have regard to

“relevant standards recommended by the Basel Committee”.

The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) was right to say that that should be a minimum, not a maximum, given the importance of resilience and robust regulation. The regulator must also have regard to

“the likely effect of the rules on the relative standing of the United Kingdom as a place for internationally active credit institutions and investment firms to be based or to carry on activities”

and

“the likely effect of the rules on the ability of...firms to continue to provide finance to businesses and consumers”.

Nothing there speaks of the green goals. Do the Government intend to amend the Bill as it progresses, to reflect the statement made by the Chancellor today? There is an opportunity here to put regulatory power behind the goal of net zero and, indeed, broader social and governance considerations for the greater public good. As it stands, the Bill is silent on that—it does not do that yet. When will the Bill be reconciled with the statement that we heard this afternoon?

Thirdly, we will want to ensure that the UK maintains the highest standards when it comes to transparency, money laundering and corruption. We have already had the report from the Intelligence and Security Committee referring to the “London laundromat”, where illicit funds can be washed and corrupt financing rendered more obscure. The UK’s globally significant financial services sector must not be tainted with any sense that this is an easy place for illicit or corruptly obtained finance to be washed through different institutions. As the Bill progresses, we will seek to ensure the highest possible standards with regard to these issues. Of course we want a successful, globally competitive financial services sector, but it has to be based on clean money, honest endeavour and socially responsible goals.

I turn to some of the individual measures in the Bill. As the Minister said, clauses 1 to 7 deal with new prudential regulation requirements, the implementation of the Basel rules and the new accountability framework, which I quoted from a moment ago. As I said, the schedule on the accountability framework states that, when making these new rules, the regulator must have regard to the likely effect on the “relative standing” of the UK as a place for firms to be based or carry on activities. I want to explore that with the Minister. Does that clause about the relative standing of the UK mean that, every time a regulated entity says, “We don’t want you to do that because it will affect our competitiveness in relation to other countries”—and they are liable to say that quite a lot when regulatory proposals are put forward—the regulators have to keel over and give in? How does this point to the UK being a leading player in the kind of environmental or social regulation that can help to ensure that the power of our financial services sector is a force for good? What is the guarantee that the provision does not, in fact, become a deregulator’s charter, on the basis that we should not do things that some in the industry could claim put us at a competitive

disadvantage relative to other countries? The wording is crucial. The accountability frameworks, Parliament’s role in them and what they should cover will be the subject of significant debate as the Bill progresses.

On capital ratios, the FCA has estimated that total pillar 1 capital requirements will decrease by 5%. What is the justification for decreasing the capital requirements when we know that over-leveraging was a key cause of the financial crisis? How can the Government ensure that the onshoring of these powers does not result in a chipping away of the public’s insurance policy on financial risk? Similarly, in relation to Basel reforms, the Bill’s impact assessment talks of

“flexibility to tailor the actual detail of these subject areas to the UK.”

Given the weakness of the Basel rules in the past, it is clear that they should be seen as a floor, not a ceiling. Adherence to international standards is a minimum, not a maximum to be wriggled out of when we get the chance, so what exactly is the flexibility to be used for?

Clauses 8 to 19 deal with LIBOR and the governance of benchmarks. For my sins, a few years ago I served on the cross-party Parliamentary Commission on Banking Standards, which was established in the wake of the LIBOR scandal, which exposed manipulation, mutual favours and price setting based on conjecture rather than actual trades. The benchmark was abused to benefit traders, rather than markets or the end consumers of those trades, so it is right that it goes, but so many contracts around the world have been based on it that the Bill has to put in place a system for dealing with such so-called tough legacy contracts. The principles behind benchmarks should be clear: they should be based on actual trades and costs and should be insulated against manipulation for personal gain by those who submit the information to the benchmark in the first place. That will be the task of the FCA.

Clauses 22 and 23 establish the new Gibraltar authorisation regime. I share the warmth towards Gibraltar that is felt in all parts of the House. The measures could be described as a necessary consolation prize for taking Gibraltar out of the EU, by ensuring continued market access on a free basis between Gibraltar and the UK.

Clauses 24 to 26 give us a picture of how equivalence will work from the UK point of view, at least in part, by establishing the overseas fund regime, which negates the need for fund-by-fund approval and will instead be based on country-by-country approval and extending the time period for such funds to trade in the meantime. In his statement earlier this afternoon, the Chancellor had more to say about how we will grant equivalence recognition to others, but of course he could not say what would happen to UK companies that sell services overseas, because over that he has no control.

What was announced today dealt with one end of the telescope, because that is the position we are now in. Whatever this can be described as, it certainly cannot be described as taking back control, for we are now dependent on a response from others in respect of the crucial UK companies in the overseas markets in which they want to trade. There is also the question of how equivalence decisions are to be granted. Are such decisions a matter of economic policy or foreign policy—or both? I would be grateful if the Minister addressed that when he responds.

Jonathan Edwards: Considering the amount of work that needs to be done on this issue before the end of the transition period, is not the reality that the best we can hope for for the financial sector is some sort of base deal? The negotiations on what the situation may be down the line will then take many, many months, if not years.

Mr McFadden: If we read the political declaration, we can see that this was all supposed to be wrapped up by June. We are now approaching mid-November. The hon. Gentleman is certainly right to suggest that the time has slipped.

Subsequent clauses in the Bill go through a number of other EU directives and the onshoring process. They cover the markets and financial instruments regulation, the market abuse regulation, European markets infrastructure regulation dealing with over-the-counter derivatives, and the EU financial collateral directive. I have no doubt we will have a lot of fun with all of them in Committee. On money laundering, we will want to see as strong a system as possible to ensure that the UK is no safe harbour for anyone who wants to wash dirty money, avoid taxes or evade accountability. Again, I am sure the Minister is expecting more discussion of this as the Bill progresses. He and I debated the statutory debt repayment plan a few weeks ago, and Labour supports moves to create this system. It will be particularly important in the light of the increasing debt burden on many families due to the covid pandemic, and the sooner it is in place, the better.

On PRIIPS, the Government propose to remove the performance scenarios. The question, of course, is what they will be replaced with, how useful and accessible the information for consumers will be and what protections will be in place against the mis-selling of products or fraudulent claims. The imbalance of information is always a challenge in financial products because, in most cases, the seller knows more than the purchaser. Regulators have an important duty to be on the side of the consumer when it comes to the marketing of such products, so if the current performance scenarios are to go, they must be replaced with something better that will genuinely help the consumer. Other measures, including the fixed term for the FCA chief executive, have finally found the legislative home for which they have been waiting in the Treasury for some time.

That is, broadly speaking, what the Bill legislates for, but there are important areas, as the Minister said, that are not included. The most obvious is access to cash. Cash use has declined markedly this year, as people have moved to more online shopping and many businesses have moved to card-only payments, but this is not a trend that falls evenly on the population. Most of the population might need less cash or, in some cases, no cash in the future, but we have a duty to ensure access to cash for those who still need it, including many on low incomes for whom cash budgeting is a vital way of making ends meet. If we do not do that, inequality will be sharpened and there is a real danger that cash-dependent consumers will be cut off from important areas of economic activity. The Government have said—the Minister repeated it tonight—that they want to ensure access to cash, but if that cannot be done through this Bill, we urge the Minister to come forward with appropriate measures as soon as possible.

Standing back and looking at all this, I get an overwhelming feeling of it being all deckchairs and no iceberg. The Government can, of course, rearrange the regulatory furniture, and in many areas that is a necessary consequence of leaving the EU, but the bigger policy decision to downgrade financial services in the negotiations was taken a long time ago. The Chancellor talked today about the economic and employment importance of this industry, and he was absolutely right to emphasise that, but the more he emphasises it, the more it begs the question why market access for this crucial sector, and indeed services in general, has not been a negotiating priority for the Government. The truth is that, in this negotiation, services have been thrown under the bus.

On manufacturing, we have also moved further and further away from the earlier promises of frictionless trade, exact same benefits and all the rest. The fact that these things are not front and centre of the final round of talks is not because agreement on them has already been reached, but because the Government have decided not even to prioritise them. That is a louder testament to where we have ended up in this process than anything in the Bill. This is a series of measures that are trying to compensate for much bigger decisions. This will create more trading friction and more market barriers for our crucial financial services, and for our broader services industry and manufacturing. In the end, no amount of cutting and pasting of EU directives or last-minute vision statements can change that bigger picture.

7.14 pm

Alison Thewliss (Glasgow Central) (SNP): My colleague from the Treasury Committee, the hon. Member for West Worcestershire (Harriett Baldwin), mentioned earlier that some of the Benches in this place are a little empty this evening. I am sure that that is not because this is not a wonderfully exciting Bill—well, perhaps. But we have to look at the reality of the situation that we are in. We are here in London in lockdown and people are being advised not to travel. So I do not hold a grudge against any Member who has decided not to travel today, for their safety or the safety of their constituents and their families. It is important that we consider each other in this place as well as those out there in every street in the country as coronavirus continues to spread.

I thank the Minister for his briefing on Thursday evening. It was a very good distraction from all the events in the United States. I also thank all the organisations that have provided such helpful briefings in advance of the Bill. The financial services are a significant part of the economy in Scotland in terms of the number of businesses, the number of employees and their contribution to the wider Scottish economy, particularly in the growing area of FinTech, where we have much innovation coming out of our universities.

The Bill is, relatively speaking, a wee bit dull and a wee bit functional. Some bits have been taken out of the back of the drawer at the Treasury and presented in the Bill tonight.

John Glen: Harsh.

Alison Thewliss: The Minister says that is harsh, but he said himself that there are things here that he has wanted to do for quite a wee while and has not found the mechanism to do. It is a portfolio Bill, as he called it generously, of some things that hang together and some things that are a wee bit tacked on.

[Alison Thewliss]

The regulations are important, and they affect us all in some way or another. The purpose of financial regulations is to protect us as citizens from the worst extremes of the financial inclinations of those who wish to grab the cash a wee bit quicker. We would all live with the consequences of deregulating to an extreme, so we need to be very careful of the regulations that we make.

The Bill's objective is to enhance

“the UK's world-leading prudential standards and promote financial stability”,

to promote openness

“between the UK and international markets”

and to maintain

“an effective financial services regulatory framework and sound capital markets”.

I am sure that that is all very laudable. It is what we had as a member state of the EU. Who could really object to any of those aims? We on the SNP Benches will not be opposing this Bill on Second Reading tonight, but we do hope to put together some constructive amendments for the Government to ignore in Committee. If they would like to surprise me and take them on I would be absolutely made up, but we shall see. I shall go ahead and hope rather than look at experience.

I hope that we can have some good discussions on the things that should be put into the Bill to give people greater protection, and where things should be that wee bit tighter. Despite what the Chancellor said earlier about unilateral equivalence, the reality is much more complex and many firms do not yet know what they are preparing for. Whether it is the worst or not quite the worst, it will still cost money, time and resource, at a time when covid affects us all, and it will still be significantly less advantageous than it was under EU membership or even single market membership.

I am nervous, as are many others, about Parliament's role in the regulatory framework and where that ends up. CityUK has expressed concerns, as has Barclays, about taking back these powers to hand them straight over to the PRA and the FCA. This is hardly taking back control. I worry that with the safeguards that we have, we will not find out that something has gone terribly wrong until it is far too late, and far too far down the line. I worry that Parliament will find out about these things when it is too late, because that has been the experience of the banking crisis and other things. We need to be careful that we do not end up going down those same roads. A statutory limit on the term of the FCA chief executive is not quite taking back control in the same way. This is giving a whole lot of power to these institutions and cutting out Parliament.

I have some questions and I would be grateful if the Minister picked them up. For example, the Bill will allow Her Majesty's Treasury to revoke the capital regulation in favour of PRA rules, so what happens to those who are already working to the CRR2 EU regulations and what do they now need to do? Will regulatory decisions and implementation be in line with broader public policy objectives and is there a safeguard within that, because Parliament should be satisfied that existing appeals mechanisms are sufficient and, as Barclays says, that they are commensurate with the increased level of autonomy and rule making for those regulators?

The ABI is also concerned about a number of areas. It talks about the need for the Gibraltar authorisation regime, saying:

“We welcome that Government will work with the FCA to ensure that, once the GAR comes into force, individuals and eligible small businesses using financial services sold in the UK by Gibraltar-based firms can refer disputes to the UK Financial Ombudsman Service”.

That protection ought to be there in black and white but it does not appear quite yet to be at that stage. People need to have that protection—that recourse—if something goes wrong.

It is of huge concern to us that the UK regulators have threatened to deviate from EU rules on share trading if Brussels does not deliver market access permissions to the City of London. The ABI has said that the equivalence process has occasionally been used as a political weapon to wield against third countries. It is concerned about where the overseas funds regime sits within this, particularly because it does not know what might happen should there be a negotiating advantage for one side or another when the cost is borne by companies and consumers.

There are further questions on what this means for existing investors if equivalence is withdrawn. What happens if someone has money in a particular fund and then it goes? What are the practicalities there? What do they need to do as an investor in those circumstances? We need urgent clarity for people so that they know where they stand on these issues. Perhaps the Minister cannot give us those answers yet. That is part of the wider problem that people do not know exactly what is going to happen and how they can prepare for it. There could be a risk that people will withdraw from these funds altogether rather than keeping their money there, which would have further knock-on effects.

We support the increased sentences for insider dealing and market abuse. It is quite right that those should be increased. However, as I have said many times in this House, enforcement is key—having the tools in the box to make sure that we can find these frauds, market abuses and insider dealings and then punish those responsible. That is crucial, because if people are felt to get away with these things, then having the rules is really not enough.

On people exploiting rules and general misbehaviour, I want to talk about money laundering. I was on the Committee that considered the Bill that became the Sanctions and Anti-Money Laundering Act 2018 and I worked on it in this House. Clause 31 amends schedule 2 of SAML to ensure that regulations can be made in respect of trustees with links to the UK. Without it, any powers that HMRC sought to exercise to access information on such trusts are at risk of being held invalid under legal challenge. The Government say that this technical change

“will reaffirm the UK's global leadership in the use of public registers of beneficial ownership, as identified by the Financial Action Taskforce's Mutual Evaluation of the UK in 2018. This will further support the public and private sectors to efficiently and effectively target their resources towards potential criminal activity using trusts, maintaining the resilience of the UK's defences against economic crime.”

That does not stack up to me because there have been opportunities to deal with this.

I was on the Committee on the Registration of Overseas Entities Bill, which sought to look at trusts as well. We took lots of evidence on how trusts are an open door for people to move money around, yet the Government are not really acting to deal with that. The Registration of Overseas Entities Bill went through the whole pre-legislative scrutiny process and then just disappeared. The difficulty is that people are moving money around and buying properties, largely in the city of London, where they can launder that money. There are huge buildings sitting empty in the city because people are using that as a means of moving money about. There is a huge homelessness problem as well, so this is a really pernicious problem that the Government need to get their head around.

I do not understand why there is not more to deal with the issue of trusts, or with the issue, as I have mentioned ad nauseum, about Scottish limited partnerships and proper reform of Companies House. The Chancellor mentioned the consultation on that earlier. That consultation has been going on for ever, it feels like, and nothing has yet changed. The Government have this huge, big, wide, gaping loophole in Companies House that allows people to move money around. If they want to do something properly, I would suggest that they deal with that, and do a lot more to take action on trusts and other means of shunting money about. Not doing that makes this country a home for dirty money. Lots of research has been done on this issue by Transparency International and others. The evidence is there; the action, unfortunately, is not.

The debt respite scheme in clause 32 can be enhanced further. I know the Minister is committed to doing this and wants to act on it. I would be curious to find out a bit more about what he has learned from what Scotland has done so far and how the schemes will work together, because we have had the debt arrangement scheme in Scotland since 2004 and the statutory moratorium since 2011. There are always improvements that Scotland can make and the UK can make as well. I would be very interested to hear what more can be done to improve upon that.

I have been contacted, as many other Members might have been, by Macmillan's duty of care campaign. What conversations has the Minister had with the Financial Conduct Authority on that campaign? Macmillan fears that many people—people with cancer who are struggling—are finding things incredibly difficult. Can he say with certainty that the guidance put out by the FCA is enough? Could more be done to protect people in the most vulnerable of circumstances?

Help to Save customers have enough on their plate at the moment without having to navigate myriad changes to their saving products. We firmly believe that the accounts should continue to earn interest until this crisis is over. Savers who do not withdraw the funds after maturity and whose balance remains in the account do not seem to be eligible for further bonuses and they are also not earning interest. It seems very unfair to expect low-income savers, who are potentially dealing with the risk of redundancy and are worried about the risk of covid, to change financial products at this time to avoid losing interest. Some of this is the UK Government's fault for not having set an end date when the scheme was introduced. We argue that they should extend the active period of these accounts at least until the end of this pandemic, so that nobody loses that all-important interest.

What is the communications strategy from the UK Government to make sure that nobody loses out? Since the launch of the scheme, more than 222,000 people have opened Help to Save accounts, with some £85 million deposited, I understand. So this is not a small amount of money for people at the very lowest end of our economy and they need to have some certainty that the scheme will not be rolled up and that they will not lose out because of the changes the Government seek to make in this Bill.

I wish to close by discussing a briefing I received from the Finance Innovation Lab, which makes three well made points about the Bill. First, it says that the Bill threatens to introduce a democratic accountability deficit in financial sector policymaking, and I made that point earlier. We cannot be in the situation where we take all these powers back from Brussels and hand them straight over to unaccountable, arm's length organisations. They might come before the Treasury Committee once every six months or so, when we will ask them some questions, and that is the extent of the scrutiny they get from this House. We do the best job we can to ask them questions—I see some colleagues from the Committee on the Government Benches tonight—but that is not the same.

Secondly, the FIL also argues, as the right hon. Member for Wolverhampton South East (Mr McFadden) did, that the purposes of the Bill should be broadened to economic, social and environmental outcomes. The Chancellor talked a lot earlier about how important those environmental outcomes are, but they are missing from this Bill. I do not know whether that is because one part of the Treasury is not speaking to the other or how else that has come about, but if the Government are now saying today that these environmental aspects are incredibly important and they should be a key part of COP26, as the former Governor of the Bank of England has also argued, they need to be in the Bill. If they are that important, the Government need to put them in the Bill.

Lastly, the FIL suggests that the Bill should help the UK to be a leader in financial regulation that sets high standards. There should be no backsliding on the standards we have built up as part of being in the EU. It is an area in which we had huge and significant influence as a member state in making a lot of these rules. Now if we want to have equivalence and have access, we are going to have to abide by some rules made by other people, rather than being able to make the rules ourselves. I believe firmly that we should not have less power as Members of this House than MEPs have to scrutinise all of those things that come before them, and we should have a bit more than we have in statutory instruments Committees; we cannot vote on those and we cannot amend them either. So we need to have a whole lot more by way of scrutiny of financial services in the future. In those Committees, I have argued regularly to the Minister that we need a plan and a framework, and we need to see the whole spectrum of what this Government propose for financial services. It needs to involve everybody—the people in the sector and Members from across parties in this House—so that we can build something resilient that we can all have trust and faith in. That trust and faith in financial services is what we all need. We need to be able to trust the institutions and that our money will be well managed and we will be protected in the event that anything goes wrong.

[Alison Thewliss]

This is all about building something new, but there is really not a huge amount that is new in the Bill. The Government need to do a whole lot more on financial services, which have been neglected as part of the Brexit negotiations, put to one side and not prioritised, despite being an absolutely massive sector of the economy in Scotland and the rest of the UK. I hope very much that we will be able to make amendments to the Bill to improve it and that the Government will listen to those amendments and take them forward in good faith.

7.30 pm

Harriett Baldwin (West Worcestershire) (Con): It is a pleasure to follow my Treasury Committee colleague, the hon. Member for Glasgow Central (Alison Thewliss).

The right hon. Member for Wolverhampton South East (Mr McFadden) talked about the historic events that had distracted him from preparing for his speech, although I do not think anyone would ever have known it, because he spoke in a very well-informed way. We often recognise historic turning points—certainly, Saturday at 5 pm was one of them, and today’s announcement of the Pfizer vaccine is another—and that is why I am a little disappointed that there are so few colleagues here for what is an important turning point in the UK financial services sector. I do not say that because the measures in the Bill are gripping, although they are sensible, practical measures, and they will no doubt be expatiated on at greater length by colleagues. Rather, I put in to speak in today’s debate because I wanted to hear the Minister at the Dispatch Box talk about the vision for post-transition UK financial services.

We are at an important inflection point, which is why I welcome the fact not only that the Minister outlined that vision today, but that the Chancellor was able to come here earlier to talk about the future, as he sees it, for this incredibly important sector. He emphasised in his statement, as the Minister did at the Dispatch Box, what a significant export sector this is. It is our biggest export sector. It pays £75 billion a year in taxes. It helps to fund the public services we all rely on. That is why we need it too to do well in the future and why it is important to note this historic turning point. We may look back at this moment, as we look back on the big bang in 1986, as being a really significant inflection point.

The Chancellor set out today three ways in which we can really build on our existing comparative advantage to become the leading financial services sector of the 21st century. He made some bold statements this afternoon that really reflected what financial services are going to become. First, he spoke about our global openness. It is a matter of regret that we have not been able to mutually agree equivalence with the EU. Obviously, we are entirely equivalent, and it would have been much more satisfactory if we had been able to respect each other’s starting point as being completely equivalent and to go forward from there. It is clear from the way in which the European Union has not been prepared to offer us equivalence that it will continue to use EU regulation in financial services as a bit of a stick with which to beat up on this sector, in which the UK already excels. I am sorry to say that, and it gives me no pleasure, but that would clearly be unacceptable.

In the Treasury Committee, we heard from the Governor of the Bank of England that it would be dangerous to financial stability if we were to allow an external regulator to suddenly take away equivalence from our financial services sector. So the judgment that was made to come to the Dispatch Box and say, “Do you know what? We’re unilaterally going to do it for the UK,” was regrettably the right decision to take historically. It was accompanied with the three statements about the kind of financial services sector that we envision for the 21st century—one that is globally open and inviting of inward investment and listings from around the world, not just from other EU countries.

Secondly, the Chancellor said that the financial services sector should also be technologically innovative. That is so important. We have led the world in the FinTech sector and regulation, and have set up FinTech bridges with other countries. Singapore, another FinTech innovator, was the first with which we established a regulatory bridge. That is clearly how financial services will evolve in the 21st century, and the announcement about the leadership we are showing on digital currencies was incredibly important.

Thirdly, the headline measure—the one that will no doubt get coverage around the world—was the equally important announcement that we will issue a green gilt. I am the first to congratulate my hon. Friend the Member for Grantham and Stamford (Gareth Davies), who has been assiduous in calling for that. We have had announcements on the global vision, the technological vision and the importance of the UK being the lead financial centre for financing the climate revolution of the 21st century. We financed the industrial revolution, and we will finance the green industrial revolution. Countries from around the world will issue bonds in the UK against the green gilt benchmark, so this Bill is historic.

I pay tribute to my hon. Friend the Minister for the work he has done on breathing space. I know how passionate he is about it. He and I were elected in 2010, and he has always championed that issue, so it is wonderful to see him bringing forward legislation to make progress on it.

I want to ask the Minister a few questions. He and the Chancellor highlighted the UK’s importance as a global financial centre. First, what progress has been made on what the UK is hoping to achieve on a US financial services free trade agreement? That has always struck me as important. We are the biggest investors in each other’s countries, and the ability to do more in terms of financial services would help consumers in both countries, so what are his aspirations and ambitions for that?

Secondly, what is the Minister’s vision for the Basel framework, particularly with regard to the very high risk weighting that it gives to investments in Africa? When I was Africa Minister, one of the things that used to get me excited was the potential for inward investment into Africa. We had a big Africa investment summit in January. The risk weighting for assets in many African countries is incredibly high under the Basel rules, so can the Minister update the House on anything he is doing to try to make those assets appear less risky on bank balance sheets?

My third question is about the assets we still own as a result of the financial crash in 2008. Will the Minister update the House on what the exit strategy is for those remaining financial services assets?

Those are my three questions for the Minister. Given the general direction and strategy the Government have announced today, I think this is a historic moment for UK financial services. In 10 or 15 years, we will look back on it as equally significant as the announcement from Pfizer and the US election. I congratulate the Minister on introducing the Bill and I look forward to hearing more detail when he responds.

7.39 pm

Christine Jardine (Edinburgh West) (LD): It is a pleasure to follow the hon. Member for West Worcestershire (Harriett Baldwin). I agree with her that we have seen significant changes in the last few days; historic turning points that for many of us seem like we are beginning, finally, to emerge from a very dark four years, not just for this country, but for the United States and Europe. I agree with the right hon. Member for Wolverhampton South East (Mr McFadden). It was very distracting for five days and I am not quite sure how I am coping now without CNN. It has been so long since I was actually in front of a screen.

In that context, with everything that is happening in the world at the moment, it is difficult to overstate the importance of the Bill, not only to the financial services sector but to our wider economy in this country. As the MP for Edinburgh West, that is particularly significant to my constituents. Edinburgh has the second-largest financial sector in the United Kingdom. Hundreds, if not thousands, of jobs in my constituency are dependent on the Government getting this right—thousands of jobs across the country as well. As we approach at great speed the end of the transition period from our exit from the EU, that becomes increasingly important day on day. I thank the Minister for being so open at his briefing the other night, but there are areas where the Liberal Democrats believe the Bill falls short of what is needed to protect those jobs and the financial sector itself.

The Government claim that the Bill will ensure that the UK maintains its world-leading status as a financial sector. However, I feel that the truth is that because of the Government's reckless handling of Brexit, the financial services industry now faces unprecedented challenges that the Bill will have to face. For more than two decades, the greatest strength of our financial sector was being at the heart of the EU. That is no longer the case and it leaves in its place the problem of how we protect a market whose capacity is in the UK but whose bulk of custom is in the EU. Banks looking to consolidate may no longer do so in the UK. We have already seen, as was mentioned earlier, that more than £1 trillion—yes, £1 trillion—worth of assets moved to the EU from our sector. Thousands of jobs have gone with them. Barclays' European investment arm has gone to Dublin. British-registered financial firms will lose the passporting rights that have allowed them to sell funds, debt, advice or insurance to clients across the EU as if we were in the same country.

Positive spin from those on the Government Benches about the Bill will not make up for what we have lost, and stand to lose, from a vital sector of our economy. We have to get it right. More than that, by being intent on breaking international law through the internal market, the Government risk damaging the UK's standing as a global financial centre by throwing into question our commitment to the rule of law. The now President-elect

of the United States is one of those who criticised the Government for the United Kingdom Internal Market Bill. I believe that the Financial Services Bill falls short of what the sector needs, particularly in three crucial areas on which my party intends to bring forward amendments in Committee.

On green finance, for example, although we had the welcome statement from the Chancellor today, we believe that the Bill requires some form of provision—more provision than we have heard—to take potential environmental impacts into account. The Chancellor's earlier statement was welcome, but I do not believe it is accurate to say that we are leading the world. In fact, I think it is too little and too late. Since the start of the pandemic, our international competitors have announced billions of pounds worth of stimulus to their green economies. Germany has pledged €9 billion. France will spend €8 billion on electric vehicle charging. China has also pledged. We are acting too late. If the Conservative Government are committed to green finance, we have to acknowledge that selling off the Green Investment Bank in Edinburgh in 2017—the Liberal Democrats, as part of the coalition, were instrumental in setting it up—was a mistake. It was the first bank of its kind globally and would have been crucial at this stage in the development of our financial sector.

Indebted households across the UK will also need relief measures of some sort to support them through the hell that covid-19 has been and continues to be. Like every other Member, I am sure, I get calls every day, a huge proportion of them from people who have been left behind—people the Government have completely excluded from support. The Bill needs to recognise the scale of that problem and do more to protect them and those in other households who now find themselves in deep financial hardship. Specifically, we need breathing space. A moratorium period and a statutory debt repayment plan are welcome steps, but they were designed for the pre-covid world. Surely they need to be addressed now that that more households are in more debt and we have a different situation ahead. We want the Chancellor to amend the Bill to extend the 60-day breathing space period and to improve access to debt advice services.

I agree with the Opposition spokesman, the right hon. Member for Wolverhampton South East, that money laundering will in future be a serious problem for this country. It needs to be addressed.

We are at a crossroads in many sectors of our economy, but financial services more than any other sector has been our strength in recent years. We cannot afford to let anything come in the way of that. I hope that in its final form the Bill will protect the sector.

7.46 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Edinburgh West (Christine Jardine). I agree with many of the things she said; one thing I disagree with is her apparent belief that leaving the European Union brings only disadvantages. She does not see some of the economic opportunities we may have after we leave. I was pleased to hear my hon. Friend the Economic Secretary talk about opportunities, including the opportunity to do things differently and better. I will focus my remarks not on what the Bill does, but on the different and perhaps better things that might be done by the Bill in its later form or by another piece of legislation.

[Kevin Hollinrake]

I am not a great fan of too much regulation. We should avoid regulating more than is absolutely necessary, but we need to make sure that we regulate better—that we think not about regulations but about effective regulation. Sadly, that is missing from some of our current financial services framework.

My first suggestion for the Minister, which I have talked about before, is that small and medium-sized enterprises should be allowed rights of action for breaches of the FCA handbook. At the moment, those are allowed only to private persons, not to SMEs, partnerships or corporates. As not all businesses know, that leads to SME commercial lending not being regulated above £25,000—here I speak in my capacity as co-chair of the all-party group on fair business banking; I also draw the House's attention to my entry in the Register of Members' Financial Interests. As a result, if an SME is mistreated by a bank, for example, its ability to go to court relies purely on the letter of the contract or agreement it signed with the bank.

We have seen disgraceful scandals, some of which have been mentioned already, such as the LIBOR rigging, the swaps scandal, the RBS Global Restructuring Group SME banking scandal and the Lloyds HBOS Reading scandal. In those situations, SMEs cannot challenge the banks in any significant way, first, because it is almost impossible to take a bank to court due to the costs involved, and secondly, because when they get to court they only have the letter of the agreement to work with.

My hon. Friend the Economic Secretary has introduced some important new provisions—an expansion of the remit of the Financial Ombudsman Service to deal with larger businesses with turnover of up to £6 million, and an organisation he got me involved with called the Business Banking Resolution Service, which will deal with businesses with turnover between £6.5 million and £10 million. Businesses with turnover of up to £10 million will be able to take their case to an alternative dispute resolution service at no cost to themselves, and the case will be judged on a fair and reasonable basis. It will mean, effectively, that SMEs have a place to go, but will the Minister consider another alternative that would involve the key principles, including principle 6 of the PRIN rules, which is about treating customers fairly?

