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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 3 May 2016

HER MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. DAVID CAMERON, MP, MAY 2015)

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SIXTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2015]

SIXTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 609

FOURTEENTH VOLUME OF SESSION 2015-2016

House of Commons

Tuesday 3 May 2016

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

CITY OF LONDON CORPORATION (OPEN SPACES) BILL

Ordered,

That the Promoters of the City of London Corporation (Open Spaces) Bill, which was originally introduced in this House in this Session on 22 January 2016, should have leave to suspend any further proceedings on the Bill in order to proceed with it, if they think fit, in the next Session of Parliament according to the provisions of Standing Order 188A (Suspension of Bills).—(*The Chairman of Ways and Means.*)

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Secretary of State was asked—

Broadband

1. **Paula Sherriff** (Dewsbury) (Lab): What assessment he has made of the adequacy of availability of broadband to businesses in Yorkshire and the Humber. [904763]

3. **Julie Elliott** (Sunderland Central) (Lab): What assessment he has made of the adequacy of availability of broadband to businesses in the north-east. [904765]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): I recently announced a joint review by the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport of business broadband to ensure that businesses are able to access the affordable, high-speed broadband that they need and deserve. More than 250,000 homes and businesses in Yorkshire and the Humber, and more than 100,000 in the north-east, have superfast broadband available for the first time thanks to the Government's investment programme.

Paula Sherriff: I thank the Secretary of State for his response. If the Department is on track to meet its targets, why does Ofcom analysis predict that by 2017, when 95% of all UK premises will have superfast broadband, around 18% of small and medium-sized enterprises, including many in my constituency, will not? Why are so many businesses being left behind, and does the Secretary of State accept that his plans show a lack of ambition?

Sajid Javid: No, I do not. I hope that the hon. Lady will recognise that superfast broadband coverage throughout the UK has increased from 45% of the country in 2010 to almost 90% now, and that we are fully on target to reach 95% by 2017. It is important that we keep looking at new ways to extend coverage through fixed wireless and mobile, and that is exactly what we are doing.

Julie Elliott: A senior adviser at the Institute of Directors has said that they expect the Government to meet the universal service obligation, but that is only because the bar is set so low. How are the Government going to provide the physical infrastructure to maintain Britain's position at the forefront of digital innovation in business? Will the Secretary of State also answer the question about the lack of provision for SMEs, which he did not address?

Sajid Javid: We are extending broadband coverage throughout the country and it includes hundreds of thousands of SMEs, including in the hon. Lady's constituency. We are on target, and she may like to know that our USO is twice as high as is recommended in the EU. Already, despite the fact that there is more work to do—I am the first to accept that—we have wider coverage than most of our large EU partners, we have higher average speeds and we have the lowest average price.

Kevin Hollinrake (Thirsk and Malton) (Con): The Ofcom solution to the desperately poor penetration of fibre to premises in the UK is to open up access to BT's ducts and poles, but that would require reasonable rates of access as well as a clear network map of those ducts and poles. What can the Secretary of State do to make sure that BT complies with those requirements?

Sajid Javid: I have read Ofcom's report carefully and met Ofcom a number of times about that issue, and I have every reason to think that BT will comply. If that does not happen, of course we will look at what action we can take.

Regional Growth

2. **James Morris** (Halesowen and Rowley Regis) (Con): What recent steps he has taken to (a) promote regional growth and (b) create a midlands engine. [904764]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): We are absolutely committed to regional growth. We recently launched a further round of growth deals, and the March Budget highlighted the Government's support for the midlands engine. It includes a £250 million midlands engine investment fund, new enterprise zones, and a devolution deal for Greater Lincolnshire worth £450 million.

James Morris: One of the keys to growth in the black country part of the west midlands, which I represent, is greater collaboration between business and further education colleges. Halesowen College and Sandwell College both excellently serve my constituency. Will the Secretary of State agree to meet the principals of Halesowen and Sandwell Colleges to talk more about how to reduce the skills gap in the black country, to promote further growth in the region?

Sajid Javid: I agree absolutely with my hon. Friend. One of the reasons we have seen a 50% fall in his constituency is that he has been promoting just that type of collaboration. I enjoyed visiting Halesowen College with him last year to learn about the advanced science, engineering and technology centre, and of course I will be more than happy to meet him and college representatives.

Keith Vaz (Leicester East) (Lab): Will the Secretary of State join me and other Leicestershire MPs as well as many throughout the world in congratulating Leicester City football club on winning the premier league yesterday? Does he agree that this will boost jobs not just in Leicester but in the midlands region, and not just for

those interested in football but for those in tourism? Does he accept that rather than Red Leicester, it is actually Blue Leicester?

Sajid Javid: I like the sound of Blue Leicester—I like it very much—but let me congratulate the right hon. Gentleman and, most of all, his constituents on their stunning victory last night, which I think the whole nation is celebrating. I suggest he make the most of it while he can.

Amanda Milling (Cannock Chase) (Con): Regional growth and the midlands engine are reliant on businesses such as those in Cannock Chase that are investing and exporting. I visited a business in Cannock on Friday that is looking to grow, but faces difficulty in getting access to finance from the bank it has banked with for years, and this has resulted in its switching banks. Will my right hon. Friend outline what measures the Government have taken to improve access to finance for small and medium-sized businesses?

Sajid Javid: My hon. Friend raises a very important issue. I will highlight two things. First, there is the local growth fund: almost £8 billion has already been allocated, and the Chancellor talked in the last Budget of a further £4 billion by the end of this Parliament. There is also the launch of the midlands engine investment fund: hundreds of millions of pounds will be allocated to small businesses, including those in Cannock Chase.

Chris Leslie (Nottingham East) (Lab/Co-op): But if we are to get all these visitors to Leicester, Nottingham, Derby and across the east and the west midlands and we are to get the midlands engine moving, will the Secretary of State talk to his colleagues about infrastructure investment more generally, because we are certainly losing out in the east midlands, with only £37 per head of rail investment compared with £294 per head in London?

Sajid Javid: The hon. Gentleman raises the important issue of infrastructure investment. It is because we have a strong economy that, under this Government, we have a programme of £300 billion of investment over the next few years. That of course includes the midlands, with the investment in the main line and in HS2. However, there is always more we can do, and I am very happy to hear new ideas.

Michael Fabricant (Lichfield) (Con): Will the Secretary of State take this opportunity to praise the work of the local enterprise partnerships in promoting the economy of the west midlands, particularly the Greater Birmingham and Solihull LEP, of which Lichfield is a member? Will my right hon. Friend clarify, however, what will be the role of the LEPs and what will be the role of the midlands engine, which is about to appoint or has appointed a new chairman, in helping to promote the regional economy?

Sajid Javid: I join my hon. Friend in commending the work of LEPs throughout the UK, but especially that of the Greater Birmingham and Solihull LEP, not least because it covers my constituency. I have seen the work that it has achieved, particularly under its chairman, Andy Street, and it is very commendable. The LEPs will

work with local authorities throughout the midlands to really fire up the midlands engine, which means co-operation on things such as infrastructure, trade and skills.

Mr John Spellar (Warley) (Lab): A couple of weeks ago, I asked the Prime Minister about the possible closure of the British Gas Oldbury site, with the loss of 700 jobs. In his reply, the Prime Minister assured me:

“We will make sure that a ministerial taskforce is available to talk to the company and the local community and to provide assistance in terms of retraining and other things.”—[*Official Report*, 20 April 2016; Vol. 608, c. 917.]

Imagine my disappointment on being told that there will be no ministerial taskforce, but that Ministers will have regular contact with a taskforce to be set up by the local authority. I do not think that that matches up to the assurance from the Prime Minister. There needs to be a real drive to keep or to replace these jobs, so when is BIS going to deliver on the Prime Minister’s assurance?

Sajid Javid: Job losses, whenever they are announced, are regrettable, as they of course are in this case, which is why we must do everything we can. I can tell the right hon. Gentleman that soon after the Prime Minister said that, the Minister for Small Business, Industry and Enterprise and the Minister for Employment had a meeting with a managing director from British Gas. I understand that the redundancies are not final yet—the consultation period is still going on—so let us hope that they are not as bad as those that have been seen. We will continue to do whatever we can, and that includes contact with the company.

Adult Skills Provision

4. **Colleen Fletcher** (Coventry North East) (Lab): What his Department’s strategy is for the funding of adult skills provision in FE colleges for the remainder of this Parliament; and if he will make a statement. [904766]

The Minister for Skills (Nick Boles): We are protecting the adult education budget in cash terms, extending subsidised loans to advanced learners and introducing an apprenticeship levy, so funding will be 40% higher in cash terms by 2020.

Colleen Fletcher: We are told that the adult skills budgets will be devolved to regions that have secured a devolution deal. Will the Minister assure me that those budgets will be ring-fenced and not subjected to cuts?

Nick Boles: We will certainly be ensuring that the budgets are spent on skills training, but the whole point of devolving them is to give the local combined authorities the power to decide which are the skills priorities in their area, not to have them asking me for permission to spend on a skills need that they have identified.

Mrs Maria Miller (Basingstoke) (Con): Area reviews are an important way of understanding local adult education needs. Will the Minister be encouraging such reviews to look at the needs of women returning to work after caring responsibilities, so that they can use the further education sector to really develop their skills and add to the productivity of our country?

Nick Boles: My right hon. Friend is absolutely right. One of the great opportunities in the apprenticeships programme is that apprenticeships are all age. For women who have perhaps taken a career break, or just want to change their profession, an apprenticeship is an opportunity to gain new skills while also earning an income so that they can forge a great career.

Nic Dakin (Scunthorpe) (Lab): When will the Government be publishing guidelines on how skills budgets might be devolved in those areas where that devolution is being looked at?

Nick Boles: That will depend on when exactly the devolution deal is done. As the hon. Gentleman will be aware, in our own area of Greater Lincolnshire that deal is reasonably well advanced; in other parts of the country, the deals are less well advanced. Fundamentally, it is pretty simple: we want authorities to be commissioning from their local colleges the adult skills provision that they believe their area can benefit from.

Andrew Bridgen (North West Leicestershire) (Con): Although the budget is enhanced, it is only a finite amount. Given that, it is important that it is targeted at where it will have the most effect. Does the Minister agree that those funds are best targeted at young adults, the low-skilled and those actively seeking work?

Nick Boles: I agree with my hon. Friend that those will often be the best targets. What is even more important is that his local combined authority and those of other hon. Members are best placed to identify the particular groups or industries with particular needs, and then respond accordingly.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): Further education colleges in Scotland are the largest providers of apprenticeship education. Will they therefore be exempt from the apprenticeship levy?

Nick Boles: The apprenticeship levy will apply to all employers throughout the United Kingdom with a payroll bill of more than £3 million. Of course, there is absolutely nothing to prevent any employer in Scotland that is paying the levy from putting pressure on whoever is in government in Scotland after this Thursday to make sure that they increase their investment in apprenticeships, as we are doing in England.

Mr Gordon Marsden (Blackpool South) (Lab): Tucked away in the autumn statement was the Government’s admission that they will be cutting—their term is “efficiencies”—£360 million of adult skills non-apprenticeship funding between now and 2020. Does the Minister not see that there is a paradox in the Government going hell for leather on English and maths for young people’s apprenticeships while failing to ring-fence funding for basic skills, when England has 9 million people of working age with low literacy and numeracy, and we are ranked bottom in literacy and next-to-bottom in numeracy among 23 developed nations? Last year, the Government cut the adult skills budget across England by 18%. Now they have scrapped plans for advanced post-24 skills. Why is the Government’s key White Paper addressing technical skills shortages being delayed? Is all this a strategy or a wing and a prayer?

Nick Boles: There was a lot of detail in the hon. Gentleman's question, but not a lot of clarity, so here is the clarity: we are increasing total funding available for further education by 40% in cash terms during this Parliament. He talks about last year because he does not like this year, and that is because this year's spend tells the story of a Government investing in skills for the future.

Apprenticeships

5. **Andrew Stephenson** (Pendle) (Con): What steps he is taking to encourage businesses to take on apprentices. [904767]

The Minister for Skills (Nick Boles): We have removed employers' national insurance from apprentices under the age of 25, and are introducing an apprenticeship levy for larger employers, which will increase the budget for apprenticeship training in England to £2.5 billion in 2019-20.

Andrew Stephenson: To mark national apprenticeship week, I visited Silentnight in Barnoldswick, whose award-winning apprenticeship scheme has already created over 40 full-time jobs. Does the Minister agree that companies such as Silentnight, which is seeing real year-on-year sales growth at the moment because of its apprentices, are great examples to employers across Pendle and the rest of the UK?

Nick Boles: I particularly welcome the example of Silentnight in my hon. Friend's constituency, because it is really important to understand that apprentices add value to their employers—they are not just receiving training; they are also adding value. We consistently hear employers saying that apprentices bring energy, ideas, enthusiasm and new contacts to their businesses.

Hannah Bardell (Livingston) (SNP): It is becoming increasingly clear that the systems and processes needed to implement the apprenticeship levy are far from ready. Many see it as a tax on jobs. The Scottish National party has tabled an amendment to the Finance Bill to seek a full review, and the CBI has called for a radical rethink. I am grateful to the Minister for meeting me and representatives of the oil and gas sector recently. He well knows the continuing issues with double charging. Will he heed these calls and delay implementation of the apprenticeship levy until the systems and processes are ready and business has been fully engaged?

Nick Boles: No, we will not be delaying, because for decades no Government adequately gripped the problem we have in this country, which is that businesses invest too little in skills development. That is what holds our productivity back. As it happens, since the CBI's survey, and since other surveys of the same kind, we have published a detailed technical guide for employers on how the apprenticeship levy will work. I encourage the hon. Lady and her constituents to look at it. If they have any further questions I am happy to answer them, but the levy will be coming in in April 2017, and we will be fixing Britain's skills problems.

Peter Heaton-Jones (North Devon) (Con): On Friday I attended an event to mark the first anniversary of the extremely successful Care Academy, which is a unique collaboration in my constituency between Petroc College

and the Northern Devon Healthcare NHS Trust. In effect, it provides apprenticeships for young people wanting to get into the health profession. Will the Minister join me in congratulating the excellent students who have been through the Care Academy in the first year, and does he agree that it is an extremely worthwhile programme for the future?

Nick Boles: It is well known that we have huge skills needs in the care sector and the NHS, and that kind of academy is exactly what we need to see more of, so I am delighted that my hon. Friend's constituency, Petroc College and others are setting an example.

Paul Blomfield (Sheffield Central) (Lab): The Minister will know that the number of BIS staff working on the apprenticeship programme is due to fall massively by 2020. What assessment has he made of his Department's capacity to deliver the apprenticeship target?

Nick Boles: The number of BIS staff who will be working on the apprenticeship programme will fall, but only because we are setting up a new, independent institute for apprenticeships that will take over many of the jobs that are currently undertaken by BIS staff. That institute will be in the control of the employers who are paying the levy. I think that is the right way to do it and I hope that the hon. Gentleman will welcome it.

Ben Howlett (Bath) (Con): Businesses such as Rotork, BMT and Designability in Bath have taken on hundreds of new apprentices since the scheme first started, enabling young people to gain the best qualifications for a really great career. Does my hon. Friend agree, however, that although the Government are doing a great deal to encourage older people into apprenticeship schemes, a cultural shift is required to encourage even more into the scheme in the future?

Nick Boles: I think my hon. Friend is right about that, because there is a common misconception that apprenticeships are somehow only really appropriate for school leavers, whereas the reality is that they offer opportunities to people at all stages in their lives, and indeed at all stages in their careers. It is not just for new recruits to an employer; it can be for somebody who has been working for an employer for several years but has discovered that they have the potential to develop.

Employing People on the Autistic Spectrum

6. **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): What discussions he has had with the Secretary of State for Work and Pensions on the support and guidance for businesses on employing people on the autistic spectrum. [904768]

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): Through our one nation reforms, we are committed to a labour market that allows everyone to fulfil their obligations and opportunities wherever and whoever they are, including those with autism. That is why the Prime Minister launched the Disability Confident campaign, and why we have continued to spend over £100 million a year on the Access to Work scheme, helping over 36,000 people with disabilities into work. We have published guidance to employers on

employing people with autism, and my hon. Friend the Minister for Skills and my right hon. Friend the Minister for Small Business, Industry and Enterprise recently met Autism UK and the all-party group on autism.

Dr Cameron: The autism employment gap is much larger than the disability employment gap, with only 15% in full-time employment and 26% of graduates remaining employed. We are losing the potential that people with autism spectrum disorder can offer to our economy. What specific programmes and support will be provided to employers and jobseekers to close this startling gap, and will the Government produce disaggregated data to evidence progress?

George Freeman: The hon. Lady makes an important point, and I pay tribute to her work on this. As I said, we are investing substantially in this area, and through the Disability Confident campaign, we are actively engaging with employers of different sizes and sectors to promote access to work for people with autism. We launched the latest part of that campaign on World Autism day, on 2 April. We do not think that quotas are the right way to go. We want to encourage employers and we want those with autism to know that good employers will recognise and reward their skills.

Scott Mann (North Cornwall) (Con): Many skill-based jobs are perfect for people suffering from autism, with computer coding and programming being a prime example, given the rigid structure of the work. Will the Minister work with me to help promote coding within Cornwall and to support people who wish to get involved in skill-based work?

George Freeman: I would be delighted to work with my hon. Friend and with other Ministers in the Department for Business, Innovation and Skills and the Department for Work and Pensions, and I commend him for his leadership on this excellent initiative.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): When will the Government follow the example of Leicester City football club and try to get into the premiership on this question? There are so many talented people on the autism spectrum desperate and waiting for a job, many of them in regions such as Yorkshire, yet we are faced with uncertainty for everyone—apprentices, people with autism—because of this great cloud that is the possibility of our leaving the EU. No one is investing or hiring.

George Freeman: Even for me, it would be a stretch to delve into the EU on this question. The Government are investing £100 million a year in the Access to Work scheme, helping 36,000 people with disabilities into work, so we are absolutely committed to this agenda. People with autism have a lot to offer in the workplace, and we are serious about giving them opportunities.

Hannah Bardell (Livingston) (SNP): April is Autism Awareness month, and earlier this month, *The Economist* led with an article on how the talents and skills of people with autism and on the autistic spectrum are potentially being wasted. It said that if businesses were encouraged to take more friendly approaches to recruitment and to deploy the appropriate skills, we could have many more people in the workplace. We had a fascinating

and moving debate last week on autism, during which many Members shared moving experiences of their own children, including my hon. Friend the Member for Angus (Mike Weir) and the hon. Member for Berwick-upon-Tweed (Mrs Trevelyan). Will the Minister meet me and a cross-party delegation to discuss how we can get businesses properly to mark the number of people on the autism spectrum and how we can work together more across the House?

Mr Speaker: I was going to invite the hon. Lady to seek an Adjournment debate, until I realised that in fact she has had it.

George Freeman: I will restrict my answer, Mr Speaker. The right meeting would be with the Secretary of State for Work and Pensions, whose Department leads on this issue, and with the Ministers for Skills and for Small Business, Industry and Enterprise. We are actively engaging with all the relevant charities on this issue.

Mr Speaker: I hope that the hon. Lady is content with that answer, although, whether she is or is not, she has had it.

Digital Industries

7. **Mr Nicholas Brown** (Newcastle upon Tyne East) (Lab): What assessment he has made of the potential effect of a UK withdrawal from the EU on the UK's digital industries. [904769]

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): With your permission, Mr Speaker, I would like to take Question 7 with Question 14, if that is okay.

We think that leaving the EU would be an absolute disaster for Britain's digital industries.

Mr Speaker: It would be okay, if the hon. Member for Sedgefield (Phil Wilson) were here, but he isn't, so it isn't, but we will proceed unabashed by his absence, because we have the right hon. Member for Newcastle upon Tyne East (Mr Brown).

Mr Brown: The digital sector is very important to the north-east of England, as my hon. Friend the Member for Sunderland Central (Julie Elliott) made clear earlier. Some 25,000 jobs are now directly involved in the sector. What reassurance can the Minister give the House that there will be market access arrangements with our partners in the EU in the event of a no vote?

Mr Vaizey: I am afraid that I cannot give the right hon. Gentleman that reassurance, and that is what really worries me about our leaving the EU. Not only does the digital industry provide the 25,000 jobs he mentioned but overall it represents about 7% of the UK's gross value added. We are at the heart of negotiating the digital single market, which will give our digital industries even more opportunities, and that is why we must stay in.

Andrew Percy (Brigg and Goole) (Con): I was at a breakfast meeting this morning with digitech companies from Vancouver in British Columbia that are here on an inward trade mission, looking at investing in the UK.

Does the Minister agree that this dangerous and damaging remain campaign, which is based wholly on a fear of leaving the European Union that is not justified, is going to do great damage? Has he done any assessment of how much damage is being done to investment by the talking down of this country by those who want us to remain in servitude to the EU?

Mr Vaizey: I hear what my hon. Friend has to say, but I wish the leave campaign would stop running this terrible fear campaign. I am confident that we are going to stay in Europe and continue to attract investment. I am pleased to hear that our Canadian trade envoy, to which I gather my hon. Friend had access, shows us how even as members of the European Union, we can still negotiate and engage globally with many other countries. Being a member of the European Union does not prevent us from working with countries outside the EU, and the leave campaign's fear campaign has to stop saying it does.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): On Sunday, the European Union slashed roaming charges by 75%, and they will be abolished altogether next year. That is a huge boost to British businesses with European ambitions as well as to Leicester City fans, now with Champions league travel to plan. The UK is Europe's biggest digital economy. We buy and sell more online than any other country. Would the Minister like to estimate how long it would take him, even with his fabled charm, to renegotiate all our international digital agreements in the event of a Brexit, and what our £118 billion digital economy would do in the meantime?

Mr Vaizey: I think it would take ages—it would take absolutely years to renegotiate. I recently returned from a G7 meeting in Japan, proving again that the leave campaign's fear campaign is completely wrong. I was able to spend some time with the European vice-president, talking about the great opportunities that the digital single market presents. It was a lot of fun. We want to be part of that digital single market—growing for Britain.

Steel Industry

8. **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): What assessment he has made of the most significant threats to the UK steel industry.

[904770]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): Global overproduction and reduced demand have caused steel prices to collapse, eroding the profitability of steel producers across the world. We have acted decisively to help UK steel companies by delivering lower electricity prices, tackling unfair trade, updating procurement guidance and introducing flexibility in emissions regulations.

Tom Blenkinsop: One of the main issues in the current steel crisis is time. The Greybull deal took nigh on 12 months, and that time was allocated to ensure that a better buyer, as opposed to the original potential purchaser, came forward. What has the Secretary of State done and what conversations has he had with Tata to ensure that it will be a responsible vendor and allow enough

time to encourage not just buyers, but the best buyers, to come forward? Where does he see strip and tube in the future? Does he still see Tata remaining in situ in some form in both those sectors?

Sajid Javid: The hon. Gentleman is right about the importance of time for securing a viable long-term future for the Tata strip business. I have had a number of discussions, as have my officials, with Tata. It has been very straightforward in being reasonable about time—of course, it does not have an unlimited amount of time, but it has shown through the long products business that it understands that things take time.

Craig Williams (Cardiff North) (Con): I congratulate my right hon. Friend on his approach—particularly to Tata and Neath Port Talbot in south Wales, but also to Celsa Steel in Cardiff. Some £76 million has already been given in compensation to high-energy users and the Government are projected to spend, I hope, £100 million this year. Will my right hon. Friend confirm that and clarify what future support we can give to high-energy steelmakers?

Sajid Javid: My hon. Friend is absolutely right to raise the issue of Celsa Steel, which has made a substantial investment in the UK, employing hundreds of people, and we want to see that continue. The price of electricity is very important to Celsa and other steel producers. We have already extended the compensation available and we have announced that we will move towards exemption, which I think will help Celsa and many others.

Mr Iain Wright (Hartlepool) (Lab): I thank the Secretary of State for attending the Thursday sitting of the Select Committee, which is conducting an inquiry on steel. He may recall that I asked him about the maintaining of confidence. There is growing concern that firms are not supplying to Tata facilities because they fear that the steel business may go into administration and they will not be paid, and credit insurance is being withdrawn. Businesses that supplied SSI do not want to get their fingers burnt twice, and customers, especially those with long-term horizons, are looking to Tata's competitors for alternative provision. What further firm steps will the Government take on the matter of credit insurance to ensure that word goes out, loudly and with clarity, that this is a viable operation and firms can supply to and buy from Tata with confidence?

Sajid Javid: I thank the hon. Gentleman for his Committee's work on this matter, which is helpful to the debate and enables us to look more closely at the position. As for the question of suppliers to Tata, and, indeed, large customers, I have already written to, or asked officials to write to, all the suppliers and customers of Tata Steel strip products. We have contacted the largest suppliers and the largest customers, as has Tata, which has given its reassurance on this point as well. However, I think that the main reassurance I can give relates to the approach of the Government, who are doing all that they can to secure a long-term, viable future for the business.

Tom Pursglove (Corby) (Con): I would argue that Tata Steel in Corby is a vital component of the midlands engine. Bearing in mind all the commercial sensitivities,

will the Secretary of State update us on exactly what point has been reached in the discussions that are taking place with the aim of securing its future?

Sajid Javid: My hon. Friend's approach is commendable, as is the work that he is doing in Corby to secure Tata Steel's future. As I hope he understands, there is a limited amount that we can say about what is a very commercially sensitive process, but let me reassure him that we are doing everything we can.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Does the Secretary of State agree that it is of strategic importance to the economies of Wales and the wider United Kingdom to keep the blast furnaces in Port Talbot operational following any future takeover? Will he consider introducing a steelmaking-specific enterprise incentive scheme, as advocated in the management buyout option, to provide the fiscal incentive that is required to safeguard steelmaking in Wales?

Sajid Javid: I agree with the hon. Gentleman in that I, too, want to see a future for steelmaking in Wales, and we are doing everything that we can to help with that. He mentioned the management buyout proposal. We are taking a very careful look at that, and would, of course, be willing to work with those involved.

Mike Wood (Dudley South) (Con): What action is my right hon. Friend taking to help UK steel suppliers to win Government contracts, and to ensure that small and medium-sized enterprises in the supply chain benefit from those opportunities?

Sajid Javid: That is a good question. As my hon. Friend will know, we have already changed procurement rules so that they can take economic and social factors into account. We are also making the pipeline of deals much more visible, and targeting that at SMEs in particular.

Kevin Brennan (Cardiff West) (Lab): Carwyn Jones, the Labour First Minister in Wales, who is at Port Talbot again today, had a package of support in place immediately after Tata's announcement of its intention to sell. Now that the UK Government have belatedly woken up and followed that lead, how confident is the Secretary of State that Tata's true intention is to be responsible? It took over a year to sort out long products, and Tata wants this to be done and dusted—including due diligence—by the end of June. Does the Secretary of State think that that is a realistic prospect?

Sajid Javid: We are working with the Labour First Minister and his Government. Both Governments understand just how important this is, and I think it is also important for us to continue to work together. As for the question of timing, I believe, as I said earlier, that Tata is sincere in its commitment to a reasonable time frame and a reasonable process. I have no reason to think that that will not be the case. Tata continues to show flexibility, and I hope that things stay that way.

Business Start-ups

9. **Wendy Morton** (Aldridge-Brownhills) (Con): What steps his Department is taking to support people who want to start their own businesses. [904771]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): We have a growing and healthy economy, which is good for all business, but which, in particular, encourages people who want to start up their own businesses. We are looking at ways in which we can improve, for example, practices for self-employed people, which is also very helpful. Our start-up loans scheme has provided more than 37,000 loans worth over £210 million.

Wendy Morton: In my constituency, the number of registered businesses increased by about 10% between 2014 and 2015. As I am sure my right hon. Friend will agree, that is very welcome. I recently visited Streetly Vets, a new business that has been set up by two sisters in my constituency. Does my right hon. Friend agree, however, that the first few years of being in business can be some of the most challenging, and will she assure me that the Government are doing all that they can to support new and small businesses?

Anna Soubry: I absolutely agree with my hon. Friend that it is the first few years that are the trickiest. If you can jump that hurdle, you can achieve almost anything; you can certainly make sure that your business will grow. I have explained about the start-up loans that we do, but the other great achievement of this Government in the past 12 months is our work on cutting business rates. This has been the biggest ever cut in business rates, reducing the burden by £6.7 billion, which will benefit 900,000 smaller properties. That is very good news, especially for small businesses.

Alison McGovern (Wirral South) (Lab): Small businesses might like to start up in the town centre of New Ferry in my constituency, except that footfall has gone through the floor and the Co-op and Lloyds bank are now closing. Who should my constituents blame for the dereliction? Is it the Tory Ministers who withdrew from regeneration, or is it the absentee landlords who bought up property and are now nowhere to be seen?

Anna Soubry: I really do not think it is as simple as that. It is unfortunate that when bad news is delivered it is often turned into a party political football. There are all sorts of reasons why a number of high streets continue to have difficulties. Equally, there are all manner of solutions that can be used to turn them around. I would ask the hon. Lady to look at some of the successes of Conservative, Labour and indeed Lib Dem councils in helping and supporting their high streets. Most importantly I would suggest that, rather than talking down her high street, she should be talking it up.

Apprenticeships

10. **Vicky Foxcroft** (Lewisham, Deptford) (Lab): What steps the Government are taking to increase take-up of apprenticeships among (a) people with disabilities, (b) care leavers and (c) other disadvantaged groups. [904772]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): We want to ensure that apprenticeships are accessible to the widest possible range of people. We are promoting reasonable adjustments for disabled learners and fully

funding apprenticeship training for young people aged 19 to 24 with an education, health and care plan and for care leavers up to the age of 24.

Vicky Foxcroft: As the Government already have targets to increase the proportion of black and minority ethnic apprenticeships by 20%, does the Minister not agree that they should do the same for people with disabilities and for care leavers?

Sajid Javid: I agree that we should do all that we can, and we have made it a huge priority to help more individuals with learning difficulties and disabilities to take up apprenticeships. We have done this by providing guidance for individuals and working with employers to help them better to understand what more we can do. Our apprenticeship revolution will leave no one behind.

21. [904784] **Sir Henry Bellingham** (North West Norfolk) (Con): Is the Secretary of State aware that the Construction Industry Training Board, which is based in Bircham Newton in my constituency, has been excellent at encouraging people with disabilities to take up apprenticeships? Can he confirm that when the CITB's existing levy is merged with the apprenticeship levy, it will still have sufficient funding to carry on with its excellent programmes? Will he come up to Bircham Newton to visit the CITB at some stage during his tenure?

Sajid Javid: My hon. Friend is absolutely right to raise the good work of the CITB in this regard, and when the apprenticeship levy is introduced from April 2017, we can make sure that it continues to have the funding available to do the same kind of work.

Tax Returns

12. **Ruth Cadbury** (Brentford and Isleworth) (Lab): What discussions he has had with the Chancellor of the Exchequer on the potential effect on small and medium-sized enterprises of proposed changes to filing of tax returns. [904774]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I talk to Treasury Ministers on a continuing basis, and in my ministerial role I am more than happy to take up the cause of small businesses. I met representatives of the Federation of Small Businesses only last week and they reiterated their concerns about the proposals, but of course this is not a mandatory filing every quarter; it is effectively good bookkeeping. They raised their concerns and I am more than happy to listen to them and, most importantly, to represent them to the Treasury. Also, a consultation is taking place, so there is always room to make sure that we continue to do the right thing.

Ruth Cadbury: I am glad that the Minister is listening. My constituent Sheila Knight is the director of a small local business and she is very concerned about the proposal to make businesses submit data quarterly to HMRC. She says:

"It will cause a huge amount of extra work, expense and worry for absolutely no benefit. Like most small businesses, I collate my accounts information once a year and give it to my accountant. Having to do this four times a year will be a huge imposition and my accountant's fees will be pro rata more expensive."

Does the Minister not agree that what small businesses need is strategic support from the Government, not more bureaucracy and unnecessary cost?

Anna Soubry: It is about reducing bureaucracy and cutting costs for small businesses. It is not a quarterly tax return; it is good, sensible bookkeeping, which good businesses do anyway. Keeping the books in good condition every quarter will help small businesses when they come to submit their annual returns. I am more than happy to meet the hon. Lady's constituent and explain things to her, because there is a lot of misinformation.

Kit Malthouse (North West Hampshire) (Con): I am pleased to hear that the Minister has met the Federation of Small Businesses, of which I am a proud member. From that meeting, she will know that 60% of small businesses do not currently operate digital accounting systems. Does the Minister understand the rising level of anxiety in that part of the business community? Does she agree that it might be sensible for the Treasury to consider introducing the system on a voluntary basis, which made self-assessment such a success when it was introduced all those years ago?

Anna Soubry: My hon. Friend makes a good point. There will always be good, full support for this digital movement. The other thing that is of concern to some small businesses is access to superfast broadband, because there is no point in doing this unless a business has it. Many small businesses are reticent to get up to speed—if I can put it that way—but I am confident that, with the excellent work of my hon. Friend the Minister for Culture and the Digital Economy, we are making huge progress and ensuring that all businesses have access to superfast broadband.

Bill Esterson (Sefton Central) (Lab): The Minister has singularly failed to explain how the change will help businesses. I do not know whether she has ever produced a set of business accounts, but the Financial Secretary to the Treasury told MPs in a Westminster Hall debate in January that it would require a

"a summary of income and expenses."—[*Official Report*, 25 January 2016; Vol. 605, c. 36WH.]

As every businessperson knows, that can be done only by putting together the full detail each quarter. Whether the Minister calls it reporting, filing or updating, her claim that the change represents a reduction in red tape is laughable. It is a major increase in bureaucracy, administration and costs, especially for those businesses without digital access. The Government should go away and think again.

Anna Soubry: I am one of those who actually had a real job or two before coming to this place. I can therefore assure the hon. Gentleman that, as a self-employed barrister, I absolutely did have to provide accounts each week, but I do not claim to have run a business of more than just myself and maybe one other. The most important thing is that these are not quarterly returns. The hon. Gentleman really should understand what is proposed. It is actually a good way of ensuring that small businesses always keep up to date with how their business is going. The change will enable businesses to do their annual returns considerably better.

Business Regulation

13. **William Wragg** (Hazel Grove) (Con): What steps he is taking to reduce the level of business regulation. [904775]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): The Government committed in their manifesto to cut £10 billion of business red tape through the business impact target. We will report on our progress in June this year.

William Wragg: The Government are doing well to cut regulation at home, but we cannot ignore the fact that the most burdensome regulations on British companies come from the European Union and cost British business £22 billion a year. Given that there were 1,469 new pieces of EU regulation and 51 EU directives in 2015, is it not clear that the only way to end the cost to British business is to vote to leave?

Sajid Javid: My hon. Friend is absolutely right to raise the issue of cutting business regulation, but I do not recognise the £22 billion a year figure for EU regulation. I am sure that he will agree that as well as looking at the costs of regulation, we should consider the benefits of the single market. With 500 million consumers, it is the world's largest economic zone, and there is no doubt that it helps to generate jobs throughout Britain, including in Greater Manchester.

Andrew Gwynne (Denton and Reddish) (Lab): The Secretary of State will be aware that many small businesses often apply to only one lender for finance—usually their bank—and that two in five of those turned down do not go on to apply for finance anywhere else. What more are the Government doing to ensure that small businesses have access to as good a range of financial products as possible to keep the economy moving in the right direction?

Sajid Javid: First, the hon. Gentleman may know that one of the changes brought in during the coalition Government was that if a small business's application for credit is refused, that application can be passed on, with the business's permission, to other potential lenders. That has certainly helped to change the landscape. We can also help to increase competition, on which the Treasury has been leading. If the hon. Gentleman looks at the number of providers of SME finance, he will see that there has been a dramatic change there, too.

Productivity

15. **Jo Cox** (Batley and Spen) (Lab): What recent assessment he has made of trends in productivity levels. [904778]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): Productivity, measured as output per hour worked, increased by 1% in 2015 as a whole—the largest annual increase since 2011—and is now 1.7% higher than it was in 2008.

Jo Cox: The reality is that this Government's record on productivity has been one of failure. Last July, they launched their deeply underwhelming productivity plan, which was damned by the Select Committee on Business, Innovation and Skills as "a vague collection of existing policies",

the Committee warning that it risked "collecting dust on Whitehall bookshelves".

Can the Minister update the House on what steps she is taking to improve on the Government's record to date?

Anna Soubry: I am sorry that it seems the hon. Lady did not hear my answer; I remind her that productivity is now 1.7% higher than it was in 2008 and we saw its largest annual increase since 2011 only last year. I do not know where she is getting her information from—I have my suspicions—but unfortunately she is wrong. This Government are absolutely committed to improving productivity, and we have already heard, by way of example, the Minister for Skills talking about the work we are doing to ensure that we have the right skills—that is an essential part of an effective productivity plan.

Topical Questions

T1. [904787] **Julie Elliott** (Sunderland Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): Ministers and officials across government continue to work around the clock to support Britain's steel industry—I have updated the House on progress several times and will continue to do so, whenever appropriate; our two major pieces of legislation, the Enterprise Bill and the Trade Union Bill, are moving closer to the statute book; and we are on the verge of naming the National Environment Research Council's new polar research vessel. The final decision on that will be made by the Minister for Universities and Science—Joey McJoface, as we like to call him.

Julie Elliott: In *The Sunday Times* this week it was reported that meetings are taking place in France to look at how people could take advantage of getting business from the UK in the event of a Brexit vote. Does the Secretary of State agree that remaining in the EU is vital for British trade, particularly in the automotive and aerospace industries, and for the health of the British economy as a whole?

Sajid Javid: Yes, I agree with the hon. Lady on that. She mentioned the automotive and aerospace industries, two of our strongest manufacturing sectors in the UK, which rely heavily on a supply chain that is international—much of it is in Europe. Equally, she could mention our services industries, which account for 80% of our GDP.

T6. [904792] **Sir Simon Burns** (Chelmsford) (Con): Does the Secretary of State accept that the proposals to allow waiters and waitresses, rather than restaurant owners, to actually receive tips given to them will be warmly welcomed? Does he not think that the House of Commons should show a lead, because in our own restaurants the agency workers and part-time workers who serve Members and their guests do not receive tips?

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I thank my right hon. Friend for that question. May I begin by thanking and paying a huge tribute to everybody who works in this place, especially those in our catering services? They often have to work

the most unsocial hours and often do so in the most difficult of conditions, as they suddenly have a huge influx of us going into the Tea Room or wherever it might be. We perhaps underestimate the work they do. My right hon. Friend makes a very good point and I would be more than happy to take this up with the House authorities. In the meantime, I congratulate my right hon. Friend the Secretary of State on rightly launching this consultation, as when someone, in any facility, pays a tip, they expect the person to whom they want that tip to go to receive it—all of it. I think this will allow us to begin to see real progress, so that we do the right thing on this.

Ms Angela Eagle (Wallasey) (Lab): Two Select Committees of this House are now preparing to examine the collapse of BHS into administration last week, putting at risk 11,000 jobs. Sir Philip Green bought the company for £200 million, took hundreds of millions of pounds out of it in dividend payments for his own family and then sold it for £1 to a bankrupt with no retail experience. What does the Business Secretary think are the issues for public policy as he contemplates the current situation? Does he think this represents responsible ownership?

Sajid Javid: The hon. Lady is right to raise that issue. As she said, two Select Committees are already looking into it, and considerable concern has been expressed in Parliament. I share some of those concerns, which is why I can inform her that today I have written to the chief executive of the Insolvency Service and instructed her to commence an investigation immediately. She has agreed to do so, and I will make both those letters—mine and hers—available in the Libraries of both Houses later today.

Ms Eagle: That is good news and I certainly welcome the steps that the Business Secretary has taken. During Sir Philip Green's stewardship of BHS, the pension fund went from a surplus to a black hole of £571 million. What options do the Government and the pensions regulator now have to ensure that Sir Philip Green pays his fair share of that huge liability? Does the Secretary of State agree that the Pension Protection Fund was designed as a lifeboat for staff pensions, not a funding stream for the owner's luxury yacht?

Sajid Javid: Hopefully, the hon. Lady will understand that it would be wrong of me, and of anyone else, to single out any particular individual. That is for independent investigators to look at by examining the evidence in front of them. She will also know that, when it comes to defined benefit pension schemes, there are many in deficit, and just because one is in deficit does not necessarily mean that there has been some kind of wrongdoing. As I have said, I have instructed the Insolvency Service to commence an investigation, but she should also be reassured that the pension regulator will be looking into this matter.

T10. [904796] **James Morris** (Halesowen and Rowley Regis) (Con): There are 850,000 dementia sufferers in the UK, and that number is set to double over the next few years. What is the Minister doing to encourage

British scientists to be as innovative as possible in delivering on improved care for those suffering from dementia?

The Minister for Universities and Science (Joseph Johnson): We took the decision to protect the science budget, enabling us to invest and put the UK at the front of tackling diseases such as dementia. In addition, a Government investment of £150 million has been announced by the Prime Minister to establish a dementia research institute. I am pleased to confirm that two leading charities, the Alzheimer's Society and Alzheimer's Research UK, have now pledged a further £100 million towards the project. The Medical Research Council will be looking for an inspirational director to lead the institute and bring together the collective experience that exists in the UK and worldwide.

T2. [904788] **Margaret Greenwood** (Wirral West) (Lab): Guidance issued by the Government on 8 February on the use of Government-funded research for lobbying caused great concern in the field of higher education and indeed among academics in my constituency of Wirral West. Can the Minister confirm that all grants given out under the remit of the Department for Business, Innovation and Skills will be exempt from the anti-lobbying clause? Will he also confirm that he is seeking a similar exemption for research grants given out by other Government Departments and agencies?

Joseph Johnson: Yes, there has been concern from academic communities and I can confirm that all grants issued by the Higher Education Funding Council for England and the academies will not be covered by that clause.

T7. [904793] **Kelly Tolhurst** (Rochester and Strood) (Con): I am proud that, of the south-east's 348,000 apprenticeships, Rochester and Strood has provided 7,410, the fourth largest number. I am also grateful to companies such as BAE Systems that makes an annual commitment to 12 higher level apprenticeships in my area. How can the Secretary of State provide further support to my constituency's small and medium-sized businesses to offer more local people the opportunity of a quality apprenticeship?

The Minister for Skills (Nick Boles): The performance of businesses in my hon. Friend's constituency is truly remarkable and leads the way in the south-east. I hope that she is aware that we offer smaller employers who have never had apprentices before a grant to help them with their first five apprenticeships. I hope that she will be able to communicate that to them and ensure that they take up that grant.

T3. [904789] **Diana Johnson** (Kingston upon Hull North) (Lab): Given the similarity of recent events at British Home Stores with what happened to Hull-based Comet four years ago, when British taxpayers were left with tens of millions of pounds to pay out in redundancy payments, will the Secretary of State ensure that the report that he commissioned on Comet and the Comet scandal is published?

Sajid Javid: The hon. Lady will know that the report was commissioned by my predecessor. I will take a close look at what she has said and get back to her.

Seema Kennedy (South Ribble) (Con): Given the hope of renewed trade links between the UK and Iran, which will be dependent on good communication, does my right hon. Friend consider that now is the right time to withdraw accreditation for Persian GCSE and A-level?

Sajid Javid: My hon. Friend is right to highlight the importance of trade with Iran. She will know that that is why the Government have announced a trade mission that will take place soon. If more people in the UK speak Persian, that will help. I will happily take up the matter with my right hon. Friend the Education Secretary.

T4. [904790] **Mike Kane** (Wythenshawe and Sale East) (Lab): I welcome the fact that BHS administrators have entered consultation with USDAW, the retail union, for the lack of consultation was in part to blame for the pension fund going from a £5 million surplus to a £571 million deficit. In the light of that, will the Secretary of State consider the case that there should be enhanced employee rights, in particular in this aspect of companies law?

Sajid Javid: As I said earlier, it would be wrong of anyone to jump to conclusions about the pension fund and the reason for the deficit. The right way forward is for independent regulators to take a look.

Andrea Jenkyns (Morley and Outwood) (Con): I am a champion of the Sutton Trust and the inquiry by the all-party parliamentary group on social mobility into access into leading professions. What is the Department doing to support our leading professions to work with schools and universities to build up the schools base, so that more young people from disadvantaged backgrounds can access our top professions?

Joseph Johnson: We have established the Careers & Enterprise Company to make sure that all young people know about the opportunities available to them through our higher education reforms. We are also giving students more information than ever before about their course choice, and we have introduced degree apprenticeships as a new route into the professions. We want to see universities playing their part too, which is why I have asked the director of fair access to continue to focus on access to the professions in his work with universities.

T5. [904791] **Liz McInnes** (Heywood and Middleton) (Lab): A total of 11,000 BHS employees face an uncertain future over not just their jobs, but their pensions. Where will the Secretary of State place responsibility for filling the pension fund black hole? Will it be with the taxpayer or with the owners of the company, who paid themselves more than £400 million in dividends while the pension fund was driven into the ground?

Sajid Javid: The hon. Lady will know that if, sadly, defined benefit pension funds have trouble, we have the Pension Protection Fund in place, but of course we should always examine why a pension fund may need recourse to the PPF. That job should be done by independent regulators, not politicians.

Martin Vickers (Cleethorpes) (Con): The HCF CATCH training facility in my constituency was established 10 years ago as a partnership between the local authority and the private sector, since when 800 apprentices have

passed through its doors. May I invite my right hon. Friend the Secretary of State or the Skills Minister to visit it? Does he agree that such a partnership is the way forward?

Nick Boles: I feel sure that my hon. Friend is slightly disappointed to have just a Lincolnshire neighbour coming to visit him, but if he can put up with me, I would be delighted to do so.

T8. [904794] **Angela Rayner** (Ashton-under-Lyne) (Lab): In the Secretary of State's discussions with Tata, will he have time to raise Tata's involvement in the outsourcing of up to 800 jobs from British Airways, including its centre in south Manchester, which supplies jobs to my constituents and has already announced 80 redundancies? As *The Daily Telegraph* revealed last week, this is another example where Tata's actions threaten our national security along with our jobs, so will the Government step in to protect both?

Sajid Javid: If the hon. Lady wants to send me more detailed information about that, I will gladly take a closer look.

Mr David Nuttall (Bury North) (Con): Why should 100% of British businesses have to comply with EU regulations when less than 10% of them export to the EU?

Sajid Javid: I touched earlier on the importance of the single market. It is the largest single market in the world, with 500 million consumers, and it brings huge benefits to British businesses in growth and jobs.

T9. [904795] **Yasmin Qureshi** (Bolton South East) (Lab): Will the Secretary of State reconsider the decision to scrap bursaries for nurses? First, that will deter mature students and people from black and minority ethnic communities and disadvantaged communities, and secondly, while nurses are training, they spend 50% of their time doing practical work, looking after people. It is unfair that they should pay to provide services to others.

Nick Boles: What I share with the hon. Lady is a determination to ensure that the groups she mentioned and other groups that have been discussed today have the maximum opportunity, particularly in the NHS. That is one reason why we are making great steps towards developing a new nursing apprenticeship, which will offer people a way into the profession, gaining that qualification while they are working and earning.

Richard Fuller (Bedford) (Con): Alas, there is no law against selling a company to a bunch of clowns, which is a great pity for the employees and pension holders of British Home Stores. However, there is an expectation that the public should be able to look to the advisers in such a sale—the lawyers and accountants—to live up to their responsibilities and to do their duty. Will my right hon. Friend look carefully at the templates and responsibilities for advisers in transactions so that we do not see another great British company sold to a bunch of muppets?

Sajid Javid: I can reassure my hon. Friend of that. He has spoken eloquently on this issue a number of times, and he knows it well. We will learn lessons from the collapse of any company, but especially one as important and as large as BHS. As I said earlier, there will now be

an investigation by the Insolvency Service, which I have instructed to start today, and we will certainly draw lessons from the outcome of that and other investigations.

Several hon. Members *rose*—

Mr Speaker: Order. We must move on.

Aleppo

3.36 pm

Jo Cox (Batley and Spen) (Lab) (*Urgent Question*): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the situation in Aleppo, Syria.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): The Syrian conflict has entered its sixth year. As a result of Assad's brutality and the terror of Daesh, half the population have been displaced and more than 13 million people are in need of humanitarian aid. The UN special envoy, Staffan de Mistura, estimates that as many as 400,000 people might have been killed as a direct result of the conflict.

Our long-term goal is for Syria to become a stable, peaceful state with an inclusive Government capable of protecting their people from Daesh and other extremists. Only when that happens can stability be returned to the region, which is necessary to stem the flow of people fleeing Syria and seeking refuge in Europe.

We have been working hard to find a political solution to the conflict. There have been three rounds of UN-facilitated peace negotiations in Geneva this year—in February, March and April. The latest round concluded on 27 April without significant progress on the vital issue of political transition. We have always been clear that negotiations will make progress only if the cessation of hostilities is respected, full humanitarian access is granted and both sides are prepared to discuss political transition.

The escalating violence over the past two weeks, especially around Aleppo, has been an appalling breach of the cessation of hostilities agreement. On 27 April, the al-Quds hospital in Aleppo city was bombed, killing civilians, including two doctors, and destroying vital equipment. More than a dozen hospitals in the city have already been closed because of air strikes, leaving only a few operating. The humanitarian situation is desperate. According to human rights monitors, at least 253 civilians, including 49 children, have been killed in the city in the last fortnight alone.

At midnight on Friday, following international diplomatic efforts between the US and Russia, a renewed cessation came into effect in Latakia and eastern Ghouta in Damascus. We understand that this has reduced some of the violence in Latakia, but the situation remains shaky in eastern Ghouta.

The situation in Aleppo remains very fluid indeed. The Assad regime continues to threaten a major offensive on the city. There were some reports of a cessation of attacks overnight, but we have received reports indicating that violence has continued this morning. We need swift action to stop the fighting. My right hon. Friend the Foreign Secretary is speaking to Secretary Kerry today to discuss how we can preserve the cessation.

We look to Russia, with its unique influence over the regime, to ensure that the cessation of hostilities does not break down. It has set itself up as the protector of the Assad regime, and it must now put real pressure on the regime to end these attacks. This is crucial if peace negotiations are to be resumed in Geneva. These negotiations must deliver a political transition away

from Assad to a legitimate Government who can support the needs and aspirations of all Syrians, and put an end to the suffering of the Syrian people.

We also need to inject further momentum into political talks. We therefore support the UN envoy's call for a ministerial meeting of the International Syria Support Group to facilitate a return to a process leading to a political transition in Syria. We hope that this can take place in the coming weeks. The UK is working strenuously to make that happen, and we will continue to do so.

Jo Cox: I have to say that, once again, it is a shame that the Secretary of State cannot be here personally for an important discussion on this matter. I hope that that will be noted.

Without international action, on current trends, at the end of this short debate, another two Syrian civilians will be dead and four will be badly injured. On Friday, desperate doctors in Aleppo appealed for international help to stave off further massacres and the potential besiegement of that city, fearing a repeat of the horrors of Srebrenica. In the light of this, does the Minister agree that it is the Syrian authorities who are primarily responsible for these horrific ongoing abuses, continuing their long-standing policy of targeting civilians in rebel-held areas? Does he also agree that we now urgently need a mechanism, with clear consequences, to deter further barbaric attacks on civilians? I have raised repeatedly in this place the need for a no-bombing zone; will he now look again at that?