Another area that was mentioned in an earlier intervention was the Government's commitment to make the failure to prevent economic crime a corporate offence. It is great that they have said they will do that, and that will start with a Law Commission review to see how best it can be done. As the Law Commission rightly said, if we do not change the rules on that, the UK risks falling behind international standards, which I am sure we would not want. That is clearly something to bring forward, but it could be done more hastily in the Bill, with a framework added on later, which would expedite the process. That would make a huge difference.

The Serious Fraud Office has tried to take forward many cases—those involving Serco, Barclays and Olympus, for example—but it could not do that because it had to establish a directing mind principle for the people at the top of those organisations before it could proceed with the offence of corporate fraud. The proposed measure

would make that much easier. It is great that the Government are willing to take it forward, but they could do so more quickly.

Regulation is tight in the UK on personal and mortgage lending, and in the past—most famously in the case of Northern Rock—we have allowed regulated entities and the owners of mortgage books to sell those books to unregulated entities outside the country, including inactive lenders. There is no doubt that there is a regulatory gap around that. For example, some of the books from Northern Rock were sold into the clutches of Cerberus, an international private equity firm, and the rates charged to individuals, who were often mortgage prisoners, climbed significantly from below 2% to often in excess of 5%. The Financial Conduct Authority has confirmed that, as did the Financial Ombudsman Service in an email, which stated that there is a regulatory gap. I know there is a debate between the Treasury and the FCA about whether there is a regulatory gap between a mortgage book that is owned by an unregulated entity overseas, and one that is regulated in the UK, but the FOS is clear:

“While our standards have some reach into unregulated activity by regulated lenders, since the loan is now owned by an unregulated entity our rules and guidance on lender conduct, including treatment of vulnerable customers do not apply.”

We are allowing a regulatory gap by permitting mortgage loan books to be sold to unregulated entities, and it is my feeling, and that of many others, that that should be stopped, so that a regulated entity can sell a loan book only to another regulated entity.

As I said in another intervention, we need to be more flexible on prudential risk. These provisions are reducing the opportunity for new entrants to the banking market, particularly regional mutuals, which in other countries have been successful in extending SME finance, particularly through difficult times. Many other jurisdictions, including the US, Germany and Japan, have a high number of regional mutual banks as part of their banking system, and they tend to be far more patient in their provision of capital through difficult times. For example, in the UK, SME lending between 2008 and 2013 reduced by 25%, whereas in Germany it increased during that period by 20%.

There is a real opportunity to use regional mutual banks with a much more long-term approach based on financial inclusion for businesses and individuals, but there are issues about the adequacy of requirements that make the need to raise capital far too high. It would be good to look at this, and to reduce the requirements on that to make it easier for regional mutuals to be established, and also perhaps to use some dormant assets to provide some seed capital for some of these regional mutual banks to make it easier for them to start, get up and get going.

Finally, one that has been discussed before is country-by-country reporting. Again, there is perhaps a place in this legislation for that. We know, despite the best efforts of the Treasury—with the digital services tax, for example, to try to clamp down on the likes of Amazon and others—that companies are bypassing those rules and passing such a levy on to sellers in their marketplace and not applying it to their own sales. We do need to make sure that the large multinationals pay a fair share of their tax. If we look at Google's accounts, we see that internationally it turns over £137 billion. It had net

income on its accounts in the last year of £31 billion, which is a 22% profit margin. The UK turnover is about £10 billion, and with a 22% profit margin, its profits should be about £2.2 billion, so it should pay tax of about £420 million in the UK on 19% corporation tax, but it actually pays about £67 million. So the provisions we have currently, although we have gone further than most countries in trying to make sure that companies pay a fair share of tax, are working to some extent, but not to the extent that we would like. Country-by-country reporting could make a big difference.

I will leave it there, Madam Deputy Speaker. I appreciate the opportunity to discuss those ideas with the House, and I look forward to discussing them at later stages of the Bill.

7.56 pm

Stephen Flynn (Aberdeen South) (SNP): It is a pleasure to follow the hon. Member for Thirsk and Malton (Kevin Hollinrake). It is safe to say, as others have done, that this is not a debate that will have folk at home sitting on the edge of their seat awfully excited, that is for sure. None the less, it is an incredibly important debate. It is an incredibly important matter for the UK economy, but also for the Scottish economy, as my hon. Friend the Member for Glasgow Central (Alison Thewliss) outlined. The financial services sector in Scotland is incredibly important, and it is linked to tens of thousands of jobs across our nation. It is in that broader context that we are obviously quite content to let this Bill pass on Second Reading, bearing in mind the fact that a regulatory framework is needed at this stage. I hope the Government will be amenable to some of the amendments we will put forward. Those amendments will broadly—how shall I put it?—be borne out of frustration that perhaps the Bill does not necessarily go as far as it could or should go. I will seek to touch on a couple of those matters during my speech today.

The first one I would like to touch on is about clause 31, which is on money laundering. Clause 31 in itself appears to be one that is quite self-congratulatory in its nature. To quote, as I feel is appropriate to do on this occasion, the Government say that the Bill

“will further support the public and private sectors to efficiently and effectively target their resources towards potential criminal activity using trusts, maintaining the resilience of the UK’s defences against economic crime.”

On the face of it, that looks like a fantastic thing, but when we look a little bit more at what we on the SNP Benches have been saying for a number of years now about Scottish limited partnerships, it appears that the warm words of the Government do not actually bear fruit given the reality of the picture on the ground. It should not need to be said to Members on the Government Benches, but when we are talking about Scottish limited partnerships, we are talking about organisations through which people can access financial products without having to name who they are. If that is not an open invitation to money laundering, I do not know what is. When we look at money laundering in the context of Scottish limited partnerships and also of tax avoidance and £35 billion tax gap that exists in the UK at this moment in time, it is probably safe to say that the public are a little bit sceptical about whether the Government take this as seriously as they should.

Our frustrations do not stop there. They also relate to clause 32, on the debt respite scheme. The Government say that clause 32 will

“empower the Government to make regulations which will compel creditors to accept amended repayment terms”.

Again, on the face of it, that seems like a perfectly legitimate and correct thing to do, but does it necessarily address the situation at this moment in time, when businesses across Scotland and the UK have taken out bounce back loans and coronavirus business interruption loans that they will not be able to pay back? Does it meet the reality of the situation? I am very sceptical as to whether it does.

The Government have two options on that front. They could simply write off that debt for small to medium-sized enterprises, which are the lifeblood of our economy, or they could take strategic moves to turn some of that debt into equity stakes, where it would be appropriate to do so, to boost economic activity and perhaps gain some money back for the public purse. Unfortunately, again I am sceptical as to whether the Government will seek to do either of those things. That is not in any way a positive outcome.

Thirdly, I want to touch briefly on clauses 24 to 26, on the overseas funds regime. As my hon. Friend the Member for Glasgow Central said, the ABI has expressed concerns about the potential for equivalence to be used as a political football. I think all of us have that concern. We heard warm words from the Chancellor earlier today about the fact that he would not seek to use it as a political football, but being a bit of a sceptic about this Government, I think that warm words from the Chancellor at the Dispatch Box are not quite good enough. The record of this Government when it comes to saying one thing and doing the complete opposite is all too clear for everyone to see, so I have grave concerns in that regard.

The issue of equivalence takes me on to the final point that I wish to make, which is about the ongoing shambles in relation to Brexit. The UK Government website states that the Bill will “promote financial stability”. We do not have a trade deal with the European Union, and the transition period is a matter of weeks away. We do not know whether it will be possible for our financial services to access markets in Europe uninhibited. The scale of that issue is immense, particularly when we consider the fact that the City of London alone accounts for just under a third of all capital market activity across Europe. The market that we are seeking to leave is enormous, and this Government appear to have no plan and no desire to act prudently.

We heard from the Chancellor earlier, and we will probably hear it again from Government Members, that the blame for this lies at the EU’s feet, because it is refusing to partake in discussions in a proper and appropriate way. Who can blame the EU when, as the hon. Member for Edinburgh West (Christine Jardine) said, this UK Government are actively seeking to break international law? Who can blame the EU for being a little bit sceptical about the intentions of this Conservative Government? The sabre rattling needs to end, and the Government need to realise that the financial services industry must have the access it needs to support the tens of thousands of jobs that are reliant upon it, not only in England but in Scotland.

[Stephen Flynn]

To conclude, I want to once again clarify that this Bill is very much born out of necessity, and we broadly support the regulatory framework around it. However, what is clear from this Bill, from the Brexit shambles and from the fact that the UK's credit rating once again got downgraded just three days before the Bill was published, is that this Tory Government are no longer a Government of financial stability. I long for the day when Scotland no longer has to take its decisions in this place but can take its own decisions as an independent European nation.

Madam Deputy Speaker (Dame Eleanor Laing): I call Gareth Davies. I will give him a moment in case he is here—I should have gone to Specsavers. I call Jim Shannon.

8.4 pm

Jim Shannon (Strangford) (DUP): You almost caught me unawares, Madam Deputy Speaker—I thought that the hon. Member for Grantham and Stamford (Gareth Davies) would be about.

I broadly support what is in the Bill, but I have a couple of requests, as others have had. I want to make three specific points on the LIBOR transition, debt respite and the inadequate FCA regulatory framework for SME lending. I say, first, that it is a pleasure to see the Minister in his place. He is always very responsive to us all on the questions we ask him, and he always keeps a smile on his face—it is always something you do extremely well, even though the questions that we may put to you are hard and perhaps not always put in the way that they should be.

LIBOR, the London interbank offered rate, is an interest rate benchmark used to indicate banks' costs of funding their activities: for example, the cost of obtaining money for a loan they will make. It has been used and continues to be used as a reference in hundreds of trillions of pounds-worth of financial contracts, so this is a very important issue. The former FCA chief executive officer and now Bank of England Governor, Andrew Bailey, said that after 2021 the FCA will no longer persuade or compel banks to submit the underlying data that goes to calculating LIBOR, causing concern that it could cease to exist. Minister, it is a really big issue for us all, and certainly one that people have contacted me about. There have been many loans in the past and that are still in force where banks have used LIBOR.

I understand that the existing powers on benchmarks granted to the FCA, passed under EU law and to form part of UK law from 2021, are seen as insufficient to ensure a smooth transition away from the use of LIBOR, so again, Minister, perhaps you can give me an answer on that. I welcome, among other things, clauses 8 to 19, which appear to grant the FCA greater powers to compel the continued publication of the benchmarks, to prohibit the use of benchmarks and to oversee the orderly wind-down of benchmarks. I hope that the new FCA chief executive officer will now deploy these powers at the earliest opportunity. Again, Minister, perhaps we will be able to get some indication of a timescale for that, if possible, to assure us on where we are.

I welcome the fact that the Government have made a commitment to Gibraltar. Others have referred to it and others will—it is certainly one of the issues that I am concerned about. This gives peace of mind to that sector and we thank you for that.

Can I, Minister, perhaps underline another issue—

Madam Deputy Speaker (Dame Eleanor Laing): Order. The hon. Gentleman cannot say, "Can I, Minister—". How many millions of times have I said this to the hon. Member for Strangford (Jim Shannon)—only usually, I do not, because there is no time and there is a lot going on? Here I have my opportunity: he has heard my request to him a hundred times to please address the Chair. He cannot say, "Minister, will you do this?" And even worse, when he is addressing the Prime Minister, he must not say, "Prime Minister, will you do this?" He has to say, "Will the Prime Minister do this?" and "Will the Minister do this?"—in the third person, not the second person, please.

Jim Shannon: I stand corrected, Madam Deputy Speaker, and I will use my best endeavours to do that. Sometimes I get carried away in the emotion of the debate—it is a very emotional debate, of course—and I find that maybe I do not use the correct words.

Will the Minister look at the issue of money laundering in Northern Ireland? I make that comment because in all the countries across the globe, and particularly in this United Kingdom of Great Britain and Northern Ireland, money laundering is one of the issues that concerns me greatly. We have had many cases of money laundering over the last while, and we have many cases in Northern Ireland where paramilitary groups are involved in clear money laundering activities, which are against the law. With the Bill coming forward, will the Minister be able to give an assurance on money laundering, particularly in Northern Ireland? What discussions have taken place with the regional Assembly and the Minister in the Northern Ireland Assembly with responsibility for policing and justice, and what has been the feedback from that? I think that if we are going to do this well, we have to ensure that contact is made with the regional devolved Administration and that there are discussions outside that, particularly with the Republic of Ireland. Many illegal things are taking place in respect of transport across the border in all places, but we must tackle the ability of paramilitary groups to actively use the border with this purpose in mind.

Secondly, on the debt respite scheme, will the Minister confirm that clause 32 will amend the Financial Guidance and Claims Act 2018 to empower the Government to make regulations that compel creditors to accept amended repayment terms; provide for a charging mechanism through which creditors will contribute to the costs of running the scheme and repayment plans; and include debts owed to a Government Department at any level, including the devolved Administrations, in the statutory debt repayment plan? Again, I make a plea for the Northern Ireland Assembly: what will be the position in relation to any debts that are due? When do the Government expect to bring forward the relevant regulations? What discussions have taken place with the devolved Administrations on the statutory debt repayment plan?

The Treasury will be aware that the Business Banking Resolution Service has to be part of an effective solution under this process. The Democratic Unionist party remains concerned that we are not on track to do that. While the income from financial services is notable, so is the responsibility not only to shareholders but to the Government. We must ensure that that obligation is understood completely by enforcing the BBRS within legislation.

Thirdly and lastly, I refer to the bank lending regulatory framework. I finish with this because I believe it is the most important point. I know that the Minister is fully aware of it from discussions with the DUP and others who have contacted him. I have been in contact with him regularly about this issue since he first spoke about it at the Dispatch Box in January 2019. Of course, I have also been in touch with the Chancellor over the past month. The Minister must agree that it is crucial for SMEs to have the opportunity to export their products and services to the global economy, and the support to do so. I believe that our financial services industry, and banks in particular, must be regulated by the FCA in a much more legally effective way under this Government. Minister, it is very important that we have the bite, so to speak. It is all very well having words, but we need the strength of legislation to govern the banks' small business lending post-Brexit.

The Government must get this right. I know that they can and I know that there is a will to do so. It is important that the future legal and regulatory framework allows our SMEs to have confidence in the 21st century global economy. I believe we have an opportunity to get it right this time, and it is time to do just that.

Madam Deputy Speaker, I hope that is to your satisfaction. Thank you very much.

8.13 pm

Stephen Hammond (Wimbledon) (Con): It is always a pleasure to follow my hon. Friend the Member for Strangford (Jim Shannon), as I have on many occasions in this House.

The ambition of the Bill is clearly stated:

“To make provision about financial services and markets; to make provision about debt respite schemes; to make provision about Help-to-Save accounts; and for connected purposes.”

The Minister was absolutely right in his opening remarks that financial services are a key industry for this country. If we are to have a global Britain and a globally successful Britain, financial services—and services in the widest sense—must thrive.

It is also right that the Bill is an important part of trying to ensure that we have the right regulatory framework at the end of the Brexit transition. If we are to remain a world-leading financial centre, it can be guaranteed only by having financial services that are underpinned by a strong and proportionate regulatory framework. The Bill, as the Minister conceded, is the start of that, not the end. I suspect that this is the first of several Bills that will come before us.

If the framework is to do anything at all, it must protect the consumer, enhance competitiveness and, as the Minister said, make the UK an attractive place in which to invest. I welcome the Bill because that is necessary, but it is right to recognise at the outset that, notwithstanding the equivalence regime or the new

equivalence criteria that the Chancellor rightly set out this afternoon, as recently as February a briefing paper from the Government stated that the UK hoped to secure “permanent equivalence” that would last for “decades to come”. Indeed, at the time, the Governor of the Bank of England was campaigning for super-equivalence in order to allow a new standard to be set for multilateral collaboration. That would have been a better context in which to be considering these matters this evening; none the less, the Chancellor's statement this afternoon was welcome. Everyone in this House must now deal with the world as it is, not the world as we would like it to be if it were more economically rational.

This Bill is necessary and it does a number of things to ensure that the regulatory regime is in place at the end of the transition period, and to allow financial services to prosper. It makes a start on sorting out the relationship between Parliament and the regulators, starts to define the accountability and objective of the regulators, and ensures that the regulation and legislation are in place. That will be important as we look forward to 1 January.

A specific of the Bill that I particularly welcome—the Minister touched on this in his opening remarks—is the prudential regulation of investment firms. That recognises, quite rightly, the differing risks between banking businesses and investment management businesses. The Bill aims to put in place a prudential regime that is fit for purpose. That in itself has been widely welcomed across the financial services industry. It sets out four principles, as well as how the implementation of that prudential regulation may recognise the differing capital risks. However, there are some concerns, which I hope the Minister might address later, or about which we will be reassured in Committee.

The first concern is how Parliament is going to scrutinise the principles. I will return to that point in a bit more depth later. The specific issue raised is that Her Majesty's Treasury intends to revoke the capital requirements regulation with a view to replacing it with standards set out by the PRA that are to be guided by Basel II. However, the Bill contains little clarity on exactly what will be in the PRA regime, how it would differ from the capital requirements regulation or how the Government intend to implement these new measures. I trust that the Minister will set that out today or that it will be clarified in Committee, because it is hugely important to the success of those provisions.

I welcome the provisions on the onshored EU PRIIPs regulation. This has been widely welcomed. It gives the PRA powers to make clarification, but there is an important duty to ensure not only that the regulations put in place are effective, but that they help the investing community and the public, ensuring protection for the consumer. It is not yet clear how those powers are going to be enacted and what is going to be there.

As the Minister has acknowledged, this is a wide-ranging Bill, so I want to touch on a couple of other issues of concern that can probably be cleared up now or in Committee. It is clear that we need to safeguard the ability of our world-renowned investment management industry to offer investment funds from overseas jurisdictions into the UK post transition. As the Minister set out, that is the aim of the Bill. If that were not so, it is clear that 9,000 individual funds would have to seek

[Stephen Hammond]

separate registration. From my reading of the Bill, it is not yet clear whether the temporary permissions regime—the regime which would allow that to continue—must be extended or whether a new, fully functioning regime is to be put in its place. That is important, because it signals the free flow of capital into the UK and signals that the UK remains open for investment and business. I have spoken to a number of those in the investment management industry over the weekend, and there is still some concern in the industry that it is not fully clear how that will operate.

The Bill also clearly states that it is meant to maintain a world-leading regulatory system and, among other things, enhance the competitiveness of the financial services sector, yet if we look at the history of regulation in the United Kingdom, a large number of people believe that the system has often rightly sought to give the consumer extensive protection, but with the cost of over-specification, a lack of accountability and, in terms, a narrowness of focus from the regulator. If the Bill is to achieve its ambitions, the Government need to look at those faults and be clear about how they are going to change them during the Bill's passage.

The Bill allows for the transfer of hugely increased powers to regulators. The question for us therefore is how we balance the extra powers with the necessary scrutiny and accountability, without encroaching on the necessary independence or eroding consumer protection. I suggest that the Treasury needs to consider carefully what performance objectives it sets the regulators and how it will then manage their measurement. Previously, it has been clear that the overriding objective has been competition, but secondary objectives have been in place, and all too often regulators have not given those the regard that many would have expected. The regulators' attitude to risk will need further definition if the Bill is to achieve the objective of enhancing and maintaining the UK's international competitive position.

Who exercises the judgment on whether the criteria are being met and how the trade-off of benefit and risk is determined will be key. Schedule 2 is the key part in determining that. New sections 143G and 143H link to the broader questions of the FCA's mandate, role and accountability. The Treasury has rightly just recently published a consultation document on the broader review of the framework for financial regulation, so this Bill is the first exploration of the issues around the oversight of the FCA.

New section 143G identifies a number of "Matters to consider" and therefore matters that the FCA must "have regard to", including the relevant international standards and the effect of the rules on the UK's international standing. Those are all to be welcomed, but are they really effective? I suggest, first, that the obligation is too weak, as it only requires the FCA to "have regard to". Secondly, the obligation is too narrow. A number of other issues, such as sustainable growth and employment across regions, should also be part of the mix and part of the consideration. Therefore, I suggest we need to be prepared to go further and consider changing the FCA's primary objective, or at least strengthening the secondary objective, such that it ranks almost *pari passu* with the primary objective.

There also needs to be rigorous scrutiny of the regulators' rule-making powers by Parliament. As I said earlier, the Bill puts in place some major increases in powers for regulators, so it is completely appropriate that Parliament sets the scrutiny and accountability objectives. There are many ways to do that, and I know colleagues will suggest other methods later, but it is clear that one of the great successes has been the OBR, which analyses, scrutinises and gives an independent verdict on financial policy. It may well be appropriate that one of the ways that Parliament holds financial regulators to account is a similar body for financial regulation.

I was encouraged to be short, and I have already taken rather longer than the Whips wanted me to take this evening. I think the Bill is absolutely necessary. Therefore, notwithstanding some of the issues I have raised, and others that I am sure the Minister recognises and will want to address as the Bill progresses, I wish the Bill well and look forward to supporting its Second Reading.

8.24 pm

Nickie Aiken (Cities of London and Westminster) (Con): I am grateful for the opportunity to speak in this debate and to highlight, as other hon. Members have, the invaluable contribution that the financial and professional services industry makes to UK plc: more than 60,000 companies providing 2.3 million jobs and 10% of the UK's overall gross value added. While two thirds of those jobs are outside London, I must stand up for my constituency by saying that the City of London alone contributes approximately 25% of the sector's GVA.

I have spoken to businesses and business groups in the City of London, who are broadly in favour of the Bill's overarching objectives. They want to see an efficient regulatory framework after our transition from the EU and would welcome in particular changes that help to ensure the UK's regulatory regimes are more coherent and attractive to international firms. They also strongly believe that the new regime must maintain the highest of global standards to maintain the sector as a strategic national asset and ensure sound capital markets. Businesses also welcome the clear way in which the Treasury and my hon. Friend the Economic Secretary to the Treasury have sought their views in coming to their position and are keen to maintain a dialogue as the Bill and the future regulatory framework review progress.

I will turn, if I may, to address the specific content of the Bill. Businesses in my constituency are supportive of the Bill's objective to enhance the UK's world-leading prudential standards and promote financial stability, but they would appreciate clarity from the Government on specific clauses. In particular, with regard to the implementation of Basel III, as some businesses have been working towards the implementation of EU capital requirements regulation 2, further guidance would be welcome on how the UK regime may differ from the EU regime. With regards to the LIBOR wind-down and benchmarking, again I urge the Government to ask the FCA to provide the further detail and clarity that businesses require as soon as possible.

I turn to how the Government intend to promote openness between the UK and international markets. The businesses I spoke to in my constituency again welcome the changes, but, crucially, they would also welcome further clarity on how the Treasury intends to

make equivalence decisions under the new frameworks. Business would also welcome assurances from the Government that they will continue to look to improve the UK's global competitiveness. I would like the Bill to be more explicit in that area and expressly signal the objective to maintain and even expand our competitiveness on the world stage. I hope the Government will continue to work with the financial sector to ensure that that crucial aspect can be developed in relation to further rules and, in particular, when considering differing international tax regimes and access to talent.

I turn to the Bill's third objective: maintaining the effectiveness of the financial services framework and sound capital markets. These provisions have been broadly welcomed. As businesses in my constituency know that an effective financial services framework has a significant impact on both business and customers, ensuring clarity in regulation and providing sound support mechanism for customers must be welcomed. However, the Bill also enshrines significant powers in regulators. I ask Ministers to consider whether they are satisfied that existing appeal mechanisms are sufficient. Will they increase the level of autonomy given to regulators? May that be worthy of consideration in the House at another time? In that vein, I would welcome from the Government a financial services strategy for the sector. That may enable arm's length financial regulators to ensure that they interpret the "have regard to" objectives in the context of the Government's vision for the sector.

Finally, in the light of the ongoing covid-19 crisis, the objective of maintaining sound capital markets should not be underestimated or forgotten. The capital market provides a vital source of funding for businesses, alongside the lending market. The measures in the Bill will help to support a market that is vital to the re-energising of the economy post covid.

I encourage the Government to consider, with one eye to the future, how the Bill demonstrates UK leadership in addressing digital and sustainability-related regulatory challenges, because although a recovery from covid may dominate the short-to-medium term, the continued development of FinTech and our response to the global climate crisis will surely be long-term considerations for the financial sector.

The Bill should be welcomed as a necessary but early step as we leave the EU, but a fuller, more comprehensive overhaul of the UK's regulatory framework is required to ensure that the UK—and in particular the City of London in my constituency—retains its competitiveness as a global financial centre. I look forward to working with businesses and Treasury Ministers throughout the passage of the Bill and the others that will surely follow to implement the necessary changes to ensure just that. I commend the Bill to the House.

8.31 pm

Richard Fuller (North East Bedfordshire) (Con): It is a great pleasure to follow my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken). As an adviser to a venture capital firm, I draw the House's attention to my entry in the Register of Members' Financial Interests.

I commend the Minister for such a thoughtful and thorough presentation of the Bill on Second Reading. I look forward to the Bill's passage through the House. I also pay tribute to the Opposition spokesman, the

right hon. Member for Wolverhampton South East (Mr McFadden), for his general welcoming of the Bill and for some of the important points that he made. He mentioned two of the contextual factors for the Bill: the financial crisis and Brexit. On the first, one issue that came from the financial crisis was not the absence or otherwise of regulation, but the fact that the regulations themselves were confused, as was the responsibility among different agencies. The various Governments since 2010 have made some progress towards streamlining the regulatory framework, and the Minister talked about further moves to make sure that regulatory organisations and their roles were streamlined.

A second issue from the financial crisis, about which the right hon. Gentleman will be aware from his time on the Parliamentary Commission on Banking Standards, was the lack of criminal sanction for the people who broke the law and the effectiveness with which criminal sanction could be brought to bear on those who misused their position in financial services. Through the right hon. Gentleman's work on that commission, that has now been changed somewhat, and today the Minister presented further steps forward in providing criminal sanction for those who misuse their powers or rights in the financial sector. Those steps are to be welcomed.

On leaving the European Union, I would say from the other side of the argument that Brexit is a great opportunity for the United Kingdom. One of the things we are leaving behind is the scale of the European Union, but that gives us the opportunity to focus on those things that matter most to our country and to have the agility to make changes. On the point of equivalence, about which we have heard some shroud-waving from Opposition Members, my personal view is that the EU will come to regret quite strongly the decision not to provide equivalence on a mutual basis with the UK.

I wish to add three further issues to those contextual factors. The next is that we now have the opportunity to define the role of the financial services sector. We want the sector to be world beating and world leading—the Minister spoke directly about that—but we also need to make sure that, as many Members have said, it contributes to the wider British economy.

The fourth issue has not been commented on today but will be an important test for the regulations under the Bill: the context that we are living through an era of very inflated global assets. What is that going to do to the financial services sector in the next five or 10 years as we unwind the context of quantitative easing and other inflated assets? I would not mind hearing a bit from the Minister on that when he responds.

The fifth point, which the Minister touched on, is on innovation and technology. These regulations will meet a period of much more substantial technological change in finance. This country will be faced with choices between regulation and innovation, and trade-offs will need to be made. Unfortunately, too often in this House, we make vacuous statements about regulations. We talk about maintaining a gold standard on regulations or avoiding a race to the bottom on regulations. Both those statements are completely meaningless because they are entirely in the eye of the beholder. They mean nothing when we communicate them to one another. We should be focusing not on how tough regulations sound when we talk about them, but on how effective

[Richard Fuller]

those regulations are in doing what we wish them to do. What is important about regulations is that they do what they are supposed to do and no more.

There are obviously some areas where regulation is important, as we have seen in the Bill in relation to protecting vulnerable customers. I welcome those measures in the Bill, but it is important to have regulation that promotes competition rather than entrenching established interests. There is a balance to be struck there in terms of innovation, which it will be interesting to discuss. There is also an important need to avoid systemic risk, which has been mentioned.

What concerns me, on the day when we are celebrating the vaccine, is that in our zealotry in this House to impose regulations, we forget that the innovations of private sector companies left to their own devices often provide the best outcomes for the people of our country and around the world. Pfizer, the company that has developed the vaccine we are talking about today, directly refused any Government assistance because it did not want the regulation and bureaucratic hand-holding that came with it. Sometimes we feel that the private sector is unable to deliver things that are a public good, but the truth of the matter is that most public goods are delivered either directly or indirectly by the actions of private companies and private citizens, and not by state diktat. The Bill has to provide the underpinning for that principle of deregulation and freedom for innovation, and for the opportunity for us to take advantage of our leaving the European Union. It must not provide a cloud of regulation that makes us feel good when we talk about it but does not actually do what it says when it is brought to test.

One of my concerns about the Bill is that we might be putting too much reliance on regulatory agencies. This was mentioned by my hon. Friend the Member for Wimbledon (Stephen Hammond) and I know it will be mentioned by other hon. Friends later. There is a subsidiary tendency for us, in our zealotry to regulate, to then pass these matters on to a regulatory agency. The hon. Member for Glasgow Central (Alison Thewliss) made the point that there is too little parliamentary oversight of such regulatory agencies. We do not have the necessary mechanisms in this Parliament. I hope that, as we progress the Bill, the Minister will consider that, given what is contained in the essence of the Bill.

8.37 pm

Bim Afolami (Hitchin and Harpenden) (Con): I am reminded of something that Lyndon Johnson, who is a bit of a political hero of mine, said at some point in the 1960s when he was talking about speeches on economics and finance. I hope I do not test your indulgence too much, Mr Deputy Speaker, because he said that making a speech on economics was a bit like peeing down your leg: it seems hot to you, but never to anyone else. I am reminded of that before I embark on my detailed comments on the Bill. I strongly welcome the Bill, and I do not want to repeat what other hon. Members have said about the good things in it. I speak as a former corporate lawyer working in strategy and restructuring at HSBC. Before that, I was a corporate lawyer at Freshfields and at Simpson Thatcher. Over the weekend, I was speaking to several people in the industry, including a constituent who I happen to have done a few deals with in the

past—a man called Tim Lewis, who is an expert on financial regulation at Travers Smith. There are technical points I want to make to the Minister, and indeed I have written to him separately on some of them. I do not expect him to deal with them all in his summing up, but I think they are worth considering. He is looking forward to that, I can tell.

The Bill's core purpose is to ensure a regulatory regime that continues to operate effectively after the end of the transition period at the end of this year. The first point I want to make is that the Bill empowers the FCA to impose obligations directly on certain parent undertakings of MiFID—markets in financial instruments directive—investment firms. But the current parent undertaking concepts in the Bill go beyond the equivalent EU legislative drafting in two important ways. I will not bore the House by going through that in immense detail, but proposed new clause 143B uses the wider concept of authorised parent undertaking. That matters because, effectively, it covers any entity that is regulated by the FCA. In its discussion paper, the FCA indicates that it currently regulates about 3,000 MiFID investment firms. However, it states on its website that it regulates nearly 60,000 firms in total. Those additional firms include, for example, small credit brokerages and insurance intermediaries. Therefore, the current proposal is, in short, a huge expansion of FCA power over smaller firms, going much further than what the equivalent European regulators can do. That is something we have to think about.

There is another way in which the proposals go beyond the EU regulation, and that is in relation to non-authorised parent undertakings. Today, it is accepted that parent undertakings will be caught by the regime where those undertakings are incorporated in the UK. However, it is not the case that any parent undertaking that has a UK office will be caught by the current regime. For example, a US-incorporated holding company with a US head office and a UK branch would ordinarily be out of scope of the rules.

Why does that matter? It matters because if the definition of non-authorised undertaking is retained in its current form in the Bill and is adopted by the FCA, that would lead to a significant expansion of the current rules. The effect might be to require some firms to restructure to close down existing UK branches of overseas businesses. It might push firms to ensure that overseas holding companies that carry out no substantive operating activities cease all UK activity, such as holding meetings in the UK, to avoid having a UK place of business. Again, this is a technical point, but it is an important one. To come to some of the points that have already been made, the Bill sees a big expansion of FCA powers, and we have to be very careful about that, particularly as we come out of the transition period and they expand beyond what is happening in the European Union. That is a particularly important point.

I also speak as the Member for Hitchin and Harpenden. In my constituency, I have not only many people who work in financial services, but some small financial services firms. The technical term for one group of firms is exempt CAD—capital adequacy directive—firms. The Bill and the FCA discussion paper leave open the question of how such firms will be treated. These firms are investment consulting, corporate finance and private equity firms, and their activities are limited to giving

investment advice and arranging deals. In that sense, they do not hold much money; they are effectively providing advisory services. Today, they have a capital requirement of €50,000. The default position in the Bill is that the new rules will apply to them in full. If that is the case, many will see a significant increase in their capital requirements shortly after losing the benefit of the cross-border EU services passport, which some of them use. The Bill again effectively leaves it to the FCA to determine whether to make an exemption or transitional provision for these firms. Again, I make the point that the FCA needs to be scrutinised really carefully in relation to the powers it has under the Bill.

When making rules to implement and maintain parts of the investment firms prudential regime, the FCA will be required to have regard to a new list of matters. I do not want to repeat all the points made by my hon. Friend the Member for Wimbledon (Stephen Hammond), but these matters relate to important public policy considerations, including the relative standing of the UK as a place for internationally active investment firms to carry on activities. This point needs clarifying a bit further, whether from the Treasury Bench or in the Bill. It is clear what the Treasury is trying to do. It is trying to have a balanced approach between maintaining our reputation as a safe financial services centre in regulatory terms and ensuring that we do not fall too far behind other jurisdictions in our general attractiveness. However, I think we need to push the regulators much harder. I would like further clarity in this Bill on how regulators will need to actively seek to ensure that the UK financial services industry will be able, first, to support the UK economy and our ability to compete with overseas firms internationally, in addition to the UK's relative attractiveness as a place to do business. This may sound like a technical difference, but I assure the House that it is not. If we do not clarify this and do not choose to try to expand the regulator's requirement to think about our relative standing and competitiveness, not just in relation to this investment firms' prudential regime, but across all of its rule making, I fear that this may be another example of the creeping weight of regulation and complexity that we have seen in recent years. I ask the Minister to confirm that the Government will at least consider publishing a financial services strategy in due course.

I wish to talk about how we are going to scrutinise the regulators and how this House and indeed this Parliament as a whole can do that more effectively. It is clear to me that the weight and volume of legislation and regulations after we leave the transition period will be quite significant, and I urge the Minister to consider strongly, within the review that the Treasury is already conducting, setting up a specialist financial services Committee in this House, perhaps a Joint Committee with the House of Lords, to consider not just statutory instruments that come through this House, but the actions of our regulator. What happens without that detailed oversight, involving a specialist group of people who are spending a huge amount of time on it? Financial services regulation is technical, as everybody in this House who has been listening to me for the past 10 minutes knows. We need to consider that.

My hon. Friend the Member for North East Bedfordshire (Richard Fuller) made the point about the huge changes in global finance—the growth in asset prices, and the

increasing role of central banks and quantitative easing. Regulators are playing a huge role in those decisions, yet the oversight by Parliament is relatively slight. So I want the Government to consider how we can strengthen this House's ability to scrutinise our regulators, particularly as they are getting a huge number of powers in this Bill. However, I would like to finish by saying that I commend the Bill, the Minister—I know the hard work he has been doing—and his team. I also commend the industry, which has been feeding in and discussing the Bill with the Government and other Members. The Bill is very important. It is a landmark Bill. I am sure there will be more financial services Bills to come, and I support it.

8.48 pm

Mr McFadden: With the leave of the House, I should like to respond to the debate and pick up on a few of the contributions made over the last couple of hours. The hon. Member for West Worcestershire (Harriett Baldwin) spoke of historic turning points, citing the change of presidency and the potentially huge announcement today on a workable vaccine. She is right about those, but I thought it was a bit of a stretch to include this Bill in the same bracket, as a historic turning point.

The hon. Member for Edinburgh West (Christine Jardine) spoke of the importance of financial services jobs in her constituency and in many other parts of the country. The hon. Member for Thirsk and Malton (Kevin Hollinrake), as chair of the all-party group on fair business banking, spoke of some of the past banking scandals, mistreatment of small businesses and so on. The hon. Member for Wimbledon (Stephen Hammond) told us that this might be the first of several such Bills, which gives us all something to look forward to in these long winter nights. He gently and right reminded us of the contrast between where we are and what was promised. He and the hon. Member for Hitchin and Harpenden (Bim Afolami) focused on the issue of accountability frameworks and the role of Parliament. That is very important because—let us be honest—that is what the discussion will be like in the Treasury. We have this big increase in regulatory focus in the UK. We have these existing regulators. We are going to pass a lot of this new power to the regulators through the onshoring of these directives and MPs will be standing up in Parliament saying, “Well, what about our role in this?” I suspect there is some scepticism about giving Members of this House a very active role in these regulations.

Exactly the same discussion took place during the financial crisis. Here, in the United States and in other countries, emergency measures had to be introduced and decisions had to be taken quickly by Executives, and the discussion was: what role for elected politicians? Hon. Members can be sure that there will be significant resistance to giving MPs in this House a big role in things such as capital ratios or whatever else is being discussed.

We will continue to debate these issues. To recap, our approach will be to protect consumers and the wider economy as these measures go through; and to focus on accountability frameworks and try to bring them closer to the policy aims of finance and what it can really do. We have broadened our understanding of that. The Chancellor, whether he meant to or not, has opened the door for us to discuss that through his statement this afternoon on the importance of green finance. Thirdly,

[Mr McFadden]

our approach will be to try to ensure that this globally significant industry operates on the basis of finance that is clean, that is not a place for illicit funding and stops any race to the bottom on standards.

I look forward to debating these things with the Minister in Committee, but it is impossible not to contrast what is before us with what was promised all the way through and what was said earlier. The announcement today on equivalence is not taking back control; it is the opposite of taking back control. It was a symbol of our lack of control. It was, in fact, an act of unilateral financial disarmament. We decided to give companies operating here, for reasons of market continuity, the right to continue to practise. I understand why that was done, but the fact that we have no guarantee of what the response will be is a symbol of where we have ended up. It is certainly not taking back control. I fervently hope that that move is reciprocated, because that is in the interests of UK companies that are trading abroad, jobs here and this very important industry, but the fact that we cannot guarantee it and have no control over it speaks volumes about where we have ended up in this process.

The announcements on green finance were welcome, but they are not in the Bill. We have to ask why not, given that the Chancellor chose today to make his announcements, just an hour or so before we started debating the Bill. I am sure we will discuss that as we go forward.

To repeat, we have to have a UK-based system as a consequence of leaving the EU, and we will not oppose the Bill because we understand that reality, but that does not balance out or make up for the significant downgrading of our globally important financial services sector in the Brexit negotiations that are taking place at the moment. The fact that it is not front and centre in what we are trying to negotiate speaks volumes about where we have ended up.

8.54 pm

John Glen: With the leave of the House, I too would like to speak a second time. I thank hon. and right hon. Members for their contributions and I welcome the broad support that I believe exists across the House on the Bill. Clearly, I will not be able to address all the points that have been made, but I have taken extensive notes and I shall write to colleagues where I feel I can say something meaningful at this point. But I look forward to further comments to address some of these points in Committee.

The right hon. Member for Wolverhampton South East (Mr McFadden) is right to say that the UK is a key player in the global effort to ensure that globally active banks are subject to strong regulation. I have huge respect for him and his experience in Government. I think he set out very clearly and plainly the fundamental challenges with which we are grappling in this industry. The track record we have in the United Kingdom should give him and other Members comfort that this Government have no intention of watering down regulations that have been agreed on the international stage. High-quality, agile and responsive regulation is absolutely key to the continuing success of the UK financial services

sector and to addressing the potential challenges raised by my hon. Friend the Member for North East Bedfordshire (Richard Fuller) in his characteristically powerful speech.

On the matter of equivalence, I would like to address the wide-ranging questions from across the House. Equivalence assessments are an autonomous technical process. We have been clear from the beginning that the politicisation of equivalence is in no one's interests. We are committed to an outcome-based approach. That means acknowledging how different approaches to regulation can achieve the same regulatory objectives.

A number of Members, including the right hon. Member for Wolverhampton South East, raised green finance. While he acknowledges that it is not directly related to the Bill—he wonders why—I hope the measures announced today show that the Government take their commitments in the green finance space very seriously. I look forward to engaging with him on the substantive points about how regulatory oversight works with the announcements made today.

I welcome the comments from the hon. Members for Glasgow Central (Alison Thewliss) and for Aberdeen South (Stephen Flynn) regarding overseas trust. The Government are taking proportionate and effective action to prevent the misuse of trust, through clause 31. The Government also intend to implement a register, the first of its kind, of beneficial owners of overseas entities that own or buy land in the UK.

Alison Thewliss: Will the Minister give way?

John Glen: I would be very happy to give way, as always.

Alison Thewliss: We both know that the Registration of Overseas Entities Bill was a Department for Business, Energy and Industrial Strategy Bill. Does the Minister have any further gen on what happened to it and when it might come back to this House?

John Glen: I think I have demonstrated that I have quite a lot to deal with in the Treasury, but I would be very happy to correspond with the hon. Lady further on the status of that Bill. I know she takes a very close interest in those matters.

On the hon. Lady's words on the duty of care, the Government believe that the FCA, the UK's independent conduct regulator, is best placed to evaluate the merits of a duty of care. She will know that last year the FCA published a feedback statement on its discussion paper on duty of care and announced that it will undertake further work to examine how best to address potential deficiencies in consumer protection, in particular by reference to its principles for businesses. The Government will continue to engage with the FCA, as I have done during my time in office, on a very regular basis.

The first objective of the Bill is to enhance the UK's world-leading prudential standards and promote financial stability. On that theme, my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) asked a number of characteristically insightful questions that I expect to cover in detail in Committee. But I will also look to respond to his letter urgently.

Let me address the constructive points made by all Members on the important issue of the democratic oversight of the regulation of the financial services sector. Our independent expert regulators are a key strength of

the UK's existing framework. The right hon. Member for Wolverhampton South East and my hon. Friend the Member for Wimbledon (Stephen Hammond) should be reassured that it is these expert regulators who will be setting the firm-level requirements. We therefore think that they should continue to play a central role in developing and maintaining regulatory standards, in line with their statutory objectives. However, as my hon. Friend the Member for Wimbledon pointed out, that must be balanced with appropriate strategic policy input from Government and parliamentary scrutiny.

This Bill delivers for the specific purposes of implementing the remaining Basel standards and introducing a new prudential framework for investment firms. It introduces an enhanced accountability framework, specifying regulatory principles that the regulators must have regard to, as well as additional consultation and reporting requirements for the regulators when implementing the changes in the Bill. That sits alongside their existing statutory objectives. In addition, I recently issued a consultation on broader reforms to the regulatory framework as a whole: the future regulatory framework review. As I noted in my earlier remarks, this Government are committed to promoting openness to overseas markets. That is the Bill's second objective.

My hon. Friend the Member for West Worcestershire (Harriett Baldwin), who is one of my predecessors, spoke to our ambitions for building our relationship with the USA in the area of financial services. I value her comments. It is important that we continue to maintain a truly global outlook, and we have well developed regulator-to-regulator relationships. I thank my hon. Friend the Member for Bromley and Chislehurst (Sir Robert Neill) for his intervention concerning the Gibraltar authorisation regime. A number of Members mentioned the overseas funds regime, for which I am grateful, and I hope that the complexity of this technical measure can be fully discussed in Committee.

As our third objective, it is essential that we maintain the effectiveness of the financial services regulatory framework and sound capital markets. I have outlined the measures in the Bill that will help to achieve both those things. Finally, I listened with particular interest to the typically well-informed speech from my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake). He covered a lot of important issues, some of which I may have heard before, and I look forward to discussing them further, as I always do; we do discuss these matters further, and we do make progress on some of them.

This Bill is a critical first step in taking control of our financial services legislation. As I said, it has three objectives: to enhance the UK's world-leading prudential standards and promote financial stability, to promote openness to overseas markets, and to maintain the effectiveness of the financial services regulatory framework and sound capital markets. I am confident that the Bill will succeed in achieving all three, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

FINANCIAL SERVICES BILL (PROGRAMME)

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

That the following provisions shall apply to the Financial Services Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 3 December 2020.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets. Proceedings on Consideration and up to and including Third Reading

4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.—
(*David T. C. Davies.*)

FINANCIAL SERVICES BILL (WAYS AND MEANS)

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

That, for the purposes of any Act resulting from the Financial Services Bill, it is expedient to authorise provision enabling sums payable in respect of a debt in accordance with a repayment plan under the Financial Guidance and Claims Act 2018 to be payable towards costs of operating repayment plans of the debt respite scheme operated under that Act.—(*David T. C. Davies.*)

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (COMPETITION)

That the draft Competition (Amendment etc.) (EU Exit) Regulations 2020, which were laid before this House on 30 September, be approved.—(*David T. C. Davies.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (ENVIRONMENTAL PROTECTION)

That the draft Timber and Timber Products and FLEGT (Amendment) (EU Exit) Regulations 2020, which were laid before this House on 5 October, be approved.—(*David T. C. Davies.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EDUCATION

That the draft Education (Exemption from School and Further Education Institutions Inspections) (England) (Amendment) Regulations 2020, which were laid before this House on 1 October, be approved.—(*David T. C. Davies.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (HEALTH SERVICES)

That the draft Reciprocal and Cross-Border Healthcare (Amendment etc.) (EU Exit) Regulations 2020, which were laid before this House on 30 September, be approved.—(*David T. C. Davies.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EXITING THE EUROPEAN UNION (SANCTIONS)

That the draft Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020, which were laid before this House on 16 September, be approved.—(*David T. C. Davies.*)

Question agreed to.

DELEGATED LEGISLATION (ELECTORAL COMMISSION)

Ordered,

That the Motion in the name of Mr Jacob Rees-Mogg relating to the Electoral Commission shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice has been given that the instrument be approved.—(*David T. C. Davies.*)

DIGITAL, CULTURE, MEDIA AND SPORT

Ordered,

That Philip Davies be discharged from the Digital, Culture, Media and Sports Committee and Mrs Heather Wheeler be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

INTERNATIONAL TRADE

Ordered,

That Robert Courts be discharged from the International Trade Committee and Anthony Mangnall be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

PUBLIC ACCOUNTS

Ordered,

That Mr Gagan Mohindra be discharged from the Public Accounts Committee and Shaun Bailey be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

Small Breweries Relief

Motion made, and Question proposed, That this House do now adjourn.—(David T. C. Davies.)

9.5 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Diolch yn fawr iawn, Ddirprwy Lefarydd.

I, like the vast majority of Members of this House, am proud to speak up for the excellent independent breweries of my constituency. These include inspiring beers from Cwrw Llŷn of Nefyn, Cader Ales in Dolgellau, and Porthmadog's Mŵs Piws—which I imagine does not need translating as Purple Moose—as well as Myrddins Brewery and Distillery of Barmouth. Other bragdai bach of the county of Gwynedd include Bragdy Llew in Penygroes, Snowdonia Brewery of Waunfawr, and Cwrw Ogwen in Bethesda.

This debate is not intended to be a language lesson, but I think Members will know the meaning of the words “cwrw” and “bragdy” when we have finished. The word “bragdy” is very similar to “brewery” because it is the same thing. “Cwrw” is an old Celtic word—Welsh word—meaning beer, but Members may recognise it from other places with words such as “cerveza”. There is a real pedigree to these words. I will not indulge myself any further, because given half a chance I will.

All in all, Wales is home to about 90 independent breweries. However, these small breweries have to hold their own against the global beer companies that dominate the pub handpulls, the bar taps and the supermarket shelves. The small breweries relief scheme was launched in 2002 to allow them to compete and to compensate for lack of market access. It gave independent breweries a fighting chance to get their beers out to a public thirsty to taste something new and different.

Jim Shannon (Strangford) (DUP): I am very pleased to see how many people have arrived in the Chamber, so there is a common denominator that brings us together. I congratulate the right hon. Lady on bringing this debate forward; she does so well in doing so. With one in eight staff in the pubs and breweries industry already having been made redundant so far, does she agree that any relief scheme must include an extension of business rates holidays, with consequentials for the Northern Ireland Assembly and the other devolved Administrations to do the same, as with other areas? This must be extended to suppliers and to their business premises. These companies can continue to produce but have no market to sell to. There really needs to be something done, and we look to the Minister to give us the response that we are after.

Liz Saville Roberts: It is of course an honour to be intervened upon by the hon. Gentleman. I really appreciate his intervention, and I will touch on that matter further. In the time in which we find ourselves, our breweries have been affected as much as the pubs that have been closed, and the pubs have received considerably more support than the breweries in the difficult recent months.

Jonathan Edwards (Carmarthen East and Dinefwr) (Ind): I am grateful to my right hon. Friend for securing this debate and bringing this issue before the House. She mentioned the tax relief that helped small brewers to compete against the large companies. Does she suspect that these large companies have been bending the ears of the Treasury?

Liz Saville Roberts: I am sure that the small handful of global beer companies have a very effective lobbying system. It is of course our job to lobby here as well on behalf of our constituencies and small breweries.

Mrs Maria Miller (Basingstoke) (Con): I commend the right hon. Lady for calling this debate today. I am just reflecting on what she is about to talk about, which is the uncertain business environment that our small breweries face and the fact that the consultation that led to the Government recommending this change in rate relief was carried out at a very different time. Does she agree that perhaps this is time to pause so that breweries such as Andwell Brewery in my constituency can get the certainty that they need as we move forward?

Liz Saville Roberts: I entirely agree with the right hon. Member. At this time now, even if the changes were to be introduced in January 2022, we are, none the less, presenting the breweries with uncertainty that they desperately do not need. The timing of this is really significant and now is not the time to be mentioning these changes, let alone to be moving ahead with them.

I wish to move ahead, although I truly welcome all the contributions from the many Members here, because I am sure that we are all doing the best for the brewers in our constituencies.

Alison Thewliss (Glasgow Central) (SNP): Before the right hon. Lady moves on, I wanted to mention Niall Kennedy of the excellent Wee Beer Shop in Pollokshaws Road in my constituency. As a small independent business, it sells lots of the beers that come from these breweries. Does she agree that the Government should look at this more widely, because those small shops have also struggled through coronavirus, and they rely on the beers that come from these companies, too.

Liz Saville Roberts: The fortune of these shops—I have a similar one, Stori, in Bala in my constituency—is dependent on the success and the flourishing of the small breweries.

I will, if I am allowed, go back in time to 2002. My understanding is that the Government of the time decided to introduce reduced rates of duty for three reasons, and I think we should pay attention to these. The first was the poor profitability of small breweries relative to that of larger breweries, which enjoyed better economies of scale of production.

Jane Hunt (Loughborough) (Con): Charnwood Brewery in Loughborough is successful as a local brewery, with a local supply chain and a local distribution area. These small independent breweries serve their customers well. They do not want to merge and they do not want to grow. They are happy as they are. Does the right hon. Lady agree that small breweries relief enables businesses to remain viable and to remain small?

Liz Saville Roberts: It does indeed. One thing that characterises our small independent brewers is their stake in their local community and that is something that is precious to all of us.

Let me move ahead. The second of the three points from 2002 that the small breweries relief was to address was the difficulties faced by small breweries in bringing

their goods to market and in competing with larger breweries, which would offer bigger discounts to wholesalers, and I believe that that very much still holds true. The third point is the importance of maintaining diversity within the beer industry and preserving choice for the consumer. We should respect these underpinning principles today as well. Despite the boom in craft brewing over the past decade—

Darren Henry (Broxtowe) (Con): May I congratulate the right hon. Lady on securing this important debate? After hearing from many of my constituents in Broxtowe in this trade, not least Ginny and Rob Witt who own the microbrewery Totally Brewed, I, too, am concerned that small breweries are falling through the cracks with little support, despite their vital role in the hospitality business. Does she share my concern that we need to support and offer clear guidance to be laid out for small breweries and hospitality supply chain businesses?

Liz Saville Roberts: I entirely agree with the hon. Gentleman. Of course we can all agree that there is support for the hospitality industry, but the small breweries industry is an integral part of that. If we see that collapsing, it somehow begs the question that there is a discrepancy there.

Let me move ahead now. Despite the boom in craft brewing over the past decade, it remains the fact that nearly 90% of beer consumed in this country is still produced by a handful of global companies, and, despite their numbers, small breweries still only represent about 7% of all the beer sold in the United Kingdom.

The small breweries relief scheme allows independent brewers to pay a proportionate amount of duty to the Treasury, just like income tax. Its success is self-evident with at least one brewery in every constituency. The numbers who are here tonight pay credit to that.

Jonathan Gullis (Stoke-on-Trent North) (Con): I would like to add my name to the long list of others who have thanked the right hon. Lady for securing this very important debate. I am proud to represent Titanic Brewery in the constituency of Stoke-on-Trent North, Kidsgrove and Talke, which benefited in 2002 from the small breweries rate relief. Those from the brewery said to me in advance of this debate that they are really shocked. Even though now, with the amount they are able to brew, they would not benefit from the scheme, they find it “perverse”—that is the word they have used—that we would see such market interference and reduced competition in the marketplace. Does she therefore agree with me that this, as she has already stated, is completely the wrong thing to do at the present time?

Liz Saville Roberts: I agree with him entirely, and the hon. Gentleman is reading my mind, because that is exactly the subject I would like to move on to now. As I have said, many of us have at least one brewery—many of us, far more than that—in our constituency.

Duncan Baker (North Norfolk) (Con): The right hon. Member is most generous in giving way, and I thank her so much for bringing such an important debate here this evening. I recently visited the fantastic small brewery of Moon Gazer ales in a small village called Hindringham in my North Norfolk constituency. The right hon. Lady is

[Duncan Baker]

coming on to the small breweries relief in a minute, but this brewery is now eight years old. It was set up by a husband and wife team—David and Rachel Holliday—and it is just one of 150 that would be disproportionately affected by the Government's cutting of the small breweries relief. That impact alone would cost them a potential extra £100,000, with no ability to expand because of the rural market they are in. Does she agree with me that the Government must be sensible and look carefully at the 150 brewers that will be significantly caught by these changes?

Liz Saville Roberts: While we have a success story that we can all celebrate, we have to recognise how vulnerable it is at present. Again, in the interventions during this debate, we are hearing about the life's work and the dream for many people in a constituency. They have this wonderful business, which is fully functional, and now it is faced with a threat. We will be hearing, I am sure, about the 150 small breweries that specifically fall into the remit of the change for the small breweries relief, but there is actually a wider concern about another aspect of the announcement that the Government made back in July, which I will touch on later, and that is the change from a percentage to a cash basis.

Craig Mackinlay (South Thanet) (Con): This debate is fantastic, and we all have a story to tell of great breweries in our constituencies, many of which are fairly new because of this relief, without which they would never have happened. I think we would all salute the great work of CAMRA—the Campaign for Real Ale—and other organisations that have promoted this huge variety of very local, very flavoursome, fantastic ales that we would not otherwise have had. I remember—people have to be of a certain age to remember—the real scare stories of the whole market being dominated by the big boys. We should be encouraging these craft local companies that are wedded to our communities, and I am thinking particularly of the Ramsgate Brewery in my constituency, headed up by a fantastic head brewer, Eddie Gadd.

Liz Saville Roberts: We now have a vast choice, with a fantastic variety of beer on offer. We have the greatest number of breweries in the United Kingdom since the 1930s, and I think that is something to celebrate. The SBR has broken the monopoly of production, if not yet that of consumption. It has unleashed a pioneering spirit of independent brewery enterprise, which is something to which we can all raise our glasses, even the Tory party.

Kevin Hollinrake (Thirsk and Malton) (Con): I am very grateful to the right hon. Member for bringing forward this very important debate. I have met Bad Seed Brewery and Brass Castle Brewery from Malton to discuss these essential changes. Does she agree that we should always look for incentives for small and medium-sized enterprises to establish in whatever sector, but not least in the brewing sector? We should also try to avoid any disincentive for businesses to grow, as can sometimes happen with artificial thresholds. I know this is part of the consultation, and perhaps it is something we should consider in more detail.

Liz Saville Roberts: Whatever the incentive, it is evident since 2002 there has been an incentive to increase the number of breweries, and we need to be alert to what could be disincentives, and to uncertainty and how that can operate as a disincentive.

Elliot Colburn (Carshalton and Wallington) (Con): The right hon. Lady is being incredibly generous in giving way, and I would like to add my thanks to her for calling this debate this evening. I have met small breweries such as Anspach & Hobday and Signal Brewery in my constituency of Carshalton and Wallington. Both breweries have expressed many similar concerns to those mentioned by the right hon. Lady. On the subject of incentives, does she agree that now is the wrong time to be disincentivising business growth in the sector, especially in the context of the pandemic—now is not the time to be doing that?

Liz Saville Roberts: The hon. Gentleman has exactly summarised where I want to go. Progress is under threat, and now is not the time for this. The Government have recently made these proposals, and, forgive me, but it seems to me that the Treasury is intent on cutting the support to small breweries, which produce only a fraction of what the global breweries put out, and making sure that they will therefore have to pay more duty to the Chancellor.

In July, the Minister announced that the 50% threshold for the small breweries relief scheme would be reduced from 5,000 hectolitres to 2,100 hectolitres. For those not fluent in brewers' terms, this means more than halving the support for small breweries from about 900,000 pints to about 370,000 pints. At least 150 small breweries will see a considerable tax rise as a direct result. To make matters worse, Ministers have failed to supply details; all small breweries have to go on is a couple of lines in written statement from the Financial Secretary to the Treasury published on 21 July. The Minister has provided no detail of the changes, no detailed response to the consultation, no impact assessment and no comfort to the small breweries, which have been given no idea by this Government how much extra they will have to pay.

My Plaid Cymru colleagues and I have written several times to the Chancellor about this regressive policy, but have yet to receive a detailed evidence-based answer. Perhaps the Minister can confirm today when we will get the technical consultation mentioned in the written statement in July, which was due in the autumn. I think it is safe to say that the hops and barley are long since safely gathered in, but the consultation is nowhere to be seen.

These are small businesses employing, say, half a dozen people, operating in an extremely competitive industry characterised by tight profit margins. They are battling the impact of covid-19, having seen sales sink by 80% during lockdown. They did not receive access to the hospitality grants, nor have they benefited from business rates holidays, as we heard. They are facing difficult decisions on whether to bring staff back from furlough, whether to invest in their businesses, or even whether to continue. Many of us have heard sad stories of breweries that are no longer in business. The Government's decision not to include small breweries in grants and the business rates holiday means that already

two small breweries a week are closing for good. If the changes to small breweries relief go ahead, many others are likely to follow.

The Minister also claims that the changes will not affect the vast majority of small breweries, but the move to a cash basis also announced in July's written statement will mean that the support offered to all small businesses is under threat and looks set to be eroded over time. Instead of being assessed as a percentage, the Chancellor will get to decide the cash rate at each Budget, and there is no guarantee that the rate will improve, or even keep up with inflation. Currently, the top rate of beer duty is £19.08 per hectolitre; the small breweries relief is at 50% and therefore stands at £9.54 per hectolitre. The proposed change creates immense uncertainty. If the purpose of July's announcement was to support growth and boost productivity, breweries must surely be able to plan over the long term. That is not what is proposed in the written statement.

There is an alternative to the Treasury's proposals which will guarantee a future for our small breweries. The Society of Independent Brewers, which represents 80% of professional brewers, has proposed changes that maintain the 50% rate at 5,000 hectolitres and allow the scheme to be reformed to address the cliff edge, which was a cause of concern, and barriers to growth in the current scheme without any brewer being worse off. I urge the Minister to study those proposals carefully as a way forward, so that we do not lose our small brewers, which, let us remember, are responsible for 6,000 jobs across all the nations of the United Kingdom, and which contribute £270 million a year to gross domestic product, and who knows what to gross national happiness?

The Minister now has the chance to bolster our small breweries, to guarantee their future and to ensure that they can continue to serve their communities, create jobs and support the economy. I urge her to alter course and not to make changes to relief for any brewers below 5,000 hectolitres and not to introduce the cash basis, and by doing so to give hope to all our small breweries, in my constituency and beyond. In her reply to the debate, will she respond to the following questions? When will the technical consultation be published? How will she take the impact of covid-19 on the industry into account when considering changes? Given the number of people who have contributed to this debate, will she please consider meeting a deputation of MPs to discuss the issue in greater detail?

We are coming—forgive me—to closing time. Those of us who have partaken of Largo, Cwrw Llŷn's legendary pilsner, named after a fisherman who lost his heart to a mermaid, know this to be a time when, *pyll biau hi*, sense and restraint must prevail. Otherwise, later we may sorely regret the error of our ways when, like Largo and his mermaid, we realise what we have cast away.

9.25 pm

Grahame Morris (Easington) (Lab): I congratulate and thank the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). With a name like "Morris", I should really be able to speak Welsh, and I am fifth generation Welsh. We are discussing a really important subject and I am pleased to have the opportunity to make a few brief points in this debate which, unexpectedly, is a little longer than originally planned.

It is tempting to lapse into puns and humour, but this is a serious business. As you know, Mr Deputy Speaker, I love beer, me—I love Indian pale ale, I love the ruby reds, I love a craft lager. I love all beers. Tonight we are talking not about the mass production of the big six brewers; we are talking about small breweries of which there are 90 in Wales, and 2,500 across the country, including Castle Eden Brewery—I must mention my one brewery, or they would never forgive me, and it produces what is probably among the finest beer in the world.