What is the UK doing to work with all those with an influence over parties to the conflict, including Saudi Arabia, Turkey, Iran and Russia, to put pressure on all sides to stop all attacks on civilian targets, including hospitals? Does the Minister have evidence that Russian forces have been directly involved in the latest air strikes? If they were, does he agree that it is surely time for fresh sanctions against Russia? Is it not now also time for his Department, along with the Ministry of Defence and the Department for International Development, to look again at airdrops to besieged communities? Why can we not join forces with our European allies to get food to starving people? Would not airdrops also put the regime under renewed pressure to grant more traditional and reliable land access?

On accountability, is the Minister's Department involved in collecting evidence to enable eventual war crimes trials, as we did during the Balkans conflict? I understand that the Commission for International Justice and Accountability, which is funded by the UK and US Governments, has evidence to link abuses to the highest level in the Syrian state.

On refugees, given the escalation of the violence in Aleppo and the lack of medical care now available there, what more can the UK do to get the most vulnerable people out of harm's way? Surely, given what we know about the horror which many of the refugee children in Europe have fled, it is now time to end the Government's shameful refusal to give 3,000 unaccompanied children sanctuary here in the UK.

While I am a huge fan of President Obama—indeed, I worked for him in North Carolina in 2008—I believe that both he and the Prime Minister made the biggest misjudgment of their time in office when they put Syria on the “too difficult” pile and, instead of engaging fully,

[*Jo Cox*]

withdrew and put their faith in a policy of containment. This judgment, made by both leaders for different reasons, will, I believe, be judged harshly by history, and it has been nothing short of a foreign policy disaster. However, there is still time for both men to write a postscript to this failure. Does the Minister agree that it is time for the leaders of both our countries, even in the midst of two hotly contested political campaigns, to launch a joint, bold initiative to protect civilians, to get aid to besieged communities, and to throw our collective weight behind the fragile peace talks before they fail? I do not believe that either President Obama or the Prime Minister tried to do harm in Syria but, as is said, sometimes all it takes for evil to triumph is for good men to do nothing.

Mr Ellwood: First, may I pay tribute to the hon. Lady's work as chair of the all-party friends of Syria group? It is important that the House is kept up to date with the fluid events taking place in that country. Let me qualify her remarks: the Foreign Secretary is returning from an important visit to Latin America; otherwise, he would be in the Chamber responding on this very important matter.

The hon. Lady raised a number of issues and I will do my best to go through them efficiently. First, I absolutely concur with her: it is Syria that is very much responsible for the significant number of deaths of people in the country of all religions, particularly the Sunnis. That is why we call on Russia to use its influence to bring Assad to account and to make sure that we can get access. Following the previous ceasefire, we gained access to about a third of the areas that we could not previously get to. We hope that we can unlock the situation and get access in the forthcoming days.

The hon. Lady mentioned methods of delivery, particularly airdrops. There are places in Daesh-held territory where it is possible, because of air superiority, to fly slow and low enough to drop aid packages accurately, but that is not the case for some of the conurbations and communities in the built-up areas. Aleppo is Syria's largest city by some margin, and not only are the opposition and the Assad Government there; al-Nusra is there as well. Without the regime's support—it has air superiority—we cannot carry out the airdrops that the hon. Lady would like. It is better to get agreement from Assad to take trucks straight into those places so that they can go directly to the people in need. Airdrops can land randomly. They often get into the wrong hands and do not help the very vulnerable whom we wish to support.

The hon. Lady mentioned the role of other countries, including Saudi Arabia. Foreign Minister al-Jubeir is in Geneva with John Kerry at the moment, playing his role. Let us not forget that it was Saudi Arabia that brought together the opposition groups in the first place in December, which began the three rounds of talks that have taken place.

The hon. Lady talked about the importance of collecting evidence. We had a very good debate two weeks ago about genocide, crimes against humanity and war crimes. We are playing a leading role in making sure that people are brought to justice. As we saw in the case of the former Serbian-Bosnian leader, Radovan Karadžić, sometimes the process takes many years, but we are

actively and heavily involved—we are likely to make more effort—in making sure that we collect the evidence as we speak.

The hon. Lady made an interesting comment about placing Syria on the “too difficult” pile. I ask the House to consider how different Syria might look if, in August 2013, we had voted in favour of punitive bomb strikes. Daesh did not even exist in Syria at that time—it had no foothold whatsoever. Instead, this House stepped back from that decision, and I think that we will live to regret that.

Crispin Blunt (Reigate) (Con): Back in February, President Assad described retaking the whole of Syria as

“a goal we are seeking to achieve without hesitation”,

but he was slapped down by the Russian ambassador to the United Nations, who said:

“I heard President Assad's remarks on television...Of course, they do not chime with the diplomatic efforts that Russia is undertaking”.

The Foreign Secretary has admitted that he does not get much out of his conversations with Foreign Minister Lavrov. Does the Minister think that the Foreign and Commonwealth Office has the necessary capacity satisfactorily to read Russian interests and intentions?

Mr Ellwood: The key relationship that has developed and that allows us to place greater emphasis on Russia—whether it be Putin, Lavrov or Bogdanov—is that with John Kerry. The closeness with which he is working with the Foreign Secretary shows that we are playing our part as well. From a humanitarian perspective, we are the second largest donor to the country. We are playing our part on the humanitarian aspect as well as with regard to the military. We are very much at the forefront of activities but, ultimately, it is not for the Americans or the British but for Russia to determine that it is going to place pressure on Assad to allow access to the very areas into which we need to get humanitarian aid.

Diana Johnson (Kingston upon Hull North) (Lab): I thank the Minister for his response and congratulate my hon. Friend the Member for Batley and Spen (*Jo Cox*) on securing this urgent question. In the short time that she has been in the House, she has consistently stood up for the people of Syria who are caught in this appalling conflict.

The whole House can unite in condemning last week's air strikes and shelling in Aleppo. In particular, as is recognised by the Geneva convention, there is never any justification for attacking hospitals. The bravery and commitment of the medics who remained in Aleppo stand in sharp contrast to the cowardice and brutality of the Assad regime, which once again showed its indifference to the population of Syria. Despite the actions of the Assad regime, we must remain committed to the peace talks and to a political solution to the current conflict.

As a member of the Syria Support Group, Britain has a crucial role to play, particularly in supporting the US-Russia ceasefire talks. Britain ought to be an active contributor to that process. As a leading EU country, we can wield real influence as a member of Russia's most important trading bloc. What discussions are ongoing

at an EU level about exerting pressure on the Russians to redouble their commitment to the ceasefire? As the Minister has stated, Russia is in the strongest position to tell President Assad to stop killing civilians in Aleppo.

Along with my hon. Friend the Member for Batley and Spen, may I ask what specific steps the UK Government are taking with key allies such as Saudi Arabia to encourage the Syrian opposition to recommit to the peace process? Will the Minister comment on reports that the Assad regime used the ceasefire to move troops and prepare for an assault on Aleppo? May I ask whether the negotiations under way in Geneva include provisions for additional monitoring so that all sides can have confidence that a new ceasefire agreement will be genuine?

At the heart of the conflict is a humanitarian disaster of an almost unimaginable scale. Can the Minister assure the House that the UK is pushing for humanitarian access to be at the heart of any new ceasefire agreement? Finally, will the Minister comment on recent reports of an increase in collusion between the Assad regime and Daesh, with the Assad regime stepping back from confronting Daesh in a number of areas while continuing to trade with it and therefore providing vital funds for its campaigns?

Mr Ellwood: I welcome the tone in which the hon. Lady raises these important questions. We have had a series of debates on the matter, and I concur with the hon. Lady in welcoming the work that the hon. Member for Batley and Spen (Jo Cox) has done in her role as chair of the friends of Syria all-party group.

The hon. Member for Kingston upon Hull North (Diana Johnson) mentioned the Geneva conventions. They are part of collecting the evidence that is necessary in the longer term to bring the culprits to account. That work is ongoing with a number of non-governmental organisations that Britain is supporting. If I may, I will digress to pay tribute to the White Helmets, an organisation that Britain helps to fund, which helps to dig people out of the rubble. Its members are based in these very dangerous areas and are trained to save the lives of civilians who are caught up in them. They go into those disastrous areas with the necessary technology to try to pull survivors out.

The hon. Lady mentioned the role of the EU. Federica Mogherini, the EU High Representative, is a member of the ministerial working group, and she is very much engaged on the matter at the highest level. As I mentioned, the group will be meeting in the very near future.

The hon. Lady talked about the importance of the Syrian opposition and its cohesion. I had the opportunity to meet the president of the Syrian opposition in Istanbul only a couple of weeks ago. The Syrian opposition was pessimistic at that point about the progress that was being made, and now we have seen events unfold. Given its disparate nature and the wide agendas that it follows, the fact that the group has stayed together is an indication of its determination to say, "We do not want to be part of Daesh, but we also do not want to have Assad as our leader."

The hon. Lady is right to indicate that there is huge collusion, as a matter of convenience, between Assad and Daesh. Reports are coming out that in Palmyra, for example, a deal was struck that Daesh would retreat

from that area and the Assad regime would be able to claim that retreat as a victory, but clearly something else was happening behind the scenes.

The hon. Lady alludes to the fact that there have been oil sales. The Assad regime is short of oil supplies and Daesh has crude oil that it can sell, which is another area of mutual convenience. Thankfully, the work we have been doing right across the board on counter-Daesh initiatives is preventing Daesh from being able to produce its oil and therefore to gain financially from sales or, indeed, to use the oil itself.

John Redwood (Wokingham) (Con): What is the Government's current advice to the military opposition to Assad other than Daesh, given that the Government have been sympathetic to the opposition in the past, but it now finds itself in an extremely difficult position?

Mr Ellwood: I made it clear in my opening remarks that a political solution is needed in relation to the Assad regime. We need to move forward with a transition process to ensure the eventual removal of Assad, which will allow the country to unite to take on Daesh itself. However, the two are not mutually exclusive—we can continue our campaign to destroy Daesh. We have already seen the liberation of Ramadi, and I hope that we will see the liberation of the city of Mosul in the near future.

Patrick Grady (Glasgow North) (SNP): This is an urgent question, but it would be helpful if we heard more of a tone of urgency in the Government's response. The destruction of the infrastructure in Aleppo is so wanton that we are beginning to wonder whether there will be anything left worth fighting over. The first priority has to be a ceasefire so that humanitarian aid can be supplied to those desperately in need. Are the Government making or supporting preparations to deliver aid as soon as any window of opportunity arises? The second priority has to be a longer-term peace settlement. It would be useful to hear what role the Government see themselves playing in a process currently dominated by the US and Russia. Finally, we must support those fleeing conflict. I therefore echo the calls for the Government finally to show some humanity and to reconsider their position on accepting unaccompanied refugee children from Europe.

Mr Ellwood: The hon. Gentleman asks three questions. First, on restructuring, one of the reasons why we co-hosted—along with Kuwait, Germany, Norway and the United Nations—the important conference that took place in February was exactly to make sure that we could collect the necessary pledges from around the world. Over \$11 billion, a record amount for any single day, was pledged to provide such support, most of which is going to the refugees, but there are also other initiatives.

The hon. Gentleman is right to point to the need for a political track, which I have already mentioned. It is not for us to determine that track. This is part of why the opposition coalition has come together, and it is exactly what the talks in Geneva are all about.

The hon. Gentleman mentioned the 3,000 children. That issue has already been mentioned, and I apologise for not previously touching on it. We are doing our best

[Mr Ellwood]

to help to stem the flow of refugees from the source itself. There is a huge question to be asked when EU member states, it is felt, cannot look after refugees and we are taking refugees from other EU member states. We have put in extra funding to make sure that, no matter where the refugees come to, they are looked after to absolutely the same standards. We do not want to add to the problem by encouraging more people, including children, to make the perilous journey along the various routes. As I say, the UK is helping to provide better support. Indeed, we are sending out teams to the various refugee camps to make sure that they have the necessary standards that we would expect if the refugees were in this country. I would add that we are honouring the Dublin convention, as hon. Members will be aware, which allows the transfer of children from other member states if they have a direct family connection in this country. I am sure that the Under-Secretary of State for Refugees, who is sitting on the Front Bench, concurs.

Helen Whately (Faversham and Mid Kent) (Con): The news from Aleppo emphasises that Assad must not be part of the endgame in Syria. To what extent would my hon. Friend say that Russia has also come round to that view, and what more can be done to get Russia to rein in its ally, Assad?

Mr Ellwood: Those who are familiar, as I know my hon. Friend is, with the long-term historical relationship between Russia and Syria will be aware that this is an area of the world that Russia sees as its sphere of influence. Syria supported the Soviet Union during the cold war and Assad's father trained as a MiG pilot in Russia. There are strong ties between the countries. I would advocate that Russia recognise that although it wants to keep its influence, it is not so wedded to Assad the individual. The political transition must move forward and the people of Syria must determine who their next leader will be.

Mr David Winnick (Walsall North) (Lab): Is it not clear that although Daesh is, of course, a murderous group run by outright murderers and psychopaths, the Syrian Government have for some time been carrying out crimes against humanity on a far greater scale—aided and abetted, moreover, by a member of the United Nations Security Council?

Mr Ellwood: I concur with the spirit of what the hon. Gentleman says. We took steps to hold Assad to account when he crossed a line by using chemical weapons. We wanted to take action, and we came to this House, but I am afraid that this House decided that that was not the action that was needed. We need to recognise that there are occasions when a few countries in the world can stand up to dictators such as Assad, and the rest of the world looks to countries such as Britain to act. We did not at that juncture.

Mr James Gray (North Wiltshire) (Con): As the Minister has said, in particular in answer to my hon. Friend the Member for Faversham and Mid Kent (Helen Whately), Russia is absolutely central to finding any kind of long-term solution in Syria. That is absolutely correct. Yet in all our attempts to talk to Russia we discover that there is an absolute brick wall between us.

Last week, members of the House of Commons Defence Committee were in Moscow, but the Russian Government would not speak to us. Lines of communication have broken down. Does the Minister agree that now may be the time to put aside, temporarily, our perfectly reasonable objection to and outrage at the illegal annexation of Crimea, and say to the Russians that we need to talk to them about Syria and that for now we should park our differences on other matters?

Mr Ellwood: I am aware that the Defence Committee made efforts to visit Moscow, which would have been an important visit—

Mr Gray: We were there last week.

Mr Ellwood: What I am trying to say is that what my hon. Friend has put his finger on, in tying the two issues together, is exactly what we should recognise. The sanctions against Putin are coming from the very countries to which the refugees are moving. We need to be a bit more astute in recognising that from Putin's perspective the issue of Ukraine and the Crimea is linked with what is happening in Syria.

Ann Clwyd (Cynon Valley) (Lab): I am sure that the Minister is aware of the draft statement circulating among non-governmental organisations working in the Aleppo area, which says that there is a

“complete absence of the fundamentals of safe humanitarian intervention, and the absence of a clear mechanism to monitor and document violations of international humanitarian law and human rights law”.

Is that the case, and can he tell us more?

Mr Ellwood: As the right hon. Lady is aware, getting access to Aleppo is very difficult indeed. We are collecting intelligence for the long term. She is right to highlight the complexities of this large city. The al-Nusra Front is based there, and Assad has taken advantage of the ceasefire to move weapons systems up to the area. That is why it is all the more important that we get Russia to exert its influence to make sure that Assad comes back to the table.

Sir Edward Leigh (Gainsborough) (Con): Surely we have to accept Syria as it is. Whether we like it or not, Assad is not going to go away in a hurry. He has the only army on the ground capable of defeating ISIL, and he has just as much support as all the hundred other warring factions. If we undermine him, an authoritarian, we will unleash worse totalitarian forces. Is it not significant that any progress this week has been as a result of contacts between America and Russia, yet our Government have put the Russian Government in complete deep freeze? We are denying them visas, we are not talking to Lavrov, we have absolutely no influence—because of our obsession with Russia and getting rid of Assad, we are not actually propelling peace forwards. We must drop the present policy and try to co-operate with the Americans so that Russia can get peace.

Mr Ellwood: I do not agree with what my hon. Friend has said, but I agree with the direction of travel he wants. Russia has influence over Assad. We are speaking with the Russians. John Kerry is in Geneva along with

Lavrov, al-Jubeir and others, acknowledging the urgency of getting a renegotiated cessation of hostilities so we can get humanitarian aid back in.

Mike Gapes (Ilford South) (Lab/Co-op): The Minister referred to the long term. Can he tell us how long is long term? He also made reference to the vote in this House in 2013. Is not the real failure the fact that our Government and the United States Government did not impose no-fly zones and humanitarian corridors when they could have done in 2011 and 2012? Now it might be very difficult to do so. That is the real failure. Non-intervention is not necessarily the best policy.

Mr Ellwood: I am a former soldier, and I looked at the idea of no-fly zones and humanitarian corridors. I even wrote some papers on it when I was on the Back Benches. The trouble is: who implements them, and what authority would they have to be in the country? We wanted to take Syria through the UN Security Council to the International Criminal Court, and guess who vetoed it: China and Russia. That is the difficulty we have. We have to ask ourselves how we would implement and enforce such a no-fly zone. I concur with the spirit of what the hon. Gentleman says, but these are the realities of where we actually are.

Bob Stewart (Beckenham) (Con): I think that the most important concern with unaccompanied children is their safety, and I am beginning to wonder whether we might not have our policy the wrong way around. Three thousand children wandering around Europe can easily be picked up by traffickers; 3,000 children in the middle east can be kept safely in camps. I am wondering whether we should look at our policy anew.

Mr Ellwood: The concerns expressed about the 3,000 children are absolutely sincere. The solution, however, is not simply to remove the challenge from the area, but to solve the challenge in the area. We cannot endorse the idea that it is acceptable for other EU states not to meet the basic requirements for looking after refugees. By taking those refugees, we would simply be providing more space for further refugees to come in, and that is not a long-term solution.

Several hon. Members *rose*—

Mr Speaker: Order. The Minister was diverted from the path of virtue by the hon. Member for Beckenham (Bob Stewart). No doubt the intentions were good, but we were straying somewhat from the terms of the UQ. As the Minister and others know, I have facilitated much discussion on the matter of refugees. I rather imagine that there will be more, and no doubt people will think, “And so there should be”, but it would be best today if we could stick to the terms of the UQ that the hon. Member for Batley and Spennings (Jo Cox) applied for and that I granted.

Mr Kevan Jones (North Durham) (Lab): The Minister quite rightly spoke about the influence of Russia, but what pressure is being put on Iran, which has equally supported the Assad regime, both directly and through proxies such as Hezbollah? Has the Foreign Office or the international community opened up that dialogue with Iran and, as part of the Iran deal, put pressure on it to make sure that it actually responds?

Mr Ellwood: The hon. Gentleman makes an important point. If Iran is to take a more responsible role on the international stage, following the nuclear deal, we expect it to act in a more honourable way, whether in Damascus, Beirut, Baghdad or Sana'a. We have not seen that to date. He is right to say that Hezbollah continues to play an important role, but we are also seeing a difference of opinion between what Iran is looking for and what Russia is after.

Richard Benyon (Newbury) (Con): When we hear at first hand from charities and NGOs that run hospitals in places such as Aleppo of those hospitals being bombed repeatedly by the regime and by Russian forces, the temptation is to come to this place and rage against the system, using those well-worn words, “Something must be done.” But in reality this is a most complex situation. What we want to hear—I think I heard the Minister allude to it this morning—is that everything is being done to work with the Russians to create a framework whereby safe areas and, if possible, air corridors for delivering aid can be secured. There must be a way of ensuring that it is humanitarian aid, even if that means having a Russian at Akrotiri to see what goes on the wretched plane that is delivering it.

Mr Ellwood: My hon. Friend and I discussed these things over the weekend, and I know he has been following events closely. Indeed, he knows people working in the region. It is important we look for a longer-term solution around access to the humanitarian corridors. As I mentioned, the Foreign Secretary is speaking with John Kerry this afternoon, and I hope we will have more to report as time elapses.

Alison McGovern (Wirral South) (Lab): I think I heard the Minister say in his reply that 49 children had been killed in recent hostilities. If I am correct, will he repeat those facts to the House, so that everybody is clear about what is happening? Will he say what the Government are doing to make sure there is medical care for children in Aleppo?

Mr Ellwood: I am happy to confirm what I said before. According to human rights monitors, at least 253 civilians, including 49 children, have been killed in the city of Aleppo in the last fortnight alone. As I have said a couple of times now, the situation in Aleppo is fluid, because of the advances the Assad regime wants to make. Taking this most northern city, a key prize, has been a long-standing objective of the regime, and it would have a huge impact were the city to fall from the coalition.

It is important that we do what we can to provide access and make sure that areas such as hospitals are not bombed. We need to consider the case for giving grid references to make sure that such areas are protected and recognised, not least because a breach of the Geneva convention could be involved.

Geoffrey Clifton-Brown (The Cotswolds) (Con): My hon. Friend has twice said that in order to break the logjam we must have a political transition in relation to the Syrian Government. Will he enlighten the House as to what that means? Unpalatable as it might be, could it mean that Assad or some of his key Alawite officials have a role in a temporary transitional government?

Mr Ellwood: When the Syrian International Support Group came together in Vienna for the first time, it discussed a process of transition to allow the various and diverse stakeholders across the country to determine the timetable. A timetable of 18 months to two years was put forward, but these things are always in the realms of speculation. I certainly hope that the Geneva talks, which is where these negotiations need to take place, will resume discussions on this issue.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister set out what the Secretary of State said in his representations to the Russians following the al-Quds hospital bombing, which was a gross violation of international humanitarian law? Did he ask them to tell Assad to stop, and what was the Russians' response?

Mr Ellwood: I was not privy to the exact wording used. If I may, I will ask the Foreign Secretary, who arrives back this afternoon, to write to the right hon. Gentleman directly.

David Rutley (Macclesfield) (Con): More than five years of conflict is too long, and Members across the House will support the Government and the international community in their efforts to bring peace to this war-torn country. What progress are the Government making in shaping plans for post-conflict reconstruction in Syria?

Mr Ellwood: My hon. Friend makes an important point. It has been five years, but the difference over the last five or six months has been that negotiations have taken place and the stakeholders have been brought around the table. The international community, including Iran, Russia, the United States and France, as well as representatives from the EU and the UK, have all been around the table. That had not happened in the previous five years. The coalition and opposition groups have also come together. That is the major change on the previous five years. The London Syria conference was an important step in looking at the detail of what the international community must do, and be ready to do, once the guns eventually fall silent.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Together with the hon. Member for North Wiltshire (Mr Gray), I was in Moscow last week, and one of the things I found most difficult was that we had no shared understanding of history or of language and diplomacy. I therefore find it incredibly concerning that we are talking in vague words about how to bring Russia genuinely to the table for discussions—through proxies, if not by ourselves. May we have some more detail about what such a plan would be?

Mr Ellwood: I must have misunderstood, because I thought that the visit did not take place. I am pleased to know that the hon. Lady was able to make it to Moscow. I look forward to hearing any further reports she or the Committee might produce on what they learned from their discussions there. She is right to place the focus on Russia itself and the need for us to have a better understanding of Russia's intentions—of Putin's intentions, effectively. Much of this is not the old regime; it is more about this President making his mark, often in an attempt to provide distractions from the domestic mess his country is in.

Seema Kennedy (South Ribblesdale) (Con): I welcome the Minister's assurance that the Government are committed to gathering evidence relating to crimes against humanity, but will he update us on what protection is being given to Christian communities and other refugees in the countries neighbouring Syria?

Mr Ellwood: My hon. Friend is right to highlight the plight of the Christians, not least in Mount Sinjar and then in other areas with the Yazidis. We saw devastating attacks by Daesh as they cleaned these areas out. We had a comprehensive debate on these matters only a couple of weeks ago. It is important for us to collect the evidence, which is what we are doing. I shall not name the NGOs involved; that would be wrong and place them in danger. We are carrying out a lot of work, however, to make sure that we can collect the necessary forensic and legal evidence, which will then allow us to make the case at the UN Security Council and take this matter forward.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): We all condemn the bombings of civilians in Aleppo, but what specific action is the UK taking, in conjunction with our European partners, to try to kick-start the peace process, which, as others have mentioned, is now seriously in the mire?

Mr Ellwood: I do not want to repeat myself, but the first thing is to get support for the humanitarian initiative that needs to take place in the area. We are the second-largest donor there. The Syria conference was critical in helping refugees—not just in Syria, but in Lebanon, Jordan and indeed Turkey, and I would like to pay tribute to those countries. This is critical. As we speak, talks are taking place behind the scenes to try to pressurise Russia and make sure that Lavrov and Putin recognise that they are best placed to allow humanitarian access and to prevent the bombing of the civilian areas.

Rehman Chishti (Gillingham and Rainham) (Con): I very much welcome the Minister's statement. According to the BBC website, John Kerry has said that the Syrian conflict is now "out of control". If that is the case, why is the Minister optimistic that the current talks will lead to a solution? Aleppo is the last stronghold of the opposition. If that falls, one may ask why the opposition should take part in any further discussions in Geneva.

Mr Ellwood: My hon. Friend is right to point out why the Syrian opposition pulled out from the talks. It is pointless sitting down for talks in Geneva when their own communities are being bombed back home. Although the situation has grown out of control and we have seen the cessation of hostilities break down, the whole purpose of John Kerry's current initiative in speaking with Lavrov and working with our Secretary of State is to get ourselves back on course to ensure that the cessation of hostilities can be resumed. As I mentioned in my statement, we are seeing some signs that that is working.

Nick Thomas-Symonds (Torfaen) (Lab): The recent bombing of hospitals took place in a city that already has a severe shortage of doctors because of the events of the last three or four years. What can the Minister do

to ensure that any ceasefire has at its heart not only humanitarian aid, but the resumption of medical facilities to prevent a humanitarian catastrophe?

Mr Ellwood: In the sidelines of the London Syria conference, a number of major NGO workshops and meetings took place. A huge amount of effort has been put in by the Department for International Development Minister, my right hon. Friend the Member for New Forest West (Mr Swayne), who is in his place beside me, so that there is a readiness to move in. At the moment, however, the situation is just too dangerous for that to happen on a large scale.

Nusrat Ghani (Wealden) (Con): Time is not on the side of the people of Aleppo. On Sunday night, the main and only road for those in the rebel-held east was bombed. If the regime manages to close that route, nearly 200,000 residents will be left trapped, without food or medical supplies. Pressure on Russia is key. I urge the Minister to do all he can to stress to Russia that time is running out.

Mr Ellwood: My hon. Friend has made her point very powerfully. The very fact that we are having this debate means that we have another method of communicating with Russia and saying, "We care. We recognise what is going on. Russia, you need to do more, and currently you are not doing that."

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is estimated that recent violence in Aleppo has led to the death of a Syrian every 25 minutes. There is grave humanitarian urgency. What progress are the Government making in negotiations on taking aid trucks into Aleppo? If no progress is made, will high-altitude airstrikes and air drops be reconsidered?

Mr Ellwood: The hon. Lady has raised the important question of how we can best get aid into these vulnerable areas. That horrific statistic, of which I too am aware, highlights the challenge that we face. The international community must put more pressure on Russia, and must ensure that Assad is prohibited from bombing those areas so that we can get the aid in.

The best way to convey aid directly to where it needs to go is by truck, but the local checkpoints must give the trucks permission to go through in order for that to happen. Air drops can land anywhere. They often land in precisely the wrong hands, and are then used as a barter and as a means of worsening the situation, because the aid is denied to the people who need it.

Jason McCartney (Colne Valley) (Con): Our Sentinel aircraft and unmanned aerial vehicles have provided a very complex and detailed picture of Syria from the air. Has evidence been gathered showing who the perpetrators of the attacks on civilians are? If there is such evidence, how is it being presented to the United Nations and to other nations?

Mr Ellwood: I pay tribute to my hon. and gallant Friend for his work during a previous campaign. He has

a huge amount of knowledge of what the Royal Air Force does, and he will therefore appreciate that the fact that his is an operational question prevents me from giving him a firm answer. However, if he would like to talk to me in the Lobbies, I shall be more than happy to have a quiet chat with him.

Andrew Gwynne (Denton and Reddish) (Lab): The bombing and shelling of civilian areas in Aleppo is sickening, and calls into serious question the Assad regime's commitment to a peaceful resolution of the situation in Syria. So too, however, do the attempts to collude and trade with Daesh, as described by my hon. Friend the Member for Kingston upon Hull North (Diana Johnson). What more is the Foreign and Commonwealth Office doing to bring together all sides, and to make it clear that action of this kind is compromising our efforts to secure a peaceful settlement in Syria?

Mr Ellwood: The hon. Gentleman has articulated how complicated Syria is. However, that should not prevent us from playing our part in bringing Daesh to account, along with the international community. We are destroying Daesh on the battlefield, we are destroying their ideology, and we are destroying their ability to get their message out via the internet. We are also providing humanitarian aid and stabilisation capabilities in areas that have been liberated. The piece of the jigsaw that remains difficult is the political situation and the transition in Syria, and that is why it is so urgent for talks to resume in Geneva.

Henry Smith (Crawley) (Con): Along with the United Kingdom's diplomatic efforts and the £2.3 billion worth of aid for the region, there have been reports of collusion between the Assad regime and Daesh in Syria. Can my right hon. Friend assure us that the British airstrikes are focused, and have not resulted in any civilian casualties?

Mr Ellwood: That is another operational question. I know that the rules of engagement that we adopt and with which we comply ensure that we try to avoid civilian casualties at all times, but, if I may, I will write to my hon. Friend giving him more details.

Steven Paterson (Stirling) (SNP): What recent contact has been made with the peshmerga to discuss their role both in defeating Daesh and in building a stable and peaceful future throughout Syria?

Mr Ellwood: The hon. Gentleman's question gives me licence to pay tribute to the work of the peshmerga in liberating the Mosul dam, for example, and most of Kirkuk and the north of Iraq. It is important that they recognise the importance of working with the Iraqi army to improve the indigenous capability if we are to take Mosul and liberate Iraq from Daesh completely.

Several hon. Members *rose*—

Mr Speaker: Order. We are most grateful to the Minister and to other colleagues.

Southern Health NHS Foundation Trust

4.25 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op)
Urgent Question: To ask the Secretary of State to make a statement on the safety of care and services provided by Southern Health NHS Foundation Trust.

The Minister for Community and Social Care (Alistair Burt): I thank the hon. Member for Liverpool, Wavertree (Luciana Berger) for her question. At the outset of my response, I want to express my deep concern and apologies to the patients and family members who will again have felt let down by the contents of last week's report from the Care Quality Commission. Our first duty to patients and their loved ones is to keep them safe. This applies to all of us with a role to play in the NHS, from the frontline to this House, and the Government are therefore clear that it is imperative to be open and transparent about what has gone wrong in order to minimise the risk of similar failings occurring throughout the NHS as a whole. We must ensure that the trust itself continues to be scrutinised and supported to make rapid improvements in care. If that means intervention from the regulators, they will not hesitate to take the necessary action, and we will not hesitate to back them.

Last week's CQC report followed a focused inspection announced and requested by my right hon. Friend the Secretary of State in December 2015. The report from the CQC set out a number of concerns, including: a lack of robust governance arrangements to investigate incidents; a lack of effective arrangements to identify, record or respond to concerns about patient safety; and a need for immediate action to address safety issues in the trust environment. The report also found that the senior management and board agendas were not driven by the need to address these issues. None of those matters is acceptable.

NHS Improvement has taken action in recent months to address the issues at the trust. It has been working closely with the CQC and the trust, and on 24 March, NHS Improvement appointed an improvement director to the trust. On 14 April, following a CQC warning notice on 6 April, NHS Improvement placed an additional condition on the trust's licence, asking it to make urgent patient safety improvements to address the issues found by the CQC. That condition gave NHS Improvement the power to make management changes at the trust if it did not make progress on fixing the concerns raised.

On 29 April, following the resignation of the trust chair Mike Petter, NHS Improvement announced its intention to appoint Tim Smart as the chair of the trust. As chair, Mr Smart will have responsibility for looking at the adequacy of the trust's leadership. Given the centrality of issues of governance to the CQC's report, I welcome the action taken by NHS Improvement. The direct appointment of a new chair by a regulator is a relatively rare step, and it reflects the seriousness of the issues at the trust. NHS Improvement will continue to monitor the situation closely in the coming weeks and months.

I understand that the CQC is considering the trust's response to its warning notice, and the risks it highlighted, before deciding whether to take any further enforcement action, and none of its options is closed. The notice required significant improvements to be made by 27 April.

Dr Paul Lelliott, the deputy chief inspector at the CQC, was directly responsible for the report, and I spoke to him this afternoon. He informs me that the delivery plan required by 27 April has been received and is in the process of being evaluated. NHS Improvement is working closely with the CQC and the trust, and the improvement director appointed by NHS Improvement is on site regularly, so there is constant independent oversight of the progress being made, as well as the formal monthly progress meetings between NHS Improvement and the trust.

In addition to the action we are taking on Southern Health, it is vital that we learn the wider lessons for the NHS as a whole. First, I hope the whole House can agree that it is right that we have robust, expert-led inspection from an independent CQC that provides an objective view about issues of safety and leadership, and that this is backed with action from NHS Improvement where that is required. Secondly, it is vital that we take the issue of avoidable mortality as seriously for people with learning disabilities and mental health problems as we do for other members of our society. To that end, the learning disability mortality review programme has been put in place by NHS England to ensure that the causes of this inequality are understood, and with the aim of eliminating them. In addition, the CQC will be leading a review of how all deaths are investigated, including those of people with learning disabilities or mental health needs. There can be no question but that the CQC report makes for disturbing reading, and that it demands action at local and national levels. We owe our most vulnerable people care that is safe and secure, and I am determined that we will do all we can to ensure patient safety.

Luciana Berger: I thank the Minister for very brief advance sight of his response. Patients and parents have a right to be angry at the failure of Southern Health NHS Foundation Trust, and we in this House have a duty to be angry on their behalf. To read the litany of failure, missed warnings, reports and recommendations ignored, and secrecy over the last four years would make any reasonable person angry, too. Friday's CQC report shows that very little has been done since the House last discussed the matter in December.

The scandal at Southern Health has happened on this Government's watch, and Ministers must take responsibility for what has happened to some of the most vulnerable people in our country. We should be angry that Connor Sparrowhawk was left to drown in a bath. We should be angry that Angela Smith took her own life. We should be angry that David West died in the care of this NHS trust—his father was repeatedly ignored when he raised his concerns. All of them were denied the care that they so desperately needed. Last week, the BBC reported that over the past five years, 12 patients who had been detained for their safety or that of others have jumped off the roof of a hospital run by this trust. Access to a roof was still permitted to people at risk of suicide. If all those tragic incidents were the only signs of systemic failure, we should be angry, but there is a much bigger story of neglect and malpractice, which aggregates into a major scandal.

When the Secretary of State responded to the urgent question on Southern Health in December, he rightly said:

“More than anything”

people will

“want to know that the NHS learns from”

such

“tragedies”.—[*Official Report*, 10 December 2015; Vol. 603, c. 1141.]

The CQC report published on Friday shows that that clearly has not happened. So I ask the Minister: first, what guarantees can the Minister give to the 45,000 patients currently in the care of Southern Health, and their families, that they are safe? Secondly, where is the accountability, the culpability and the responsibility? There seems to be very little. I heard what he said about the chair, but does he agree that the chief executive’s position is now untenable, and that she should be sacked? Thirdly, will he listen to the heartfelt pleas of the victims’ families, the campaigners, and all of us who are demanding a full public inquiry into Southern Health and broader issues, such as the abject failure adequately to investigate preventable deaths?

As the Secretary of State said in December, such issues are not confined to one trust. The Ofsted-style ratings that he previously mentioned will make a difference only if there is proper accountability and the ability to take action to make real improvements to patient care and patient safety. The families have behaved with such dignity and tenacity, and we owe them a debt of gratitude, but it should not be left to them alone to push for accountability.

I listened carefully to what the Minister told the House, but I remain unconvinced that enough has changed. Four months ago, we heard similar reassurances. Today, we are debating the Government’s failure to act. The time for yet more warm words and hollow reassurances is over. We need action, and we need it now.

Alistair Burt: I thank the hon. Lady for her response. We are not actually debating the Government’s failure to respond at all. The Secretary of State did exactly what he said he was going to do, and the CQC’s inquiry and work that followed can be seen in the report that was produced last week. The report contains a number of further concerns—there is no doubt about that—and people are right to be angry, but there is a process to find out what is going on and to do something about it and that process is in place. That is what NHS Improvement is doing and it is important that that is done.

There is an issue of urgency, which is really important. There are things that are discovered and things take time to get done. I am not content with that in any way, but the process is in place to do something about that. The CQC has been engaged and has ruled out no option for further action. Its options are quite extensive, including prosecution for things that it has found. The process started by the Secretary of State is not yet finished. That my right hon. Friend has demonstrated his commitment to patient safety from the moment he walked into that office cannot be denied by anyone, and this is a further part to that.

I asked the same question that the hon. Lady asked about safety directly to the CQC this afternoon, and I spoke to Dr Paul Lelliott who compiled the report. I asked whether people are safe at the foundation trust today. People are safe because, as we know, the CQC has powers to shut down places immediately if there is a risk to patients. It has not done so, but I am persuaded that if it had found such a risk it would have closed things down. There is therefore no risk to safety in the terms that the hon. Lady suggests.

On the chief executive’s position, the power to deal with management change is held by NHS Improvement. I also offer a brief word of caution. There is a track record of Ministers speaking out, at great cost, about the removal of people in positions over which they have no authority. That is understandable in situations of great concern when an angry response seems right, but it is not an appropriate response. The chair has gone, and processes are available should any more management changes be necessary, which is important. Colleagues in the House can say whatever they like, but a Minister cannot and must say that appropriate processes can be followed, because that is right and proper.

I do not yet know about an inquiry, and I want to wait and see what comes out of the further work being done in the trust. I do not rule out some form of further inquiry, but an inquiry is physically being carried out now by the actions taking place on the ground. What needs to follow is urgent action to respond to what the CQC has said, and a long drawn-out public inquiry is not necessarily the right answer. More work might be necessary, but I need to consider that in relation to further work being done at the trust.

On preventable deaths, as I made clear in my statement, I am sure that not enough attention has been given to those cases that require further investigation across the system, often dating back many years and preceding this Government. We have turned our attention to that issue, and we will make changes because such inequality must end.

Dr Sarah Wollaston (Totnes) (Con): The report on Southern Health makes disturbing reading, but we will never tackle unacceptable levels of health inequality and early deaths among those who live with learning disability and mental health issues unless we address safety and risk. Will the Minister go further on the mortality review and set out how we can see where differences exist around the country? Will he reassure the House that duty of candour will in future be more than a tick in the box?

Alistair Burt: A tick in the box for duty of candour, which the report mentioned, was unacceptable—it must mean much more than that. The learning disability mortality review programme is important and will support local areas to review the deaths of people with learning disabilities, and use that information to help improve services. In time, it will also show at a national level whether things are improving for people with learning disabilities, and whether fewer people are dying from preventable causes. That review is already under way in a pilot in the north-east in Cumbria, which will help to inform us how the programme operates as it is rolled out. Plans are in place to roll out that review across all regions of England between now and 2018, with pilots commencing in other parts of the country between 2016 and 2017. That work has never been done before, and it is right that we are doing it now.

Dr Alan Whitehead (Southampton, Test) (Lab): As the Minister and other hon. Members have said, Friday’s report makes grim reading for the many families and patients in the care of Southern Health NHS Foundation Trust. The Minister said that those failings are not isolated to that trust, but are on a much wider scale. In light of that, is he seriously considering a public inquiry

[Dr Alan Whitehead]

that will get to the heart of the underlying factors in those matters? Patients and families who use this trust—some of whom are my constituents—must be reassured that those underlying issues are being properly considered and not brushed under the carpet.

Alistair Burt: It is vital that they are not brushed under the carpet, and I will come to that in a second. It is important to put it on the record that there are some positive aspects of this report, some of which relate to Southampton. I am sure the hon. Gentleman will already have seen those, with the trust being commended for its work on the community pathway. On the substance of his question, I spoke honestly a moment ago when I said that I really do not know at this stage whether an inquiry is the right thing to do. I am well aware of the seriousness of this matter, of the questions the families have raised, and of the fact that this has been going on for some time. The important thing is both to effect change and to find out what has happened. The CQC report—the extensive work that has already been done—is in depth, public and transparent. That may well have the answers that are required, but if not, something further may be needed, which is why I have an open mind on this. The most important thing is to give the reassurance that certain things have happened, which the CQC report cannot yet do because that is where the work is needed and where the work is going on now.

Mrs Maria Miller (Basingstoke) (Con): Our constituents, particularly those with learning disabilities, need to have confidence in the complex set of services provided by Southern Health. The failings that have been identified are completely unacceptable and disturbing, and I welcome the Minister's statement and the CQC's action with the warning notice it has issued. Will he join me in paying tribute to the dedicated staff at Southern Health facilities that are not implicated in these serious problems, including Parklands hospital in my constituency, which provides acute wards for adults needing intensive psychiatric care, in a much needed facility that has very dedicated staff running it?

Alistair Burt: Absolutely. When I got the report over the weekend and turned to the summary of findings, I saw that the first positive summary finding was:

“Staff were kind, caring, and supportive and treated patients with respect and dignity. Patients reported that some staff went the ‘extra mile’.”

It is important to put that on the record; it does not minimise the things that are wrong, but in a trust that is so large, covering such a wide area and so many people, it is important that that good work is recognised, and that errors and faults of management and governance should not be laid at their door. I pay tribute to those staff, who work in incredibly difficult circumstances.

Several hon. Members *rose*—

Mr Speaker: I just note in passing that four Members on the Opposition Benches are standing and none of them hails from the area covered by the trust. That does not preclude a question, but I should just make the point that the question must be about this trust and this set of circumstances, rather than, as is commonly deployed

in this House, “and elsewhere”. It is just about this matter, in this situation, covered by this trust—a matter that will be approached with great dexterity, I am sure, by Ann Clwyd.

Ann Clwyd (Cynon Valley) (Lab): I will attempt that, Mr Speaker. I just want to ask the following: how long does it take to effect change? Some 45 years ago, the Ely hospital inquiry took place, under the chairmanship of Geoffrey Howe, and recommendations were made. I took part, writing a report on the condition of mental health facilities throughout Wales. We are talking about some 45 years here, and it seems to me that things are going at such a slow pace that we will be asking the same question again in 45 years' time.

Alistair Burt: The frustration in the NHS is that although what the right hon. Lady says is not true in some places, it is in others; the special measures process in effect at the moment has effected change and has done so more quickly. There are other places where that does not happen. I am concerned that in mental health the sense of defensiveness which we know has characterised parts of the NHS for too long has probably had too great a grip, and we have not always got things done more quickly or demanded that things are done with the degree of urgency that we would expect, on behalf of constituents. I am very determined that any difficulties in getting things done locally in trusts when they need to be done will not be aided or abetted by any lack of urgency in the Department or the upper reaches of the NHS with which we have contact. The concern to make sure that urgency is there is rightfully expressed by the House, and we have to see that that is delivered.

Dr Julian Lewis (New Forest East) (Con): In 2011 and 2012, I was locked in a bitter confrontation with Southern Health Foundation Trust over the determination of its top management to close no fewer than 58 out of its 165 acute in-patient beds for people suffering from mental health illnesses and breakdowns. It is the only constituency issue over which I have ever suffered sleepless nights, and I failed to stop the trust closing the Winsor ward in the relatively new Woodhaven hospital in my constituency. Today, apart from this terrible issue about the deaths, the system remains overfull, the beds remain too few and I understand that at least 80% of the in-patients are people who have been sectioned, leaving people a very low chance of getting an elective bed from Southern Health unless they are prepared to wait a long time. Can the CQC look into this wider issue, given that it has so many other serious concerns about the trust?

Alistair Burt: The CQC's powers are extensive and I know that it will absolutely know what my right hon. Friend says. The debate comparing the provision of beds for treatment with community treatment has been going on for some time in mental health, and different pathways are taken by different trusts. Some trusts put more people into beds, while others are doing more in the community. The general sense is that more should be available in the community, but that must not preclude the availability of emergency beds when they are needed. I will ensure that the CQC is aware of my right hon. Friend's concerns about that particular trust.

Paula Sherriff (Dewsbury) (Lab): Are the failures at Southern Health a symptom of the growing and unsustainable pressure being placed on the mental health and learning disability services? In the context of increased demand, significant pressure on beds, higher thresholds for care, staffing cuts and shortages, how can the Minister guarantee that mental health and learning disability trusts are able to do their jobs?

Alistair Burt: Let me point out that we have announced an increased resource for mental health of £11.7 billion. The extra £1 billion that the Mental Health Taskforce recommended being spent by 2020 will be spent, and it will be spent right across the board from perinatal mental health to crisis care. It will also improve baselines to ensure that the governance and quality of foundation trusts are good enough, and we are watching what CQCs are spending. Yes, we recognise that there has been historical underfunding from Governments of all characters, but we are determined to improve it and the money is there.

Caroline Nokes (Romsey and Southampton North) (Con): All too often it is our constituents with mental health problems and learning difficulties who find it hardest to get their voices heard. Those who are patients of Southern Health are not in a position to call for urgent change. I note that the Minister has said that the delivery plan is being evaluated, but can he reassure us that that is being done with the utmost speed so that we see improvements on the ground and not just more reports gathering dust?

Alistair Burt: Today, I met departmental officials and spoke to the regional director responsible for NHS improvement and, as I mentioned earlier, the deputy chief inspector of the CQC who is responsible for this report. I can assure my hon. Friend that, in so far as it is up to me or the Department, that change will be adequately delivered with a sense of urgency, because, as she rightly says, patients and families have, in some cases, waited much too long for this. If warm words are to mean anything, we must show that delivery follows.

Greg Mulholland (Leeds North West) (LD): The failure of care for people with mental health issues, learning disabilities and autism has been shocking and the board should go. Equally shocking is the fact that, 11 months before Connor Sparrowhawk's tragic and unnecessary death, failures had been identified but not acted on. What can the Minister do to ensure that, as part of a robust inspection regime, when failures are identified they are acted on and done so very quickly to prevent such failures again?

Alistair Burt: Over the past 12 months I have met a number of families who have been victims in similar circumstances—some had children who had been placed badly in an inappropriate place, and, in one or two cases, death had been the result. My colleagues and I are determined to do whatever we can to break down those situations where people feel that they have to fight for everything, and where they find doors closed against them when they want to challenge something. All too often in mental health, when people are challenged, they respond defensively. The whole transforming care process stems from Winterbourne View and the

determination of the NHS and the board that monitors and oversees that process, including those who have mental health issues themselves and their advocates. The concerns that have been expressed in the past will not go completely, but I am sure the system is better placed now to deal with them and to listen to people more seriously than was the case, tragically, in the past.

Suella Fernandes (Fareham) (Con): Does the Minister agree that the resignation of the chairman is a measure of the seriousness of the issue, and that after two damning reports, serious changes in the leadership are needed? What reassurance can he provide to my constituents in Fareham, such as the family of David West, that the regulatory bodies have the powers necessary if intervention is required?

Alistair Burt: I know that my hon. Friend has followed these matters closely for her constituents. Since last year there have been nine changes to the board, and the chair of the board left last weekend. NHS Improvement has the powers to alter governance, and I know from speaking to NHS Improvement that it takes that power and responsibility extremely seriously. The balance is between ensuring continuity and stability so that what the trust has promised is delivered, and wholesale change, which would provide an opportunity for further delay and prevent the work going on, but I know that NHS Improvement is very aware of its responsibilities in relation to governance, as I hope is the trust itself.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): It is right that this House legislated for parity of esteem for mental health care; I am proud that we did that. I recognise the Minister's commitment to quick resolution so that we can implement recommendations to address the failings of the trust. Will he consider an independent inquiry similar to the first independent inquiry into Mid Staffs that my right hon. Friend the Member for Leigh (Andy Burnham) initiated in 2010?

Alistair Burt: I can do nothing more than repeat what I said earlier. I am aware that there might be circumstances in which an inquiry would bring out more and would demonstrate the degree of concern that colleagues in the House might find appropriate and that the families and others would understand. My first duty is to make sure that everyone is safe in the trust and to ensure the completion of the work that needs to be done to deliver what the CQC has found. Even after this very thorough work by CQC, which is transparent—that is why we are talking about it today—if anything further is needed, I will give it genuine and serious consideration.

Kit Malthouse (North West Hampshire) (Con): The Minister is right to call the report disturbing. It has caused alarm and uncertainty across my constituency, and it is with the uncertainty that I hope he can help. In common with other Members, I am keen to know whether he has a hard date by which the trust is to be reviewed again. If it were to fail that hurdle, what would the next action be—revocation of the licence or further improvements? He will understand that most of my constituents want to see a deadline for compliance, and after that significant change that might mean a new era at Southern Health.

Alistair Burt: The best way that I can convey it is to say that constant monitoring is being done. First, the improvement director, who was appointed not by the trust, but by NHS Improvement, is there. In due course he will have a constant presence, but the monitoring needs to be done on a very regular basis. Also, the CQC has made it clear that should there be any need for further unannounced inspections, it will carry them out, so the trust is on constant notice that there can be a further inspection at any time. Further powers of the CQC include issuing another warning notice, varying and removing conditions of registration, monetary penalty notice for prescribed offences, suspending registration, cancelling registration, and prosecution. I understand from speaking to Mr Paul Lelliott that none of these measures has been ruled out.

Marie Rimmer (St Helens South and Whiston) (Lab): It is that very point I wish to talk about. The duty of candour was going to give us so much more strength, but it is not being applied as yet. It is a statutory duty, placed on people carrying out regulated activities. It can lead to prosecution by the CQC, including without a warning notice. Will the Minister assure me that he will watch carefully to make sure that the CQC uses those powers appropriately? If it does not, we are once again failing these very vulnerable people.

Alistair Burt: Absolutely. If we now have a system where there is, quite rightly, a degree of autonomy, and Ministers' responsibility is to make sure that the process and the system work well, Ministers cannot make all the decisions personally, but we do have to make sure that decisions that need to be taken are taken and, if not, that there is a good explanation of why not.

The CQC's powers have been strengthened. Just a few months ago, we had the first case of a care home owner being jailed because of the care given to people in their home. While I recognise that the work done in caring for vulnerable people is complex and difficult, and that prosecution will not be the right answer in every case, knowing that powers are there is really important. The hon. Lady's anger is appropriate, and I know the CQC takes these powers very seriously.

Bob Stewart (Beckenham) (Con): Does the NHS improvement director now have the power to go into any Southern Health NHS Foundation Trust facility to

assess and neutralise threats we have learned about that have resulted in people dying?

Alistair Burt: I hope my hon. Friend will forgive me, but I will not say things from the Dispatch Box that I do not know, and I do not know the precise powers of the improvement director, although I know the CQC has exactly the powers my hon. Friend suggests. However, the purpose of appointing the improvement director, and indeed of NHS Improvement's appointment of the new chair, Tim Smart—the former chief executive of King's College Hospital NHS Foundation Trust—is to put in place people who know what they are doing, know what they are looking for and can authorise others to make sure that nothing is being covered up and that everything is transparent.

Chris Heaton-Harris (Daventry) (Con): In this sorry saga, what assurances can the Minister give about current levels of care and safety to the families of patients with learning disabilities who are in the care of Southern Health?