John Healey (Wentworth and Dearne) (Lab): What's it called?

Grahame Morris: Castle Eden ale. I highly recommend it.

As the right hon. Lady indicated, we are talking about the important issue of whether the Government, intentionally or unintentionally, are introducing anti-competitive practices. It has been suggested, perhaps not without foundation, that the large breweries have the ear of Ministers. Let us be in no doubt: the abolition of small breweries relief will be the death knell for many small brewers across the country, including in Wales and the whole United Kingdom.

As has rightly been pointed out, the introduction of small breweries relief led to a renaissance in British brewing. Those reforms should go towards strengthening the small, independent and craft brewers that we are so proud of, and that tourists and indigenous people on these islands love in equal measure. I hope that the Government will not make any changes to breweries that produce below 5,000 hectolitres, as to do so would threaten our craft beer industry, and local jobs in constituencies such as mine. Even worse, consumers such as me would ultimately lose out, with less variety and choice of beer. We should celebrate the diversity of brewers and different beers and tastes, and we should not do anything that will jeopardise that.

I worry that the decision to convert small breweries relief from a percentage to a cash basis threatens the long-term value of that rate, if it does not keep pace with the main rate. We get lost in numbers. What does 5,000 hectolitres mean? That is 3,000 old brewers barrels. My brewery, Castle Eden Brewery, produces just over 3,000 barrels, or 5,000 hectolitres. Compare that not with one of the big six or big four that produce millions of hectolitres, but with Camerons Brewery in Hartlepool, which is a producer of fine beer and produces 1 million hectolitres. It is impossible for a small brewery to compete with the economies of scale that a large brewery can bring to bear. Unless careful thought is given to it, the taper above 5,000 hectolitres will effectively bring an end to this prized and valued sector.

I promised to be brief, so I have just a couple of questions for the Minister, having listened to several debates and questions on the issue. Does she accept that cutting the threshold will lead to small breweries paying more duty? Does she understand that that will result in some small breweries closing? We must remember that the premise of the relief was that it would be revenue-neutral. How will she judge the success of the policy: by the number of UK small breweries, by the number of people employed by the industry, or by the reduction in market share of the big four that dominate? I would very much like to know what the Treasury's objections are and how it will measure success.

9.30 pm

The Exchequer Secretary to the Treasury (Kemi Badenoch): I congratulate the right hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on securing the debate, and thank right hon. and hon. Members for their contributions to it.

In recent years, the UK has been home to something of a craft beer renaissance. Time-honoured brewing methods that were slowly starting to disappear have gained a new lease of life. Customers have benefited from an exciting and far wider choice of beers and ales, while the number of small brewers has increased tenfold over the past three decades. The craft brewing trend is an international phenomenon that predates small brewers relief, but the relief has undoubtedly helped to encourage new breweries to enter the market and compete against larger and more established businesses.

The layperson may therefore wonder: if the relief is seemingly so effective, why are the Government reviewing it? The answer is simple: because the industry asked us to. As hon. Members may be aware, small brewers relief is not uniformly popular in the brewing sector. In fact, the beer writer Martyn Cornell once suggested that a surefire way to start a fight was to mention the subject at a brewers convention.

Liz Saville Roberts: It was to be anticipated that the Minister would mention the industry's requests, but what the industry requested was that the cliff edge be addressed. When addressing the cliff edge, there is no reason to reduce the 50% rate below 5,000 hectolitres. That does not affect the cliff edge; it just moves it.

Kemi Badenoch: I disagree. It does affect the cliff edge: a taper smooths it out and stops the point at which growth is actively discouraged.

Two main charges are levied at small brewers relief by its critics: that it unfairly distorts competition and that it fails to match the true nature of industry production costs. It is argued that that penalises the best producers, inhibits growth and disrupts normal business activity. I should point out that those criticisms were made not by the multinationals that dominate the global market, but by local and mid-sized regional brewers. As hon. Members might imagine, no two brewers will agree on absolutely everything, but a lack of consensus should not be a barrier to action where it is required.

The Treasury therefore announced in 2018 that it would review the relief to consider the views of the whole market on the topic. Since then, we have considered a range of evidence, from direct submissions from individual breweries to independent academic research. We will publish more information about the evidence that we have received as part of our upcoming consultation on small brewers relief later this year.

Mrs Miller: The evidence that the Government need includes a baseline of production so that they know how many breweries are producing however much beer over a period of time and can then calculate the appropriate rate of tax relief so that it is cost-neutral. How will the Minister do that when over the past six months there has been such a distortion in the market with regard to production rates? Many of the breweries that would previously have been well above the 5,000 hectolitre barrier will probably now be well within it. Will that not

make her life very difficult? Would it not be better to delay things until the industry has settled down again?

Kemi Badenoch: My right hon. Friend asks a really good question. The truth is that there is never a good time according to the industry; there is never a perfect time. When people have a dispute, it depends on which side of the argument one listens to. This will be addressed in the technical consultation. We must remember that this measure is not coming in until 2022, so there will be time. We will publish more information about the evidence that we have received as part of our upcoming consultation, which will be towards the end of the year.

Ben Lake: I appreciate the Minister's point that there is never a good time to try to get consensus from the industry, but surely we can agree that the past nine months has seen quite exceptional circumstances that have had an impact on the entire industry, whether that is small breweries or the bigger ones, particularly given the uncertainty with the on-trade. Breweries such as Mantle Brewery and Penlon Brewery in my constituency of Ceredigion are also so dependent on tourism. Surely introducing these changes at a time of such uncertainty is unwise and should be reconsidered.

Kemi Badenoch: That point would be valid if it were proved that every single business was going to be negatively affected. If hon. Members let me get to the point, they will see that that is not actually the case. My officials could probably give me enough material to talk about this issue alone for an hour. However, I will summarise and make the key points. All the evidence points to the fact that small brewers relief does not match industry production costs. Economies of scale in brewing are rather gradual and do not match the all-or-nothing approach adopted by the current scheme. In fact, some of the evidence suggests that there is a growth trap, whereby brewers in a certain range enjoy lower production costs than brewers many times their size as a result of small brewers relief. This is not healthy for any industry.

The amount spent on the scheme has grown rapidly, from £15 million in 2002 to over £65 million in 2019, despite the fact that beer volumes were down over 30% during this period. We owe it to taxpayers to make sure that these growing sums are being used in the most effective way.

Grahame Morris: I am sure that the Minister is responding in earnest based on her officials' advice, but as someone who has taken a bit of time to meet small breweries and their organisations, I know that it is impossible for a small brewery to compete with the larger breweries. I am not just talking about the big four or the big six, but even the larger regional breweries. The economies of scale mean that it is impossible. Without small brewers relief, we will lose the diversity and choice that we all value so much, including Members across the Chamber on the Government Benches. Will she please look again at that advice, because the information that we are getting shows that this change is going to have a devastating effect on small brewers?

Kemi Badenoch: I am a constituency MP as well as a Minister. This is not just officials' advice. I spoke to many industry stakeholders and pubs on the day of the announcement, and there are breweries in all Members'

constituencies that will benefit from this change. If we had done the opposite, those breweries would have written to Members and I would be standing here making exactly the same sorts of protestations about why we had made a different decision. There are no easy answers here. There is no solution that will make everyone happy. We all have constituents on each side of the fence. If the hon. Gentleman would like, we can give him the details of breweries in his constituency that have benefited from this decision.

Let me return to the announcement in July of the review's first outcomes. First, we said that we would change the scheme's taper so that relief was withdrawn more gradually over a wider range of production. In particular, the taper would start at 2,100 hectolitres—just over 1,000 pints a day—to match more closely the empirical evidence relating to production costs. Secondly, we said we would look at whether there should be transitional relief for breweries that merge. Thirdly, we said that we would convert the relief to a cash basis, as Members have mentioned, so that it would index with the nature of industry costs, rather than changes to the headline beer duty rate. I will return to the cash business point shortly.

I am aware that the July announcement has been the source of a great deal of discussion in the industry, the trade press and all our inboxes. I reassure hon. Members that the Treasury is not abolishing the relief. Some will know that, but not everyone realises that the reverse is true. We will continue to use small breweries relief to channel tens of millions of pounds into craft brewing.

Not every criticism of our policy has been accurate—indeed, there has been a degree of hyperbole from brewers who perceive that they will be commercially disadvantaged. Let us address some of the criticisms of the policy head on. First, there is the idea that no brewers support these reforms. On the contrary, as I mentioned, many, such as Lancaster Brewery, Hogs Back and Theakston, have welcomed them. Those are not gigantic multinationals but local and regional champions of craft beer and real ale.

Secondly, there is the allegation that the change is being made at the behest of a small number of brewers to drive competitors out of business. Nothing could be further from the truth. In fact, during our review we engaged with over 300 brewers of many different sizes to understand the impact on every aspect of the industry. We have no intention of favouring one group over another. It is quite sad that the hon. Member for Easington (Grahame Morris) and others have insinuated that. We have no intention of doing that.

Grahame Morris: It is important that we realise the distinction. Some of the breweries the Minister quoted are relatively large regional breweries. I am a great admirer of Theakston—its product is fantastic—but it may produce a million hectolitres. I do not know what the figure it is—perhaps she does—but Camerons Brewery in Hartlepool, which she has probably never heard of, produces a million hectolitres. I am not surprised that she is hearing that message from the big six and the large regional brewers, but that is at odds with the interests of the 2,500 small brewers we are arguing for today.

Kemi Badenoch: I am afraid that the hon. Gentleman is still incorrect. I will come to the percentage of brewers that are actually affected in a moment, but nothing could be further from the truth than to say this is being done to help large brewers. It is not.

Thirdly, there is the criticism that the change will lead to the collapse of the small brewing sector. Simple arithmetic shows that critique does not stack up. In 2019, about 80% of brewers produced less than 2,100 hectolitres, so 80% of brewers are not affected. Meanwhile, less than 8% of brewers produce between 2,100 and 5,000 hectolitres—the 1,000 pints a day point going forward. Modest tax changes affecting a narrow slice of brewers will not spell the end of craft beer.

Hon. Members have made the point about taxing small brewers in the middle of a pandemic. We realise that, but this long-standing issue in the industry well predates covid-19. As I said, the first review was announced in 2018, and brewers were engaged on the topic well before that. The debate has to be settled. We have been clear that reforms will not come into effect until 2022 at the earliest, to give brewers time to adapt.

Andrew Jones (Harrogate and Knaresborough) (Con): I recognise the strength of emotions that we see across the House and are all showing. The Minister is right to say that this policy has been a source of disagreement within the industry, and it has been going on for years. I had a bit of a role in it, having started some of the work that led to the review. I tried to get the industry to come together to find a solution, but that was not possible. We surely need to create a structure that allows smaller and new businesses to be created while also incentivising growth.

One of the most depressing conversations I had in my research on the subject was when talking to a brewer who said he had stopped exporting because, if he continued to do so, that would have taken him over the cliff edge. That is bad for business and bad for UK plc. There is a problem to solve, and the Minister is doing the right thing in trying to bring it to a conclusion and to incentivise growth in this sector, which we all clearly love very much.

Kemi Badenoch: I thank my hon. Friend for those excellent points. Having done this job himself, he knows the issues at stake.

I will continue to address points raised by hon. Members. I said that 80% of the total brewing population is not affected, because those producing 2,100 hectolitres—1,000 pints a day—will not face any tax changes at all. It was also proposed that we should smooth the taper above 5,000 hectolitres. That would give the large brewers a big advantage at a significant cost to the Exchequer. We do not think we should give small breweries relief to brewers producing tens of millions of pints.

Grahame Morris *rose*—

Kemi Badenoch: I will no longer give way to the hon. Gentleman. I have answered the question of who this should benefit.

On why we are converting to a cash basis, brewers provided feedback that the relief was not tracking their true production costs and was increasing in value in real terms. We also know that the amount spent on the scheme has increased significantly. The right hon. Member for Dwyfor Meirionnydd spoke about 2002. It was £15 million then; it was £65 million in 2019, even while brewing volumes have declined. A cash basis conversion allows

[*Kemi Badenoch*]

us to review annually the value of the relief, meaning that we can track it in line with changes to industry costs.

Liz Saville Roberts: I ask the Minister to consider the point that the cash basis is at the heart of the uncertainty that breweries are telling us about. They do not know whether it is worth investing in the here and now. I know that Cwrw Llŷn, for example, is prepared to invest, but the shift from a percentage basis to a cash basis means that breweries have no certainty from year to year what sort of duty they will be paying.

Kemi Badenoch: I take the point the right hon. Lady makes, but the Treasury is not doing this to squeeze small brewers. We are not making any money from it either. The reason we are doing it is that industry has asked us to do it, and not the multinationals or large brewers. There is a dispute that we are settling, and we believe that the cash basis will improve things.

The right hon. Lady is right to mention uncertainty. I think the answer is for us to move at pace to give business certainty, not to postpone the uncertainty about what we will do on this relief even further into the future.

A point was made about mergers. As hon. Members are aware, when two brewers merge, their entitlement to small breweries relief changes. Many brewers complain that this distorts business activity, as mergers become unviable. My predecessor in this role, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), has given examples of businesses that have not been able to grow. We need to look at the industry in the round, not just at those who fit a particular demographic.

I reiterate that we listened to many small breweries. We listened to a wide range of breweries and reviewed copious evidence related to SBR. I cannot tell Members how many pages and pages we went through in the consultation that just happened, and there is even more consultation coming. We met the Society of Independent Brewers, the Small Brewers Duty Reform Coalition and the British Beer and Pub Association about this issue, and officials and I continue to meet all those stakeholders. The Treasury ran a survey in 2019 that received 335 responses, as I mentioned. I am afraid that the industry is simply divided on this issue. The idea that all small brewers have the same perception of the relief is misplaced.

My hon. Friend the Member for Broxtowe (Darren Henry) spoke about small brewers falling through the cracks, as did my right hon. Friend the Member for Basingstoke (Mrs Miller) and others. We do recognise that. Small brewers are able to benefit from our unprecedented coronavirus response, which includes the job retention scheme, VAT deferral and bounce back loans, as hon. Members will have heard many times before. We have also acted to allow brewers whose beer was spoiled due to pub closures to reclaim excise duty more easily. However, brewers have been able to sell alcohol throughout this period, and thanks to schemes such as CAMRA's Pulling Together campaign, more than 800 breweries have moved to offer online sales for collection or delivery for the first time. The Treasury is keeping the support it offers to businesses under review as the pandemic progresses.

Liz Saville Roberts: I think the Minister will agree that the feeling among Members of Parliament is very strong and is cross-party. We would all greatly appreciate the opportunity to discuss this matter in a different register to that which can be used in the Chamber. Will she consent to that?

Kemi Badenoch: I am very happy to offer a meeting to a number of Members across the House. This should not be a contentious issue. We may have been written to by certain constituents, but we represent many more people than those who have complained about this issue. If we do offer a meeting, I hope Members will talk to all the breweries, not just the ones who have complained, to get a holistic view of what is going on in their constituencies.

The hon. Member for Strangford (Jim Shannon) talked about pub business rates. We have offered lots of business rate relief. We know that breweries have not been included, but that is partly because they have been able to open. It is an issue that we continue to review.

What are the next steps? The Treasury is moving forward with a further consultation this autumn to examine the more detailed aspects of reform. I invite all hon. Members to encourage any breweries in their constituencies to engage with the process. This is necessary because taper reform is very complicated. It seems like there are as many suggestions for new tapers as there are brewers in the country. That is what we need to focus on. It would not be prudent for the Government to simply pluck one of these solutions out of the air without giving brewers an opportunity to comment on its implications. I should stress that the Treasury has not made any final decisions about the overall shape of reform.

Jonathan Edwards: In terms of the next steps forward, which Finance Bill does the Minister foresee the Treasury bringing the new proposals forward in—next year's or the one in 2022?

Kemi Badenoch: We have said that these reforms will come in in 2022. We will announce the exact changes at the earliest opportunity post the consultation.

To sum up, the craft brewing boom of the last 30 years is a welcome development, and the Treasury would like to do its bit to help it continue, but we also have a duty to ensure that tax reliefs are not unduly distortive and are an effective use of resources. However, hon. Members should rest assured that we will not stop examining the issues raised by brewers and by hon. Members today, and we will continue working to resolve them. The Government are determined to ensure that the British brewing renaissance continues, and I thank all right hon. and hon. Members for their contributions.

Mr Deputy Speaker (Mr Nigel Evans): Before I put the Question, all I would say is that covid has had a lot of victims. If it were not for covid, I know exactly where most of us would be heading now. I hope that the good news that came from Pfizer today will give us cause for a lot of celebrations when the pubs reopen throughout the whole of the United Kingdom.

Question put and agreed to.

9.51 pm

House adjourned.

Westminster Hall

Monday 9 November 2020

[GRAHAM STRINGER *in the Chair*]

Football Spectator Attendance: Covid-19

4.30 pm

Graham Stringer (in the Chair): I remind hon. Members that there have been some changes to normal practice in order to support the new call list system and to ensure that social distancing can be respected. Members should sanitise their microphones using the cleaning materials provided before they use them and respect the one-way system around the room. Members should speak only from the horseshoe and may speak only if they are on the call lists. This applies even if debates are under-subscribed. Members cannot join the debate if they are not on the call list. Members are not expected to remain for the wind-ups. Members in the latter stages of the call list should use the seats in the Public Gallery and move on to the horseshoe when seats become available.

I remind hon. Members that there is less of an expectation that Members stay for the next two speeches once they have spoken. This is to help manage attendance in the room. Members may wish to stay beyond their speech, but they should be aware that doing so may prevent Members in the seats in the Public Gallery from moving to seats on the horseshoe. This room has capacity for 20 people. I ask Members to bear that in mind.

4.32 pm

Jonathan Gullis (Stoke-on-Trent North) (Con): I beg to move,

That this House has considered e-petition 552036, relating to spectator attendance at football matches during Covid-19.

It is a pleasure to serve under your chairmanship, Mr Stringer. This debate comes at a time when England is just days into a second national lockdown and as the country continues to grapple with a significant public health crisis. Painful and frustrating as these measures are, there is broad understanding from the public that the restrictions are in place to help save lives and protect our national health service from the unprecedented pressures of the coronavirus pandemic.

I want to be clear right from the beginning that the petitioner Ashley Greenwood, the English Football League and all fans and clubs I have spoken with believe that we should not reopen football stadiums any time before 2 December 2020. I thank Ashley Greenwood for starting this petition, which has gathered nearly 200,000 signatories across our nation. When I checked over the weekend, Stoke-on-Trent North, Kidsgrove and Talke, which I am proud to serve, had the fourth-highest number of signatories to Ashley's petition of any constituency across the United Kingdom. Although I question Ashley's team of choice—his beloved Sheffield United—I cannot fault his passion and desire to see fans back in stadiums.

When I spoke to Ashley before this debate, what I loved most was how Ashley reminded me that football is more than just a game of tribal loyalty. It is a game that allows family members to bond, new friendships to be created and local cafes and pubs to thrive on a buzzing match day. Ashley reminded me that the 2012

Olympics was about creating a legacy for participation in sport, which up until now has been booming. However, as time passes, the future of our game is at real risk.

It is no exaggeration to say that the English game teeters on the brink of catastrophe. Away from the glitz and glamour of the premier league, cushioned by billions of pounds of TV revenue, the stark reality is that many EFL clubs find themselves in a financially unsustainable position. Away from the much-publicised world of multimillion-pound player transfers, the most eye-watering of which would fund most of the clubs in league two for the entire year, the outlook is bleak. The survival of many EFL clubs depends on the oxygen of match day revenue. The very least we could do is give them a fighting chance by allowing spectators, albeit a reduced number of them, back inside football stadiums. For Port Vale football club, that would mean 4,000 fans in a stadium that can accommodate 20,000. This is eminently achievable in a safe manner.

As a result of keeping fans away from stadiums, EFL clubs will require £400 million of funding from their owners to keep them afloat this season, because the pandemic and associated restrictions have decimated their revenue streams. Very soon, some clubs in the EFL will be unable to pay their bills. They will be unable to pay the wages of their players and of their staff. When this happens—and it surely will without significant intervention—the integrity of the EFL will be compromised, and with it the future of our national game.

I am delighted that the Chancellor's furlough scheme has been extended until March next year. However, this is of limited use to football clubs in the championship and leagues one and two, which need to have most of their staff working to ensure that these businesses can function safely and to enable professional football matches to take place. These are clubs that, since March, when professional football was first suspended, have operated on a shoestring. The absence of match day revenue—the lifeblood of clubs in leagues one and two of the EFL—is strangling businesses that have also been deprived of crucial hospitality revenue for nine months. Colleagues across the House with professional football clubs in their constituencies know only too well the value they bring to their communities. It is therefore a horrible injustice that clubs that have risen to challenges presented by the pandemic and rallied to the rescue of their communities are being treated so shabbily.

For example, the city I represent, Stoke-on-Trent, has two professional football clubs. Heritage brands employ more than 600 staff, who play a key role in the life of tens of thousands of local people. Port Vale and Stoke City are as important to families in the Potteries as local delicacies like oatcakes and lobby. Indeed, if anyone wishes to understand the value of football clubs to their communities, they need look no further than league two club Port Vale in my constituency of Stoke-and-Trent North, Kidsgrove and Talke. With no match day revenue since March, unable to bring in any money from hospitality or events, the club's owner and chair Carol Shanahan OBE oversaw its transformation into a genuine community hub. The concourse was converted into a warehouse. Club staff became volunteers and a massive team effort, in conjunction with local children's charity the Hubb Foundation, saw Port Vale community hub deliver more than 170,000 meals to families in need across Stoke-on-Trent. That work, I am proud to say, continues to this day as the second lockdown bites.

[Jonathan Gullis]

The work of Port Vale community hub was the single most significant contribution of its kind to the families in my city, and it came from a football club that has been crippled by covid restrictions and has to date lost out on an estimated £1.5 million in revenue. I say to right hon. and hon. Members that that is the power of football in our communities that I know; colleagues from across the House will be able to tell similar stories about how clubs in their constituencies have played a blinder in helping local communities up and down the land.

I believe that the Government's current position on the return of fans to professional football is muddled, inconsistent and inherently unfair. Despite the fact that football is one of the most heavily regulated areas of crowd management, with rigorous covid safety measures and a successful pilot programme under its belt, the sport is still, unfathomably, being treated differently from other industries.

The EFL, in partnership with the Department for Digital, Culture, Media and Sport and the Sports Grounds Safety Authority, has developed stringent ground safety protocols that reduce the number of supporters allowed inside stadiums, respect the rule of six and social distancing, and are fully compliant with NHS track and trace requirements. On top of that, the Edinburgh University study on the pilot schemes conducted at clubs such as Cambridge United showed that fans are willing to bend over backwards to be welcomed back into stadiums. Well over 80% of respondents said that they would hand sanitise regularly, socially distance and wear a face covering if required. Seriously, what more can fans and clubs do?

This unfairness is killing lower-league EFL clubs. Under the covid alert tier system, businesses and restaurants, theatres, cinemas and retailers are able to welcome customers into indoor venues for hours on end, yet professional football is prohibited from having a reduced number of fans in stadiums, socially distanced and wearing face coverings while sitting outside. That is, frankly, baffling to anyone who follows and understands the game, and is a source of huge anger and frustration to supporters who want to help their struggling clubs and are being prevented from doing so.

To date, the Government's response to the crisis engulfing EFL clubs has been in marked contrast to their response to other industries that fall under the DCMS remit—the £1.5 billion funding package for the arts, for example. However, I do call on the Premier League to step up and do its bit. Its TV package is worth £3 billion, I believe, and it is the largest spender in this summer's transfer window, paying out £1.26 billion. I implore it to dig deep in its pockets. I know that this is an unprecedented ask, but these are unprecedented times.

Businesses are being asked to stay closed, at the risk of never reopening. Our NHS and care heroes are going above and beyond to keep people safe and alive. Teachers and students are under pressure to catch up on months of lost face-to-face learning. People have been told to change the whole way they interact with one another, and the Government have spent over £200 billion so far to tackle the global health pandemic. I do not think it unfair to expect the Premier League to work with the EFL and come to a fair deal that will ensure that the heartbeats of our local communities live on.

Life in 2020 has been tough for so many people. We have heard about the awful impact on people's mental health of sustained lockdowns combined with job and money worries and fewer and fewer options for leisure activities. Football is a release valve for so many people. They live for Saturday afternoons: the camaraderie on the terraces, a pie and a pint or a steaming hot Bovril, and the shared experiences of their religion with their family and friends. We simply have to bring that back, because not only would it make a huge difference to fans' wellbeing, but it may also dictate whether some clubs make it through this most trying of years.

If the stated position of the Under-Secretary of State for Digital, Culture, Media and Sport, my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston), is that the whole fan journey—from home to venue—must be considered when discussing the return of fans to football stadiums, such fears can be alleviated because the 13,000 respondents to the Petition Committee's survey and the University of Edinburgh study demonstrated that the overwhelming majority drive or walk to games, meaning that they can make their way in a covid-secure manner.

In summary, I place on the record my thanks to Rick Parry, chairman of the EFL, Carol Shanahan, co-owner and chair of Port Vale, Angela Smith from the Stoke City Supporters Council, Mark Porter from the Port Vale Supporters Club, and Port Vale's safety officer John Rutherford, who has 30 years' experience in game safety and is a former chair of the Football Safety Officers Association, for their time and contributions before today's debate. The EFL and clubs across the country have done everything they can to prepare for the safe return of fans, and it is time for the Government to press play, not pause, on those plans when the lockdown ends. Up the Vale.

Graham Stringer (in the Chair): Before I bring in Seema Malhotra, I have been asked whether Members who are not on the call list can intervene, as was the practice before covid-19. The answer is no, you have to be on the call list to speak. I understand there is one Member waiting outside to come into the room. The spare seat at the front is for the Opposition spokesperson—she has indicated that she is coming, but she is in the main Chamber at the present time. I hope that clarifies things.

We have until 5.30 pm. I do not like imposing time limits, and I hope Members will do the divisions among themselves. If anybody goes over, I will impose a time limit, so I hope people will be disciplined. I call Seema Malhotra.

4.42 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): It is a pleasure to serve under your chairship, Mr Stringer. I congratulate the hon. Member for Stoke-on-Trent North (Jonathan Gullis) on securing the debate, and I am pleased to be able to say a few words.

Football spectator attendance is an issue that has meant a huge amount across the country, with almost 200,000 people having signed the petition to call for spectators to be able to attend matches. The debate shows how football is much more than just a sport; indeed, it brings people and communities together. My local team, and that of my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury), is Brentford

football club, which has been right at the heart of supporting our west London community and young people throughout the pandemic.

I welcome the contribution of the English Football League and the constructive way in which it and others have engaged in the debate about football spectator attendance. It recognises that we all want fans to be able to return to stadiums as soon as it is safe to do so, and that the current situation is a result of the pandemic. In partnership with the Department for Digital, Culture, Media and Sport and the Sports Grounds Safety Authority, the EFL has developed a stringent set of ground safety protocols that could result, initially, in around 25% to 35% of stadium capacity in use. Importantly, social distancing can be maintained and the protocols are fully compliant with NHS track and trace. Football is also one of the most heavily regulated areas of crowd management, which means that clubs have considerable experience of handling and dealing with crowds in all different circumstances.

There has been concern that the Government's treatment of football and of other businesses has been inconsistent. Instead, football should be seen as a standard bearer for how businesses could continue to operate responsibly and in accordance with Government guidance. Football needs a clearer road map from the Government on how football fans will be able to return to grounds when and where it is safe to do so. An ability to plan now could result in fans returning more quickly, particularly in lower-tier alert areas, following the end of national restrictions.

I mentioned the contribution of clubs to our communities—a point also made by many of my Labour colleagues, including the shadow sports Minister, my hon. Friend the Member for Wirral South (Alison McGovern), who will attend the debate. During lockdown, Brentford FC Community Sports Trust delivered more than 1,000 activity packs to children and families, supported more than 100 young carers who were shielding, ran virtual youth clubs and provided mentoring support. I thank Jon Varney and others for their leadership during this time.

Most of all, what makes football special is the fans. Not only are they the life and soul of football, creating electric atmospheres on match day; they play a vital role in boosting teams and players, and sustaining clubs financially. The absence of fans over the past eight months has been crippling for many clubs and lower league teams. I know how disappointing it was for Brentford fans in my constituency of Feltham and Heston to be unable to see their team's last ever games at the old stadium last season. I am particularly concerned about the challenging few months that Brentford FC faces, particularly when it has just invested in its new stadium, which now sits empty.

The financial pressure on local clubs is growing, and the Government urgently need to provide clubs and fans with some clarity and listen to their needs. In September, I raised that in the House and described how Brentford had been working closely with its local safety advisory group to develop appropriate safety protocols and social distancing measures to allow around 5,000 fans—about 20% of capacity—to attend.

Clubs have been working in innovative ways to bring fans safely back into football grounds. The English football league, the premier league, the women's super

league and the women's championship have already staged 11 successful test events, showing that matches can be delivered safely. It is imperative, and the foremost priority, to protect public health, but as we look to the future the Government must also acknowledge that clubs require urgent clarity on plans to reopen stadiums. A big challenge facing them is the uncertainty and difficulty in planning without clear guidance and direction.

Although Brentford has persuaded 94% of season ticket holders to freeze their tickets for now—I thank the fans for doing so and for their support—we know that that is not sustainable and will put the club in a difficult position for next season without further Government guidance. We need a clear road map for fans to return, in line with other sectors, once the second national lockdown comes to an end. I ask the Minister to consider working closely with local safety advisory groups in doing so.

Graham Stringer (in the Chair): I think it would be sensible and help hon. Members if I impose a formal three-minute time limit from now. I call Julian Knight.

4.48 pm

Julian Knight (Solihull) (Con): It is a great pleasure to serve under your chairmanship, Mr Stringer. I pay tribute to my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis). I am most impressed that he managed to get Bovril into his speech. Recently I visited my local football club, Solihull Moors—I draw colleagues' attention to my declaration in the Register of Members' Financial Interests—to see its preparations for behind-closed-doors matches, testing and, I hope, the return of spectators at matches soon.

Spectator sports are the beating heart of our communities and football clubs, in the national league, the EFL or any other tier, and a fundamental part of our national fabric. So many teams depend on ticket revenues and now find themselves in dire straits. If football bodies do not come together soon for the good of the game, there is a risk that 10, 12 or even 15 EFL clubs go bust. What is more, 10 EFL clubs are at risk of not making their November payroll. By comparison, just 17% of Chelsea's revenue comes from ticket sales and, as we know, the Premier League has a £9 billion TV deal at the top of the game.

Nobody wants to see that happen, but I fear that we are not exploring all the options available to us that could not only allow spectators to return to football matches, but see other revenue-generating activities take place. Solihull Moors, for example, benefits significantly from selling hospitality and corporate packages, so it is not just a matter of bums on seats or even the equivalent of the prawn sandwich brigade, but of allowing all types of spectators to return to football stadiums.

The key to seeing fans return to football is not just reducing covid numbers but increasing our testing capacity. We need smart solutions: the expansion of rapid testing, temperature checks, deep cleaning and social distancing. Venues can never be 100% covid-secure, but they are doing all that they can, and there is always risk in life.

I have heard from clubs up and down the country. They have invested significant sums in getting covid ready. Over the summer, my Committee heard from Prenetics, a testing company that works extensively with sports teams to ensure they can return to matches

[*Julian Knight*]

behind closed doors. Now it and other testing providers are looking at how rapid testing can be used to even greater effect.

My hon. Friend the Member for Stoke-on-Trent North said that football was being treated differently from the arts. I understand that, but I will make certain points in the brief time that I have. First, no arts organisation that I know runs on player wages with 108% of turnover. No arts or cultural organisation that I know has a £9 billion TV deal. Also, such organisations have not just spent £1.2 billion in a transfer window. The National Theatre puts its stuff up for free on YouTube. The Premier League voted 19 to 1 to put pay-per-view TV at £14.95, perhaps encouraging people to go to one another's houses. The money is there in the game. It would be an absurdity for taxpayer money to bail out those clubs. They have to come together now.

4.51 pm

Wera Hobhouse (Bath) (LD): I pay tribute to Bath City Football Club. Bath is a city known for its rugby, but we have a thriving football club in the national league, and, since it has been in community ownership, it has gone from strength to strength, particularly because of its very strong community engagement. May I say, in the company of many men here, the women's team is doing very well? The Bath club has become a community asset. Unlike the big clubs, it depends entirely on the income that it gets from fans coming to the matches on a regular basis.

As we have heard today, football is about bringing the community together and having fun. Even if it is socially distanced, it is possible. Indeed, the club had prepared very well over the summer to bring spectators back into the stadium. It is quite a big space that is not always full, and it could easily have managed that. It was particularly disappointed when it could not bring spectators back. The club is grateful for the financial support that it has received, but the game is not the same without the spectators. Football clubs are in a different financial position from the cultural sector. I understand that, but there has been a marked difference. I have been to four different cultural events, but not a single sporting event, and that is difficult to explain to people who enjoy sports more than cultural events. We have to recognise that.

I had a discussion with our local director for public health, and he says that the main issue is the uncontrolled spaces. Organisations and classroom teachers can control their spaces, but anything outside the classroom or a venue becomes an uncontrolled space, and that is the crux of the matter. The Government need to put their minds on the issue of travel. Although a survey found that most fans travel by car or on foot, it is important that the Government look at organisations such as STIG, the sports technology and innovation group that has been put together. It could be very helpful in assisting the Government to understand how fans travel to and from sporting events.

Hopefully, after the lockdown, people will be able to enjoy their sporting events again. I speak today particularly on behalf of Bath City Football Club, but I know that I speak on behalf of all sporting events across my city

and across the country, so let us make sure that the Government get this right and look particularly at how fans travel to their sporting events.

4.54 pm

Damian Collins (Folkestone and Hythe) (Con): The covid crisis has demonstrated that clubs in leagues one and two are community clubs. Without members of the community attending matches and supporting the club, the club cannot continue. We do not have to be Lord Sugar to recognise that a business with no revenue but that has costs is a business that will fail. That is the predicament that community clubs have been in.

In the summer, the Government wanted football to return. We were told that it was good for the morale of the nation and a sign that we were coming out of covid. As part of their return, Football League clubs made it very clear that they would need financial support and fans back in grounds. Here we are in November with the Football League back and the premier league back, but there are no fans in the grounds and there is no financial support package. The consequence is that community clubs are bleeding to death. They have burned through any reserves that they had and any cash that their owner could put in to try to keep them going.

As my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) said in his excellent speech, club owners have to find £400 million. One of the ways that they are doing that at the moment is by not paying their taxes; so far, there is £80 million in uncollected taxes from Football League clubs. While the Government may not wish to bail out football clubs, effectively they are doing so through the tax system and by not pursuing them for tax debts, so they already have a liability.

Rick Parry, the chairman of the Football League, has said to me and to colleagues who are here today, and to other colleagues elsewhere, that without a financial package of support, clubs will go bust before Christmas. There will be up to 10 clubs that will not make their payroll in November, and we need to think about what kind of support will be there. Those football clubs have survived the first world war, the great depression, the second world war and deindustrialisation. Are we going to let them die because of covid, with the impact that would have on local communities? I remember visiting Gigg Lane and Bury about this time last year and meeting a lady—a pensioner who had supported the club all her life. She said, "There are lots of challenges we have in this town, but we had the football club, and now that has been taken away from us as well".

I cannot believe that my hon. Friend the Minister for Sport wants to be the Minister for Sport who presides over the death of community football clubs; I cannot believe that that will happen and I cannot believe that the Government will do nothing. However, as a consequence of there being neither a deal nor a support package in place, what is happening now is that any staff who can be let go are being let go. The things that do not bring in any revenue will be the first to go: youth academies, women's football and the community outreach programmes to which my hon. Friend the Member for Stoke-on-Trent North alluded. These things will be cut back until the club bleeds to death and has no cash left. At that point, it can go cap in hand to the Government or to the football authorities.

We need a deal now. We have not asked Netflix to bail out the arts, so I do not think we should say that it should be entirely down to top-flight football—the commercial big boys—to bail out the whole game. The Government wanted football back, the Government supported football coming back and the Government need to help, if only with a tax holiday, to enable these clubs to get through the next few months.

4.57 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer.

As others have said, football is an important part of our national psyche and it is a regular fixture of the week for many people. My husband and two close friends are season-ticket holders of different football clubs, so I know what football means to fans. However, I was particularly struck by the stories about some of Brentford Football Club's fans. Woody is a young Brentford fan with Down's syndrome. When football was taken away from him in March, he struggled, to the extent that his hair started to fall out. Huge credit must go to the Brentford players, in particular Woody's favourite, Ollie Watkins, who left Brentford for Aston Villa earlier in the year but still took the time to go and visit Woody after he left the club, to see how he was doing.

The directors of Brentford have been playing their part in keeping the family of fans going, by making calls to some of the older fans in particular to check in for a chat and to see if they need any help. Marcus Gayle, a former player who is now a club ambassador, popped in to see a fan, Anthony Talbot, to take him a new shirt and brighten up his day, after he heard that Anthony was missing his football to the extent that his health was suffering. The football community at Brentford have also got together to help raise money for Jamie Powell, who is a lifelong Brentford fan with a rare cancer, so that he can go to Boston for life-saving treatment.

The club narrowly avoided going into administration in 2002 and was then taken over by a supporter-led trust. When I was a Brentford ward councillor on Hounslow Borough Council, I saw at first hand the amazing community response and effort to keep the club base in Brentford, and I persuaded my colleagues on the council to loan the fans the half a million pounds that they needed at that time, which has since been paid back. We realised how much the club meant to the borough and to our community.

The 18-year relationship that I have had with the club at the end of my road has taught me that we cannot and should not forget that clubs such as Brentford thrive because they are at the heart of their community. I am talking about the generations who watch games every Saturday, the new fans who move to the area, the countless hours of work done by the club and the local community, the support for the businesses that survive and thrive and the jobs that they create, because of the fans, home and away, who come for matches. Football is a real power for good in our society, and at times like this it is something that we should support and bring back to our stadiums as soon as we can.

We have important points from the operations team at Brentford. They have been working with the safety advisory group at Brentford to ensure that the new stadium can be safe, and they need to be respected by

Government and work hand in hand with Government to ensure that fans can come back to matches as soon as possible.

5 pm

Simon Fell (Barrow and Furness) (Con): I thank my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) for introducing the debate. The Bluebirds, Barrow AFC, are more than a football club—they are the backbone of our community. In June, they were promoted to the English Football League after 48 years away—they had a phenomenal season. Now, they are really in the doldrums when they should be celebrating. They are facing a significant loss this year, and it would be worse if their supporters had not stuck by them and bought season tickets for matches that they cannot now attend.

As my hon. Friends have explained this afternoon, football was one of the first industries to close and it may well be one of the last to restart. Our communities need them to restart. They are more than football clubs; they are significant local employers and they are community hubs. The Barrow AFC Community Trust delivers physical activity, leadership and core skills to local schools. As a result of the lockdown, it is now also at risk. It is no exaggeration to say that the Bluebirds, just like all my colleagues' clubs, carry the spirit of their towns and communities on their shoulders. When we talk to Levi Gill, the CEO of the Bluebirds, he is explicit that they do not want a bail-out; they want to stand on their own two feet. They want to reopen, and they want to do that safely and in a covid-secure way. They want to see the fans brought back in. The trust and the club have put a huge amount of work into this. They were buoyed by the successful trials elsewhere and they were ready to go as soon as the Government gave them the go-ahead.

The fans are able to watch matches online, but that is a pale shadow of getting back into Holker Street and seeing a match at first hand, of reconnecting with the club and the community. For many people, their health, mental and physical, goes hand in hand with being able to follow their beloved club, especially now, in these really trying times, so I very much hope that my hon. Friend the Minister is able to work closely with clubs such as Barrow AFC to come to a result, at the end of the current lockdown, that keeps people safe but allows clubs and communities to stand on their own two feet with pride once again.

Graham Stringer (in the Chair): I apologise to the right hon. Member for Staffordshire Moorlands (Karen Bradley): I have gone one out of order on the call list.

5.2 pm

Karen Bradley (Staffordshire Moorlands) (Con): Thank you, Mr Stringer. Of course I do not mind at all. It is a pleasure to serve under your chairmanship.

I pay tribute also to my hon. Friend, and constituency neighbour, the Member for Stoke-on-Trent North (Jonathan Gullis). I can absolutely attest to what he has said about the value in the community of Port Vale and Stoke City, who support local activities and community events in my constituency of Staffordshire Moorlands, too. They are incredibly important and, indeed, vital parts of our community.

[Karen Bradley]

I thank the Government for allowing elite sport to continue during this lockdown. To be clear, nothing that I am about to say is regarding what is happening today, in this lockdown; it is to the time after the lockdown that I think we need to look. However, I will just make the point that there was a match yesterday at the Etihad Stadium and my son and I are utterly convinced that, if we had been there, we would have got the Blues over the line and had a victory—I say sorry to the hon. Member for Wirral South (Alison McGovern), on the Opposition Benches, for that. But we could not be there, and we accept that. We were pleased that we were able to watch on television even if we were not able to help our team to get that victory.

My hon. Friend the Minister will know that I have referred before to my community club, Leek Town, which is a step four club, so has been able to have spectators. It is clearly unable to play any matches at the moment because of lockdown, and it fully accepts and appreciates that, but could I repeat this question to the Minister? When we do get out of lockdown, can we not have a one-size-fits-all answer to this? There may well be clubs that can fit in more fans. They need to have other revenue streams. They are not asking for a Government bail-out. They want the chance to run and to make the money that they would normally make. This one is a volunteer-run club. It wants to have hospitality again—no prawn cocktails; it is entirely Staffordshire oatcakes. It would like to be able to have that hospitality back and have those income streams.

May I make a point about another elite sport? I am the treasurer of the all-party parliamentary group on Formula 1, and it was brilliant to have two F1s this year at Silverstone, but when we spoke to Silverstone recently, it said that the lack of fans was soul-destroying. It is such a big spectator event—all outdoors—for household groups travelling together. When Lewis Hamilton took the record for the most F1 wins in Portimão, Portugal, there were spectators flying the Union flag which, I am sure, was important for him and the fans.

Finally, on grassroots sports, I co-signed the letter from my hon. Friend the Member for Folkestone and Hythe (Damian Collins), who is no longer here. We need grassroots sports, not just because they are important in themselves, but because they are a pipeline for elite sports. We heard recently from the rugby authorities that there is a real worry that we will not have that pipeline of young players coming through, which will have an impact on our national teams and on the mental health and wellbeing of many.

5.5 pm

Scott Benton (Blackpool South) (Con): In late September, a number of football league clubs demonstrated that they could welcome fans back safely into stadiums in several trial games. I was fortunate enough to be at Bloomfield Road to see Blackpool beat Swindon in one of those successful and safe pilot games.

Football league clubs have excellent crowd control due to pre-existing regulations. Working with the Sports Grounds Safety Authority, they have developed guidance for the safe, socially distanced return of fans. Of course, that brings challenges—fans must follow the spectators

code of conduct that is issued to them before games—but from what I witnessed, fans abided meticulously by the planned safety measures.

A survey asking fans whether they had adhered to restrictions following the pilot games suggested that more than 98% thought they had. The measures that had been put in place, including wearing face masks, using hand sanitiser, following one-way systems and staggering entry and exit to the stadium, were conducted in an exemplary manner.

About 1,000 fans were at Bloomfield Road, which has a maximum capacity of more than 17,000. In my opinion, the attendance could easily have been increased to between 25% and 35% of the total capacity with no impact on the safety of those attending. That is important, because although the clubs that took part in the trial games, including Blackpool, were delighted to do so, the cost of opening stadiums for such a small number of fans was excessive and would not be commercially viable on a regular basis. If we are going to see fans back in stadiums, of course that has to be done safely, but it also has to be done at a level at which it is viable to operate in the short term.

Before the new national restrictions were introduced, cinemas, theatres and other indoor venues had allowed audiences back. Football stadiums are obviously better ventilated and, at about 30% capacity, would be operating at a lower proportion than the indoor venues that were allowed to open in October. Most clubs can also provide enough car parking spaces for that level of attendance and did so cost free at the trial games. That resulted in more than 90% of fans travelling by car or on foot and reduced the risk of transmission from journeys before and after games on public transport. It is not just the fans who are suffering; it is the clubs directly. Their finances are at breaking point. I implore the Government to get fans back into stadiums as soon as possible.

5.8 pm

James Wild (North West Norfolk) (Con): I declare an interest as a Norwich City season ticket holder and a supporter of my local club, King's Lynn Town FC. This is an important debate. When the national restrictions end on 2 December, we should let fans back into grounds.

Having been one of the 1,000 fans in the crowd at Norwich City's game against Preston North End—one of the pilot matches—I am confident that that can be done safely. Fans were asked to arrive in good time; there were temperature and ID checks; food and drink areas were closed in the grounds, so hawkers brought stuff to people in their seats; fans were socially distanced and in the fresh air; and exits were staggered at the end. There has been no evidence of transmission from pilot matches. Indeed, the Minister told me in a written answer that the Department was confident that any issues could be mitigated.

We need to let fans back in because the current restrictions are having a major impact on clubs' finances and threatening their futures. King's Lynn FC depends on match day income to survive, and while I welcome the funding provided to the national league and thank my hon. Friend the Minister for his work and efforts in securing that, it does not make up for the loss of revenue that club is experiencing. Norwich City's accounts, published last week, showed it had lost £12 million due

to covid, yet the Premier League has only made a derisory offer of £20 million for leagues one and two, with a further £30 million of loans, and no support for championship teams. I share the Government's view, and that of other hon. Members who have spoken today: the Premier League needs to take a long-term view of the importance of the pyramid, and support championship and league one clubs. Leaving it to the Premier League to sort it out is clearly not working, and if there is not movement, then the Government need to step in and tell it what is expected.

It is the impact on the fans—the 12th player—that is my major concern. Football is not just a game: it is much more than that. Clubs, as we have heard, are at the heart of our communities. They give people a sense of belonging; of being part of a family of fans. Going to matches is a huge part of their lives, and not being allowed in hurts their mental health. This weekend, King's Lynn beat Port Vale in the first round of the FA cup—a great result, but no fans were there, and watching on a streaming service is no substitute. The Sports Grounds Safety Authority has given King's Lynn approval to have 1,400 fans in its ground. Norwich has been allowed to have 8,000 fans, rather than the 26,000 that can usually be seen at fortress Carrow Road; it will make it work.

To conclude, Norwich's joint majority shareholder, Delia Smith, has written an open letter to my right hon. Friend the Prime Minister that asks,

"before the final whistle is blown, can we have our football back?"

I say to the Minister:

"Come on, let's be having you!"

Let fans in.

5.11 pm

Imran Ahmad Khan (Wakefield) (Con): The first lockdown stripped us of much that we enjoy. Museum exhibitions were left to gather dust; music venues fell silent; theatres closed their doors; cinemas turned off their screens; and our sports stadiums were left empty, to help protect people's lives and prevent the NHS from being overwhelmed.

From an economic perspective, we can analyse and measure the tangible cost of lockdown. In 2019, the UK premier league had 14.5 million spectators visit stadiums to watch their teams. According to the accountancy firm Deloitte, the first coronavirus lockdown cost premier league clubs £1 billion in lost revenue. Leagues lower down the scale also suffered financially: league two clubs, which made £91 million in 2018-19, may have lost £1.7 million per game without spectators, and £37 million if fans cannot return all season. As a percentage of their cost base, amateur and even professional clubs in the lower leagues are hurting disproportionately from a lack of revenue at the gates.

That, however, only tells half the story. Football, like all team sports, is a powerful tool for communities to come together in a shared passion. While elite sports are permitted to continue, the impacts on community spirit, togetherness and mental health are also felt more keenly towards the lower base of the footballing pyramid. In those terms, the cost of closure cannot be quantified or estimated. As we enter the second lockdown, I do not believe that some of the more draconian measures we suffered in the first lockdown should return, such as the blanket closure of football stadiums to fans.

A couple of weeks ago in October, I visited Wakefield AFC and watched them defeat Wombwell Main FC. During my visit, I was impressed by how well the social distancing measures issued by the Department for Digital, Culture, Media and Sport and the Department of Health and Social Care were enforced and adhered to by the fans; further, Wakefield AFC lives and trains together. Through these measures, team sports were allowed to be played in a safe manner. I strongly believe that with the strict enforcement of social distancing measures, football stadiums should be allowed to not only host games, but allow for a number of spectators to enter the stadium.

In defeating coronavirus, we should not and need not destroy everything that we cherish and enjoy. Where it is possible, everyday life should be able to continue in a sensible manner that does not cause a risk of infection. I believe this is the case with football stadiums, and having a responsible and well-distanced audience would provide great benefits, not just to people's mental health and social lives but to communities that come together in a shared love of sport.

5.14 pm

Antony Higginbotham (Burnley) (Con): It is a pleasure to serve under your chairmanship in this debate, Mr Stringer. Hundreds of my constituents signed this petition, and that does not surprise me, because football is the beating heart of Burnley and always has been. Anyone who has ever been to Burnley will know that the Turf sits iconically in our town centre. When fans were there for every home game, the atmosphere was something to behold. The anticipation could be sensed in the air, and it brought everything to life, but it did much more than that. It also stimulated our local economy. Thousands of fans would come into Burnley from across the country. They filled our hotels, ate in our local restaurants and drank in our local pubs.

Burnley is not a city like Manchester or London, where a football club is simply a nice addition. For us it is one of our main economic drivers, so taking fans away does not just change the optics of a match for us; it changes the whole town. It closes hotels, restaurants and pubs. That is to say nothing of the direct economic cost to the club itself. Broadcast income is much needed by us, but ticket sales play a huge part too. They cannot simply be discarded without that having an impact.

I want to commend Burnley football club for the huge support that it has given to the whole borough, not just during the period of covid but before—despite the significant financial hit that it has taken. It has shown, throughout, what being a premier league community club means. I know it is ready and willing to bring fans back, too, so I urge the Government to treat football clubs like any other business: give them the guiding rules, and they will meet them. They are best placed to determine how many they can safely welcome back, based on their own capacity. Let us not forget that the events in question are always outdoors, where transmission risk is lower. Clubs are ready to step forward. The Government do not need to answer every question or find every scenario. Give clubs the ability to innovate, control the flow of people, invest in new infrastructure and space people out—because that is what will get the fans back.

[*Antony Higginbotham*]

Burnley is not the only club we have, however. We also have Burnley FC Women and Padiham football club, both of which play at the Ruby Civil Arena. Padiham was able to get some fans back under the FA's limited return of spectators, and it proved a big success. The club operated safely. Spectators were able to enjoy the game and income started to pick up. That showed, as the pilots did, what is possible. So I urge the Government to look now at how on 2 December football fans can make a meaningful return. It is not just about the optics of seeing fans in the stadium. It is about giving people back their passion, bringing back the atmosphere, and bringing back the essential economic activity that our town relies on.

5.17 pm

Sara Britcliffe (Hyndburn) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer.

The heartbeat of every football club is its supporters. From 14 March Accrington Stanley supporters have not been able to see their team play at first hand. There are few places in most towns where the whole borough has the opportunity to gather and meet as a community for the same purpose, to watch the town team play football. Those are places where children, parents, grandparents and friends can come together.

I acknowledge the hard work of Accrington Stanley football club, which has paid its players without deferment, and has secured funding in the form of a loan to keep the club afloat. The team are back to playing, but huge costs are being incurred without income coming back to the club through fans, sponsors, hospitality or any other form of secondary income. That is obviously unsustainable. The club needs income, and there is a need for pressure to be put on the Premier League and the FA to get a bail-out sorted. There is enough money in football; it just seems to be poorly distributed.

On 24 September at column 114 I asked the Minister in the House about a road map for the return of fans to professional football and he said that the Government were working with sporting authorities to support the return of fans. That road map is now more necessary than ever. Once the current lockdown ends, our sports clubs will need our support to enable them to prepare an annual budget or business plan to weather the crisis. It is not right to let clubs continue to lose money without giving them a timescale to work towards. They need the assurance of hope.

In September the return of fans to football games was piloted for certain clubs. Up to 1,000 fans were welcomed using the Government's stage 5 protocols and guidance. English Football League clubs implemented a wide range of measures to ensure that the spectator journey was built around maintaining social distancing. From those matches the University of Edinburgh conducted a study to show that more than 90% of people who attended were confident that the event organisers could deliver spectator safety. Having reviewed the findings from that study, I believe that the pilots were a success and that football clubs will be able to deliver a covid-secure experience for fans. I hope that the Government will reflect on those findings and work with sports clubs to give them a road map to allow fans back into stadiums as soon as it is safe to do so.

Throughout this pandemic, we have had our community centres, pubs, cafés, gyms, theatres and leisure centres threatened by these financially turbulent times. If we forget our football clubs, we risk cutting out the heart of local communities across the country. Once the pandemic is over, we will need community hubs more than ever. To let our football clubs disappear would be too big a blow for towns such as mine.

5.20 pm

Dr Kieran Mullan (Crewe and Nantwich) (Con): My constituency boasts the mighty Crewe Alexandra FC as well as several other smaller clubs, who have all been affected by the coronavirus. Technically, the stadium is located just across the border of the area of Nantwich that I represent. Nantwich Town FC is another club that play a big role in the community.

Crewe Alex has made a huge effort to make the iconic Alexandra Stadium, which is often known locally as Gresty Road, covid-secure. Founded in 1877, Crewe Alex has been part of my constituency for 143 years. Like many other people, I live close enough to hear the crowds on matchday. The club takes its name from the pub where the first games were held: the Princess Alexandra. We must ensure that the coronavirus is not the final chapter in this club's history.

Crewe Alex fans are totally dedicated to their club. They have even become shareholders and have a place on the board. As a group of fans, they also give back through community volunteering. I recently met Mark Beavan from the Railwaymen Supporters Society. He talked passionately about the huge community surrounding the club and about how, particularly for some of the oldest fans, coming to matches and being part of that community is vital for their mental health and wellbeing. We must not underestimate how important football clubs are to many of their fans.

As hon. Members have mentioned, the EFL hosted eight successful pilot fixtures in September, which saw clubs welcome 1,000 supporters back to the stands. I understand the Government might have concerns, most likely not around the fans while they are in the venues, but around their socialising before and after the match and the fact that they travel from all across the country. Unfortunately, however, not enough has been done to explain and justify the decision, which I hope the Minister can do today.

I would like the Government to provide us with a road map for how football fans will be able to return to grounds when it is safe to do so. People need hope—a way forward, at least. Every week, track and trace gets better. On Saturday, we had a testing capacity of almost 520,000, and we are now testing an entire city. The Sports Technology Innovation Working Group has been working with sports bodies to look into high-tech solutions to getting fans back into venues, and I would be grateful if the Minister could update us on that. While fans are not present at matches, the financial uncertainty for clubs is huge. Matchday revenue is vital to local clubs up and down the country—without it, the future of clubs looks uncertain. If clubs are to be prevented from welcoming fans back, they need to know that support will be in place for them in the months ahead.

Football clubs are the pride and joy of so many of our local communities. It is clear that clubs and fans are willing to do what it takes to get spectators back

into stadiums. I urge the Government to do whatever they can to ensure that clubs come out of the other side of this pandemic holding the same important role that they have always had in our communities and still playing a big part in the lives of so many of their fans.

5.22 pm

Mr Richard Holden (North West Durham) (Con): It is a pleasure to serve under your chairmanship, Mr Stringer. I thank my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) for representing the petitioners and speaking so eloquently on behalf of many of us about the issues faced by many clubs.

I am lucky in North West Durham: because I am a Blackburn fan, I am neither a Magpie nor a Mackem, so I have managed to avoid many of the issues that come with that. Although hon. Members have spoken on behalf of clubs in the EFL—I know Sunderland have faced a lot of issues recently—I would like to speak on behalf of my clubs in tiers 9 and 10 of the English football league pyramid, particularly Consett, Tow Law Town, Crook Town and Willington, some of whose owners have put thousands of pounds of their own money into supporting their clubs in recent months. I have had an email from the chairman of Consett, Frank Bell, saying that their revenues are now 85% down. For them, it is not just ticket sales; it is also all the add-ons, such as the pints behind the bar, which are usually served by his son. His wife runs the little kitchen there. Everything, down to the matchday programmes, is really hit by what is happening at the moment.

I have a plea: when this lockdown ends, I implore the Government to let fans back into grounds. The clubs in my patch are really small, but they are really reliant on income from their loyal fans. It can be done safely. We have not seen any covid transmission at football clubs in my patch. We need to bring fans back, because it is the only way that those clubs, who are at the heart of their communities, can survive. They need some grant support, but that will not make up for the funding that they get from their fans.

Briefly, before I conclude, I will mention the huge community impact of some of the clubs. Consett sees 1,500 children a week playing at its club, about 2,000 adults a week come through the door, and its BTEC education programme has more than 100 students. It was a national charity's sports club of the year in 2018 and 2019 and the Mirror Group football club of the year for the past three years, beating many teams at higher levels. It has been the site of our local test and trace, in the car park.

This is a real plea on behalf of my local clubs: please, give us a road map as soon as practically possible. That will allow Consett finally to play in the FA Vase final at Wembley, which has been delayed until April next year—for the 2020 season—and allow as many fans as possible to attend.

Graham Stringer (in the Chair): Before I call the SNP spokesperson, I have a small announcement to make. Members should be aware that the first nine minutes of this debate were not broadcast, due to technical problems, but there will of course be a full record of the debate in *Hansard*.

5.26 pm

David Linden (Glasgow East) (SNP): Thank you, Mr Stringer. It is a pleasure to serve under your chairmanship for this evening's proceedings. If the broadcasters did not pick it up, the hon. Member for Stoke-on-Trent North (Jonathan Gullis) finished by shouting, "Up the Vale!", which I am happy to adopt on his behalf.

I commend the hon. Gentleman for opening the debate on behalf of the Petitions Committee. He set the picture eloquently. In the debate, we have had passionate contributions from 15 hon. Members, all representing their constituencies and their clubs diligently. Above all, I want to acknowledge the frustration of the 200,000 people who signed this petition, more than 100 of whom were from my constituency.

I feel that I should declare an interest at the outset, as a season ticket holder at Airdrieonians football club—indeed, long suffering now, for 19 years. Long before I was an MP, and long after I have finished being an MP, I am first and foremost a Diamonds supporter. Like others, I find not being in the Jack Dalziel stand on a Saturday with my son and my mates hugely frustrating.

Much as I have appreciated the ingenuity of clubs such as my own, which have tried to get teams live streamed using AI cameras, that has not exactly been without its hitches. Last month, I was amused to read about an incident when Inverness Caledonian Thistle took on Ayr United, behind closed doors in a game that was understandably only available on pay per view live stream. Of course, instead of the staff multi-camera operation, we had a robot camera from Pixellot, the idea being that it would auto-track the action without any staff having to use it. However, it went horribly wrong, as the camera proceeded to follow the bald head of a linesman on the near side, rather than the ball. The play was on completely the opposite side of the park, so nothing much could be seen, because the focus was on the official's rather shiny head.

That is a mere anecdote, but most of us would be much happier to leave behind the live streams and the pies on our couch, and to get back into the grounds, both from a personal point of view and from an economic point of view. I have made the point to the Minister before about the multiplier effect, and I know he gets it: this is not just about money spent on the game; it is the food in local cafés, the pints in nearby pubs and the passing trade for shops near the stadiums. Many clubs, such as Celtic football club in my constituency, rely heavily on match day income to operate, in particular in Scotland, where significantly more people attend matches per capita than anywhere else in Europe.

That brings me to the nub of the issue: in essence, matches are mass gatherings, which we know for good reason are currently prohibited due to covid-19. Let us not lose sight of the fact that we are in the midst of a deadly second wave so that, on Saturday alone, some 125 people in England tragically lost their life as a result of this virus. My fear is that, by returning to football grounds now, we would inevitably see large queues congregating for pies during the 15-minute half-time window. Almost certainly, all of us would pay by cash in the concourse, not using contactless—as we talked about, people are handling notes and coins already

[David Linden]

handled by countless people, thereby spreading the virus. At quarter to 5 o'clock on a Saturday, when full-time whistles go right across the British isles, we face the spectre of hundreds of thousands of people pouring out of grounds and on to the public transport network.

Unfortunately, it is currently not possible or safe for fans to return to the majority of grounds in these islands. That said, a regionalised tiered approach in Scotland has seen some clubs welcome back some fans, such as the highland side Ross County, which has been able to welcome a maximum of 300 fans back to its 6,500-seater stadium, because of a low prevalence rate in the highlands.

As a fan, I have mixed feelings about that, not least because it means 300 season ticket holders are drawn in a ballot and some fans will inevitably lose out. That raises wider questions about equality for the match-day experience and consumer rights. I appreciate, however, that this is a difficult balancing act for the Government, and I do not envy the position Ministers find themselves in. However, as hon. Members have said, we know that ongoing financial support is needed to prevent clubs from falling into bankruptcy, a fate that sadly befell my own club in 2002.