Alistair Burt: I think the best thing, genuinely, is to refer to the CQC report. It highlights good practice and good work in relation to staff in a variety of places and community pathways and in relation to work being done for those with learning disabilities. This is a large trust, covering many areas and many different facilities, and it would be quite wrong to assume that the standard of care is uniform across the board in terms of the criticisms that have been made. The criticisms are very real and very strong, but the work done by individual members of staff caring for people is reported by the CQC to be good. Again, in terms of safety, I am reassured that the CQC has powers and that it has assured me that, if it needed to use those powers in relation to safety and risk to patients, it would do so.

Mr Speaker: I thank the Minister and other colleagues who have taken part in these exchanges. I content myself simply with the observation that they have been a very important treatment of a very important subject. Perhaps, on behalf of the House, I can express the hope that the *Hansard* text of these exchanges will be supplied to Southern Health NHS Foundation Trust. It needs to know that we have treated of it and what has been said—politely and with notable restraint, but with very real anxiety—in all parts of the House about the situation within its aegis. [HON. MEMBERS: "Hear, hear!"]

Points of Order

4.39 pm

Michael Fabricant (Lichfield) (Con): On a point of order, Mr Speaker. Last week there were a couple of understandable occasions when people in the Chamber—Members of Parliament—broke into applause. This can be quite awkward for some of us—Conservative Members and Opposition Members—who know about the conventions of the House, because we feel unable to join in the applause. Could you give guidance about what is the current practice? If you uphold the tradition that we do not have applause—although I do not wish to pre-empt your view on this—could you let it be known more generally to Members of the House of Commons whether we should break into applause, or not, on occasion?

Mr Speaker: I thank the hon. Gentleman for his point of order and his great courtesy in raising it in the way that he did. The short answer is that it is the long-established convention of this House that we do not applaud. For what it is worth, to the best of my recollection, I have never myself done so. If he is asking me whether I would prefer it to remain that way, the short answer is that I would. I think that the convention that we do not applaud but register our approval in other ways is a valuable one. All I would say to the hon. Gentleman, who has raised his point in an extremely polite way, is that as far as the Chair is concerned, each situation has to be judged on its merits. I am very conscious that I am the servant of the House. If, spontaneously, a large group of Members bursts into applause, sometimes the most prudent approach is to let it take its course. However, I would much prefer it if it did not happen, unless the House consciously wills a change, and I am not aware that the House as a whole has done so. In that respect, I sense that the hon. Gentleman and I, not for the first time and hopefully not for the last, are on the same side.

Dr Julian Lewis (New Forest East) (Con): Further to that point of order, Mr Speaker. In fairness to the Members, usually newer Members, who occasionally do this, it is worth pointing out that it usually tends to happen on a particular, spontaneous, unusual occasion, and not routinely. If it did happen routinely, we would end up with organised cheering of the sort that we sometimes get on the more downmarket versions of talent shows on TV. That would not be the direction in which we would want to go.

Mr Speaker: That would be thoroughly undesirable. The more unusual, or even occasional, the better. For it to become the norm would, I think, be deprecated by the hon. Member for Lichfield (Michael Fabricant), deprecated by the right hon. Member for New Forest East (Dr Lewis), and deprecated by the Chair. The hon. Member for Lichfield asked me to find a way of communicating more widely my view on this matter, and I hope I have just taken that opportunity. There is no slight directed at any individual, nor any adverse comment on any particular occasion, but usually our traditions are for a reason, and to find that we elide or morph into a new situation as a result of inactivity or happenstance is undesirable. If the House wants consciously to change things, then let it, but as far as I am concerned it has not yet done so. I hope that is helpful.

Kate Green (Stretford and Urmston) (Lab): On a point of order, Mr Speaker. You may be aware of a report published over the weekend by Citizens Advice indicating a 25% increase in the number of people coming forward with problems relating to pregnancy and maternity discrimination. This follows hot on the heels of a report shortly before the Easter recess from the Equality and Human Rights Commission indicating that three quarters of women have had negative experiences of work associated with pregnancy or maternity. I am very pleased to see the right hon. Member for Basingstoke (Mrs Miller), who chairs the Women and Equalities Committee, in the Chamber, because her Committee is conducting an important piece of research into this, and an inquiry. However, there has been no comment at all from Government Ministers and so far no indication that time will be made available in the Chamber to debate this important subject. Can you tell me, Mr Speaker, if Ministers have approached you indicating their intention to make a statement on the Citizens Advice report or on the EHRC report, with which the Department for Business, Innovation and Skills was associated?

Mr Speaker: The answer to that is no. As far as I am aware, I have not been approached, certainly not directly, and I am not conscious of any document or missive circulating in my office on this matter. It occurs to me that Work and Pensions questions take place on Monday next week. That is by no means the only, or even necessarily the best, opportunity to raise the matter, but it is one such opportunity. If that does not suit the hon. Lady or other opportunities are sought, they may materialise. As far as the House as an employer is concerned, I am not aware that there is a problem, and I would be very concerned if there were. We must take steps to keep ourselves informed to satisfy ourselves that best practice, as well as the law, is followed.

Caroline Lucas (Brighton, Pavilion) (Green): On a point of order, Mr Speaker. You might have seen recent press reports that a police unit tasked with spying on alleged extremists intent on committing serious crimes has been wasting its time and, indeed, taxpayers' money monitoring members of the Green party, including myself. Could you give me advice, Mr Speaker, on the best way to raise the matter so that we can get the Home Secretary to make a statement to the House on the methods of surveillance; the legal power supposedly used in order to justify that surveillance; and, most importantly, why citizens lawfully engaging in legitimate political activity have been targeted by the police in this way?

Mr Speaker: This is a rather disturbing matter. I do not know whether the hon. Lady is suggesting that there is any interference with her work as a Member of Parliament. If that were so, that would be an exceptionally serious matter, but it would be effectively a matter of privilege, about which, in conformity with convention, she should write to me and it would then be taken forward as appropriate.

Beyond that, I can only say that the matter in question is not one for me. It does sound a very bizarre situation. I find it very curious to think that the hon. Lady is being, or might be, subject to some sort of surveillance in relation to her activities as a Member of Parliament. I am not aware of that. I think that I have to advise her

[Mr Speaker]

that she must find other means by which to air her concerns. If she will not take it amiss, I will simply say that, knowing both her intelligence and her indefatigability, there is no way that finding other means to air her concern will be beyond her very considerable capabilities. Perhaps we can leave it there for today, but if she needs to come back about the matter, which is potentially very serious, she should do so.

If there are no further points of order, we come now to the ten-minute rule motion—a further opportunity for a display of the intelligence and indefatigability of Caroline Lucas.

Transparency and Accountability (European Union)

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

5.7 pm

Caroline Lucas (Brighton, Pavilion) (Green): I beg to move,

That leave be given to bring in a Bill to establish an independent commission of inquiry to examine ways of improving parliamentary and other public scrutiny of ministerial mandates and outcomes in relation to European Union institutions, policies and legislation; and for connected purposes.

In 50 days, this country will go to the polls to take the most important single decision of a generation, namely that of whether to remain in the EU or to leave. I am strongly in favour of staying in, and I will continue to make the case that we are stronger in, greener in and fairer in. In today's globalised world, we can achieve so much more by working together with our closest neighbours than we can by going it alone.

I make this speech not as a lover of everything about the EU. Indeed, I understand it when some constituents ask, "Why stay part of an institution that has faults?" or, "Why spend time reforming the EU when we could leave it instead?" Many concerns about the EU and how it operates are valid—as, indeed, are concerns about how Westminster operates—but they are not a reason to walk away.

Moreover, such concerns are often exploited by populist political opportunists with toxic xenophobic messages. Outright fearmongering about foreigners is again rearing its ugly head across the continent. What worries me most about the rise of this divisive politics is that it erases from history the series of events that led to the formation of the EU, and it is also remarkably complacent about the future.

The EU is not an abstract project born of idle philosophising in continental think-tanks. The imperative to share sovereignty in Europe and to ensure that economic competition does not again spill over into conflict was built on the blood and bones of the Europeans killed in the terrible first half of the 20th century. The EU is a pragmatic response to our failure to manage the forces of nationalism and industrialisation, and I would argue that it has done much to reduce the aggressive ambitions of European elites who have disputed control of the continent for centuries. For me, one of the foremost reasons for staying in the EU is that it makes peace more likely. We cannot wish away the EU's problems, however, and nor can we simply urge people to love it because of its history of peace making. Instead, we must be bold in reforming how the EU works and making sure that our constituents have more of a say over what happens at EU level.

Data suggest that British people are among the least knowledgeable about the EU. That is not their fault, but it highlights the urgent need to ensure that the public are able to be more engaged with EU policy and legislation. The fundamental point is that there are dozens of things that can be done unilaterally here in the UK radically to improve the accountability for, and engagement with, EU decision making, and that is what my Bill is about.

After 10 years working as an MEP in the European Parliament, I am in no doubt that the EU needs far-reaching reform. One major set of reforms could happen tomorrow, because implementation is entirely in the gift of the UK Government. No agreement or even discussion with other EU countries is required, and those reforms are the subject of my Bill. They build on proposals from the Electoral Reform Society, the Hansard Society, the House of Lords European Union Committee and the Commons European Scrutiny Committee, which have already done much important work in this area.

One of the proposals is that the UK Parliament should engage with the Government's negotiating position before European Council meetings as well as after—that practice is routine in many member states. We need a more effective model of scrutiny to allow Parliament to hold the Government fully to account regarding its dealings with other European states. The Hansard Society has pointed to the fact that our system is largely one of document-based scrutiny that takes place only once policy is decided. We could easily improve the scrutiny of Ministers at monthly departmental oral questions—including topical questions—by setting aside specific time for the coverage of European issues related to their policy areas.

Our Select Committee system should also provide a high-profile powerhouse for scrutinising EU policies. To make that happen, the European Scrutiny Committee should not just be reactive; it should have the capacity proactively to choose what to follow up, in the same way as a departmental Select Committee. We need to raise the profile of the House's three European Committees, which cover particular Departments. I have much sympathy with the suggestion that the membership of those committees should be made permanent so that experience and expertise can be built up.

The Electoral Reform Society points out that the House of Lords is considered to provide exemplary scrutiny of the EU, with six Sub-Committees covering various aspects of EU policy, as well as the stand-alone European Union Committee. It is an irony that the part of the British Parliament that provides the greatest scrutiny of the EU is the part that is both unelected and unaccountable, and it is time for that to change.

Credit should be given to the European Scrutiny Committee, which has for some time been reviewing its links with departmental Select Committees. For example, it has examined the role of an informal network of EU contact points on each Select Committee team, as happens in the Scottish Parliament. The European Scrutiny Committee can require our Select Committees to develop and provide an opinion on a particular document. However, Commons Select Committees often do not look at legislation, and they do not have the capacity to do so, which means that coverage of European Union matters may be patchy and inconsistent.

The commission of inquiry provided for in the Bill would examine the very strong case for expanding the Commons Select Committee system so that it could proactively scrutinise EU proposals and legislation. I recognise that in order to manage the workload, some kind of Sub-Committee process would be needed, and the whole system would need to be properly resourced, but putting that in place could make a real difference to scrutiny and accountability. We also need better mechanisms to give devolved Parliaments and Assemblies the ability

to hold UK Ministers to account on EU negotiations, and devolved Ministers should have the right to participate in European Council meetings. Those are just some examples of changes the UK could unilaterally make to improve accountability and our scrutiny of EU decision making. Indeed, a House of Lords EU Committee report in 2015 identified no fewer than 35 such measures.

Under the Bill, we should also consider reforms that UK Ministers could champion at an EU level. The same House of Lords Committee report has repeated its previous call for a formally recognised green card system. At present, that is just an informal mechanism that is intended to enable the Parliaments of EU member states to join forces to make proposals to the European Commission to initiate EU policy and legislation. The first green card, on food waste, was proposed by the House of Lords and submitted to the Commission last year. This is an important means of strengthening national Parliaments' ability to take joint action proactively to make proposals, not just to react to them, and of revitalising our democracy in Europe. It also means strengthening the role and work of the offices of national Parliaments in Brussels so that we can enhance parliamentary co-operation among member states on a wide range of issues.

The European Commission is one of the less democratic parts of the EU and we urgently need better ways to hold our European Commissioners to account. The 28 European Commissioners appointed by Governments act almost as a Cabinet, with each Commissioner being responsible for a certain brief. The Commission is too powerful—it proposes EU legislation, manages and implements EU budgets and policies, and enforces EU decisions—yet the channels of representation are byzantine, and there is a serious lack of transparency about how we select our Commissioners. The significant gap between the European Commission and the people obscures channels of accountability, but we can do something about that. The remit of the commission proposed by my Bill should include an assessment of what mechanisms we could use in the UK better to hold our EU Commissioner to account, and to allow for transparency in and scrutiny of their role. In that way, we could begin to remedy the situation in which most voters neither know nor care who our European Commissioners are or what they stand for.

We need new mechanisms to ensure that Parliaments can undertake a more proactive role. It is unacceptably and unnecessarily difficult to follow what our Ministers are doing on our behalf in the EU, let alone for parliamentarians and the public to have meaningful input to shape it. That is a big part of the perceived democratic deficit associated with EU decision making. There is so much that we could and should do, unilaterally in the UK, to make that better, and there are actions that we can take at EU level.

Of course, much bigger reforms are needed, such as with regard to the relative powers of the European Parliament and the European Commission, but the Bill's purpose is to identify the measures that we can take here and now in the UK, if there is sufficient political will. We already have powers to make the EU more democratic and accountable, if we choose to take them, and there are clear steps we could and should take in this House. I hope that, on 24 June, the UK not only will have voted to remain part of the EU, but will grasp the opportunity to reform our continued participation,

[Caroline Lucas]

and that we in this House will create a positive gateway to a new and revived strand of vital political transparency, participation and accountability. The reforms I have outlined will not, in themselves, save the EU from a crisis of accountability, but they will make a big difference and will certainly help.

5.18 pm

Sir Edward Leigh (Gainsborough) (Con): We are a week from Parliament being prorogued prior to the Queen's Speech. If we entered some kind of green dreamland, with the Opposition and the Government agreeing to accept the Bill and it becoming law—of course, we all know that that is not going to happen—do you know what I think would be the result, Mr Deputy Speaker? I think the effect on the European Union would be “nul points”—absolute zero.

We could have as many Select Committees as we like. My hon. Friend the Member for Stone (Sir William Cash) has spent a lifetime on Select Committees scrutinising the European Union. It is true that we already summon the Prime Minister to our Chamber after European Council meetings and he spends two hours answering our questions, but how much difference does that make? We could also summon him to appear before such meetings. We could do all the things that the hon. Member for Brighton, Pavilion (Caroline Lucas) wants—and nothing would change.

What is the structure of the European Union? It is a unique construct in terms of democracy and world history. We have a Parliament representing the people of the EU that has no ability to initiate legislation, which can be initiated only by an unaccountable bureaucracy—the Commission. In what Parliament or nation is that replicated?

What of the Council of Ministers? I have served, with my right hon. Friend the Member for Wokingham (John Redwood), on the Council. Were we—or is it now—concerned overtly about what was being discussed by deputies in the various national Parliaments? No. It is all done by making deals through the night.

John Redwood (Wokingham) (Con): Is not the Bill simply putting a colourful and pretty ribbon on the tail of a very hungry tiger, the EU, that will go on eating up our powers, taking our taxes and forcing up taxes on green products?

Sir Edward Leigh: Absolutely. There is one way in which we can genuinely reform the EU. The Prime Minister tells us that we should remain in a reformed EU. Is there a single hon. Member on either side of this argument, or on either side of the House, who believes that the Prime Minister has reformed the EU? Despite his best efforts, no one believes that. Everyone knows that the negotiation was, to all intents and purposes, a sham to enable him to come back to the British people and try to convince them that this unreformed and unreformable body had indeed been reformed. Everyone in Europe knows that it is unreformed and unreformable, because of the very structure that I have talked about.

The fundamental problem is that we can have as many Select Committees as we like, and summon Ministers here as often as possible, but this Parliament is not supreme. That was the fundamental dilemma that our

predecessors, the Labour Government in 1948 and the Conservative Government in 1957, were faced with. They were very happy to try to create European free trade—more free trade in iron and steel in 1948, and more free trade in 1957—but it was made clear to them by Mr Schuman, Mr Monnet and others that this was a project that would inevitably lead to federation. That is what it is about—it is, in the terms of the book by Hugo Young, this blessed plot. The people of Europe are not being consulted. The European construct is designed to ensure that the deals and the progress towards European federation are made in secret. When I was Chairman of the Public Accounts Committee, we went to the European Court of Auditors. The accounts have never been signed off. The EU is a body riddled not only with waste and incompetence, but with corruption.

Even if the Bill were to become law, it would achieve nothing, but there is one way in which we can achieve something. I simply pose a question: if one of the most important countries in the European Union were to vote to leave it, what would happen? We would not be talking about some little ten-minute rule Bill that would be ignored by the rest of the European Union, even if it became law. Do we not think that there would be a most profound electric shock through the whole system? Do we not think that our leaders in Europe might then sit down for a moment, ponder the fate of their construct and say that it should be designed to achieve what the European peoples want, which is peace and friendship?

Peace and friendship have, fundamentally, been created by NATO—at this point, I commend to Members an excellent article by my right hon. Friend the Member for New Forest East (Dr Lewis) making that precise point. NATO is a construct that we can indeed emulate because it is not a supranational body. It is a treaty-based body, but it does not impose its laws or supremacy on the peoples of Europe.

What the peoples of Europe want is what our own people really want: free trade. If we were to take this historic opportunity in June, I do not think for a moment that the world would fall in—it is moving towards European free trade. The very worst thing that could happen would be that we would have most favoured nation status and would have to pay tariffs of 5% on most of our exports to the European Union, but that is not going to happen anyway, because there is a massive balance of trade surplus against us. A deal can be constructed, based on free trade.

Much more important than what we think or want, however, is what might be created in the rest of Europe: a Europe of nation states; a Europe that was the original vision of General de Gaulle; a Europe where national Parliaments have genuine powers, and a genuine veto; a genuinely democratic Europe. That is our challenge, and there are millions of people in this country who will seize that challenge and vote for freedom in the referendum in June.

Question put (Standing Order No. 23) and agreed to. Ordered.

That Caroline Lucas, Mr Pat McFadden, Tim Farron, Mr Graham Allen, Stephen Gethins, Stephen Kinnock, Hywel Williams, Greg Mulholland and Ms Margaret Ritchie present the Bill.

Caroline Lucas accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 13 May, and to be printed (Bill 171).

HOUSING AND PLANNING BILL (WAYS AND MEANS)*Resolved,*

That, for the purposes of any Act resulting from the Housing and Planning Bill, it is expedient to authorise the payment of sums into the Consolidated Fund.—(*Brandon Lewis.*)

HOUSING AND PLANNING BILL (PROGRAMME) (NO. 3)

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

That the following provisions shall apply to the Housing and Planning Bill for the purpose of supplementing the Orders of 2 November 2015 (Housing and Planning Bill (Programme)) and 5 January 2016 (Housing and Planning Bill (Programme) (No. 2)):

Consideration of Lords Amendments

(1) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to an end at the moment of interruption.

(2) The proceedings shall be taken in the order shown in the first column of the following Table.

(3) The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

Table

Lords Amendments	Time for conclusion of proceedings
Nos. 1, 9, 10, 37, 184, 47, 54, 55, 57, 58, 2 to 8, 11 to 36, 38 to 46, 48 to 53, 56, 59 to 96, 182, 183, 185 to 188, 190, 191 and 195 to 239	Three hours after the commencement of proceedings on consideration of Lords Amendments
Nos. 97, 100, 108 to 110, 98, 99, 101 to 107, 111 to 181, 189, 192 to 194 and 240 to 282	The moment of interruption

Subsequent stages

(4) Any further Message from the Lords may be considered forthwith without any Question being put.

(5) The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—(*Brandon Lewis.*)

Question agreed to.

Housing and Planning Bill

Consideration of Lords amendments

Mr Deputy Speaker (Mr Lindsay Hoyle): I must draw the House's attention to the fact that financial privilege is engaged by Lords amendments 37 to 58, 91, 184 and 185. If the House agrees to any of these amendments, I will cause an appropriate entry to be made in the *Journal*.

I also remind the House that certain of the motions relating to the Lords amendments are certified as relating exclusively to England, or to England and Wales, as set out on the selection paper. If the House divides on any certified motion, a double majority will be required for the motion to be passed.

Clause 2

WHAT IS A STARTER HOME?

5.28 pm

The Minister for Housing and Planning (Brandon Lewis): I beg to move, That this House disagrees with Lords amendment 1.

Mr Deputy Speaker: With this it will be convenient to discuss the following:

Government amendments (a) to (c) in lieu of Lords amendment 1.

Lords amendment 9, and Government motion to disagree.

Lords amendment 10, and Government motion to disagree.

Government amendment (a) in lieu of Lords amendments 9 and 10.

Lords amendment 37, and Government motion to disagree.

Lords amendment 184, and amendment (a) thereto.

Lords amendment 47, and Government motion to disagree.

Lords amendment 54, and Government motion to disagree.

Lords amendment 55, and Government motion to disagree.

Lords amendment 57, and Government motion to disagree.

Lords amendment 58, and Government motion to disagree.

Lords amendments 2 to 8, 11 to 36, 38 to 46, 48 to 53, 56, 59 to 96, 182, 183, 185 to 188, 190, 191 and 195 to 239.

Brandon Lewis: I am glad to be back at the Dispatch Box and returning to the Housing and Planning Bill this afternoon. We are now in the final month of the first year of this Parliament: a Parliament that has seen a majority Conservative Government returned to the House—a Government with a clear mandate to deliver the largest programme of house building for a generation.

It is immensely fitting to be here this afternoon having come from Mr Speaker's own garden, where construction people have been showing the importance of house building across our country and of bringing in

[Brandon Lewis]

more skills to deliver the homes that we are determined to build. We want to place home ownership within the reach of thousands of people who never dreamed that they could achieve it, and we want to ensure that, in doing so, we make the best use of our social housing so that it continues to support those most in need.

The Bill before us today is a slightly different beast from the one we passed to the other place earlier this year. Today we will discuss rather more than the five or six amendments we traditionally see come from the other House. The vast majority of these I will ask this House to accept.

Debates in both Houses have been productive and resulted in improvements to the Bill. I want to be clear from the start. I have heard many, mainly on the Opposition Benches, say that we should have waited before debating the Bill. That would have meant the Government's having to sit idly by, ticking forms and double checking that what the public elected us to do was what they actually wanted. We are debating the Bill early in this Parliament so that it can take effect as soon as possible and we can get those new homes built for those who aspire to have them.

5.30 pm

Starter homes will now be available to more people, including couples in which one partner is over 40, injured service personnel and bereaved partners of service personnel. There will be better protections for vulnerable people, thereby reducing the risk of properties being incorrectly declared abandoned. Our plan to replace higher-value properties expected to be sold with at least one new property is now explicit in the Bill, meaning we could not be clearer about our intention to increase the number of affordable homes across our country.

Dawn Butler (Brent Central) (Lab): Will the Minister please clarify what “higher-value properties” means? How much?

Brandon Lewis: I will deal with that in a few moments, when I come to higher-value assets and other aspects before us.

We have increased the protection we give to our rural areas, recognising the unique value of our countryside and the particular challenge of providing affordable homes there. I trust, therefore, that there is much on which we can agree with the other place.

John Redwood (Wokingham) (Con): Does the Minister agree that the idea of more affordable homes for sale is extremely popular? I am getting requests. People want to get on with it, however, so will he say how long the process might now take?

Brandon Lewis: I hope it will not take us too long, that the other House will accept our points today and that the Opposition might come on board and vote with us to make sure we deliver affordable homes for people to buy—

Mr Clive Betts (Sheffield South East) (Lab) *rose*—

Brandon Lewis: I will finish answering the last intervention, and then I will come to the Chairman of the Communities and Local Government Select Committee.

My right hon. Friend the Member for Wokingham (John Redwood) is right. Whether through Twitter or email, I am hearing from a lot of people wanting to know when we will be able to deliver for the 86% of the population who want the chance to own a home of their own. It is absolutely right that we make affordable homes about affordable ownership as well as affordable rent.

Mr Betts: The Select Committee pushed the Minister on his impact and financial assessment of the full costs and implications of his policies around the sale of higher-value council homes; on whether those would deliver the replacement of housing association properties; and on all the remedial work on brownfield sites. When will that analysis be produced? I see that the other day the Public Accounts Committee made exactly the same criticism as the Select Committee: there is no information for us to go on.

Brandon Lewis: It was rather surprising to see the PAC reviewing a policy that has not gone through the House yet and which will deliver more home ownership to more people across the country, whether through the extension of right to buy, which will benefit 1.3 million people, or the intervention on starter homes.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op) *rose*—

Brandon Lewis: I give way to the Chairman of the PAC.

Meg Hillier: The Minister cited the PAC report published last Friday. Just to be clear, the Committee does look at issues in advance of their becoming law, to make sure that taxpayers' money is protected in the process. He makes great play of providing more affordable homes for sale, but it is not clear how he will fund it or that there will be a like-for-like replacement of the homes he is forcing boroughs such as mine to sell in order to pay for them. Will he promise now to protect long-term social housing for the people in London who can afford nothing else, certainly not a starter home?

Brandon Lewis: In terms of making good use of our social housing stock, I am sure that the hon. Lady will support us in the votes later today, if there are any, on high-income social tenants. If she is that interested in delivering more housing in this country, however, I am surprised that this is the first time she has engaged directly with the Bill. The hon. Member for Sheffield South East (Mr Betts), who mentioned the PAC report, asked about the data behind the policy. As I outlined at the end of last week, there are 16 million pieces of data impacting on this policy.

Mr David Lammy (Tottenham) (Lab): The Minister has made a lot of “affordable”. Can he define it? Is it right that an affordable starter home in London will be round about £450,000?