The petition takes note of a return for French and German sports fans, but that is no longer the case. The Bundesliga will have to play without fans again, after the tentative return of spectators was cut short due to rising coronavirus infections in Germany. In France, a new lockdown allowing only essential travel outside the home will prevent fans from watching Ligue 1 and 2 matches. The evidence from France and Germany shows that the return of fans will take time. I understand that Ministers are in a difficult position with these issues, but I urge caution. I hope that the regionalised tiered approach, opening up steadily and safely where prevalence rates are low, might bear fruit until we get a vaccine.

The return, therefore, of mass gatherings of any size or scale must be done with extreme care. My colleagues in the Scottish Government are taking that approach, and when England moves back to a regionalised tier system, the Government might consider it. In the meantime, I stand in solidarity with football fans, as I long to hear the turnstile click behind me, walk up the stairs to my seat in the Jack Dalziel stand, and see the holy turf of New Broomfield again.

5.32 pm

Alison McGovern (Wirral South) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer, and to speak in the debate. I congratulate the hon. Member for Stoke-on-Trent North (Jonathan Gullis) on introducing the debate on behalf of the Petitions Committee.

Members have spoken at length about the various aspects of why football is so important. They have shared their considerable experience across the House in advocating for our national game. I congratulate them all. I was outed earlier by the right hon. Member for Staffordshire Moorlands (Karen Bradley) as a supporter of the red side of Merseyside, which drew one-all with Manchester City yesterday. It is fair to say that I have experienced frustration over the past months over the football team that I support.

Notwithstanding that, it has been a great honour to see the amazing work of football clubs across the United Kingdom. I could not be prouder to have seen their activism, whether delivering food parcels or former players ringing older supporters with dementia to give them comfort. I honestly believe that football has done itself proud, as we have heard from hon. Members this afternoon. That must not go unrecorded by the House. I thank colleagues for making those points and for arguing that it is crucial that, as soon as is humanly possible, people can get back to supporting their football team in the ground. It is so blatantly obvious to me that that is important that I do not think I need to add to what colleagues have said.

I want to raise two points briefly. Sport in general and football specifically were quite shocked that they would not be able to continue with pilot schemes and that supporters would not be able to return in October. I worry that they have been left hanging a bit. That is a problem. I know that the Minister will talk about the science group that is trying to tackle this, but some of his colleagues put it really well this afternoon: we need more of a plan than that. If the science group by itself represented enough of a plan, I am not sure we would be here this afternoon. We need to work on this matter together.

Secondly, there is an underlying problem: football, by law, is treated differently from other sports. That situation risks exacerbating the problem, rather than working towards undoing it, as I think we would like to do on a cross-party basis. All the problems have been described: the effort that football clubs have put in to comply with the covid regulations—

Ruth Cadbury: And the money.

Alison McGovern: As my hon. Friend, who represents Brentford very well—the football club and the constituency—says, clubs have spent money on it. They all hired covid officers. I was lucky to be shown around the New Den by the chief executive of Millwall. I was so impressed by all the work that the club had done to prep for the regulations.

The position that football has been put in compared with other large events is hard to understand, so I did a bit of digging and looked a little deeper into the scientific advice that the Department for Digital, Culture, Media and Sport commissioned from the Scientific Advisory Group for Emergencies. I found out that, preparing for the potential return of supporters, DCMS commissioned advice from the Scientific Pandemic Influenza Group on Behaviours, which is the behavioural sub-committee of SAGE. That advice, which anybody can read—it is on the SAGE website—goes through different things concerning large sports. It does not specifically focus on football, but the characteristics seem to tie in well with it.

Even in August, the advice from SAGE to DCMS was:

“The easing of some aspects of lockdown, which took place on July 4th... was preceded by a considerable media fanfare... as well as a public discussion about whether the 2 metre rule would be changed.”

To paraphrase the advice, all those trends in the media were contemporaneous with several factors, all of which could have contributed to the decline in compliance

with distancing measures. It said that the trends could include

“decline in trust in the government”,

a declining

“sense of national togetherness... and decline in perceived risk”.

In August, SAGE was warning DCMS that this might not go so well. How did the Minister help football at that time to understand the situation that we were really in, what discussions has he had with SAGE directly, and what discussions did he have with stakeholders to help them to understand the problems that we faced and how the Government planned to get us out of a situation where the environment through the summer was counteracting some of the compliance measures that we needed to see, as the report from SAGE says?

Can the Minister explain how DCMS plans to, from this point, encourage and help football clubs to plan for what could happen in the future? At the moment, they feel as if they have been left hanging and some people wonder whether DCMS is really in control or decisions are being taken centrally by the Cabinet and No. 10. If that is the case, can he explain how the decision will be taken to get supporters back into grounds?

People have pointed out the inconsistencies, comparing football with other things. I am not one to set up sport against the arts. Both are great in this country and both should be able to move forward together, but the difference is that we, as football supporters, have been treated differently since the 1980s. I had understood that we were on a journey out of those worst times towards football supporters in this country being able to get proper respect, policing by consent and support from the Government.

As the Minister will have heard from Members across the House, football is universally a positive activity in Members’ constituencies. If he really wants to prove that football will not be permanently treated differently in this country, can he explain, as Members have asked, what the plan is to get supporters back into grounds?

Graham Stringer (in the Chair): The Minister has more time than I expected, but I trust he will still leave time for the Member who introduced the debate to sum up.

5.40 pm

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Nigel Huddleston): It is a pleasure to serve under your chairmanship, Mr Stringer, and I will indeed make sure that my hon. Friend the Member for Stoke-on-Trent North (Jonathan Gullis) has plenty of time to sum up, given that his nine minutes of fame were disrupted earlier. I am grateful to him for leading the debate and for the contributions that he and many other hon. Members have made. The number of people who signed the petition speaks volumes about the importance of football and sport in general, and about making sure that we get fans back into stadiums.

We are in vehement agreement that we want to make sure that fans get back into stadiums as soon as possible. There is a slight disagreement on how and when we do that, but on both sides of the Chamber, and in all our constituencies, we are of one voice and mind. We want to get fans back as soon as it is safe. That is absolutely the Government’s goal.

Football clubs, as we have heard again and again today, and in all previous debates on the matter, are at the heart of our communities. They have unique social value, and many have rich and honourable histories. As Minister for Sport, I can attest to the importance of football clubs at all levels in their local areas, and to the incredible support that they have offered throughout the pandemic. From turning their car parks into NHS testing centres to delivering food packages to those isolating, that has been demonstrated again and again in the last few months.

The Government have provided an unprecedented support package to businesses throughout the period, including a comprehensive and sizeable package of direct fiscal support through tax reliefs, cash grants and employee wage support. Many football clubs have benefited from those measures and others, such as business rates relief and the furlough scheme. Sport England has provided £210 million of national lottery and Government funding to support the sport and the physical activity sector overall through covid-19. That includes the £35 million community emergency fund, which is helping community sports clubs and exercise centres during the pandemic.

The Football Foundation, a charity set up by the Government, the FA and the Premier League, has also introduced a number of funds to help clubs during these difficult times. The latest is the match day support fund, which helps clubs to prepare for the resumption of football. That follows the foundation’s pitch and club preparation funds, which also distributed grants to many local clubs.

The Government have worked tirelessly to get sports back up and running in the last few months. We were able to get elite sports, including the Premier League, back behind closed doors in June to allow seasons to be finished and vital revenue to flow into the game again. We ensured that Project Restart was shared with everyone by getting live Premier League football on the BBC for the first time. Elite sport will also be allowed to continue during the period of national restrictions that came in from last week.

I am fully aware of the importance of getting spectators back into stadiums for many sports, not just football, but rising infection rates across the country meant that, unfortunately, it was not the right time to proceed with a wider reopening on 1 October, as was widely recognised. A key issue is that this is not just about fans sitting in stands within the stadiums—admittedly outdoors, as many hon. Members have said—where infection rates are generally lower than indoors. We must consider the whole fan journey from home to venue, how fans travel to and from stadiums, the risk of gathering inside and outside such venues, and the high number of contact points that that risks.

The hon. Member for Glasgow East (David Linden) recognised that those are challenges, and not only here. We keep a close eye on what is happening in other nations and, indeed, other countries.

Ruth Cadbury: As the right hon. Member for Staffordshire Moorlands (Karen Bradley) said clearly, there are different situations and different physical layouts in different stadiums. Brentford football club has a brand-new stadium. Fans can come from all sorts of different directions, stations, bus stops and so on, and

[*Ruth Cadbury*]

of course, only those permitted to enter the stadium should be anywhere near the ground at the time. Surely there is an opportunity for flexibility in the way that those rules are implemented.

Nigel Huddleston: I thank the hon. Lady for that point, and I certainly understand what she is saying. One of the problems or challenges we have is that while every individual is saying, “Can I get back to my stadium?”, we would have to multiply that by several levels, several leagues and several sports, and all of a sudden we would have to work on a scale that was far beyond what we believe is acceptable at this moment. However, we are considering the point made by several Members today that a one-size-fits-all approach may not be appropriate. We are paying careful attention not only to what is happening in other nations, but to what is happening in other countries in terms of opening up.

The Government understand the financial consequences of the decision not to allow spectators into stadiums from 1 October.

Alison McGovern: Before the Minister moves on to finances, may I ask him about pilots? We were on a journey of getting pilots under way and we know that that process needs to be completed, so when does he anticipate that happening?

Nigel Huddleston: I thank the hon. Lady for her comments. We have had this conversation and others on many occasions; we agree on a lot, including the route, although we may disagree on timing to some degree. Pilots were pivotal; pilots have been very successful. They have been excellent learning points and learning opportunities, and that work has not been wasted, because it is helping to inform the decision making. We want to get pilots back and we want to get fans back in stadiums as soon as possible.

The hon. Lady keeps saying, “What’s the plan?” We have had a plan from very early on in lockdown; in the first lockdown, we had a plan, and it has been explicitly stated and is out there. Unfortunately, what we have had to do on a couple of occasions is press the pause button, but we want to get back to the plan as soon as we can.

The consequences of the decision not to allow spectators into stadiums from 1 October had financial implications. Therefore, we need to focus our support on those in the sector who are most in need as a result of that decision. We have worked with the sector over the past four weeks to build a bottom-up view of the impact that that decision had on football and on many other sports, and on their requirements. We are now in the final stages of discussions with colleagues in the Treasury and I hope that very shortly we will be in a position to confirm the support that will be available.

In addition to the support package, the Government have brokered a unique £10 million deal with the national lottery, so that the 66 clubs in the top two levels of the national league can continue to play behind closed doors. The allocation of funding to clubs has been decided by the national league. We understand that the league has used an approach that is broadly based on past attendance and will keep allocations under review.

Alison McGovern: Will the Minister give way?

Nigel Huddleston: Very briefly—one more time.

Alison McGovern: Can the Minister say what the impact on the women’s game has been of that financial arrangement?

Nigel Huddleston: As the hon. Lady knows, we have had conversations about this issue, and I have said again and again and again that I expect anybody in receipt of public money to make sure that women’s sport is prioritised appropriately.

The support that we have given recognises the important role that national league clubs play in their local areas: being a source of pride to their town, giving children opportunities to get active and being at the heart of their communities. The national lottery is working with the Scottish, Welsh and Northern Irish football associations to explore similar initiatives for their respective leagues.

We are committed to getting spectators back into stadiums as soon as it is safe to do so and we will continue to work closely with a range of sports, including football, to understand their latest thinking about what might allow spectators to return. As part of that process, the Government have talked to the Sports Technology and Innovation Group, or STIG, as several Members have referred to it today. It is a group of sporting bodies and health experts that the Government have invited to analyse new technologies that might support the return of spectators. Both the draft Government guidance and the Sports Grounds Safety Authority’s supplementary guidance have been welcomed internationally.

We have made significant progress since the start of the pandemic: we have worked closely with the sector to bring elite athletes back into training, providing careful guidance on that; we have seen the return of competitive sport behind closed doors; we have welcomed international athletes with health protocols that isolate competitors within an event bubble; and we have set out detailed and stringent guidance for the safe return of spectators, which was successfully tested through the staging of pilot spectator events over the summer. Regrettably, those plans have had to be paused, as the virus is spreading and incidence rates are rising across the country, but rest assured that I understand the importance of continuing with our plans, and we will return to them as soon as we can.

I will take a few minutes to comment on other points made by hon. Members today. My hon. Friend the Member for Stoke-on-Trent North talked in his opening speech about the overall financial sustainability and viability of football. He was absolutely right. We have some issues with football, which is precisely why the manifesto on which we both stood said that we would have a grassroots review of football governance. That is still very much the plan and it will inevitably involve the consideration of financial flows as well as governance. I also congratulate him on managing to get oatcakes, pies and Bovril into his initial speech; people will have to read *Hansard* to see it in full.

The hon. Member for Feltham and Heston (Seema Malhotra) mentioned the importance of season ticket holders and the incredible loyalty that they have shown. Despite not being able to go and see live sport, many of them have either contributed or deferred their contributions. I also thank them for that loyalty. My hon. Friend the

Member for Solihull (Julian Knight) said that it would be absurd for taxpayers' money to be used to bail out or support elite football. I largely agree with him, although I know that my hon. Friend the Member for Folkestone and Hythe (Damian Collins) expressed a slightly different opinion. It is vital, as I have said from the very beginning, that football at the elite level should look after itself where it can. My hon. Friend the Member for Hyndburn (Sara Britcliffe) said that there is enough money in football, but it is poorly distributed, and I am afraid that we have been seeing that.

The hon. Member for Bath (Wera Hobhouse) mentioned the importance of women's sport. As I said in response to the hon. Member for Wirral South, and as I have said repeatedly and will say again, I expect anyone in receipt of Government money to spend a fair and reasonable proportion on the women's game. My hon. Friend the Member for Folkestone and Hythe mentioned several matters, including taxes, and I can confirm that Her Majesty's Revenue and Customs has agreed to enter discussions and make arrangements with individual clubs on time to pay. He also mentioned the discussions between the English Football League and the Premier League. I will not breach any confidences, but I have had conversations with those two entities. We have had robust, frank but cordial discussions, and I have encouraged them both to continue their very important conversations, because, as I have repeatedly said, we expect football at the elite level to look after itself.

There is plenty of money in football, as my hon. Friend the Member for Hyndburn said, but it is not all distributed in the right way. On the conditions for Government support, in most other sectors, including the arts, the creative industries and heritage, any Government money is predicated on criteria such as there being no other viable, credible options, and on the entities facing an existential threat.

Money is on the table for the EFL, although I suspect it will not be enough for what has been proposed. I therefore encourage the EFL and the Premier League to continue their conversations professionally, and to recognise that they will both have to compromise. For the good of sport and football, they must come to a reasonable arrangement, because it would not be acceptable for the British public to bail out elite football. There is lots of money in elite football in this country. Average players in the championship league, for example, get a considerable amount. I have heard of figures from £500,000 to £800,000 or over £1 million for the average player in the championship league. The idea that we should use public money—our constituents' money—to bail them out is simply not acceptable. I recognise that the EFL and the Premier League both have stakeholders who are difficult to deal with, and who have varying opinions, but I appeal to them to come to a reasonable conclusion and a compromise as soon as possible.

My right hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), who knows a considerable amount about this topic as a former Secretary of State for Digital, Culture, Media and Sport, mentioned other revenue streams. Immediately following this debate, we have a debate on conferences and events in the wedding industry, which many clubs rely on for their revenue base. I am very aware that clubs are losing revenue from not only gate receipts, but other areas. The many routes that we are looking at through STIG and other initiatives that could open up sport also apply

to conference events, theatres and other sectors, and it is therefore really important that we continue to focus on those initiatives.

I have mentioned pilots, which many hon. Members mentioned. My hon. Friend the Member for Burnley (Antony Higginbotham) mentioned the financial stimulation that football provides to the local economy. It ensures that pubs, bars, restaurants, clubs and many other entities are able to survive, which is absolutely vital.

My hon. Friend the Member for North West Durham (Mr Holden) mentioned the role of owners. I am very aware that we rely on owners to subsidise and support our clubs up and down the country. Many of them are facing difficult times in their other business interests, so I do not take for granted the support, the financial constraints and the amount of money that they have given their clubs. It is very much appreciated, and it shows the passion that they have for the sport.

I am grateful for today's important discussion about a subject that means so much to so many people, both in this room and across the country. The Government are absolutely committed to supporting sport and to getting spectators back into stadiums as soon as it is safe to do so, and I will continue to work on this very important issue.

5.55 pm

Jonathan Gullis: I was saddened to hear that my opening remarks were missed. Once again, I thank Ashley Greenwood for starting the petition—it is because of him and the near 200,000 people who signed the petition that we stand here today. As I said, my constituency of Stoke-on-Trent North, Kidsgrove and Talke has the fourth highest number of signatories on the petition, so it is important that I speak for them.

I heard what the Minister had to say, and I think he gets it. He has taken many a letter from me and from Carl Shanahan, the co-owner and chair of Port Vale football club, on this issue. Having heard the debate, the Minister is fully aware that we are united—something that is quite rare in this place—in wanting fans back in football stadiums. I want to make it clear for the record that I expect an announcement that as of 2 December, fans are coming back into football stadiums. That is for the mental health and wellbeing of residents in my constituency. It will allow them to communicate with others in socially distanced crowds, and to get their passion back. Sitting in a living-room chair will never replicate the adrenaline rush that is felt in a football stadium, so we have to see fans back in football stadiums.

I absolutely agree that we do not want taxpayers' money bailing out elite football. As I said in my speech, I implore the Premier League and the EFL to come to a conclusion. I absolutely agree with the Minister on that point, and I hope we will get to a compromise position for both. One way that we could help clubs is by allowing them to start to bring in some revenue. As I said, Port Vale football club has lost £1.5 million in revenue since March, which is an extreme amount of money for a league two club—especially when that club's mother town is Burslem, which unfortunately has more closed high street shops than almost anywhere in the UK. Our small cafés and restaurants rely heavily on match day attendance and revenue. Rejuvenating Burslem relies on a positive, crowd-friendly atmosphere at Port Vale football club.

[Jonathan Gullis]

The shadow Minister, the hon. Member for Wirral South (Alison McGovern), made the perfect point that football crowds are some of the most regulated in the country. They are willing to go above and beyond, as the pilot showed. Hand sanitisation, social distancing, wearing a face mask, Test and Trace—whatever they need to do, they will do it. I know the Minister has some influence, but he needs to kick down the door to No. 10 to make the point heard. At the end of the day, this is the working man's game.

Alison McGovern: And the working woman's!

Jonathan Gullis: And the working woman's game; that is what it has evolved to be, over time. I am very lucky to have in my constituency Port Vale Ladies and Stoke City Ladies, who are incredible ambassadors for the local community and for local girls' sports. I am even prouder to have recently visited Milton United Ladies, to support what they are doing there. Football is a game for everyone. It is no longer the game of 50 years ago; it allows everyone to come together, celebrate and rejoice.

I urge the Minister to ensure that there is an announcement on 2 December. As I said, Port Vale football club has delivered 170,000 meals across the city of Stoke-on-Trent. With the Hubb Foundation, it co-runs a child holiday hunger support group that offers activities and mental and physical stimulation, as well as a hot meal during the holiday period. That organisation has helped people beyond the city boundaries in Kidsgrove, Talke and Staffordshire Moorlands, as my right hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) said. It has poured its heart and soul into the community. It is time we repaid it for everything it has sacrificed.

As the hon. Member for Wirral South said, that means players calling up season ticket holders. It means thanking the staff who were furloughed and who volunteered their time to deliver food parcels. It means helping the community groups that work with the football club to provide holiday activities and engagement activities with young people across the city. We need fans back in the stadium. On 2 December, I expect to hear an announcement; otherwise, I will be a pretty stropky Back Bencher—I make that very clear.

Before I sit down, I will say it one more time: up the Vale.

Question put and agreed to.

Resolved,

That this House has considered e-petition 552036, relating to spectator attendance at football matches during Covid-19.

6 pm

Sitting suspended.

Live Events and Weddings: Covid-19 Support

[JAMES GRAY *in the Chair*]

6.3 pm

Elliot Colburn (Carshalton and Wallington) (Con): I beg to move,

That this House has considered e-petitions 329339 and 332789, relating to support for live events and weddings during covid-19.

E-petition 329339 relates to the number of guests permitted at weddings during the coronavirus pandemic, and e-petition 332789 relates to support for nightclubs, festivals and the live events industry. It is a pleasure to serve under your chairmanship, Mr Gray, and I thank all right hon. and hon. Members who are in Westminster Hall for this Petitions Committee debate this afternoon.

I will turn first to the petition on weddings. This is particularly important to me, because I myself have had to postpone my wedding that I was supposed to have in July, but before I go on to lament that, it is important to know exactly what we are debating this afternoon. Just over 110,000 people have signed this petition so far, including 150 of my own constituents in Carshalton and Wallington, and the prayer of the petition states the following:

“Weddings take months and even years of intricate planning. Myself and many others believe the maximum number of guests authorised at wedding ceremonies should be increased. The number of guests permitted at weddings should be calculated according to venue capacity.

For instance, if a venue has a capacity of 600 people social distancing could still be practised with 1/5 of this number. People should not have to alter their plans if social distancing is observed. Surely, if beaches are allowed to remain open, weddings should be permitted to go ahead considering appropriate measures are put in place. It is more than apparent social distancing is not practised at such public places of leisure, thus guidelines for weddings should be reconsidered.”

As the Government outlined in their response, before we entered into a second national lockdown, weddings could take place, but numbers were restricted to 15 or 30 people. Sadly, once again, weddings are now restricted to deathbed weddings. I have heard worrying testimony from Professor Sandberg from Cardiff University, who pointed out some areas insist that deathbed weddings can take place only in a hospital setting, which has denied some couples in really tragic circumstances the ability to tie the knot. I would be glad if the Minister takes that point away.

I understand some of the arguments that have been made—some were directed at me when my wedding got cancelled. There is the argument that two people who are in love should not need a big event to get married; they can have a smaller ceremony now and leave a big party to later. There is also the argument that people will always need to get married, so the wedding events industry will survive. Those arguments fail to acknowledge a few key difficulties, including the planning involved in putting a wedding on, and the wider effect on the industry and some of the traditions associated with weddings.

That last point is demonstrated by the story of the petitioner, Zaynah Ali:

“My brother was due to get married in August and coming from an Asian-Pakistani background we had planned this big wedding and had been doing so for well over a year.

I felt sadness, anger and every other relating emotions, I guess what made it even more emotional was the fact my brother's wife to be had lost her dad to cancer when she was a baby.

The fact her father couldn't be there for her big day was heart-breaking enough but the fact my grandparents couldn't give her away in true Pakistani style made it that much harder.

They almost felt like they had failed her father.

There were also a few personal reasons as to why we did not want to postpone the wedding and I'm sure many people were in the same situation."

I can indeed confirm that many are in that situation. My wedding had to be postponed due to the number of guests we had hoped to have. Like many others, we had planned for over two years. Postponing had an effect not only on us, but on the caterers, florists, decorators, entertainment, marquee companies and everyone else involved in putting on a wedding. I have spoken to local businesses, such as the Function Junction in Wallington, which supplies decorations for weddings and live events. It told me that while some people, like me, have decided to postpone and use the same supplier later, many, due to the uncertainty of coronavirus, have decided to cancel all together and not set a new date. That leaves the couple devastated and the business out of pocket.

According to research, the industry has already lost most of its planned weddings for the first quarter for 2021, and is facing pressures on those in the second quarter. If it has no commitment before July, the sector tells me that it will lose most of its revenue up to June 2021 or beyond, and even runs the risk of collapsing fully. I ask, therefore, that the Government look carefully at liberalising the restrictions around weddings once we come out of the second national lockdown and set out a road map for reopening the wedding industry in the longer term.

We hope and pray that a vaccine will allow weddings to take place normally some time soon—we have had some good news today—but we must also have a plan B for living longer-term with the virus. I argue, like the petitioners, that this could begin after the lockdown, with amending the guidance on weddings to allow for greater guest capacity based on the venue.

Many countries in Europe have permitted weddings with socially distanced numbers; in some places, the number is capped at, say, 100 in the equivalent of our tier 1 or lower-risk environments. Even in the UK, Northern Ireland operated socially distanced weddings since June, until the more recent restrictions were brought in. Weddings were granted parity with the hospitality sector, and there are no known outbreaks associated with weddings in Northern Ireland. That proves that it can work. In the longer term, weddings seem to me the perfect place to trial rapid testing. Given the planning involved, it is relatively easy to share details prior to the event, conduct testing on arrival, if necessary, and test and trace after the event. I hope that will be considered as a potential place to pilot rapid testing.

I have spoken about the impact of the pandemic on the industry. Further restrictions and uncertainty will only cause further damage. A commitment to socially distanced weddings, rapid testing trials and equitable support for the wedding industry, along with other hospitality businesses, will help to deliver a bounce back for this industry.

To date, over 145,000 people have signed the e-petition on live events, including 236 from my constituency. The petition states:

"The government has failed to provide specific support to UK festivals, dance venues and nightclubs. Covid-19 has hit hard on the nightlife sector having a major impact due to the suspension of mass gatherings. Followed by unclear guidelines and a lack of commitment...this has contributed to growing uncertainty within the arts sector, putting at risk millions of jobs. The government must make clear its commitment to ensuring the dance community survives the pandemic. #LetUSDance".

I have been extremely grateful in preparing for the debate to the lead petitioners, Jasper and Anthony, as well as the Night Time Industries Association, for taking the time to share their concerns with me and explain the issues that the sector faces in a bit more detail. The figures are quite stark. The night-time economy is the UK's fifth largest sector. It contributes £66 billion a year to the economy—6% of the UK total—and provides in the region of 1.3 million jobs, alongside an entire supply line of creative freelancers, sole traders and skilled technicians. Significant parts of the sector, unlike other hospitality businesses, have not been able to open at all since lockdown in March—particularly night clubs. Some venues have indeed invested heavily in becoming covid-secure, or have even repurposed. However, even those venues have been able to trade only at a fraction of their previous capacity. Many have also raised concerns about the implementation of the arbitrary 10 pm curfew. Now we are facing another national lockdown, and the uncertainty is growing. There are calls from the sector for an urgent set of sector-specific support packages.

Prior to the new national lockdown a survey was commissioned by the Night Time Industries Association and its members, and some pretty devastating statistics came out of it: 72% of businesses said they were unable to open or trade; 58% feared that they would not survive longer than two months after a job retention scheme came to an end; and 71% said they were set to make more than half their workforce redundant. Just a third said that they were able to repurpose. The average cost of repurposing was anywhere between £10,000 and £30,000, and 84% of businesses were achieving only 10% to 50% of their normal trade. That was on top of growing concerns about the implementation of a 10 pm curfew. The night-time economy was seen by many as being the target of restrictions despite evidence from Public Health England indicating that infection transmission in hospitality was only about 4%. The danger was that the curfew could drive people to congregate in the streets, in mass gatherings outside, or even to continue their night in unsafe, unregulated and illegal gatherings behind closed doors.

I have spoken to people from hospitality businesses in Carshalton and Wallington, who have expressed similar concerns. Thankfully, loyal customers came back to popular local businesses such as the Ginger Italian and the Duke's Head, once hospitality was allowed to reopen partially. However, the 10 pm curfew was felt to be stunting their ability to recover. There have been further concerns about the allocation of support grants and packages, as there were fears that the contemporary dance music scene was not taken into account properly in Arts Council England funding allocations.

Night-time businesses and their supply chains have recognised that they need to put public health first, and they have worked incredibly hard to make themselves covid-safe for when the time comes, but they need clarity, in the form of a road map to reopening, so that they can prepare financially. The NTIA has a number

[Elliot Colburn]

of asks about finances, which include the continuation of employment support guaranteeing 80% of wages, an extension of the self-employed income support scheme, a sector-specific grant system proportionate to the operating costs of frontline businesses and the supply chain, a workable commercial rent solution, a reduced rate of VAT for hospitality throughout 2021, a business rates holiday for 2021-22 and, ultimately, the all-important strategy for exit from lockdown.

There are fears in the industry that without those measures we risk losing our nightlife and, indeed, our cultural heritage, for good. So again, while I say that today's news is good and we hope that a vaccine might be coming fast, to allow some semblance of normality to come back, we have to have a plan for both sectors to live with the virus. Repeated lockdowns, as the Government have said, are not the answer. Further restrictions could well mean that the industry is not there to recover in the end.

In both the cases that I have spoken about, I urge the Government to look carefully at the concerns raised by the industry and at what support could be made available in the short term. Most importantly, for weddings and for live events, I urge them to set out a clear road map for reopening, so that businesses can begin to bounce back.

James Gray (in the Chair): I am asked to advise the Chamber that if Members want to avail themselves of a clean cup there are cups at the back of the Chamber.

A glance around the Chamber demonstrates that there are a large number of people seeking to speak. Rather than my imposing a formal time limit, which I think substitutes quantity for quality, it might be courteous to others if hon. Members restrict themselves to roughly three minutes per head from now onwards.

6.14 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): I thank the hon. Member for Carshalton and Wallington (Elliot Colburn) for clearly setting out the case for urgent support for the weddings and live events sector.

One of my constituents recently stated to me, "Music is part of this country's rich fabric, its heart and soul." Those words really resonated with me, not least because of my own constituency's rich musical and artistic heritage. From Ewan MacColl to Madchester, we have long relied on a blossoming night-time and live events economy, and we have been very proud of it.

However, the last six months have pushed many from across the sector into extreme financial hardship. We have seen everything from the complete closure of many live venues through to the exclusion of many businesses and freelancers from the Chancellor of the Exchequer's business support schemes. Indeed, ExcludedUK estimates that more than 3 million are excluded from any Government business support at all. The Night Time Industries Association states:

"Recent announcements have given some light, but we have lost so many businesses, employees and self-employed already, we are still in a very vulnerable state."

The weddings and events industry is equally vulnerable. In some cases, venues were able to reopen in a limited capacity as lockdown eased; others had to remain closed completely. Within my constituency there are places such as Ordsall Hall and Salford Lads Club, which both

do weddings and live events, in addition to numerous venues beyond the city that employ my constituents, such as Samlesbury Hall.

These venues employ a number of staff, in addition to all the suppliers along the way, who supply everything from the table placeholders to the wedding dress to the cakes and flowers. Many weddings take years of planning and are now being postponed, because couples understandably want all their family and friends to be part of what should be one of the most magical and happy events of their lives. Even if the venues were somehow able to reopen fully—safely and with no restrictions—tomorrow, these events take years of planning and simply cannot be resumed at short notice. Couples are now contacting venues and suppliers to request the rearranging of their bookings to 2021, but if these businesses cannot survive the pandemic, re-bookings will be heartbreakingly irrelevant.

The live events sector, including trade shows and exhibitions, has been affected in similar measure. I am sad to report that the absence of sector-specific support thus far has meant that redundancies have already occurred in my constituency. Those affected range from joiners to designers, and they have no idea when they will be able to secure work again.