Brandon Lewis: The right hon. Gentleman might like to go back to look at the evidence given to the Committee that scrutinised the Bill or at the Bill itself. The £450,000 is a cap. He needs to look at the average price a

first-time buyer pays for a home in this country, which is £181,000. If we then include a 20% discount and allow the purchase with a deposit of just 5%, that really changes affordability. I hope the right hon. Gentleman will support the chance for more Londoners to get on the housing ladder, while understanding equally that this is not the only thing we are doing to promote affordable home ownership. There is a £4.7 billion scheme out there now for shared ownership, which also plays an important part, particularly in places such as London.

Meg Hillier: I am grateful to the Minister for giving way so that I can clarify both the role of the Public Accounts Committee and my role as Chair of it. We had a forensic investigation by the National Audit Office. We set out to be helpful to the taxpayer and to the Government in implementing their policy, ensuring affordability. We set out the key questions that needed answering before such a policy could be delivered. If I may say so, this Minister is being very cavalier in sweeping aside the findings of our report, which were well-measured, cross-party and unanimous.

Brandon Lewis: I have huge respect for the hon. Lady, but I was not sweeping anything aside at all. What I am more focused on—I make no apologies for it—is ensuring that we counter the cavalier attitude of the Labour party, which wants to do down people who want the chance to have a home of their own that they can afford to buy. We are determined to deliver our manifesto promise on that.

Several hon. Members *rose*—

Brandon Lewis: Let me make a bit more progress; I shall give way again later.

There is much on which we can agree with the other place here today, but let me be clear that, as we have just touched on, there are some areas where we cannot. We are determined to deliver for Britain on our election promises. The manifesto on which this Government were elected set out a very clear statement of intent about a viable extension of the right to buy, paid for by the sale of higher-value housing, and about 200,000 starter homes by the end of this Parliament.

Jake Berry (Rossendale and Darwen) (Con): My constituents in Rossendale and Darwen look at many of the arguments of Labour Members and say that they are completely London focused. What we in Lancashire want are starter homes that people can buy at a discount and an extension of other affordable housing schemes. Will the Minister take the opportunity to agree with everyone who lives in Lancashire and says, “Let’s get on with it. We want to buy a home; we want to live in an affordable home. Let’s not just talk about London”?

Brandon Lewis: My hon. Friend makes a very good point. As I travel around the country, I find that people are frustrated and want us to get on with the policies that they elected us to deliver. That is because they see that Labour Members are trying to stall them through political posturing at pretty much every opportunity.

Let me also say, however, that some are understandably focused on London, where there is real pressure. We

have my hon. Friend the Member for Richmond Park (Zac Goldsmith) to thank because we worked with him to ensure that for every home sold in London, at least two homes will be built, driving a direct increase in housing supply.

Chris Philp (Croydon South) (Con): I must say to the Minister, with all due respect to my hon. Friend the Member for Rossendale and Darwen (Jake Berry), that starter homes will work in many London boroughs, too. In my borough of Croydon, the average starter home will cost £190,000. With a help-to-buy mortgage, a £10,000 deposit is necessary and a couple, each earning £22,500, can afford to buy. In Croydon, as I say, it will work.

Brandon Lewis: My hon. Friend highlights how this policy is about delivering for people on the ground. While Labour Members want to pontificate, we are going to stay focused on delivering homes for people across our country and here in the capital city of London.

Ms Karen Buck (Westminster North) (Lab): We need a policy to fit all parts of the country, including London. In inner London, however, starter homes will come in at £450,000. We have to speak the language of priorities. Is the Minister really telling us that a home that requires an income of £77,000 a year—more than an MP’s salary—is genuinely the best priority for public funds?

Brandon Lewis: I am tempted to use the inimitable phrase, “I refer the hon. Lady to the comments I made a few moments ago.” As I said earlier, if she looks at the evidence, she will find that the price a first-time buyer pays is actually quite different. I mentioned my hon. Friend the Member for Richmond Park; thanks to him, homes are already well below that price. The figure the hon. Lady mentioned is a cap; it is not the price at which these properties will be set—and I expect to see them much lower.

Several hon. Members *rose*—

Brandon Lewis: Let me make some more progress on starter homes.

Amendment 1 requires on resale of the starter home the repayment of the 20% starter discount, reduced by 1% for each year of occupation for a period of 20 years. The average first-time buyer, we should bear in mind, spends just under seven years in their home—in fact, the average in the whole country is only about seven years. Asking someone to spend 20 years in a home, which they may have bought at the age of 30, and not to benefit from the discount that we promised until they are 50, simply does not stack up.

We want to ensure that starter homes are sold to people who are genuinely committed to living in an area, and not to people who simply want to secure a financial uplift by selling on quickly. However, we also want to support mobility. A balance must be struck. I propose that we disagree with Lords amendment 1, and substitute for it amendments (a), (b) and (c), which provide a power to implement a tapered approach to resale. The longer someone lives in a property, the more value that person will gain.

[Brandon Lewis]

Our amendments provide for the Secretary of State to make regulations on the length of the taper period, and on the details of how the taper will operate. That will enable us to ensure that it is effective and delivers for people in the real world. The amendments set out two potential models for its operation. For example, when a starter home is sold, the first-time buyer must, if there is discount to be returned, pay a proportion of that discount to a specified party. That is the broad approach suggested in the other place, and I can see the logic of it. A body such as the Homes and Communities Agency could then use those funds to build more affordable homes.

As part of our consultation on starter homes regulations, we are seeking the views of developers, lenders and local authorities on how the taper would operate. We strongly believe that we should settle the matter through engagement with the sector, rather than placing the detail of restrictions in legislation. I am confident that that is the best way for us to meet our manifesto commitment on starter homes.

Bob Blackman (Harrow East) (Con): Will the taper be regional, or will it be a “one size fits all” for the whole United Kingdom? As has already been pointed out, property prices vary considerably, and it is important to ensure that the people who benefit are those who will actually live in the properties.

Brandon Lewis: My hon. Friend has made a good point. That is one reason why the strictures of legislation do not work in this context, and why it is important that we complete the consultation—which runs until 18 May in order to receive all the feedback and deal with this matter in regulations. As the discount is proportional, the difference in values will be dealt with by the way in which the percentages will work.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): The Minister will recall that at the end of last year, in Committee, there were a number of exchanges about housing co-operatives. As a result of changes in the Bill, housing co-ops that own properties are largely exempt from many of its provisions, whereas those that manage properties on behalf of local authorities will still be badly hit by many of the provisions. Potentially, housing co-op properties will be among the 100,000-plus properties currently owned by councils that are likely to be lost as a result of the Bill.

Might the Minister be willing to make a commitment, before the Bill returns to the other place, to look again at the specific impact on co-ops that manage properties on behalf of councils?

Brandon Lewis: I shall say a little about the provision concerned in a moment, but we will be very clear about the fact that a new home will be built for every home sold.

Mr Jim Cunningham (Coventry South) (Lab): How much consultation has the Minister had about the impact of the Bill with the voluntary sector on the one hand and local authorities on the other? He knows as well as I do that his Department will have conducted an impact assessment of costs and viability.

Brandon Lewis: We have worked across the sector, and it is clear that our starter home proposals are very popular. As Conservative Members have pointed out today, those in many areas are keen for us to get on with delivering more properties affordable to people who want to buy their own homes. There has been no such product in this country before.

Catherine West (Hornsey and Wood Green) (Lab): The Minister speaks of affordability. Is he aware that the average deposit paid on properties in London is now £91,000?

Brandon Lewis: That is why we have extended and changed the arrangements. We now have the London Help to Buy scheme and we have starter homes coming in with a 20% discount. Shared ownership is also an important product, and we are determined to deliver 135,000 more shared ownership homes. The prospectus went out just a couple of weeks ago and the plan is to spend £4.7 billion in that area. Even in London, the deposit for such properties is closer to £4,000, which completely changes the affordability for people wanting to get into ownership.

Dawn Butler: One of the Lords amendments refers to the principle behind the Khan amendment, which is that when a unit of social housing is sold, another must be built in the local area in which the sale took place. Does the Minister agree with that?

Brandon Lewis: I shall deal with the hon. Lady's question on high-value assets in just a few moments; I just want to finish dealing with starter homes.

Thanks to my hon. Friend the Member for Richmond Park, the pledge to deliver two homes for every home sold is now on the face of the Bill. As I said earlier, our manifesto was very clear, and this House was very clear when it voted by a majority of 91 to give the Bill a Second Reading. We will deliver the number of starter homes that we promised.

5.45 pm

James Cartlidge (South Suffolk) (Con): On the question of affordability and starter homes, the hon. Member for Hornsey and Wood Green (Catherine West) mentioned the average deposit in London. However, a very big cash cost for any first-time buyer—or indeed any buyer—is stamp duty. Can the Minister confirm that the stamp duty payable on a starter home would apply to the discounted price and would therefore also be 20% lower?

Brandon Lewis: My hon. Friend makes a very good point. The stamp duty will apply to the price paid for the property, so it will apply to that reduced price. That will provide a further benefit for people buying a new home.

We are absolutely determined to deliver the number of starter homes that we promised, in order to help first-time buyers, who were the worst-hit part of the homebuying sector in Labour's great recession. However, in passing Lords amendments 8 and 9, the other place is seeking to stop us. This House should not stand for that. Those amendments would remove from the Bill the power to set a national starter homes requirement on housing sites. The other place has proposed to

replace that power with a locally set requirement that would be effective only when local authorities had completed studies of local housing need and viability.

Scott Mann (North Cornwall) (Con): We hear a lot from local authorities about trying to secure rental properties, but we in this country have a right to own our own home and this Government are delivering that through this Bill. [*Interruption.*]

Brandon Lewis: My hon. Friend makes a very good point, regardless of the comments from the right hon. Member for Tottenham (Mr Lammy). My hon. Friend highlights why the Bill is so important. We cannot and should not have to wait for 336 different planning authorities to undertake local need and viability assessments before action on starter homes can be taken. These amendments would hit the very people we are trying hardest to help. First-time buyers would see their chance of home ownership kicked firmly into the long grass yet again by these proposals. That might be what Labour wants, but it is not what we want.

Mr Betts: I am trying to understand what the Minister actually does want. I am trying to work out whether starter homes will be built in addition to other homes that would have been built, or instead of them. The Select Committee unanimously agreed the following words:

“Starter Homes should not be built at the expense of other forms of tenure; where the need exists, it is vital that homes for affordable rent are built to reflect local needs.”

Will the Minister tell us whether the Bill as he would like it to be worded would make starter homes the priority and effectively push out and displace affordable homes for rent as part of the section 106 agreements?

Brandon Lewis: I must point out to the Chairman of the Select Committee that we have been clear from the beginning that we need to see a shift in this country. We have had the farcical situation in which we in this place talk about affordable homes but refer only to homes that people can rent. We know that 86% of our population want to buy their own home, and it is therefore absolutely right that affordable homes should include those that are available to buy. We make no apologies for creating a new product and for turbocharging that new product to ensure that we get 200,000 such homes built over the course of this Parliament. We already have many hundreds of thousands of homes in the rental sector across this country, and we now need to give first-time buyers a chance. To be blunt, that is exactly what we put on the tin in the general election manifesto. We will deliver on our mandate to deliver starter homes.

Mr Betts: Will the Minister give way?

Brandon Lewis: I am just going to complete this point. We will deliver on the mandate to deliver 200,000 starter homes, ensuring that we deliver homes for first-time buyers at a discount of at least 20% on the local market price.

We have also recognised in discussions in the other place that small sites in rural areas, known as rural exception sites, may require additional discretion on starter homes. Those details should be on the face of

the Bill. We have listened to concerns that a compulsory requirement would disrupt the supply of rural exception sites. My noble Friend Baroness Williams of Trafford committed to bring back an amendment to give councils local discretion on rural exception sites. I am pleased to be able to honour that commitment in amendment (a) in lieu of amendments 9 and 10.

When I talk to developers and local authorities around sites around the country, they tell me that one benefit of starter homes is that more affordable housing may be delivered because developers will be allowed to deliver more. I have spoken to a number of developers who have said that the difference that starter homes would make is the ability to deliver 5% or even 10% more affordable housing in some developments in their areas.

There was a lot of discussion, both here and in the other place, about our plans to deliver the ground-breaking voluntary right-to-buy agreement through the sale of higher-value housing. It was another manifesto commitment passed from this House to the other place, and it is another change that we are discussing today. Amendments 37 and 184 would mean a considerable delay in receiving payments from local authorities, and therefore in delivering our manifesto commitment to extend the right to buy to housing association tenants. We remain convinced that the determination is the most appropriate way of setting out the information about the payment a local authority will be expected to make to the Secretary of State in respect of its higher-value housing. The key elements that will determine how much an authority will be expected to pay are set out on the face of the Bill. That includes the housing to be taken into account and the definition of vacancy.

The Government have listened carefully to the arguments made by hon. Members when the Bill was last debated and the contributions of all those in the other place. We have amended the Bill to ensure that local authorities are not disproportionately affected by the plans. The definition of higher value and the types of properties to be excluded will be set out in regulations and therefore subject to further parliamentary scrutiny.

I want to be clear with the House once again. In the other place, the Opposition were clear that they did not press the clauses enabling the voluntary right to buy to a vote and acknowledged our mandate for funding it. However, amendments 37 and 184 would seriously hamper our ability to implement it and so should be returned straightaway. The same applies to amendment 47, which is extremely restrictive and would prevent the Government from considering whether local authorities can actually deliver the required housing. We want to ensure that the Government can enter into agreements with local authorities about their local needs. By focusing solely on social housing, the amendment would prevent the agreement process from recognising that flexibility will be needed to respond to the country's diverse housing needs—we have already heard from hon. Friends about the different needs in different places this afternoon—and that other types of housing may better meet local housing need.

I find it difficult to listen to those who accuse us of not being localist while tabling amendments that would mandate an old-fashioned, top-down approach. We want to ensure that we give local authorities with particular housing needs the opportunity to reach bespoke agreements on the delivery of different types of new homes.

Mr Betts: I am still as confused as I was at the beginning of the debate and at the Select Committee hearings. The Minister has just made an entirely reasonable point. I thoroughly agree that it should be for local authorities to determine the composition of homes to be built as part of section 106 agreements in their areas. How does that square with a policy of giving priority to starter homes and building 200,000 of them irrespective of the consequences for the building of other sorts of housing?

Brandon Lewis: I am actually talking about what will happen with the sale of higher-value properties, which is slightly different. We want to ensure that we give local authorities with particular housing needs the opportunity to reach bespoke agreements with the Government about the delivery of different types of new homes in their areas. If local authorities can demonstrate, for example, a clear need for new affordable homes, they should be able to make a case for such an agreement, subject to value-for-money considerations and evidence of a strong track record on housing delivery. That is important for areas that I have visited, such as Bath and Oxford. I met leaders in Cambridge and they want the flexibility to negotiate with Government and the Secretary of State to get the right deals for their area.

Victoria Borwick (Kensington) (Con): I welcome the fact that there will be more flexibility on higher-value homes, particularly for outliers and where prices are particularly high or particularly low in an area. I am delighted that the Minister has taken cognisance of the needs of various people in various different areas so that local need is met.

Brandon Lewis: My hon. Friend makes a good point about the importance of having this flexibility. In London, local authorities from across the parties have asked for the ability to work together to deliver on this front. We need new homes to be built in this country, and the amendment would limit the Government's ability, and that of local authorities working with us, to ensure that the right mix of housing is delivered as quickly and efficiently as possible.

Ben Howlett (Bath) (Con): My hon. Friend is being incredibly generous with his time. As he will know from his visit to Bath a couple of weeks ago, we do not have high-value assets, but housing costs are high in the area. Given the earlier announcement about the shift from high-value assets to higher-value assets, which will not be applicable in Bath, how can our authority combine with other authorities to bid for additional funds following the Budget announcement?

Brandon Lewis: My hon. Friend makes a good point. When I visited him and met constituents, developers and the local authority, I saw a really good example of an area that wants to deliver the right type of housing locally by understanding its local needs. Whether that involves working with the Government to bid for some of the £4.7 billion in the shared ownership fund or the £1.2 billion for starter homes on brownfield sites—

Mr Lammy: Will the Minister give way?

Brandon Lewis: I will just answer the previous intervention before I take one from the right hon. Gentleman.

Local authorities could also work with authorities around the income from higher-value homes that they may be able to use to deliver elsewhere. It is important to get that flexibility and to understand that different authorities of different parties want it.

I now turn to amendments 54, 55, 57 and 58, all of which I disagree with. Amendment 54 would make our policy to implement fairer social rents voluntary. It is, as my noble Friend Baroness Williams said in the other place, a blatant denial of the primacy of this House. Local authorities can already operate the policy on a voluntary basis, but we are not aware that any have done so. To put it simply, it is a wrecking amendment and this House should treat it as such.

The policy must also apply consistently, as it would not be right for tenants in certain areas to face possible rent increases while tenants in a neighbouring area do not. The amendment completely undermines the Government's aim of putting in place a consistent approach and of using the funds raised to reduce the national deficit, which we inherited from the Labour party. It would substantially reduce the revenue that the policy would generate.

Ms Buck: Will the Minister give way?

Brandon Lewis: I am happy to give way. Perhaps the hon. Lady is going to apologise for the debt and deficit that her party left.

Ms Buck: I draw the Minister's attention to the fact that Westminster City Council, which, as usual, is in the vanguard of such things, announced in 2012 that it was extremely keen to introduce a version of pay to stay and to charge its higher-earning tenants additional rent. However, it has never done so because it has never found a way to introduce such a scheme that was not ridiculously bureaucratic and costly and that acted as a severe disincentive to work.

Brandon Lewis: The hon. Lady will be interested to hear what I have to say in a few minutes about how the policy will work in practice to ensure not only consistency, but that it always pays to work.

We have brought forward a package of amendments and statements of intent to ensure that the policy is fair and that it does not damage the incentive to find work and keep in work. In addition, we have committed to allow local authorities to retain reasonable administration costs, and my officials are working with the sector to establish an approach to implementation that would minimise costs.

Amendment 55 would set the amount of the taper at 10% on the face of the Bill. Our view is that a 10% taper is simply too low. Our preference is for a taper set at 20% or an extra 20p in rent for every pound earned above the income threshold. That would mean, for example, that a household earning over the £31,000 threshold would contribute just a few pounds a week in additional rent. The level recognises the importance of protecting work incentives, but it is a fairer contribution. It is important that we retain the flexibility to set out the detail of the taper in secondary legislation. We want to keep the position under review, and putting details on the face of the Bill would prevent us from doing so. We have confirmed that the regulations will be subject

to the affirmative procedure, which I am sure will be welcomed by the House, so there will be another chance to debate the regulations before they come into force.

Amendment 57 would set higher income thresholds, which totally undermines the principle that social tenants on higher incomes should start to contribute a fairer level of rent once they earn more than £31,000—or £40,000 in London. We have listened to concerns about the policy and taken a number of steps as a result. There will be an automatic exemption for any household in receipt of housing benefit and universal credit. The definition of “household” will not include income from non-dependent children, such as an 18-year-old who is starting his first job. Certain state benefits such as tax credits, disability living allowance and personal independence payments will not count towards the calculation of income, and the income thresholds will be supported by a taper, which will ensure that households towards the start of the proposed income thresholds see their rent rise by only a few pounds each week.

6 pm

Chloe Smith (Norwich North) (Con): I welcome the safeguards that my hon. Friend is setting out. Many Labour Members often argue that the rich should pay more, so is it not rather puzzling that in this case they seem to oppose that idea?

Brandon Lewis: My hon. Friend and neighbour makes an interesting point, and people reading *Hansard* will want to draw their own conclusions about what it means. We are clear: it is right that social tenants on higher incomes contribute more in rent where they can afford to do so, but we are also mindful that the policy should protect work incentives.

Meg Hillier: I take great offence at the suggestion that two people—two pensioners, for example—on a fixed income of £40,000 a year in my constituency would be considered rich, or that they would have any other housing option. Those of a certain age on a fixed income cannot rent privately because the rent would be more than £1,500, and a lot more for a two-bedroom flat. They cannot buy, because the average property price is £682,000, and they would not qualify for a starter home, even if they wanted something of that size. Does the Minister acknowledge that it is invidious to attack those people who do not have a great deal of money?

Brandon Lewis: I do not think that that recognises the policy at all. The policy means that as people earn more, they will pay a few pounds a week more. I do not think that is unreasonable, and it ensures that we make the best possible use of our social housing stock.

Lyn Brown (West Ham) (Lab): It is difficult to know where to start. The Minister talks about people paying an extra few pounds more, but that is nonsense. This is a tax on aspiration, and the idea that a family in London that earns £40,000 a year is rich is baloney. It costs an awful lot to live in this wonderful capital city of ours—something that the Minister is failing to grasp.

Brandon Lewis: If the hon. Lady reads the Bill and the amendment, she will appreciate that we do not suggest that people over that income should not stay in

their home, or that they should move to private rented accommodation; we are saying that as people earn more money, they should contribute a little more into the system. That is reasonable, and it ensures that we make the best use of those properties for the people who need them most. The package we have announced ensures a policy that protects work incentives. On that basis, I cannot support amendment 57, or amendment 58, which raises the income thresholds by the consumer prices index, and I hope that the House will agree.

Mr Betts: The Communities and Local Government Committee took evidence from housing associations when the Government were planning to introduce this scheme for them, and we heard clear evidence that it would cost them more to administer the scheme than they would get in returns from extra rent. Will the Government present a clear analysis of the administration costs of this scheme, particularly for people on variable incomes whose income, and therefore rent, goes up and down each week? We would need enormous amounts of administration to go with this scheme.

Brandon Lewis: The hon. Gentleman is missing the point. This is about fairness across the system. People in London—and cities in other parts of the country—who are in the private rented sector and earn these salaries, or higher and lower, are wondering about those in housing associations who earn more than £40,000. Examples have already been given in the House of Secretaries of State on salaries of £125,000, or union leaders on salaries of more than £100,000, who lived in social rented housing. Tens of thousands of people are earning more than £40,000 or £50,000 a year and are benefiting from social rents, which is simply not fair to those who do not have those salaries or opportunities.

Bob Blackman: Will my hon. Friend tell the House what the reality of social housing for rent in London and beyond is for people who are homeless to start with? There is a huge queue of people waiting for a socially rented property, and it is totally unacceptable for people who are on relatively high salaries to occupy those properties when there is such huge demand.

Brandon Lewis: My hon. Friend places in keen focus one of the problems of the housing deficit that the Government inherited in 2010. Under the right hon. Member for Wentworth and Dearne (John Healey), not only did we see the lowest level of housebuilding since about 1923, but in 13 years the Labour party built fewer social homes through their councils than we have built in the past four or five years. There is a huge amount to do to drive up the amount of housing so that there are more opportunities for people to have homes across all tenures, whether shared ownership, private rental or with affordable rent. We must ensure that more people have the chance to get on and achieve the aspiration held by 86% of the public, which is to buy a home of their own.

The House will be glad to hear that I will not speak to every Government amendment—you might also be pleased about that, Mr Deputy Speaker. Many of those amendments are minor and technical, and much as we might all enjoy it if I spoke to them all, some colleagues would not thank me because we might still be here by Prorogation. Each amendment makes the Bill work

[Brandon Lewis]

better for those who implement these policies on the ground, and they have been tabled because the Government have listened to the debate and taken action as a result. We have strengthened people's ability to own their own home and get Britain building again—improving on the 25% increase in building over the last year—and I hope that the House will agree to those changes made in the other place.

I also want to send a strong message that this Government will not slow the pace of housebuilding—we will increase it. We will not take away people's dream of home ownership—we will inspire it, and we will deliver our manifesto commitments. When the hon. Member for City of Durham (Dr Blackman-Woods) responds to this debate, I hope that Labour Members will ask themselves why they stand against our mandate to boost home ownership and supply—something that the people of this country want and expect. While Labour blusters with political posturing after the abysmal housing mess that it left, we remain focused on building homes across our country and across all tenures. We will increase housing supply and home ownership. That is what we promised, and that is what we will deliver.

Dr Roberta Blackman-Woods (City of Durham) (Lab): I thank their lordships for their amazing work on this Bill. Thirteen defeats and a string of concessions means that some of the sharpest edges have been knocked off a very bad Bill, but it remains an extraordinary and extreme piece of proposed legislation. Concern is being voiced by housing experts, charities, house builders, mortgage lenders, and Conservatives across a range of council leaders, MPs and peers. Doubts about the Bill matter, but even more important are the deeper doubts—on all fronts and with good reason—about whether the Conservative party is competent to fix our housing crisis.

Since 2010, home ownership has fallen, homelessness and rough sleeping have doubled, private rents have soared, housing benefit costs have ballooned, and during the last Parliament, fewer new homes were built than under any peacetime Government since the 1920s. This Bill does little to tackle the overall housing shortage or produce more housing across all tenures, including housing to rent as well as buy. With the exception of provisions on rogue landlords, it does nothing to improve the private rented sector on which so many people now rely.

James Cartledge: When the hon. Lady talks about the affordability crisis, does she think that any part was played in that by the 200% increase in house prices between 1997 and 2008, as a result of a woefully badly regulated mortgage sector?

Dr Blackman-Woods: As the hon. Gentleman will know, Labour produced more than 1 million more homeowners during our time in government. This Bill shows that the current Government have no long-term housing plan for the country.

Scott Mann: Does the hon. Lady accept that the reason private rents are increasingly high is that we have not built enough homes?

Dr Blackman-Woods: Absolutely. The question is: will this Bill deliver the homes? We do not think it will.

Faced with this bad Bill, a ridiculous timetable and long sittings, the other place has not only done an excellent job scrutinising the Bill, but improved it to make it slightly more palatable. If only the Government had had the grace to accept changes on starter homes, pay to stay and the forced sale of council housing that they are resisting today, it could have been improved further.

I want to deal first with the amendments the Government are voting against. On Lords amendment 1, we do agree with the principle of the Lord Best amendment and think it is important that if starter homes are resold within a given period, a paying back of discount should occur. We accept that the Government have brought forward a compromise which appears to do this to a degree, although we would still have a preference for the discount to remain in perpetuity, as this is a better use of scarce public resources.

Lords amendment 9, tabled by Lords Beecham, Kerslake and Kennedy, quite reasonably asks that:

“() An English planning authority may only grant planning permission for a residential development having had regard to the provision of starter homes based on its own assessment of local housing need and viability.”

The Minister will know that one of the greatest of the many concerns about the starter homes initiative is that such homes will be imposed, with specified numbers required by central diktat from government, regardless of whether they are needed in the quantities demanded. This amendment is a very localist one, seeking to give a role to local authorities in assessing the need for starter homes and their impact on the viability of local development.

Jake Berry: The hon. Lady says she is concerned about the Government dictating the number of starter homes that will be built in an area. Can she name any area in this country where she believes homes sold at a 20% discount are not needed by first-time buyers?

Dr Blackman-Woods: The hon. Gentleman makes a reasonable point, but the point I am making is that we will need not only starter homes, but other types of homes, particularly those for social rent. That is why the numbers should be subject to local determination and not central diktat.

To everyone except the Government, it appears eminently sensible that the need for starter homes should be assessed locally and then delivered, rather than ordered from on high, most likely to the exclusion of genuinely affordable housing for rent or equity share. This amendment is not a block on starter homes, but a requirement that they are part of a local housing mix.

Mr Stewart Jackson (Peterborough) (Con): The hon. Lady needs to concede that Conservative Members have suspicions that her opposition to starter homes is ideological. Leaving that aside, she would be in a much stronger position were she to concede that a significant number of local planning authorities have not brought forward local district plans or county structure plans in a timely and appropriate fashion, and so the Government are forced to take action to tackle the housing crisis to which she refers.

Dr Blackman-Woods: But surely the hon. Gentleman must agree that the way of dealing with that is through the local plan-making system. Indeed, one of the amendments we might deal with later in our discussions this evening relates to the requirement that is finally being placed on local government by this Government to produce a local plan.

Andrew Gwynne (Denton and Reddish) (Lab): My hon. Friend is making an important point about localism. Do we not also need the local authority to determine what is truly affordable for its local housing market? I note that the Minister was not so forthcoming about his definition of “affordability”. He said in reply to my hon. Friend the Member for Westminster North (Ms Buck) that these homes in central London would not be sold at £450,000. What then is the point of a cap at £450,000—why not £150,000?

Dr Blackman-Woods: Absolutely. My hon. Friend makes an excellent point, and it shows why a local test of the need for starter homes is so important.

6.15 pm

As I was saying, Lords amendment 9 is not a block on starter homes but a requirement that they are part of a local housing mix. For that reason we shall be supporting the Lords in this amendment. We also find it odd that the Government want to replace Lords amendments 9 and 10 with one on rural exception sites. We support the Government having a policy on rural exception sites, but not at the cost of the exclusion of Lords amendments 9 and 10.

The sale of higher value council housing is one of the most contentious aspects of the Bill. We do not agree that the sale of higher value council housing should be used to fund the right to buy for housing association tenants. Lords amendment 37, tabled by Lords Kennedy, Lisvane and Kerslake, is very straightforward, requiring a setting out of the details of the calculation and payments to be made by local authorities and for them to be put in statutory instruments and subject to affirmative procedure in Parliament. All this amendment seeks is that information is put before Parliament, so that we know exactly what is being demanded from this additional tax on local authorities and so that we get an opportunity to vote on it in this House.

Meg Hillier: My hon. Friend raises an important point. My local authority is set to have to sell 700 homes over the next few years. It is building homes as fast as it can for people to buy and it is certainly not against starter homes, but in London this is a pipe dream for many. Does she not agree that we need to get the Government to address particular issues in high-cost areas such as mine that are forcing everybody out of ownership and out of having any realistic prospect of living there, even if they are on a pretty good income?

Dr Blackman-Woods: My hon. Friend makes an excellent point and I shall come on to deal with that issue when discussing a later amendment.

Why do the Government not want to provide the information I referred to and to have this scrutiny? The lack of information on this policy is an issue that has

been taken up by the Public Accounts Committee, too. The Minister will be aware that it said:

“It is not clear how this policy will be funded in practice, or what its financial impacts might be. The Department’s intention is for this policy to be fully funded by local authorities, but it was unable to provide any figures to demonstrate that this would be the case... More widely, an even bigger risk will fall on those local authorities required to sell housing stock to fund the policy, as those assets will in effect be transferred to central government. But the Department did not appear to have a good understanding of the size of these risks”.

The Committee went on to say:

“The commitment to replace homes sold under this policy on at least a one-for-one basis will not ensure that these will be like-for-like replacements as regards size, location or tenure. Experience of the reinvigorated Right to Buy for council tenants, introduced in 2012, shows that meeting such one-for-one replacement targets can be difficult... Moreover, replacement homes can be in different areas, be a different size, and cost more to rent. Neither do they need to be new homes”.

Mr Betts: The Minister has said on a number of occasions that the sale of the “higher-value council properties”, as this has now become, will pay for the replacement of the right-to-buy property sold by a housing association and this £1 billion remedial brownfield fund. The fact that he has said that with such assurance must imply that he has some figures and some workings out somewhere on which he has based those assertions. Would it not be helpful if he could produce those today?

Dr Blackman-Woods: My hon. Friend makes an excellent point. If the Minister has those figures, we will give him an opportunity now to share them with us, as that would be extremely helpful in allowing us to know exactly what we are going to be voting on this evening.

Although more information is important, we need to remind ourselves that the whole policy of selling off higher value council housing to fund the right to buy is considered by almost everyone to be a very bad thing to do, and that replacement is absolutely essential.

Lords amendment 47, tabled by Lords Beecham, Kerslake and Kennedy, addresses the issue of replacement, and would require the Government to enter into an agreement with a local authority under clause 72 whereby a local authority could show the need for a type of social housing and the Secretary of State would then agree a hold-back sum, so that homes sold could be replaced by houses of the same tenure, type and rent. If the Government do not accept this one-for-one, like-for-like replacement, they need to explain why. The reason this amendment is so important is that few details are in the public domain about how the Government will meet their own commitment for one-for-one or two-for-one replacement in London.

It appears that Ministers could force the sale of a council house in Camden and count two other new homes built for open market sale in Croydon as meeting the so-called commitment to replace. Therefore, the like-for-like replacement in amendment 47 is vital to ensure that housing need is met across the range and that homes for social rent are not simply replaced by starter homes or homes at higher rents, which, as the Public Accounts Committee outlined in its statement, is a real risk.

[*Dr Blackman-Woods*]

Furthermore, figures from Shelter this morning outline a truly alarming picture of the impact of the sale of higher value council homes on local authority stock, and I will come on to that in a moment or two.

Catherine West: Does my hon. Friend agree that this also punishes good councils that try to build social homes?

Dr Blackman-Woods: Indeed, but I suspect that that is part of the Government's rationale.

Labour will be supporting the Lords in their amendment 47.

Dawn Butler: The Minister was talking about amendment 47. The important principle of the Khan amendment is that if a council sells social housing, it should replace it in the same area. On starter homes, it would be really great if the Minister could confirm that starter homes in my Brent constituency will be no more than £190,000, because that would change the whole tone of this debate.

Dr Blackman-Woods: My hon. Friend has asked the Minister to make that confirmation, but I doubt that he will take her up on that offer.

Let me move on to pay to stay, another pernicious bit of the Bill. As we all know, that is a tax on tenants and a tax on aspiration and will lead to many people having to leave their homes or increase their levels of personal indebtedness. The Minister should have talked to the group of tenants from Hackney whom I met a few weeks ago. They are not high-income families. How could anyone describe as high a household income of £17,000 and £23,000 inside London; or £12,000 and £18,000 outside London?

Ms Buck: Can my hon. Friend help me understand how Government Members are simultaneously arguing that a household income of £40,000 in London is rich when it comes to social rent, but that a household income of £77,000 is poor when it comes to getting a 20% discount on starter homes?

Dr Blackman-Woods: I look forward to the Minister's answer to my hon. Friend's question.

Such people, however, will be faced with a situation in which even a modest rise in income will result in a significant hike in rent. We spoke to a couple with a combined income of just over £40,000—one was a part-time cleaner and the other a sales associate. They want their children to go to university and just do not know how they will manage that in London if their rent moves towards a market one which, in their area, would represent an increase of 400%.

Kevin Hollinrake (Thirsk and Malton) (Con): Does the hon. Lady agree with the principle of means-testing tenants in properties that are set aside for people on lower incomes? I am talking about social rented properties.

Dr Blackman-Woods: As the hon. Gentleman sat on the Bill Committee, he should know that a voluntary scheme is already in place for local authorities and housing associations to do that very thing.

The tenants also object to their housing being seen as subsidised. In response to a written question, Baroness Williams said:

“Local housing authorities do not receive subsidy from the Exchequer; the Localism Act 2011 abolished Housing Revenue Account Subsidy.”

This housing is not subsidised, and in any case it is there to meet needs. It is outrageous that the Government are taxing tenants in such a way while claiming to stand up for hard-working people.

Chloe Smith: I am deeply worried that the hon. Lady cannot seem to agree with those housing charity chief executives who, in the Bill Committee's evidence sessions, did accept the principle that social housing should go to those most in need. Considering that she based her argument on Lords amendment 1 around scarce public resources, I do not understand her position, so perhaps she could clarify it.

Dr Blackman-Woods: In the main, council housing in this country is allocated on the basis of need.

Tom Brake (Carshalton and Wallington) (LD): Does the hon. Lady agree that the hard-working families who we see in our surgeries—I certainly see them in my surgery and I am sure that she sees them in hers—will get nothing from this measure? The single mum who is earning £17,000 and wants to get out of her dreadful private rented accommodation, which literally has rodents running around on the floor, will get nothing out of this, will she?

Dr Blackman-Woods: The right hon. Gentleman makes a really good point; that person will get absolutely nothing.

Chloe Smith *rose*—

Dr Blackman-Woods: I have already given way to the hon. Lady.

Lords amendment 54 would limit the damage of pay to stay by making it voluntary for local authorities, with authorities treated in the same way as housing associations. I do not understand why the Minister wants to treat council tenants differently. All the amendment asks is that council tenants are treated in exactly the same way as housing association tenants so, again, Labour will support the Lords amendment.

Jake Berry: Let me bring the hon. Lady back to her earlier comment about social housing being allocated according to need. The average salary in my constituency is £20,000 and there are more than 1,000 people on the housing waiting list. Does she accept that people on the average salary of £20,000 will feel aggrieved that they cannot get a social home if it is being occupied by a person who is earning £30,000, meaning that they are effectively paying tax to subsidise that person who is earning significantly more than them?

Dr Blackman-Woods: I do not accept most of what the hon. Gentleman says. What we must do is build lots more council houses in this country.

Lords amendment 55 would introduce a taper of 10p in every pound of a social tenant's income above the minimum income threshold. This sensible measure would

ensure that tenants would not face the cliff edge of a small rise in income leading to a huge rent increase. We know—the Minister confirmed this earlier—that the Government are planning a higher taper. I am pleased that he will keep the taper and the level at which it is set under review, and that changes will be subject to the affirmative procedure. We will need to look at that very closely indeed.

Michelle Donelan (Chippenham) (Con): I thank the hon. Lady for her response to my hon. Friend the Member for Rossendale and Darwen (Jake Berry). Will she remind the House of the average earnings of a person in the UK, and then tell us whether social housing is for everyone or for those in genuine need, as there does seem to be a bit of confusion?

6.30 pm

Dr Blackman-Woods: As the hon. Lady knows, many people in this country and, I am sure, in her constituency, are on council waiting lists. What we should be thinking about is how to build more council houses to meet that need.

Lords amendment 57 would increase the thresholds for pay to stay to £50,000 in London and £40,000 outside London in order to limit the damage that this dreadful policy will cause. Similarly, Lords amendment 58 would ensure that income thresholds would increase in line with the consumer prices index, not at the whim of the Secretary of State. We note that the Government will vote against those amendments, but we could do with more explanation of the basis on which they will increase the thresholds.

There are too many Government Lords amendments to comment on, given the time available, although that again demonstrates a problem with this Bill. I will highlight a few of the other amendments in the group, however. We are pleased that the Government adopted Lords amendments 26 to 36, which were tabled by Lord Kennedy and Baroness Greender. The amendments will enable information to be given to third parties when the recovery of abandoned premises is sought and provide a definition of a “tenancy deposit”. My hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) and colleagues in the Lords worked hard to ensure that such measures were included in the Bill.

Government Lords amendments 38 to 43 replace the requirement for local authorities to sell off vacant high-value council housing with a requirement to sell off “higher value” vacant council housing. If selling off high-value housing was bad, selling off higher-value housing is much, much worse. Although the approach might help London a little, it will lead to more sell-offs in other areas. As the Public Accounts Committee noted, there is not enough information available on the impact of the policy or its scope to allow Parliament to vote sensibly on it. Shelter’s analysis found that to raise the £4.5 billion a year needed, each local authority could be asked to raise on average a massive £26 million. That corresponds to the sale of 23,503 council homes a year, which is six times more than it was estimated would be sold under the previous high-value regime.

Government Lords amendment 56 supports the exemption of some categories of persons—as yet unknown—from pay to stay provisions. Labour Members argued strongly for such a measure in Public Bill Committee. The amendment states that

“regulations may create exceptions for high income tenants of social housing of a specified description.”

Do such tenants include people aged over 65, people with a registered disability, people with seasonal contracts of employment, or people who have a household member in receipt of care? We have no idea what the Minister intends, and that is not satisfactory.

Government Lords amendments 215, 217 to 221 and 233 amend proposals on ending security of tenure. Although we recognise that allowing 10-year tenancies, and longer tenancies if there is a child in the home, is a step forward, we still think that the whole policy is dreadful. Many people are commenting that what is really important about social housing, and council housing in particular, is that it provides security of tenure, and enables communities to be stable and to thrive. One can only wonder what will happen to parents when their children reach the age of 19, and what will happen if a young person wants to live at home beyond that age. The policy fails to acknowledge that we are talking about people’s homes. The Government should bring forward proposals to extend security of tenure in the private rented sector, rather than reducing that security for council housing tenants, with all the social upheaval and personal anxiety that that brings with it.

Lords amendments 90 and 91 deal with electrical safety checks. I am pleased that the Government were forced by the action that we took in the Commons, and by their lordships, to adopt the amendments, which would put a duty on private landlords to ensure that electrical safety standards are met, and that checks are carried out at a reasonable frequency and by people with the proper expertise. We should thank Baroness Hayter and others for tabling those amendments and arguing for them in the Lords.

Finally, I am pleased that their lordships have insisted that the regulations that we are still to receive—there are many—that will set out much of the detail of the Bill must, in the main, be subject to the affirmative procedure. This includes measures on banning order offences, and determinations and regulations relating to vacant higher-value housing, high-income social tenants, electrical safety, client money protection and planning freedoms. I thank the Lords for ensuring that the Government’s nasty habit of putting through important regulations under the negative procedure ceases.

As the whole housing world has acknowledged, the Bill does little to solve our housing crisis, yet will make things a whole lot worse for the supply of genuinely affordable housing. According to *Inside Housing*, the Bill has been producing headaches for the Prime Minister, but I am sure he will be pleased to know that he will not need a junior doctor to cure his headaches—all he needs to do is to drop this dreadful Bill.

Seema Kennedy (South Ribble) (Con): I draw Members’ attention to my entry in the Register of Members’ Financial Interests.

I am pleased to support the Bill. The passions raised in Committee and now in the Chamber are testament to the fact that we know that we need to build more homes. Many of our constituents want to get on the housing ladder and the Bill does great service for that cause. There is no doubt that house building took a hit following the recession that began in 2008, but I am pleased to note that as our Committee stage was winding

[*Seema Kennedy*]

up in December last year, housing building completions were at their highest level since 2008, with 143,000 completions in that calendar year. That is to be applauded, but there is still much more work to be done to fulfil the aspirations of the 86% of our fellow Britons who want to own their own home.

Starter homes are an essential part of that offering, to allow young people to own their homes, rather than renting for years on end or perhaps for ever.

Meg Hillier: Most of us on the Opposition Benches would agree that a starter home for a young family is a great thing. Does the hon. Lady not regret that over the past eight years, under a Conservative Mayor of London, we have seen a lot of housing built, but it is for private sale at inflated prices—luxury homes sold to overseas developers, and in no way within reach of local people in my constituency or across London?

Seema Kennedy: I have great respect for the hon. Lady and the work she does on her Committee, but, with great respect to the Opposition, this is not a debate just about London, as my hon. Friend the Member for Rossendale and Darwen (Jake Berry) pointed out. Much of the debate in Committee and the Chamber has been about London. There are affordable houses, and I know that in London there are many. However, there are 590 MPs who represent areas outside London.

Mr Jackson: It was a great pleasure to serve with my hon. Friend on the Bill Committee. She touches on an interesting point. Does she agree that none of our witnesses was able definitively to demonstrate that, leaving aside London and most of the south-east, starter homes with the right vehicle, such as Help to Buy, would be unaffordable? For the vast bulk of England, they were affordable.

Seema Kennedy: Indeed. Those happy days in November and December that we all spent together in Committee were an unalloyed joy. With the right vehicle, such as the Help to Buy ISA, and with shared ownership, starter homes are affordable in many areas, including developments that I have visited in my constituency of South Ribble. For the generation between 20 and 40, which has been disproportionately affected by the increase in house prices, starter homes are a way to get on the property ladder, and we should all welcome the commitment to build these 200,000 homes.

Dawn Butler: I am a London MP. It might be difficult for Members who are not London MPs to understand how difficult and how unaffordable it is to live in London, but that is why London MPs make the points they do. It may be of interest that Londoners will be voting on Thursday in what is almost a referendum on the housing crisis in London.

Seema Kennedy: I will let other London MPs respond more fully on the particular London issues.

Jake Berry: Will my hon. Friend give way?

Seema Kennedy: I will make a little progress—otherwise, I will be up and down like a fiddler's elbow.

Let me turn quickly to amendment 1. A 20% discount over 20 years does not really take account of the practicalities of people's lives—20 years is far too long. We are talking about starter homes, so one would hope that people are not going to live in them for 20 years. As the Minister said, the average time people live in a house is seven years, not 20. The amendment places restrictions on starter home owners, who are precisely the generation—those aged 20 to 40—whom the Bill aims to empower. I am glad the Government are consulting on the duration of the discount and the taper. If we want builders to build and lenders to lend, we need to take a practical, not an ideological, approach—the policy has to work.

Lords amendments 9 and 10 would replace the national requirement with a requirement that is set locally, depending on local housing needs and viability assessments. That completely undermines our manifesto commitment to build these 200,000 homes, but, as my right hon. Friend the Member for Wokingham (John Redwood) mentioned, that policy is very popular. Constituents come to us saying, "I want to get a starter home. How can I get my foot on the ladder?" If we were to remove the national requirement, I fear we would delay the process.

Andrew Gwynne: Earlier the hon. Lady actually made the case for a more localist approach. She said she was not a London Member and that circumstances in her constituency were very different from those in the capital. Surely, if there are different circumstances in different parts of the country, we need a local approach.

Seema Kennedy: I have the greatest respect for the hon. Gentleman, but the Lords amendments would hold the process up; we would get to 2019, and no starter homes would have been built—I really fear that that would happen. The amendments would slow things down, but we need to start building now.

As we know, house prices have risen exponentially, particularly in London, but that is because of a lack of supply. The picture is complicated, and one could not say that things have happened for one particular reason, but the lack of supply is a fundamental block, and we touched on that all the way through Committee. We need to get more houses built—and quickly.

There was much debate in Committee about permission in principle—the new consent model of planning—which will provide certainty.

Marie Rimmer (St Helens South and Whiston) (Lab): Will the hon. Lady give way?

Seema Kennedy: I am afraid I am going to make a little more progress.

Developers and builders want certainty and speed. One brake on development is the lack of certainty and the slowness of certain planning departments. The whole essence of the Bill is to get the country building homes—to increase the supply and to make more people home owners.

This measure is particularly effective for small builders, who do not have the scale to have in-house planning departments. Measures to encourage those who might build 10 or 20 homes in a village are particularly effective.

Rebecca Harris (Castle Point) (Con): Does my hon. Friend agree that it is the small builders who actually get on and build, whereas the large developers are often slow at delivering projects? Anything we do to support small builders on small sites will improve the housing supply.

6.45 pm

Seema Kennedy: I agree. Given how small builders are funded and run, they are not land banking in the same way. They want to build homes and move on, whereas the large multiples have a different approach because they are land investors as well as builders. I think there is very much a cross-party consensus that we need more units built. That is the whole essence of the Bill.

I welcome the Lords amendments that exclude the winning and working of minerals, which covers fracking. In areas such as South Ribble and the Bowland basin, where companies have made initial exploratory attempts, that will give reassurance to some of my constituents.

We need to build more homes. The Bill will provide some hope and, hopefully, some homes for the many of our constituents who aspire to own a home of their own.

Mr Betts: The most astounding thing about the Government's proposals is that we are expected to make decisions about them today without any idea of the costings. When the Minister came to the Communities and Local Government Committee, he said the Government would produce costings in due course—I think he actually said spring was the likely time. Well, here we are in the spring, and I have not seen any figures.

It is astounding that we should hear from the Government over and over again that the sale of a, now, higher-value council home will pay for the replacement of that home, the replacement of a housing association property that is sold and the £1 billion fund for remedial work on brownfield land. If the Government are clear that that is what their policies will do, will they please show us the figures? If they are clear that that is what will happen, they must have the figures to have made their promises on. Or are they simply telling us they believe that that is how things will work out, but without any clear evidence to support that?

That is a matter of great concern. It was a concern to the Select Committee, which, having heard the evidence, correctly said:

“We have not seen evidence that the Government has fully costed the proposals and we call on it to do so as a matter of urgency.”

That was agreed at the beginning of February; we are now three months further on, but we still have no figures. The Public Accounts Committee made exactly the same point in its report, and it seemed a very reasonable point, regardless of whether we think the PAC should look at policy before or after it is implemented. The Committee said:

“The Department should publish a full impact assessment containing analysis in line with the guidance on policy appraisal in HM Treasury's Green Book, to accompany the proposed secondary legislation”.

When will we see the figures? We have not got them for the Bill. Will we have them before any secondary legislation comes before the House for approval? Will the Minister make a firm promise that that will be the case?

He referred to further secondary legislation on higher-value council homes. Will these proposals be thoroughly and properly costed before we reach that point? This is a serious matter—the right of the House to have information before it passes legislation.

Let me come now to starter homes. Again, it has been a little hard to understand how the Government's policy will work. When the Minister came before the Communities and Local Government Committee, he said that local authorities meeting developers to discuss section 106 agreements would have discretion over what mix of affordable housing would be built. Can we have some clarity on that? Will starter homes take absolute priority, with local authorities having no choice but to build them to hit the Government's 200,000 target, and if there is a bit of money left, perhaps putting one or two affordable homes for rent on the site? Or will local authorities, as they are currently allowed to, come to their own view about section 106 agreements and about the right mix of affordable homes on the site, whether that means starter homes—now defined as affordable homes—homes to rent or shared ownership? What is actually going to be the case?

What about areas of land in my constituency where there is no requirement for any affordable housing at present because the sites are not considered to be viable, yet viability is an important test under the national planning policy framework guidelines that local authorities have to work to? Will the Government insist that starter homes are built on a site where it is not currently considered viable to have any section 106 provision for affordable housing? How is that going to work—or will there be local discretion in that regard as well? We need some clarity.

We also need clarity about the replacement of the higher-value council homes as to precisely what sort of homes they will be replaced with, how that will be defined, and what the negotiation process between Government and local authorities will look like. Will it be a case of starter homes at all costs, or are we going to be in a position where affordable homes to rent can be part of the replacement situation, going back to “like-for-like”?

The Chartered Institute of Housing produced evidence to the Select Committee in which it estimated that during the course of this Parliament there would be 300,000 fewer social homes to rent than there were at the beginning. The Minister likes to take credit for the previous coalition Government having built more council homes than were built under the Labour Government, but let us get to the point: during this Parliament, will there be 300,000 fewer social homes to rent, not just council homes but housing association properties, as the Chartered Institute of Housing has estimated? The Government disagree with that figure, but will they say what they expect their policies to produce by the end of this Parliament?

Kevin Hollinrake: Will the hon. Gentleman give way?

Mr Betts: Of course I give way to the hon. Gentleman, who is a member of the Select Committee.

Kevin Hollinrake: The hon. Gentleman will remember the clear evidence given by David Orr of the National Housing Federation, who said that because of these proposals housing associations will be building more properties of all tenures.

Mr Betts: We had evidence from various housing associations about how they were going to respond to the proposals. Some made it very clear that they felt they would gain fewer properties to rent under section 106 agreements than under the previous legislative arrangements. They also made it clear that given that there is now no money in the Government's housing programme for the rest of this Parliament for any houses to rent, in terms of grant assistance, all the resources—the £8 billion—will go either to starter homes or to shared ownership. Many associations believe that they will be building fewer homes to rent on an affordable basis because of the combined effects of policy as a whole. That will vary from association to association.

Tony Stacey, the chief executive of South Yorkshire Housing Association, told us that in much of the area where his association works it would not be possible to build back with the money that will be given from the sale of housing association property, and it was likely that the association would simply go and buy up another property in the private rented sector. That could happen as well, and it would not act on the housing stock. There will be very different policies in different areas. I would argue strongly, in relation to starter homes, that we should reflect that by enabling local authorities to come to different agreements that suit their local needs. As the hon. Gentleman will recognise, the Select Committee said very clearly:

“Starter Homes should not be built at the expense of other forms of tenure...it is vital that homes for affordable rent are built to reflect local needs.”