I would therefore be grateful if the Minister could address the following concerns urgently. First, will he commit today to working with these sectors to develop sector-specific support packages? Will he commit to delivering a road map towards the resumption of normal business in a logical, covid-secure way, so that there is clarity about the future for businesses and their employees and customers? Will he review further VAT exemptions that could support affected businesses in these sectors? Will he backdate and provide equitable support to all the wedding businesses and live events venues, at least in line with other hospitality businesses? Will he urgently address the significant number of venues that have still not received any support from the culture recovery fund? Finally, will he urgently commit to implementing a financial support package to protect the 3 million businesses, workers and self-employed people excluded from any Government support so far?

6.18 pm

Julian Knight (Solihull) (Con): It is a great pleasure to serve under your chairmanship, Mr Gray. I congratulate my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) on introducing this important debate—he is proving to be a considerable upgrade.

The National Exhibition Centre, on the edges of my constituency, is one of the most renowned venues in the west midlands and nationally, playing host to conferences and concerts alike. Last month, the NEC announced that it was cutting 450 jobs because of the ongoing uncertainty. That is the reality for so many events businesses in this country right now. Since March, concerts have become a distant memory. Sports clubs that would supplement their business by playing host to weddings found that even when they were briefly able to open in the late summer, their major source of income had been cut off. I know of one golf club that has lost almost half a million pounds in wedding business.

Nightclubs and jazz bars remain shuttered while the musicians, events staff, sound engineers and DJs who work so hard to bring us this top-notch entertainment

are furloughed, made redundant or desperately trying to make up in other industries the money that they have lost. Frankly, there are not that many jobs going around if people are looking for alternative employment. Also, there are major blackspots when it comes to the self-employed—something that the Select Committee on Digital, Culture, Media and Sport, which I chair, has highlighted at length.

There are wider impacts, too. Would we have seen the likes of the much-missed Amy Winehouse had she not been able to perform those early gigs in north London? Emerging talent depends on live events and relies heavily on the income they provide to keep investing in their own talent.

The culture recovery fund is welcome money for the arts, and I recognise that the Government's furlough scheme has been a lifeline for millions of jobs where businesses have been able to operate, but live events and their reliance on having large numbers of people in one place, often in an enclosed space, in order to make a profit, are inherently incompatible with restrictions for covid-19. The £1.57 billion does not even come close to touching the sides of the losses sustained this year, and it is to be divided between such a large number of diverse types of arts businesses, so live events need ongoing support to recognise their precarious position and clear timelines to allow them to prepare to reopen, such as "no earlier than" dates.

In normal times, those are profitable businesses, with events accounting for half of all inbound UK tourist spend, and for £70 billion in direct funding. My Committee has therefore called for bespoke sector-specific support. The Government have provided that for theatres and arts venues on the brink; they now need to do the same for live events.

6.20 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): As hon. Members know, Newcastle has a globally renowned night-time economy. Our night life is a big attraction for locals, tourists and prospective students. Newcastle's pubs and clubs are concentrated into clusters that have developed their own character, from the upmarket Quayside, through the down-to-earth Ouseburn and the famous Bigg Market, to the pink triangle. There is something for everyone, and a warm welcome usually awaits.

I am proud that Newcastle also hosts some iconic venues, such as World Headquarters, a pioneering and progressive underground club where I have to admit I spent much of my 20s. It has a long and rich history going back decades in Newcastle. Venues like that are the fabric of Newcastle and the north-east, helping to make us into the thriving, multicultural and cohesive community that we are proud to be.

Those are not dispensable businesses that we can allow to wither and die during the pandemic. We cannot assume that we will resume normal business, that they will be replaced with shiny new venues and that all will be well. If those businesses do not survive the pandemic, we will be losing our city's character, part of our history, the thing that makes Newcastle what it is. The way to stop that is to give the support now.

The Government's decision to include clubs in the restrictions support grant is a belated acknowledgement that they have not been able to generate any income for

eight months. However, Ministers know that £3,000 a month—for those that get the most—will not be enough to cover the backdated losses that many of the places have faced. I want the Government to look at building flexibility into the local restrictions support grant. The night-time economy is in crisis, and we know that not every business will survive, but local authorities have the local knowledge and intelligence to know where that money can be best spent.

The petition is called "Let Us Dance". People do not expect to go back to dancing in nightclubs straight away, but they want them still to be standing when they can go to celebrate when the pandemic is over. If we allow our night-time economy to fail, we will lose a part of our character and history that has grown organically over time. It cannot just be replaced. We should not leave a vacuum that will be filled with who knows what sort of business. Without support, we will be poorer financially and in spirit, and the Government should not want that to happen, as much as I do not want to see it.

6.23 pm

Andrew Selous (South West Bedfordshire) (Con): The Government are allowing deathbed weddings during this period of second lockdown but, please, I make a plea to extend that provision for deathbed weddings to where parents or siblings of the bride or groom are terminally ill and not expected to live beyond 2 December.

My own mother was not able to come to my wedding, when I was married many years ago, because she was in hospital at the time, though she was able to watch it on video afterwards. For people not expected to live another two or three weeks, I please ask the Government to go back. Such weddings could be for the minimum legal number of five—the couple, the minister celebrant and two witnesses—but I think that would be a real kindness to that very small number of people. I please ask the Minister, who I know tries hard on this type of issue, to take it back to see if we can do something.

The wedding industry is a £10 billion business in this country, supporting an enormous amount of employment, and yet we have wedding venues—one in my constituency—that did not manage to receive the business support grant, the retail, hospitality and leisure grant or, at all, the discretionary grant. Some wedding venues, therefore, have fallen through the cracks. There has been great difficulty for couples whose insurance has excluded cancellation on the grounds of Government guidance alone, and some couples have been charged an 80% cancellation fee, which is entirely unreasonable. No one should be forced to effectively pay 180% of the cost of their wedding to get married the second time around. There are some big issues on the weddings front.

As far as the events and exhibition industry is concerned, one of my constituents, who runs an exhibition business, said: "I read, listen and watch leaders of industries bemoan the terrible impact that the second lockdown is having on their businesses, which I am very sympathetic to, and I see the Government provide substantial financial support to these industries. However, I look on with some incredulity that these industries have been able to trade in between lockdowns and have received support; yet the exhibition industry has neither been allowed to trade nor received any bespoke support. We have been locked down since March 2020 and will stay locked

[*Andrew Selous*]

down until at least April 2021; yet we have received zero targeted support.” The events industry would echo those sentiments, and these are huge parts of our economy.

In relation to business rates, the Government gave discretionary grants to local authorities but there has been great variability in whether local authorities have granted rates relief to exhibitions and events businesses. I know of 40 local authorities that have, but other councils, for which I have sympathy, say that the Government have a proven track record in clawing back money that they believe has been paid out wrongly. There is therefore a postcode lottery on business rates. I ask the Minister to please give greater certainty to councils so that they can pay out business rates.

6.26 pm

Rachael Maskell (York Central) (Lab/Co-op): I thank you, Mr Gray, for chairing today’s debate, and I thank the 209 petitioners in my constituency—couples waiting for their happy day and the many people working in the weddings industry. I have met many people working in the industry, and last Thursday held a meeting with people who worked in all sorts of trades. I learned much, and it was fascinating to hear that 400,000 jobs across the country are dependent on the wedding industry, bringing in an income of £14.7 billion. In addition, we have a large tourist trade in the wedding industry, which attracts many couples to the UK to get married, so this issue is extensive for the economy as a whole and for people’s livelihoods and jobs.

An industry that should bring so much joy is, at the moment, bringing so much hardship. In the first two months of lockdown, people experienced the cancellation or postponement of weddings, so staff could not be furloughed; they had to work flat out to try to support couples during that time. Then, of course, they moved into the harsh reality of being unable to access vital Government support, the self-employed income support scheme and grants. We have heard about the VAT measures, which many organisations have been unable to access, and business rates, because many do not have direct premises.

The hardship has been acute for many. I heard from those working in the sector—predominantly women, I have to emphasise—that they had saved up for their first home and are therefore unable to access such things as universal credit. They are now living off their savings, eight months into the lockdown and pandemic. However, they described the future as well, which is where the Government can really help.

The announcement of the further lockdown and the extension of the furlough scheme to next March has brought a presumption that weddings will not be resuming any time soon. We therefore need the publication of a comprehensive plan on weddings so that people can start making plans. To give an example, one celebrant had 48 weddings booked for this year. Two went ahead as micro-weddings, 36 moved into next year and are now being rearranged because people are not confident, one moved into 2022 and seven were lost. That is the scale of the impact of the cancellation of weddings. Many are deferring for the second or even third time.

We therefore need to ensure that weddings are safe and socially distanced. If they can be certificated, that would be really helpful. Also, there is a lack of evidence to suggest that these are places where infections will be spread, an inference made by Public Health England. If there has been any evidence of infection, it would be good to have that data from Public Health England, but we need to ensure that there is testing and that specific support is introduced. Those working in the wedding industry in my constituency have asked for a scheme akin to the film and TV production restart scheme to help restart the industry.

6.30 pm

Esther McVey (Tatton) (Con): Unlike my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn), who delayed his wedding, I speak as someone who got married in September and experienced the nightmare of having to change plans and guests right up to the last minute. In fact, the only two things that, fortunately, did not change were the date and the groom, so I feel that I have some understanding of how the wedding industry has suffered this year through lockdown. It has been a particularly turbulent year—and one that was unnecessarily turbulent, as the rules brought in were not based on science and were arbitrary.

Let me introduce right hon. and hon. Members to David Irlam, a constituent of mine who understands those arbitrary rules only too well. He owns a restaurant, King Street Kitchen in Knutsford, and he also has wedding venues, Colshaw Hall and Merrydale Manor in Tatton. There are stark differences: his restaurant is much smaller, yet David could legally host up to 60 guests from 30 different households there. He could not do so in his wedding venues, which are much bigger and with outside space: they were capped at 15 guests.

My constituent also said that Government had not taken into account the measures that the wedding industry could put into place to be covid-compliant, or the changes and distress when rules were changed overnight. When the rules were changed overnight, Arley Hall—a massive Jacobean hall with outside space, hundreds of acres and beautiful gardens—was allowed to hold a wedding service, but then all the guests left and went to a pub up the road, where they were allowed to eat. That venue had all the food and all the staff, but could not have that take place.

Tatton, and Cheshire as a whole, is an area with a thriving wedding sector. The number of weddings held the year before was 4,500; that figure is now down to 800, and the ones taking place are much smaller. When I speak to constituents who have wedding businesses, they say that, on average, they use about 25 preferred local suppliers. None of those suppliers has the income from those weddings now, but it does not have to be that way. With some thought, some coherence, and a road map to allow weddings to take place—in a covid-compliant way, obviously—the sector could re-emerge and allow weddings to take place.

At the Oak Tree of Peover, Jacqui Mooney explained to me that she has had to postpone 90 weddings and cancel 30; her income is less than one sixth of what it was. Please note that her business interruption insurance,

for which she paid a very high premium, has not been of assistance in any way; furthermore, Competition and Markets Authority guidance and insurance companies have pushed brides back to the wedding venue, saying, “Quote frustrated contracts and insist on full refunds.”

The Oak Tree of Peover has helped brides and grooms in any way it can: it has postponed once for people, it has postponed twice for them, but it has been a logistical nightmare. In Jacqui Mooney’s words, “I dread things now if things do not turn around, because I can’t sleep of a night. I’m not eating because of all the things I have got to do and the money I pay back.” That is true of the business at Styal Lodge Weddings, too.

I end on this note, which is what David Irlam—operator of Colshaw Hall and Merrydale Manor—says: “I would happily be a guinea pig for the Minister. I will do a business venue that is covid compliant. I will do track and trace. I will make sure people are served at the table. I will make sure we do absolutely everything that is covid compliant. Please look at the rules we have put in place.” Please have a Zoom meeting with this person, and the rest of the people in my patch, so we can go back to having weddings and true once-in-a-lifetime—for most people—celebrations.

6.34 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to see you in the Chair, Mr Gray. The emphasis on business grants for those businesses with premises is probably one of the factors that led to many people in the sectors we are debating today being denied financial support; the fact that a lot of them are also freelancers or self-employed is another factor. However, many of the people who were excluded from support the first time around are being excluded once again. Given the speed at which events happened, the Government could perhaps have been given a little latitude the first time for not covering everyone; eight months on and with the benefit of that experience, however, there is absolutely no excuse for anyone being left behind this time.

We need a commitment from the Government that this issue will be looked into urgently, because by the time the current scheme comes to an end, some people will have been trading for nearly two years and will not have been entitled to a penny. How can that be allowed to happen? I hope the Government will listen and offer a roadmap for the wedding and live events industries, with sector-specific support for the intervening period until we get back to some sense of normality. Frankly, telling those people to find another job is a cop-out.

Like other Members, I will talk about weddings because I have been contacted by many constituents who have had to cancel or rearrange their wedding days. The wedding industry has seen numbers restricted and then restricted some more: the limit of 30 at a wedding lasted for just two weeks before it was reduced to 15. That means either that there was a specific piece of evidence that suggested the limit needed to be reduced for weddings but not for the funerals that took place during that fortnight, or that the limit should never have been 30 in the first place. Neither of those alternatives engenders much confidence that the Government are on top of things.

How can a judgment have been formed to change the limit back to 15 in just a fortnight? Given the restrictions to 30 or 15 guests at weddings, many people consider the wedding industry to be closed in all but name. By including outside suppliers in that number, couples have been placed in the invidious position of having to choose whether their photographer or granny attends. I do not think that is right at all.

The wedding industry did not get any benefit over the summer from the “eat out to help out” scheme, despite many venues being able to hold significantly more guests in a covid-secure way than restaurants can. Instead, we saw the sector largely ignored, despite how much it is worth to the economy and how much it benefits people in other, associated industries such as hair, beauty and photography. An important question that I have received from my constituents who have seen their wedding days restricted or cancelled is why they could go and sit in a restaurant with over 100 people socially distanced at separate tables, yet they could have only 15 people attend a wedding venue that can safely hold ten times the amount. I have to agree with them: on the face of it, it seems illogical. Given the massive financial impact that such decisions have had, I hope there is strong evidence behind that distinction being made.

I look forward to the Minister’s response. He will know how vital it is to keep public support for these measures and to ensure that they are evidence-based, logical and clearly explained.

Several hon. Members *rose*—

James Gray (in the Chair): Order. I thank and congratulate colleagues. We are doing well, so the remaining speakers can probably speak for about four minutes, if they want to. I call Karen Bradley.

6.37 pm

Karen Bradley (Staffordshire Moorlands) (Con): Thank you very much, Mr Gray. I do hope the fact that I chair a Committee that you sit on has not somehow swayed you into giving me more time than other people.

James Gray (in the Chair): Reduced to one minute.

Karen Bradley: I will remember that when we meet on Wednesday.

It is a pleasure to serve under your chairmanship, Mr Gray. I pay tribute to my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) for his excellent opening speech and for setting the scene so well. Given that I have only four minutes, I will focus on just one issue: wedding venues. Like many hon. Members, I have been contacted by so many people who have been affected—couples whose big day has not happened or has been seriously scaled down, and the businesses that supply wedding venues.

I want to focus on two unique venues in my constituency: Heaton House Farm and The Ashes. Heaton House Farm is in Rushton Spencer, and The Ashes is in Endon—both are in Staffordshire Moorlands. They are bespoke wedding venues; they do not do anything else. They offer large events and are licensed venues. They have the most incredible scenery. If you have been lucky enough to sit in the hairdresser’s and read *Hello!* or *OK!*

[Karen Bradley]

magazines, Mr Gray, you will have seen the venues, because they host the celebrity weddings that feature in these great, august publications. However, they simply have no business at all at the moment—they have nothing. As the hon. Member for Ellesmere Port and Neston (Justin Madders) said, they could not benefit from “eat out to help out”, because they do not offer food outside weddings and large events. They cannot benefit from the VAT reduction, because they have no turnover—they are not making any money at the moment.

The Heaton House Farm team have taken over running a community pub in Rushton Spencer, The Royal Oak, just to find somewhere to employ their staff. Without that, they will lose their staff. They are not making a single penny on that; they are doing it so that they can keep their staff and to make sure that when they can get back to having weddings, they can do so in the best way they possibly can. They do not benefit from many of the grants because their rateable values are too high—they simply need to be able to get back to holding weddings. As my right hon. Friend the Member for Tatton (Esther McVey) said, they can hold a wedding service, but they could not sit the guests until the regulations changed to allow 15, and yet those guests could go to the local pub and up to 60 of them could sit, socially distanced, in tables of six. That cannot be right. We have to find a way through this. I invite the Minister to meet my constituents from Heaton House Farm and The Ashes to discuss the issue to see what support the Government can find to help those incredibly special places.

6.40 pm

Wendy Chamberlain (North East Fife) (LD): It is a pleasure to serve under your chairmanship, Mr Gray. Live events are obviously very important across North East Fife. Although nightclubs are thin on the ground, unlike in Newcastle upon Tyne North, North East Fife is the home of golf, and we look forward to welcoming the Open back to St Andrews in 2022 for its 150th occasion. However, I want to limit my remarks to weddings because, as many Members have already said, I have also been contacted by venues that are a key contributor to the local economy.

Kinkell Byre is a wedding and events venue that has been operating in its old farmstead as a venue since 2003. It normally holds about 80 events a year, the majority of which are weddings. It is a small business with two full-time staff and three part-time, but it contributes substantially to the local economy because every wedding means revenue for not only Kinkell Byre, but a huge range of local suppliers, from photography and music to catering. It means 100 guests staying in North East Fife for two or three days, each of them spending in other locations on food and accommodation. Samantha from Kinkell Byre told me:

“The coronavirus pandemic has made it impossible for us to operate in any capacity. Our revenue has been reduced to virtually zero while costs still need to be paid to keep the business afloat for the upkeep of the old buildings, wages, insurance, marketing and professional services. We have tried to launch new ventures such as farmers’ markets and beer gardens but...have been prevented from going ahead by the local Environmental Health”.

She told me that the Government support so far has been “amazing”, and I recognise that support, too. However, she also says:

“under the current guidelines we cannot operate or generate any revenue and the business will not survive much longer...we have the space and the capacity to do events safely but with larger numbers than the current guidelines permit...The limit should be linked to the capacity of the venue.”

The guidelines are different in Scotland, where there is currently a maximum cap of 20 guests, but when England comes out of lockdown there will likely be a similar cap. To get through the pandemic, the UK and Scottish Governments have had to take on a great swathe of extra powers, but we need to ensure that they are exercised in the best way possible.

Not only Kinkell Byre is affected, but the hotels and B&Bs where the guests stay and the suppliers that I mentioned earlier. I want to mention one supplier: Amy, a small business owner whose florist business is largely focused on flowers for weddings. She moved to online only, giving up her shop, but remains hugely impacted by the restrictions. People are moving their weddings to next year or even 2022, and she is losing business as a result. She says we should change the restrictions and make them more sensitive to venue size. That surely is a way forward, alongside comprehensive testing, tracing and isolating. Amy highlighted that, to make matters worse, there is the looming threat of a no-deal Brexit, which would mean an 8% tariff on imported flowers, and there is simply not enough supply of flowers in the UK to meet the demand. If the Government do not agree a trade deal, that really will push her business over the edge.

If the Government will not change the restrictions, or cannot, they need to provide further financial support to enable these businesses to survive through until March. The furlough has been extended, but, for a business like Samantha’s, wages are a pretty minor cost in the scheme of things. Business grants were available over six months ago and are unlikely to have lasted in bank accounts until now. North East Fife would be nothing without those businesses. We often hear that small, locally owned businesses are the backbone of the local economy, but in North East Fife they are the face of the economy, too. They are what we encounter when we travel throughout the Kingdom.

6.44 pm

Mrs Maria Miller (Basingstoke) (Con): It is a great pleasure to serve under your chairmanship, Mr Gray. I commend my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) for securing this debate. I urge the Minister to look at the petitions in detail. Although I could speak at length about the issues facing live music in my own constituency at places such as the Anvil, and the many festivals I seem to go to when picking up my children, I will focus on weddings because I have been struck by the way that the restrictions that the Government have absolutely had to bring in have really gone to the core of people’s lives—whether it is the couples who have had to postpone what might have been an event that they had planned for not just months but years, or the wide range of businesses that have been fundamentally undermined.

I will focus on the correspondence that I have had from organisations such as The Barn at Avington, a wedding venue near my constituency; Balloons For U and Events For U, which have been fundamentally affected by the restrictions brought in around weddings

and other events; Sofi Designs Bridal, which produces bridal wear as its main focus, and which has lost one of its main business lines without weddings; and DJs such as Aaron Purkiss and Garry Job, whose livelihoods have been fundamentally affected by what has gone on in the last six to nine months. All have written about the paralysis that has affected an important part of their income—the wedding industry—and the devastating impact on their livelihoods.

What those people need now more than ever is some certainty for the future. I know that the Minister cannot give us a cast-iron guarantee today about when things are going to change, but he can give us some certainty about the way in which the Government are going to move to a position where we start to live with the virus, rather than completely shut things down. We have heard about how we could change the rules around the capacity of venues to help weddings to go ahead on a slightly larger scale. There are many other things that he could be doing to prepare a road map for the future so that people can start planning their big day yet again, and businesses can see light at the end of the tunnel.

Catherine McKinnell: The right hon. Lady is making a compelling and powerful speech that resonates very much with the representations I have had from constituents. Does she agree that one of the big challenges that people face is the limbo that they have been left in—not able to plan for the wedding they dreamed of, or even one they could compromise on, and not knowing whether the insurance will cover the loss of everything that they have spent? That is why the Government need to give that certainty about what is happening to end the limbo for such couples.

Mrs Miller: The hon. Lady makes a valid point to which I am sure the Minister will want to respond in detail.

In closing, I commend Natasha Newland, founder of the County Wedding Clubs, for speaking up so eloquently for the sector, which directly and indirectly employs many people—not just in my area, but throughout the country.

6.47 pm

Jane Hunt (Loughborough) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I thank the petitioners, my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn), and, of course, the 394 people in my constituency who had signed the petitions as of this morning.

Live events, conferences, exhibition organisers, and events such as graduation balls have all been affected by the virus. Both petitions are important, but I will focus on the one that calls for an increased number of guests to be permitted at weddings according to venue capacity, as that has been the issue that I have had most contact about directly.

One such conversation was with Mr Henry Weldon, the managing director of Maverick events operating at Prestwold Hall—a beautiful and popular grade I-listed stately home in the heart of the Leicestershire wolds. He explained to me that, to date, he has seen more than 120 weddings and events rearranged or cancelled. His catering business and the venue combined have lost a turnover of £1 million in 2020 alone. He says:

“There are serious concerns about not being able to restart by spring 2021, by which time we will effectively have been closed for a year. Government must give support and confidence to our sector and hence to our couples who have also suffered greatly.”

As I said in my speech during the debate on the Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020 last week, we must use the next few weeks to plan for how we can create recovery for ourselves, our local communities and our businesses. As part of that, I strongly believe that we should take a different approach to events when the new restrictions have eased.

Risk assessment is key. I have had several conversations with Ministers in the past few months about adopting Northern Ireland’s approach to weddings, where venues produce their own risk assessment of how many people they can safely accommodate while adhering to social distancing guidelines. Of course, we should not limit that approach to weddings; we should consider extending it to conferences and music events, which are in industries that have been among the hardest hit.

Over the summer, we saw how it was possible to restart industries in a safe way. We allowed restaurants, hairdressers and leisure centres, to name but a few, to reopen, as long as they followed the covid-19 secure guidance. So why should the events that we are discussing today be any different? We cannot continue to restrict them indefinitely. We need a plan, as has been implemented for other industries, so that such events can restart, and I believe that the more nuanced approach taken by Northern Ireland could form the basis of such a plan.

A number of constituents have written to me expressing their sadness and anxiety about having to delay their wedding or make difficult decisions about which of the people closest to them cannot attend. As one constituent has said:

“I recognise the impact of covid-19 on everyone’s daily lives, but for those couples who are planning a wedding, the toll on our mental health is significant. A wedding takes years to plan. It has an impact on finances and postponing a wedding for a full year means there is a huge risk that immediate family members may not be around to see our big day, which is heartbreaking for us and for them. All I ask is that consideration be given that numbers are increased according to venue capacity. I feel that the hospitality industry has adapted in the wake of covid-19 and shown that there are ways to hold a wedding and be safe.”

I echo my constituent’s plea, and I hope that in the next few weeks the Government will give serious consideration to reforming the approach to these events.

6.51 pm

Edward Timpson (Eddisbury) (Con): It is a pleasure to see you in the Chair, Mr Gray.

Dorfold Hall, Peckforton Castle, Combermere Abbey, Carden Park and Wrenbury Hall are just some of the stunning, romance-laden, fairytale wedding venues in Eddisbury, which are at the forefront of a thriving £10 billion-plus national industry that employs, as we have heard, over 400,000 people in around 120,000 viable and mainly family-run businesses across the country. I say “thriving”, but of course since March this sizeable chunk of our economy has been, to all intents and purposes, shut down.

It is important to recognise that the Chancellor’s significant financial support package has rescued many businesses from failure and kept other businesses, including

[*Edward Timpson*]

in the wedding industry, on life support. However, since I spoke in the House in July and again in September in support of more targeted support for such businesses, I am afraid to say that the situation has only got worse. Indeed, the reduction on 22 September in the number of people allowed to attend a wedding to 15 saw 15,000 to 20,000 weddings cancelled and the loss of a further £450 million to £600 million in revenues.

If I look specifically at the Boutique Hotel Group, which is based in my constituency, I see that in 2020 to date it has had 432 weddings cancelled, and lost £7.8 million in sales and £3.7 million in net income. Dorfold Hall, which is near Nantwich, was only able to hold four weddings this summer, with the business closed for the greater part of the year. While the rest of the hospitality sector benefited from VAT relief and the eat out to help out scheme, wedding venues were in effect excluded.

As we have also heard today, that has also had serious consequences for nearly all the businesses that are in or around the supply chain for wedding venues. The managing director of the Boutique Hotel Group, Chris Naylor, told me that one of its suppliers—a florist—would usually turn over in excess of £200,000 from his venues alone, spread over 40 weddings a year, but it has provided flowers for only one wedding this year. The group's recommended DJ and lighting company, which would normally turn over £350,000 from the group's venues, has had no turnover since March. The photography company that the group uses, which would normally bring in around £1 million through 450-plus weddings at £2,000 per wedding, has not seen those sales coming in, and it employs photographers based across the north-west area. Significant hardship has been caused right across the wedding industry.

We have heard a lot about the road map, but it is time that we actually saw it realised, as something that builds from socially distanced numbers towards normal weddings, where situations and technologies allow. The wedding industry and many of the venues themselves are really well set up for that to happen. We can put them at the heart of the test and trace system, and we can also make sure that they have all the support they need financially, so that their cash flow can continue throughout what will continue to be a difficult time, because January and February 2021 are the most important months in which to sell 2022 weddings. That will also help with the cash-flow issues.

In the previous debate, we heard about a taskforce that has been set up to work towards spectators going to venues again as soon as possible to watch elite sport. We need a similar group for the wedding industry. I urge the Minister to do what he can to work with all those who have a keen and now urgent interest in making that become a reality, because there is hope. There is a lot of latent capacity within the wedding industry, a real chance to bounce back from what has been its worst ever year. There is an incentive for the Government as well, given the tax receipts that will flow as a consequence. I ask the Minister to continue to work closely with the wedding industry to ensure that we do not miss this chance to bring back a great part of our economy.

6.55 pm

Simon Baynes (Clwyd South) (Con): I thank my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) for opening this debate with such a good speech. The debate deals with two issues that are important both nationally and for my constituency, where 105 of my constituents signed the e-petition calling for additional support for live events and 91 signed the one calling for an increase in the number of guests permitted at weddings, according to venue capacity.

Over the past few months, I have organised regular roundtable Zoom calls with representatives of the Clwyd South wedding industry, such as Phil Godsall of Iscoyd Park, Andrew Marshall of Tower Hill Barns and Tracey Owen of Tyn Dwr Hall, and with others from further afield in Wales. At different times, those meetings have been joined by Ministers, including the Secretary of State for Wales, the Wales Office Parliamentary Under-Secretary of State and the Minister for Economy in the Welsh Government.

In a constituency such as mine or that of many other Members present, with many rural communities, those venues are of particular importance for the local economy and jobs. I appreciate that this is a devolved matter in Wales, but the key issues, as the Welsh venues have highlighted, are similar to those in England. They can be summarised in five brief points.

The limit on numbers, whether that be 15 or 30, is arbitrary and should be related to the size of the venue. The limit is out of kilter with European venues, where the figure is often significantly higher—up to 100. The venues I talked to say that in the majority of cases, 50 guests is an economic number, and that it is difficult to break even with lower numbers.

With all due respect to everyone in the health industry, weddings are not super spreaders of the virus. All the guests are known to the bride and groom and therefore easier to control in terms of track and trace by the venue. There is also a strong vested interest among the guests—to them, there are no random guests—to look after each other health-wise.

In practice, it has been much more difficult for wedding venues to access financial support than other hospitality businesses, partly because they have been able to stay open in Wales unless there has been a national lockdown. However, that goes back to the limit on guests, where staying open for 15 or 30 guests is simply not economic for a wedding venue.

People book weddings up to 18 months in advance. Therefore, the industry is particularly badly hit by the lack of visibility going forward. It is not an industry that can stop and start, like some other hospitality businesses. I fully appreciate that the Minister and the Governments in Westminster and in Cardiff, as I have seen in the roundtable discussions that I organised, are listening and take the matter seriously.

Plenty of economic support has come forward but, as many have said this afternoon, it is not targeted in the way that it needs to be. One suggestion of a practical solution, given that a lot of venues are suffering from the withdrawal of clients' deposits—that is now getting to be a very serious problem—would be the underwriting or financial furloughing of those deposits. That would bring stability and a breathing space so that the wedding venues can plan with greater confidence for the future.

6.59 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray. I pass on my congratulations to the petitioners, and double congratulations to the hon. Member for Carshalton and Wallington (Elliot Colburn), on securing the debate and on his recent nuptials.

We have heard from Members around the Chamber with some similar issues. The hon. Member for Salford and Eccles (Rebecca Long Bailey) talked about the plight of the excluded, which is something I want to return to shortly, and about a rich musical and artistic heritage—something we have in common across many constituencies, not least my own. The hon. Member for Solihull (Julian Knight) talked about the incompatibility of tackling covid with the operation of the venues, and the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) talked correctly about the loss of character that went with the loss of some of the businesses.

We also heard from the right hon. Member for Tatton (Esther McVey)—and, again, my congratulations on her recent wedding—and others, such as the right hon. Member for Staffordshire Moorlands (Karen Bradley) who talked about the enormous effort made to keep staff on when they did not qualify for support. The hon. Member for North East Fife (Wendy Chamberlain) talked about the supply chain impact, and the direct impact on the local economy. That, again, is something my constituency has in common with hers. The hon. Members for Loughborough (Jane Hunt), for Eddisbury (Edward Timpson) and for Clwyd South (Simon Baynes) talked about the need for more business support and targeted support, and the difficulties for businesses getting access to that support. There were many common themes for us to talk about today.

It is indeed a tough time for the wedding industry and industries in the night-time economy. There are arguments for exceptions, which we have heard, but most people understand that the restriction measures are sensible and necessary. The majority of people understand the need for them. That does not make it any easier for couples who have spent months, or even years, often, planning their perfect day. They have been dealt a really tough blow by covid-19 and by the uncertainty that has meant taking the heart-wrenching decision either to cancel or to go ahead with their marriages without many of their loved ones being present to share the day. A wedding is an important milestone in people's lives, and it is with that in mind that the Scottish Government are trying to strike the right balance between a policy that empathises, and putting the safety of communities first. In Scotland, the current rules are that in levels 1, 2 or 3 no more than 20 people should attend, and in level 4 it should be no more than 15. If we get to level 0—and I hope that some regions will get to level 0 in future—a more recognisable number of 50 will be allowed in the venue. However, we know that mixing at weddings, as at any large-scale party, creates a risk of further transmission of the disease, and it must be carefully monitored to make sure that that does not happen.

The impact is not just emotional, but financial, as we have heard. In Scotland the average cost of a wedding is £20,000 and therefore the knock-on impact on suppliers serving the industry is dramatic and is heightened by the fact that Scotland is a popular wedding destination,

with an average of 29,000 wedding ceremonies a year since 2001 and more than 130,000 couples who live elsewhere having chosen Scotland as the destination for their wedding. We are grateful to them for sharing it with us. Behind those numbers are tens of thousands of wedding supply businesses that are now struggling to make ends meet because of the pandemic. The hospitality and wedding venue sector is worth £963 million for freelance or self-employed photographers, DJs, musicians, wedding planners and suppliers of wedding-themed products. That is a big, big deal. Many of those freelancers are self-employed people and are part of the 3 million who have been excluded from support in spite of countless calls from me, my colleagues in the Scottish National party and colleagues across the Chamber asking for them to be remembered by the Chancellor, and asking him to act. Unfortunately, they continue to be ignored.

The Minister must, today, answer and say what he is going to do about it. All businesses in the sector deserve to be allowed to keep afloat during the crisis, so that completely viable businesses that would in normal times be thriving can move on and be there for us to support the economy once we emerge from the emergency. The coming months are critical, so I once again ask the Minister to urge the Chancellor to give these businesses a fighting chance. Topping up bounce back loans is not the answer; leading companies into crippling toxic debt will not get them out of this. The Government should now convert those loans into grants for those businesses.

As I said, there is widespread recognition that restrictions are required to help fight this pernicious virus, but we need to ensure that these businesses and jobs are still there when we emerge. Wedding venues, nightclubs and music venues have seen their businesses decimated. In Scotland, despite having one hand tied behind our backs, we have gone beyond the Barnett consequentials: the Scottish Government have spent nearly £4 billion on tackling covid-19, including £2.3 billion on business support, with almost £900 million of non-domestic rate relief; a £1.3 billion business grant scheme; a £30 million creative, tourism and hospitality enterprises hardship fund; and a £185 million package of targeted support for small and medium-sized enterprises and the self-employed, which dominate the night-time business sector.

The UK Government must now live up to the £350 billion promise. Loans are not working for firms that are struggling, especially this winter. They should ramp up support for businesses in England, which is the right thing to do, and allow us to use the Barnett consequentials to support businesses in Scotland. Once again, the Chancellor must act to make things right for the excluded, who have been battered, bruised and brushed off. They are even worried that the £20 a week universal credit uplift will be removed shortly, so we need a guarantee on that too.

There should be provision for furlough beyond March in this sector. It is clear that the big talk of “whatever it takes” from the Chancellor is not being delivered; it is not what people are seeing. Financial powers should be devolved. Simple changes to borrowing rules should be made, to allow the Scottish Government to step in where the UK Government are not. We have been begging for this for months and months. The failure of the Tory UK Government to listen to the needs of the Scottish people is not new, but boy is it being recognised in Scotland just now, amplified throughout the Brexit

[Drew Hendry]

debacle and now this crisis. It is no wonder that polls now show that people in Scotland want a new referendum, with a majority of people in 11 consecutive polls now saying that independence is the way for us to make the right choices for our future.

7.7 pm

Lucy Powell (Manchester Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Gray. I am getting used to following the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) and preceding the Minister. I often agree with much of what the hon. Member for Inverness, Nairn, Badenoch and Strathspey says, apart from his last point, which I nearly always disagree with.

We are discussing two important petitions, and we can see from the number of Members here that they are attracting quite a lot of attention. I pay tribute to the hon. Member for Carshalton and Wallington (Elliot Colburn) for his excellent opening speech and for introducing the petitions, the first of which is the “Let Us Dance” petition, created by Jasper Levine. As somebody who, I must confess, was often found in the Hacienda nightclub in her youth and is a regular attendee at the Glastonbury festival, I am particularly pleased to speak in this debate. It was no surprise to me that there were more signatories of that petition from my constituency than from most other constituencies across the country. At this point, I thank Sacha Lord, the night-time economy spokesperson for Greater Manchester, who has been a great advocate on these issues on behalf of those in this industry, including those from outside Greater Manchester. The second petition is on the number of guests permitted at weddings, which we have heard a lot about. The arguments made on these issues by a number of Members are compelling, and I hope that Ministers will listen.

As we have heard, these sectors were a thriving and deeply interconnected ecosystem that supported millions of jobs across the country. I have held a number of Zoom roundtables with representatives from these shut-down sectors and those sectors closed in all but name. Many of the problems that we are discussing also affect the conferences and exhibitions sector, which we have heard a little bit about, as well as big sporting events. Together, these sectors make up a large proportion of the visitor and hospitality economies of our towns and cities. These sectors are at the centre of a wider ecology of jobs and employment, from make-up artists to florists, hairdressers, music technicians, security guards and many others. They contribute to thriving town centres, which include the hotel industry, hospitality, taxi drivers and many more, not to mention a huge supply chain, which we have heard much about. The majority of those businesses are not just viable, but are world-leading enterprises, generating and contributing billions of pounds to our economy. As we have heard, the wedding industry generated £15 billion in the previous year, the night-time economy over £66 billion, and conferences and events businesses billions more, on top of all the important trade deals made at those business events.

Since the first lockdown, the financial impact on those sectors has been alarming. I heard today in a roundtable I held with those from Greater Manchester

that the night-time economy is down 90% since the beginning of the pandemic. Tens of thousands of weddings have been cancelled, although not for the right hon. Member for Tatton (Esther McVey), who managed to have hers—congratulations to her. The wedding sector is not officially closed, but it is closed in all but name. Its trade has essentially stopped, but it has not been officially closed, which is having an impact. All the changes and inconsistencies have meant successive waves of restarts and refunds having to be paid out. There are also many sole traders, small and medium-sized enterprises in supply chains, and freelancers who have lost work, as we have heard. The chopping and changing has really taken its toll. As we have heard, bookings are made way in advance. The uncertainty in this sector could be the death knell for the weddings industry.

Even before the second national lockdown, which we are now in, it was clear that those industries needed more support. Although the reintroduction of the furlough scheme is welcome, that will have come far too late for too many. Those I have spoken to, on the many Zoom calls I have held, took decisions on redundancies weeks ago. Let us remember that, without the businesses to administer the furlough scheme, the jobs will not be saved either. What we are seeing is businesses starting to go bust, unable to pay the overheads that they incur—the rents, the venue hire, the utilities, the equipment hire and so on.

The first wave of cash grants has not reached most in the events and weddings industry—they did not qualify—let alone those in the supply chain. The second wave will not help most either. Even though the Government now seem to accept the principle of supporting businesses through the continued restrictions, in practice they are falling well short. For example, nightclubs and live events can qualify for a grant only from 1 November, despite being closed since March. Big conference events will not get anything at all, and the weddings industry will have to rely on the discretionary pots, which are seriously insufficient and will lead to a postcode lottery.

We should also remember that many businesses and self-employed workers in those sectors have been unable to receive any support at all, as we have heard, because they are from the 3 million excluded. Sole traders and the self-employed are excluded, while many company directors receive all their income through dividend payments. We need some proper sectoral support, as we have heard, and we have also heard some good ideas about that today—discretionary grants, action on rents, action on the 3 million excluded and ideas for rates relief for the next year and beyond.

However, as we have heard today, what most businesses want—this is what they tell me, and I am sure they say it to the Minister, too—is a route map out of closure. This is now the critical business issue, because most businesses want to trade. That is their job; that is what they do. We urgently need a real plan—a route map out for the sector. Mass testing, test, track and trace and isolate, and a vaccine would all make a difference. In the interim, these sectors need sensible guidance on how they can operate safely—we have heard some really good ideas from the hon. Member for Eddisbury (Edward Timpson) and others on bringing all that together—because they want a level playing field, as we have heard in the debate. Why can a restaurant operate with 60 people from different households, but a wedding venue cannot?

That just does not make sense. Why can people be in close quarters on an aeroplane, but cannot come together for a family celebration?

There are a number of other fixes, and I urge the Minister to bring the industry together, because these are creative, expert people, and let us not forget that they are used to managing events. That is what they do, so they know the people in the room, and they can manage it well.

These are viable businesses. They are not going through some structural change, like some other parts of our economy. They were massively growing before the pandemic. Let us be honest: the minute we are allowed to celebrate and party with our families again, we will be doing so. There will be huge demand for events and weddings. I hope the Minister has heard the calls today and that we can get this sector rolling again, and we can all have a party.

7.15 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Paul Scully): It is a pleasure to serve under your chairmanship, Mr Gray, and I thank my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) for leading this important debate on the two petitions. I am so looking forward to attending his wedding to his partner Jed when it is possible to do so. It has been postponed once, but I was really hoping that it did not have to be postponed a second time.

Before I address the specific concerns highlighted in this debate, I want to talk about the two issues at hand. First, on wedding receptions, I want to put it on record that both myself and officials in BEIS have received a number of representations from the wedding industry over the summer. It is pleasing to see the dedication of my hon. Friend the Member for Clwyd South (Simon Baynes) who, as a number of people have done, has brought the industry together, listened to the sector, reflected on its views and been working tirelessly for those sectors that are so hard pressed and unable to open fully, or in some cases at all. When I saw the names of my hon. Friends the Members for Eddisbury (Edward Timpson) and for Loughborough (Jane Hunt) on the call list for this afternoon's sitting, I knew that they would be here because they have been tireless in catching me every time they can in the Lobby to reflect the concerns of their constituents. That is absolutely right and shows their dedication to this important sector.

I have had representations from many people from the wedding industry and spoken to many of them in various roundtables, because it is so important to listen and reflect on the road map of the considerations that have been outlined today. It is important to consider the context of this issue. We are keenly aware of the importance of weddings for many people and how their plans have been affected by the coronavirus outbreak. Indeed, we heard from my right hon. Friend the Member for Tatton (Esther McVey) about her ceremony: numbers might have been curtailed, but I am sure the fun, the enjoyment and the love they have for each other was not curtailed in any way in their celebrations.

The situation also affects family, friends and guests, and, as we have also heard, the small businesses that that service and work with the venues and the planners

to celebrate people's weddings. That is pivotal to so many people's lives, so we did publish guidance on how wedding celebrations could take place in England in a manner that was covid-19 secure and in line with social distance guidelines. The significance of those events was underscored by the fact that we enabled celebrations to take place initially with 30 people present, but regrettably that had to be lowered to 15. That included the couple, the witnesses and guests, but it did not include suppliers or venue staff working at the wedding venue. I know that is nowhere near enough for the viability of the sector.

I have had discussions about viability with the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry), and, come the day when we are learning to live with the virus and we have rapid testing—when we have the results of the good news today of one particular vaccine avenue—I cross my fingers that those businesses will be able to switch on almost overnight, because the dates are there and those businesses are viable when we get out of this situation.

Catherine McKinnell: A huge number of couples have actually not booked their weddings and they are not waiting, ready to go, because they have lost their date. They had a date in July, but they have now been offered a date in January, probably at the same price and with no discount. This is really heart-breaking for many of these couples. I totally recognise the optimism of the Minister, but he should recognise the sheer heartache that many couples are living with today.

Paul Scully: The hon. Lady is absolutely right. I see on my Twitter and Instagram feeds and elsewhere the pain and heartbreak of couples who were looking forward to that special day. We have also heard about the financial costs that people have faced, such as deposits and other difficulties. The initial moves and the conversations that we have had illustrate the importance that we attach to these life-affirming events.

Some hon. Members have talked about the contrast between the numbers of people allowed in restaurants and in wedding venues, but there is a fundamental difference: the very nature of weddings, which bring family and friends together from across the country, and potentially from around the world, means that they are particularly vulnerable to the spread of covid-19. Despite some media coverage to the contrary, the hospitality sector has worked so hard to become covid-19-secure that pubs and restaurants are some of the safest places in the country. I have spoken to venue owners and organisers in the wedding sector, and unlike visits to a public house or restaurant, where groups are more isolated, it becomes harder to resist breaking social distancing at weddings, where we spend extended periods among family.

We want to continue working with those professionals, together with Public Health England and other health professionals, to ensure that we can manage social distancing throughout the wedding process. Just today, I had a conversation with Richard Eagleton of McQueens Flowers and Sarah Haywood of Sarah Haywood Weddings & Celebrations. They are both seeking to build a taskforce of the kind that my hon. Friend the Member for Eddisbury spoke about. I am happy to work closely, through a two-way dialogue, with them and their colleagues in the

[Paul Scully]

sector—the professionals who supply and service the sector, and the planners and venue owners—because that direct conversation will, I hope, lead to the kind of planning that hon. Members have suggested.

Esther McVey: I asked specifically whether the Minister would look into the pilot scheme that one of my constituents has put in place. Will he look into that and have a Zoom meeting with my constituent?

Paul Scully: I will happily look into any pilot scheme that has been happening. That may be something that we can feed into the taskforce with health officials, so as to look at how we might bring weddings on stream as and when the health advice allows. I am not an epidemiologist, but this is also about behavioural science, as well as the economics, which are very much part of my brief at the Department.

Andrew Selous: Would the Minister consider allowing a five-person event if siblings or parents were terminally ill?

Paul Scully: I will cover that in a moment. On live events, in tandem with our discussions with the wedding industry, we are committed to continuing our work with the musical and cultural sectors to understand the difficulties that they face and help them to access support through these challenging times.

Ministers in the Department for Digital, Culture, Media and Sport have been in discussion with stakeholders across the creative and cultural sector, including on the development of draft planning guidance for how music festivals might be able to take place in future. Significant funds have been allocated via the cultural recovery fund to protect cultural organisations across England—almost a fifth of the fund has gone to the music sector.

More generally, the Chancellor recently announced the continuation of the coronavirus job retention scheme—it is known as the furlough scheme—meaning that workers in any part of the UK can retain their job and be paid at least 80% of their salary up to £2,5000 a month, even if their employer cannot afford to pay them. The flexibility of that scheme will be retained to allow employees to continue to work where they can.

Karen Bradley: On the point about the night-time economy and flexibility, will the Minister consider allowing drinking-up time after 10 pm, once we are through this lockdown? Venues could then provide two sittings for meals and ensure that everybody did not leave the venue at the same time.

Paul Scully: My right hon. Friend speaks of something that I have been working on for some time. I have seen it myself, and I have worked with, and had weekly conversations with, representatives of the hospitality sector. I have spoken to representatives of the nightclub sector on a few occasions as well, which I will come to in a second.

Some people have mentioned Northern Ireland, which has a separate system and a different system for weddings. The frustrating thing for me, when trying to work with health professionals and the hospitality sector, is that

the incidence of transmission is so high in Northern Ireland at the moment. I am not suggesting that that is connected to the hospitality sector in any way, shape or form, but it becomes very difficult to disaggregate the data and to work through the evidence with health professionals. However, I will continue to do so.

Going back to the events sector, we have been working so that businesses will be protected from the threat of eviction until the end of the year. We have extended the moratorium for commercial tenants, which is incredibly important. Music venues create, present and support many different genres of music, and they have been eligible to apply for funds from the £1.57 billion support package for key cultural organisations to help them through the pandemic. As part of the cultural recovery fund, some festivals, dance venues and nightclubs received grants, including the Ministry of Sound and the MADE festival.

Some £3.36 million has been shared among 136 venues across England that applied for the emergency grassroots music venues fund, which has supported grassroots venues to survive the imminent risk of collapse, but I know that this is an ongoing situation. I have spoken to a number of nightclub operators, including Deltic, Fabric and Stonegate pubs, which owns nightclub venues as well. I have spoken to Mike Kill from the Night Time Industries Association, who has been mentioned a couple of times, and indeed to Sacha Lord, whom the hon. Member for Manchester Central (Lucy Powell) talked about. He has been particularly proactive and constructive, and I welcome further discussions with him.

My hon. Friend the Member for Carshalton and Wallington talked about deathbed weddings. Civil partnerships and weddings where one of the people getting married is seriously ill and not expected to recover are limited to six people in the national guidance. It should not be that local authorities enforce that in any different way, apart from that specific thing. I will take his point on extended families to the relevant Department and reflect on it with the Minister with direct responsibility for that area.

I served on the Petitions Committee with the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) for many years. I am getting used to being on this side of the desk rather than on the other. She talked about venues in Newcastle and the cultural void that will emerge if they disappear. I am also Minister for London, so I know about that only too well. I have talked about the Gotham City scenario. If the ultra-rich are insulated from everything and poorer people on low incomes are forced into the city centre to service those areas, but we hollow out the culture and the mass of people coming in and spending, that will create a very different city.

We will be so much poorer if we get rid of our culture as a result of this pandemic, so we must work as hard as we can to avoid the sobering statistics that my hon. Friend the Member for Eddisbury talked about regarding nightclubs, weddings and other events. The impact on the economy is quite severe, so we will continue to work as hard as we can. The new national restrictions have obviously replaced the tiered local restrictions. I want to ensure that we can learn to live with the virus, and that we work towards getting a vaccine and rapid testing in the spring, so that we can come to the new reality beyond the new normal.

7.29 pm

Elliot Colburn: Sadly, time restrictions prevent me from mentioning everyone, but I thank all Members for their contributions. This has been an incredible debate and I think we have really raised the petitioners' concerns. On that note, I thank the petitioners for taking the time to bring this matter to the attention of the House and

giving us the opportunity to discuss it. I emphasise to the Minister that we want to ensure that, post the pandemic, there is actually an industry to recover.

7.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Monday 9 November 2020

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

Belarus: Violations Report

The Secretary of State for Foreign, Commonwealth and Development Affairs and First Secretary of State (Dominic Raab): The Government have welcomed the publication of the report by the Organisation for Security and Co-operation in Europe's (OSCE) independent rapporteur, Professor Wolfgang Benedek, on Belarus. The report was initiated under the Moscow mechanism to consider alleged human rights violations related to the presidential elections in Belarus on 9 August 2020.

As I noted in my statement to the House of 24 September, alongside 16 other participating states at the OSCE on 17 September, the United Kingdom invoked the Moscow mechanism of the human dimension of the OSCE. This triggered an independent investigation into credible reports of electoral fraud and human rights violation before, during and after the presidential elections in Belarus. The investigation commenced on 30 September and is now complete. The report was formally presented to the OSCE Permanent Council on 5 November 2020 and was welcomed by all 17 invoking states in a joint statement. The UK also made a national statement to welcome its publication.

Belarus refused to co-operate with the rapporteur or allow him access to the country. Nevertheless, the report draws heavily on evidence and observations from international organisations and mechanisms, as well as more than 700 submissions from Belarusian citizens and organisations.

The findings of the report are clear.

The report concludes that the allegations that the elections were not transparent, as well as neither free nor fair, are accurate and well evidenced. The report notes that from the selection of the national electoral commission through to vote counting, Belarus fell short of its international commitments and of the basic requirements of previous OSCE and Council of Europe election monitoring reports.

The report finds that the allegations of human rights violations have been proven beyond doubt and that the Belarusian authorities have carried out violations on a massive and systematic scale. The report highlights the environment of impunity that exists in Belarus; no one has been held accountable for the well documented cases of torture and inhumane treatment by the security forces. The report also confirms that freedom of the media and the safety of journalists are under sustained attack in Belarus.

The report makes 82 recommendations to the Belarusian authorities including new presidential elections, an immediate end to the violence and release of all those illegally detained, an independent oversight mechanism on detention conditions, and an investigation into all allegations of torture.

The Government call on Belarus to implement all of the recommendations included in the report. Further, the report makes 16 recommendations to OSCE participants

and the wider international community. The UK has already begun to implement the majority of these recommendations. In addition, the UK supports the recommendation that Belarus must hold new elections and that a detailed and thorough investigation in the human rights violations is required.

A copy of the report is being placed in the Libraries of both Houses.

[HCWS561]

INTERNATIONAL TRADE

UK's Future Trading Relationship with New Zealand: Negotiations

The Secretary of State for International Trade (Elizabeth Truss): The second UK-New Zealand free trade agreement (FTA) negotiating round took place from 19 October to 2 November. Negotiators carried out 46 sessions over two weeks, covering all areas of the proposed FTA, and bringing us closer to agreeing an ambitious FTA. Between round 1 and round 2, both sides shared 35 draft texts and 25 position papers, which enabled detailed and constructive talks.

The talks underscored both countries' commitment to removing trade barriers and creating new opportunities for business, and a belief that a deep and dynamic agreement can send a clear signal to the world that both the UK and New Zealand are prepared to fight protectionism and advance free and fair trade.

There has been encouraging progress on numerous areas of common interest. In the area of small and medium-sized enterprises, both sides reaffirmed their ambition to agree a chapter that will enable these businesses to fully benefit from the FTA. Productive conversations were also held on trade and the environment and promoting clean growth, where both countries are working closely together to support sustainable outcomes across the agreement.

Discussions also demonstrated shared ambition in trade in services, particularly exploring opportunities for the recognition of professional qualifications, as well as exploring innovative provisions to promote sustainable finance and diversity in the financial services sector. Our negotiations on digital trade also underlined shared aspirations, and a mutual intent to agree a cutting-edge chapter.

The groundwork was laid for the exchange of initial goods market access offers as well as positive discussions in the areas of rules of origin and customs on agreeing simple, modern customs procedures that consider current and future supply chains.

The UK and New Zealand are both keen to continue the momentum of discussions, and the third negotiating round is expected to take place in January 2021.

Below is a summary list of those areas discussed in the round, which continued to take place by video conference:

- Anti-Corruption
- Competition
- Consumer protection
- Customs
- Digital trade
- State-to-state dispute settlement
- Environment and clean growth

Financial services
 Good regulatory practice
 Trade in goods
 Indigenous trade
 Intellectual property
 Investment
 Labour
 Legal and institutional
 Procurement
 Remedies
 Rules of origin
 Sanitary and phytosanitary measures
 Services (including cross-border trade in services, professional business services, transport and delivery services, and movement of natural persons)
 Small and medium-sized enterprises
 State owned enterprises
 Technical barriers to trade
 Telecoms
 Trade and women's economic empowerment
 Trade for development

Any deal the UK Government agree will be fair and balanced and in the best interests of the whole UK. We remain committed to upholding our high environmental, labour, food safety and animal welfare standards in our trade agreement with New Zealand, as well as protecting the national health service (NHS).

[HCWS560]

JUSTICE

Presumption of Parental Involvement Review

The Parliamentary Under-Secretary of State for Justice (Alex Chalk): On the 25 June 2020, the Government published the final report on Assessing Risk of Harm to Children and Parents in Private Law Children Cases, alongside an implementation plan. The report contained a number of recommendations from a panel that included external experts, and the implementation plan set out how the Government proposed to address the recommendations.

One of the recommendations made by the panel was “that the presumption of parental involvement be reviewed urgently in order to address its detrimental effects.”

I am pleased to announce the commencement of a review of the presumption of parental involvement in child arrangements, and certain other private law children proceedings. This review will focus on the application of the presumption and the statutory exception in cases where there are allegations or other evidence to suggest that involvement of the parent would put the child at risk of harm.

The review will focus both on the courts' application of the presumption, as well as on the impact on children's welfare of the courts' application of these provisions. In particular, the review will examine:

(i) how courts are applying sections 1(2A), (2B) and (6) of the Children Act 1989, which together require courts to presume, in child arrangements and certain other private law children proceedings, that involvement of a parent in the

child's life will further the child's welfare, unless there is evidence to suggest that involvement of that parent would put the child at risk of suffering harm, and to define involvement as 'involvement of some kind, either direct or indirect, but not any particular division of a child's time';

(ii) and the impacts on children's welfare of the courts' application of these provisions.

This is an important, and complex, issue and this approach is intended to identify whether any reforms are needed in this area, and if so, what kind (legislative or otherwise), and to ensure that any conclusions and recommendations are rooted in a solid understanding of the effect of the presumption and its exception, and the evidence base surrounding its application.

I am establishing an Advisory Group to guide the evidence gathering for this important review. The Advisory Group members will be:

Rachel Thomas, Welsh Children's Commissioner's Office
 Nicole Jacobs, the Domestic Abuse Commissioner
 Peter Jackson LJ
 HHJ Michelle Corbett
 Jacky Tiotto, CEO Cafcass
 Matthew Pinnell, Cafcass Cymru
 Tammy Knox, Resolution
 Michael Lewkowicz, Families Need Fathers

The evidence that this review will gather will include a case file review, input from those working in the family courts, and an academic literature review of how the presumption is currently applied and the impact of parental involvement on the wellbeing of the child.

The Ministry of Justice will follow a competitive tender process to identify the most appropriate individuals to conduct the evidence review.

I anticipate being able to update the House before summer recess with the outcomes of the review.

[HCWS562]

WORK AND PENSIONS

DWP Update

The Minister for Disabled People, Health and Work (Justin Tomlinson): Yesterday marked 25 years since the introduction of the landmark Disability Discrimination Act. The Disability Discrimination Act (and the subsequent Equality Act) has stood the test of time and provides a strong and straightforward legal framework that protects disabled people from unfair treatment. This vital protection supports disabled people in all aspects of their daily lives, whether they are at school, at work or accessing services and has had a life-changing impact for many. This has focused minds and crucially has helped us support record numbers of disabled people into work, with growing confidence in businesses of all sizes to make what are often just small changes to unlock the potential of a diverse workforce.

I am therefore updating the House on how this Government are continuing to make progress in supporting and engaging disabled people. Through my role as the Minister for Disabled People, Health and Work, the Prime Minister has asked me to lead on the national

strategy for disabled people. I am making sure disability policy is prioritised in all Departments. This is vital work.

The national strategy for disabled people takes a cross-Government approach, focusing on the issues that disabled people say affect them the most in all aspects and phases of life, including housing, education and transport. This will be the most ambitious piece of disability policy in a generation. All Departments are supporting cross-Government work to remove barriers and make this country more inclusive for disabled people, with a nominated ministerial lead to identify policies and priorities. I chaired the first inter-ministerial taskforce of these Ministers recently and I am encouraged by the shared commitment for joint working with each Minister wanting to play their part.

As a Government, we continually strive to make improvements to the service we provide. For example we have extended Video Replay Service (VRS) for British Sign Language across 61 benefit-related helplines and have supported 8,029 VRS calls over a six-month period. But we recognise there is much more we can do improve. The DWP health and disability Green Paper will explore how the welfare system can better meet the needs of disabled people and those with health conditions.

Both the national strategy and the Green Paper will be extensively consulted on in the coming months and shaped by disabled people, disability forums and disability stakeholders, ensuring that real lived experience at the very heart of our plans. We are engaging with disabled people's organisations including through the regional stakeholder network and the recently established Disabled People's Organisations Forum. To inform the content of the Green Paper, we have hosted a series of workshops across the country where local disability organisations and disabled people have shared their experiences of DWP services and priorities for future changes. Despite covid-19 preventing us from doing physical face-to-face consultations, which has also caused us to decide to now publish in 2021, we have continued engagement with a series of virtual events with charities and disabled people. To date, the Department and I have heard from disabled people and those with health conditions, and their representatives at 17 events.

I am hugely excited by this work which represents a real opportunity to deliver a more inclusive society. Both the health and disability Green Paper and the national strategy will deliver ambitious policy reforms to improve the lives of disabled people.

[HCWS563]

Ministerial Correction

Monday 9 November 2020

JUSTICE

Topical Questions

The following is an extract from Topical Questions to the Lord Chancellor and Secretary of State for Justice on Tuesday 3 November 2020.

Mr Lammy: A decade of cuts, court closures and mishandling of the pandemic has created a backlog in the Crown courts of nearly 50,000 cases. It could reach 195,000 by 2024. The Courts Service says we need at least an extra 200 venues to fill the gap, but on 19 October 2020, the Judicial Office confirmed only five Nightingale courts were hearing jury trials. That is a failure of epic proportions, leading to thousands of victims of serious crime being denied justice. Has the Lord Chancellor failed to ask for enough resources to get justice moving, or has he been denied it by the Treasury?

Robert Buckland: The right hon. Gentleman is wrong on all fronts. First, we secured an extra £80 million of funding from the Treasury to deal specifically with covid court recovery. That came on top of the largest investment and increase in court maintenance in 20 years, including during his stewardship. That has resulted in the scaling

up of courts, so that today we have 255 courtrooms hearing jury trials, which is ahead of the target I had set for the end of October. We will go further. We have already opened 19 courtrooms under the Nightingale court scheme. This is not a story of failure. This is a story of success and hard work on the part of everybody in the court service. The projections that he mentioned are based upon some pretty inaccurate predictions that do not bear the closest scrutiny.

[Official Report, 3 November 2020, Vol. 683, c. 155.]

Letter of correction from the Lord Chancellor and Secretary of State for Justice:

An error has been identified in the response I gave to the right hon. Member for Tottenham (Mr Lammy).

The correct response should have been:

Robert Buckland: The right hon. Gentleman is wrong on all fronts. First, we secured an extra £80 million of funding from the Treasury to deal specifically with covid court recovery. That came on top of the largest investment and increase in court maintenance in 20 years, including during his stewardship. That has resulted in the scaling up of courts, so that today we have 255 courtrooms hearing jury trials, which is ahead of the target I had set for the end of October. We will go further. We have already opened 29 courtrooms under the Nightingale court scheme. This is not a story of failure. This is a story of success and hard work on the part of everybody in the court service. The projections that he mentioned are based upon some pretty inaccurate predictions that do not bear the closest scrutiny.

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**not later than
Monday 16 November 2020**

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