Jim McMahon (Oldham West and Royton) (Lab): Does my hon. Friend share my concern that research commissioned by the Local Government Association highlights the fact that in 220 local authority areas, people who are in need of affordable housing will not be able to take advantage of the starter homes that are being proposed?

Mr Betts: Yes. It is interesting that my hon. Friend mentions the LGA, which argued very strongly, on a cross-party basis, that the policy of the right to buy for housing association tenants should not be funded by the sale of local authority assets. I will make sure that I get the Committee's words right in quoting them to the hon. Member for Thirsk and Malton (Kevin Hollinrake). We said that

“public policy should usually be funded by central Government, rather than through a levy on local authorities.”

As usual, perhaps the Government ought to listen to the words of the Select Committee. The whole issue of the right to buy for housing association tenants would not be a significant point of contention if the Government were not forcing the sale of local authority homes to pay for it—and we still have not had the figures to show how that would work. With regard to sorting out more flexibility on starter homes, I still do not know what their policy amounts to because of the lack of clarity that we have had.

Finally, I want to raise two really worrying issues where the Select Committee did not come to a view—lifetime tenancies and pay to stay. We welcome the fact that pay to stay will be voluntary for housing associations. However, the situation will be a bit strange in a street where two tenants are earning the same amount of money and paying similar rents, one in a housing association property and one in a council property, and one finds

their rent going up and the other does not. Let us get away from the talk about subsidised council housing. There is no central Government subsidy to housing revenue accounts, so there is no subsidy to council tenants earning a little more than their neighbours next door, but what there will be, if this measure goes through, is a tax on those tenants, because the money will go not to the council but to the Treasury, and the Treasury levying a charge on a council tenant is a tax by any other name—of course it is.

Let us put that together with the lifetime tenancy issue. Are we really going to end up with council estates where some homes will have been sold, but in different proportions in different areas, some of which will then have been sold on into the private rented sector, so that we have an increasing mixture of people on the lowest incomes and people there on only a short-term basis? By forcing their rents up, we will push out people on slightly higher incomes who may have a long-term commitment to the area and roots in the area. They may be the people who run the local housing association, the local residents group or the local community forums, and are really active there. Of course, the very same people will be the longer-term tenants who have a real interest in and long-term commitment to their area. What does this policy, and this mixture of policies, do for social cohesion? It undermines the whole idea of a long-term commitment by people who are rooted in their areas and want to stay there because they enjoy living there, they have connections there, their kids go to school there, and that is where their home is.

Mr Lammy: I am grateful to my hon. Friend for giving way on that brilliant point. Does he agree with some commentators that this Bill—this sounds very dramatic but it is very serious—marks the end of mixed communities in a number of London boroughs?

Mr Betts: Potentially it does, because driving out all the people on slightly higher incomes and removing people who are potentially longer-term tenants creates a very different sort of community. We have to be very careful about that.

Chris Philp: While I have sympathy with some of the points the hon. Gentleman is making, does he not accept the principle that with regard to a scarce social resource like social housing, it is simply common sense to make sure that that scarce resource is targeted at those who are most in need, as this Bill seeks to do?

Mr Betts: I would argue this: let us tackle the scarcity. Let us start a building programme of 100,000 social homes a year. That is the only way that we will hit the target of the quarter of a million homes this country will need. We have never built a quarter of a million homes without a massive social house building programme, and it is unlikely we will do so in future.

I will make one more point about the mix of communities. In other communities where there is, at the very beginning, a limited number of social rented properties, the right to buy that has already happened, together with the proposed extension of the right to buy, will mean that those are exactly the same communities that have the higher-value council homes. Not only will the right to buy remove social housing in those areas,

but the sale of vacant higher-value council properties will remove social housing as well. It is likely that, in future, some communities will have no social housing to rent whatsoever, irrespective of people's needs. That is the other conclusion, and it is very worrying indeed. In some communities, there will be no home available for those on low earnings or short-term tenancies who have a real housing need but who cannot afford to buy. That is another product of the Bill and I am against it. I hope that Members will support the Lords amendments to at least mitigate its worst impacts.

7 pm

Scott Mann: The House will probably be aware that I am passionate about home ownership and about helping people on modest incomes to be able to afford to buy their first home. In fact, such is the interest that I have taken in housing that I am referred to as a housing spokesman by my Cornish Conservative colleagues, and for that I am thankful.

For more than a quarter of a century, housing policy has failed the people of Cornwall. Thanks to this Government, we now have a number of approaches that will change that, including the introduction of starter homes, Help to Buy, the newly announced £19 million self-build project for the south-west, and continuing discussions with lenders about affordability. We now finally have a number of policies in place that will help the Cornish working population own their own home.

Many colleagues across the House will know the amazing feeling when you buy your first home—the sense of pride and achievement when you get the keys to the front door. It is one of those first big steps in life, like being accepted to university, getting married or having your first child.

When the Bill first appeared in this House back in October, the Government had clear goals to build more homes for a growing population and to reform the planning process. That included 400,000 new homes by 2020; 200,000 starter homes; the extension of right to buy to housing association tenants, turning generation rent into generation buy; and speeding up the planning process.

Since then, I have had many conversations with councillors in Cornwall who have been concerned about certain aspects of the Bill, including the right-to-buy policy and making councils sell off their high-value council houses. That policy could result in coastal communities in Cornwall losing very important social housing stocks, unless like-for-like replacements are built. I therefore welcome amendments 42A, 44A and 44B to clause 2, which were tabled in the other place by Baroness Williams and which allow some flexibility to the under-40 cap for purchasing a starter home. Some people over 40 are still looking to buy their first home—many of them in Cornwall—and certain exemptions will benefit couples where both are over 40 and have a right to buy their first home.

To give those starter homes some security, the Government's Lords amendments 2 and 3 to clause 2 will introduce a minimum age of 23 to buy a starter home, which is a good policy. It will prevent abuse of the system by those who would try to buy a starter home with a 20% discount by using a young person or a student who otherwise would not intend to buy one.

Turning to part 4 of the Bill, I want to address amendments relating to high-value local authority housing. The initial announcement that councils would be made to sell off such housing caused concern in Cornwall, because the county has a high level of coastal communities where properties have, through no fault of those communities, increased significantly in value in recent years. The selling off of high-value council assets would have resulted in a reduction in the number of homes available to people on low or modest incomes, and would likely have increased second-home ownership. That would have been bad not only for local families but for local communities, as families would have moved to urban areas, thereby bringing about a decrease in local trade.

The Government's Lords amendment 53 replaces the term "high value" with the term "higher value", which will introduce a much more local approach, as housing prices differ from area to area. A council house worth £400,000 may have been deemed worthy of selling off, given that that figure is very high compared with that for a council house in an inland urban area. Without protection, communities could suffer.

Local people in coastal communities should not have restricted access because of where they grew up. I am therefore very pleased that the Secretary of State and Baroness Williams acknowledged concerns about the issue and made changes accordingly to give more freedom to local authorities over how they classify their higher value council homes.

I will not address other amendments now, because I want fellow Members to have the opportunity to speak. Suffice to say that the amendments I have touched on strengthen the Bill; illustrate the Government's commitment to addressing the housing and planning challenges of the modern age; and ensure that rural communities are better protected while we drive towards more affordable homes throughout the country.

Ms Buck: I make no apologies for returning to the issue of London, because that is where housing need is sharpest and where the affordability crisis is most severe.

I find myself in the rare position, for one night only, of being in some harmony with Westminster City Council—a rare thing indeed. Its policy and scrutiny committee's report on the Bill is deeply fascinating. It makes it clear—in moderate tones, but its content is unmistakable—what it thinks about the Bill and how it will impact on housing supply. Following on from a point made by my hon. Friend the Chair of the Communities and Local Government Committee, it says:

"The Bill is largely a framework",

which I think is a euphemism for, "We have no idea how most of it is going to work." That point of view was spelled out more sharply by the Public Accounts Committee—whose Chair is not in her place at the moment—which absolutely stripped away the pretence of the calculations on which high-value sales have been predicated. Westminster City Council itself, however, is clear that the Bill will have a severe impact on housing and that it will also have wider implications, which I will address in a moment.

We do not know what the redefinition of sales from "high value" to "higher value" will mean for local areas. When Shelter did its initial calculation, it found that Westminster was likely to have to sell off 76.3% of its

[Ms Buck]

council properties as they became vacant. That would mean a sale rate of 246 a year. We do not know—as we keep saying about this Bill—what the new calculation will mean. The Minister has offered no calculations. The council's latest estimate, however, is that it will need to sell 200 high-value voids a year in order to fund the right-to-buy housing association properties and that that will be worth £100 million year.

Here is the rub: not only will that reduce the stock and have massive implications for meeting housing needs, but it will simply displace costs into other areas of public expenditure. Westminster City Council has said that that will result in additional costs of £1.5 million a year for temporary accommodation for homeless families. The local taxpayer already has to fund temporary accommodation to the tune of £4 million a year above what the Government pay. An extra £1.5 million will be needed to meet some of the costs of homelessness that will result from the fact that the council will not be able to place people with housing need in its council or housing association stock because it will have been sold off in order to fund the right to buy.

Chris Philp: Will the hon. Lady join me in welcoming the fact that in London, for every single high-value unit sold, there will be two replacements? Does she agree that, across London as a whole, that will ease the housing problems?

Ms Buck: No, I do not welcome that at all. As we heard in the superb speech from the Front Bench by my hon. Friend the Member for City of Durham (Dr Blackman-Woods), we do not know what tenure those homes will have or where they will go. We have no guarantees whatsoever that they will be local. Therefore, they will simply not provide an equivalent level of accommodation or meet need. I cannot remember who said this, but that could result in rental properties for low-income households in inner London being sold to subsidise homes for sale somewhere else, thereby meeting a totally different kind of need.

Westminster City Council also points out—this has not been brought up this evening—that, in order to deliver the two-for-one requirement, the increase in housing delivery would have to be dramatically increased from its current rate, but there is no indication of how that will be achieved. The council has a long list of asks as to how the high-value sales programme will be organised and how inner-London authorities, including itself, would be protected. The Minister has given no answers whatsoever.

The council has also provided further context and it is interesting, given some of our discussions about pay to stay. Government Members describe anybody with a household income of £40,000 as rich, and the council has pointed out that the Government are imposing a higher pay-to-stay requirement on such households while at the same time cutting rents. They are cutting rents for everybody, including working households. People are being asked to pay a higher rent if they have a household income of £40,000, but they get a 1% cut in their rent at the same time. I simply do not understand the logic of that.

In my local authority, the implications are a loss to the housing revenue account of £32 million over the

next four years and £237 million over the next 30 years, which will mean, as the local authority says, major cuts to the quality of existing properties or plans for new affordable house building. Yet again, the Government are giving with one hand and taking away with the other—indeed, they are taking away with a third hand, in this case—the capacity to provide additional homes. All that can be fairly summarised as meaning that the council that gave us homes for votes in the 1980s—the biggest scandal in modern local government history—is saying, “Even we do not like this.”

The council does not like the Government's proposed starter homes policy either. The consultant who advised the council on the Housing and Planning Bill pointed out that a starter home capped at £450,000 in inner London, where the average open market property is going for £2 million, lavishes a gain on a particular small cohort of first-time buyers. Westminster Council states that

“the potential tax-free capital gain, after eight years of occupation... is very considerable (depending on the number of bedrooms) and wholly to the benefit of a first-time buyer”.

Michelle Donelan: It is interesting to hear about the housing market in London, but does the hon. Lady recognise that in Wiltshire, one of the fundamental reasons why we have an above-average ageing population is that young people cannot afford to buy in the area, and so they are leaving it? Does she agree that for the long-term health of communities such as mine, initiatives such as starter homes are a very good and reasonable policy that will enable people to enter the housing market?

Ms Buck: Funnily enough, that is almost the thrust of my argument. Things that are applicable in the hon. Lady's constituency are not necessarily applicable in mine, so we want to have local flexibility and the freedom to develop a strategy that meets local needs. Also, I do not see why my constituents who are in housing need should fund home ownership for her constituents. We absolutely have to meet local needs; that is intrinsic to the idea of a local authority having statutory duties to meet housing need. I am afraid that I do not accept her point at all.

I know that other people want to speak, so I will not dwell on the issue that has already been raised—I have also raised it previously—about the income that people need to afford starter homes in places such as central London. It seems extraordinary that, on one hand, we think that social housing is a rare good that has to be rationed because we have to speak the language of priorities, but, on the other hand, our priorities are such that we can afford to give a 20% discount to people with incomes of up to £77,000 in central London. My colleagues and I, and Westminster City Council, make it absolutely clear that the strategy, as it is being imposed across the country, will have a very serious and negative effect in central London. It will provide a windfall gain for a very lucky and small cohort of people—good luck to them—but that, critically, will be bought at the expense of others.

I remind the House of what we have seen in recent years as a consequence of the Government's catastrophic housing failure. In my area, we have 600 fewer social housing units than we had in 2009. We have 2,414 households in temporary accommodation. The number

of people in housing need on the housing register has doubled to 4,500 since it was redefined, and reduced, in 2012. We have 1.2 million people on the housing register across the country. There has been an 80% rise in homelessness acceptances in London. We have seen a soaring housing benefit bill in the private sector, and a time bomb of housing benefit expenditure is coming down the line as low-income households are forced into the private rented sector. That is all before the Government cut housing benefit still further.

I end by going back to the point about the lottery. Good luck to those people who get the benefit of high value starter homes, but why should that be at the expense of people such as my constituents: the healthcare assistant I met last week, who is bidding for housing association homes where the monthly rent is more than her take-home pay; the family so overcrowded that their little son, who is suffering from skin cancer, has to share a bed with his siblings; the family of six—two parents and four young adults, two of whom are severely disabled—in a property so small that their wheelchair-bound son is unable to do his required physiotherapy; or the mum with two young children who was moved from Westminster and her local job to the edge of London, from where she has to commute in, getting her children up at 5.30 in the morning and returning home at 9.15 in the evening, who is weeping with the stress of her experience—it is duplicated in hundreds of other families—and who tells me that her daughter does not want to live with her anymore because she cannot bear the stress of homelessness? The Housing and Planning Bill, unfortunately, says that those people and their needs do not matter, and that housing will not be provided for people like them.

Much as I applaud initiatives to support affordable home ownership—and I do—I do not think that it should be achieved at the expense of people in housing need. That is what the Bill does, and that is why it is so pernicious. That is why I hope that we will be able to secure progress on at least some of the amendments that were achieved in the other place a couple of weeks ago.

7.15 pm

Bob Blackman: It is a pleasure to follow the hon. Member for Westminster North (Ms Buck), although I suspect that my perspective on housing in London, the south-east and the rest of the country is very different from hers. We have to start from the housing problems that we have and to remember that, as I think the Chair of the Select Committee pointed out, for far too long we have not built enough homes—irrespective of whether they are for sale, for rent or for social rent—in this country. The key point is that we have to ensure that the delivery of new housing begins apace, and the Bill contributes towards exactly that requirement.

We need to face up to the fact that a small number of very large house builders in this country ration the development of land to maximise their profits from the sale of the homes that they build. We must break the stranglehold of that consortium and encourage small developers to develop new groups of houses, which will give people the opportunity to buy those homes. In addition, over the past 10 years, social rented accommodation has been completed solely by registered social landlords—what we call housing associations—which

sit on huge bank balances and assets that they could utilise to build far more units than they do. Far too many housing associations are coasting and not providing the sort of accommodation that we all wish to see. Somehow, we have to break through.

The Bill also resolves the problem that it is very hard for young people to afford the deposit that they need to buy their first home. The principle—the Labour party has not yet fully appreciated this—is that the Government are switching resources from social rented accommodation to the development of starter homes for sale, so that young people and families have the chance to own their own home. Home ownership among that group of people has dropped through the floor. The average age at which someone buys their first property is now about 37, and it is going up all the time. Many people now believe that they will never own their own home, because their income is insufficient.

Mr Jackson: Is there not an issue of fairness and social equality here? It was reported today that 25% of the funding for first-time buyers comes from mum and dad—the family. Is it not unfair that if an individual has wealthy parents, their parents can cascade that wealth to them? This policy, under a Conservative Government, will spread the wealth and enable people on modest incomes not to have to rely on the bank of mum and dad to buy their first home.

Bob Blackman: It is quite clear that we want a more democratic system in which people have the opportunity to buy their own homes. The principle introduced in the Bill of encouraging home ownership through that process must be right. Equally, it is quite clear that an unfinished piece of business from the Thatcher revolution of the sale of council homes under the right to buy was that housing association tenants did not have the same opportunity, so I am delighted that the Government are putting that right.

It is right to ensure that people who exercise the right to buy continue to live in their properties as owner-occupiers. It is not right that people should suddenly have a windfall because, having been in social rented accommodation, they are offered a discount on a property that they can either immediately resell or re-let. There should be a taper, and I am glad that the Government have seen sense in accepting that such a taper should apply. There is an argument—or a discussion—about where the taper should start, but the reality is that the vast majority of people see that as the right way forward. People buying a property under the buy-to-let process should also have the opportunity to ensure that they get a discount under the Help to Buy arrangements but, equally, they should not be allowed suddenly to get a windfall and then move on.

Catherine West: What does the hon. Gentleman think of the suggestion recently made by one of my constituents that the right to buy should also apply to private sector tenancies? Should there be a public subsidy so that somebody has the right to purchase a private tenancy?

Bob Blackman: It is quite clear there should be an opportunity for everyone to exercise the right to buy. In London, people who use buy-to-let arrangements are getting a return of probably about 3% to 4% on their

[*Bob Blackman*]

capital. They are not necessarily getting a huge rate of return, so they are providing facilities for people to live in accommodation when those people cannot possibly afford to buy their own home, or choose not to do so. There are people who choose to rent rather than buy because that suits their lifestyle better.

I want to move on to an issue that seems to have been forgotten in all this. The reality is that someone who demonstrates that their housing need is sufficient—in other words, they are homeless—has a chance of winning the lottery prize of getting social rented accommodation. If they currently get such a prize, they can live in the property for the rest of their life, regardless of their income. That has to be wrong; it should not happen. People come to me every day and say, “I can’t get a council property. I can’t afford to rent a property in the constituency. All the local authority is offering is, with respect, a place in Bradford, Wolverhampton or somewhere in Birmingham, but nowhere near London.” The reality is that people are being priced out of the market because we are building too few homes and, equally, we are allowing people to live in social rented accommodation for far too long after their incomes have risen considerably. That cannot be right. Social rented accommodation should be for people who need it.

Mr Betts: Is the hon. Gentleman therefore saying that pay to stay is intended to drive people out of social rented accommodation when they earn more than £40,000? Will they actually be priced out? He seems to be implying that if they live in social housing, there will not be enough social housing for other people, and that we therefore need to get them out of such properties so that poorer people can have them.

Bob Blackman: No. This is where there might be differences between London and the south-east, and other parts of the country. The vast majority of London council house tenants, and even housing association tenants, are on the maximum housing benefit, so the public sector is picking up the cost of their rent. I am saying that if someone is earning more—if they are above the threshold—they should contribute more to the cost of their rent. When we examine the figures, we can see that tenants actually pay very little in rent in most parts of London at the moment because housing benefit picks up the cost of their rent. I am saying that if people are employed in reasonable occupations with reasonable incomes, it is right that they should contribute to the cost of public sector housing, and that principle is set out in the Bill. It is the right approach and one we should thoroughly endorse tonight. It is important to put it on record that this is not an attempt to force people out of social rented accommodation; it is a matter of fairness and of people paying their way reasonably.

Transport for London has 5,700 acres of land in London, and while not all of it is developable, a lot of it is. That is one public authority in London that has an opportunity to provide land that could be used for the development of housing for rent or for sale. I piloted the Bill that will enable TfL to provide the homes that are required, and it was interesting that the only opposition to it came from London Labour Members, who opposed the opportunity for more than 50,000 homes to be built

in London for the very people they represent. I suggest that we should reject all the Lords amendments that are a deliberate attempt to wreck the scope of the Bill, which contributes to the creation of more housing and more affordable housing, to the opportunity for people to own their own homes, and to local authorities working in partnership with the Government to deliver the homes that people want.

Dr Blackman-Woods: The hon. Gentleman has had much to say about pay to stay, but has he looked at the Government’s own consultation on the policy, which showed that 75% of people disagreed with the thresholds that the Government are setting? In fact, a huge majority disagreed with the voluntary policy that is already in place with a threshold of £60,000. I am not sure where the hon. Gentleman gets the idea that this policy is readily accepted by everyone; it simply is not, and not at the current thresholds.

Bob Blackman: If individuals are not contributing additional rent towards the social rent they are being charged at the moment, I can understand people saying, “I don’t want to pay any more.” Who would want to pay more? That is a foolish view to put forward. We must ask what is fair and reasonable to ensure that we can change the situation in this country by creating more housing and encouraging the development of more housing, while making sure that people pay a reasonable rent so that they are not subsidised by other taxpayers on lower incomes who are struggling either in private rented accommodation or to buy their own homes. Such a view is not fair or reasonable, and it must change.

I end, as I began, by saying that I commend the Bill and the Government amendments to the Lords amendments. I trust that we will reject all the Lords amendments that the Government oppose and that we will support the Government amendments.

Dawn Butler: We have just heard about the land held by TfL, and Labour Members are seeking guarantees that houses built on TfL land will be properly affordable for people living in London. There is only one person who has guaranteed that that will be the case: my right hon. Friend the Member for Tooting (Sadiq Khan). If the hon. Member for Harrow East (Bob Blackman) wants to ensure that affordable houses are built on TfL land, I recommend that he votes for my right hon. Friend on Thursday.

Chris Philp: Will the hon. Lady give way?

Dawn Butler: I will not give way now as I want to get into my stride.

7.30 pm

My hon. Friend the Member for Westminster North (Ms Buck) and I were in the Members’ Tea Room not long ago exchanging really sad stories about our constituents. It was heartbreaking for us to share those housing stories. More than anyone else on the Opposition Benches, we need to ensure that the Bill is right for our constituents in London.

At the moment, the Bill is a disaster for London. It redefines affordable housing to include starter homes, the price cap for which, at the moment, is set at £450,000. I will explain how that affects my constituents in Brent Central. Twenty per cent. of £450,000 is £90,000, which

brings the rough cost of starter homes in Brent down to £360,000. If a mortgage for £360,000 with an interest rate of 3.92% is to be repaid over 25 years, that means a payment of £1,884 per month. The median household income in Brent is £31,601, and an individual earning that amount will bring home £2,054.66 a month after tax. That means that the average person in my constituency would have to spend 91.6% of their entire average income on mortgage repayments, which is most definitely not affordable. The independent housing charity Shelter estimates—we have heard this before—that Londoners need £77,000 a year to afford a starter home. The Bill hits London councils the hardest, and essentially hollows out the capital.

The Lords amended the Bill to guarantee that when council homes are sold, local authorities will be able to replace them with new homes for social rent in local areas—for doctors, nurses, teachers, and everyone who is working and earning an average wage in London. That puts into practice the principle behind the amendment tabled last year by my right hon. Friend the Member for Tooting. The Khan amendment set out that if a home for social rent is sold off, it must be replaced by a new home for rent in the same area. That is important, because otherwise we are socially cleansing certain areas, which is wrong. We have heard the arguments many times, and sometimes speeches from Government Members sound very muddled. We need to trust local authorities to know their need when it comes to providing housing for the local area.

All Members must support that principle if they are serious about protecting London's great mix of people across our city. We need to protect the doctors, the nurses, the teachers, the shop workers and the cleaners to make sure that we have the diverse London that won us the Olympics of which we are so proud.

I will not speak for much longer, but I want to say that selling off high-value council homes makes no sense. In Brent, it will mean that we sell off more than 70 family homes a year. Are we saying that people should not have large families? Thank the Lord, I say, with regard to the Lords amendments; I hope that the Minister and Conservative Members will accept them.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. I am not going to impose a time limit, but there are still 10 Members who wish to speak in the debate and we have less than an hour to go. If people stick to about five minutes or so, everyone will be able to get in.

Chloe Smith: I will speak specifically against Lords amendment 54. Local authorities should not have local discretion to apply pay to stay. I will raise a very clear example that shows the worst possible risk of local self-interest.

Norwich City Council, I am sorry to report, is led by Labour, although we have elections on Thursday. The Norwich Labour party may be having a rather difficult week—the leader of the Labour party is no doubt right now looking into reported extreme tweets from the hon. Member for Norwich South (Clive Lewis).

The leader of Norwich City Council himself, Councillor Alan Waters, lives in one of his own council homes. In fact, he is not alone in doing so. So many Labour

councillors on Norwich City Council live in their own council housing that they cannot even recuse themselves from business relating to their pecuniary interest, as clearly laid out in the standards expected of councillors; in response to my investigations on this topic, a city council spokesman confirmed in March that so many councillors were taking advantage of their own housing that the political balance of the council would be affected if all tenants took no part in discussions about housing policy. That means that councillors are being allowed to take part in discussions about council housing even though they have personal financial interests in it.

More specifically, the leader of the council is himself likely to be a high-income tenant under the terms of the Bill. His own register of interests at City Hall clearly shows that as well as living in one of his own Norwich City Council houses, he holds a professional job in London and Norwich and a directorship, all while earning well over many people's minimum wage from council expenses alone. Of course the leader of Norwich City Council will not want higher earning tenants to pay a fairer rent, because he is likely to be one of them. If his Labour friends in the Lords were to get away with letting councils have discretion over the policy, of course he would not enact it in Norwich.

The policy should be enacted because it means that better-off tenants will pay their way—or, indeed, move out to allow poorer families who really need a council home to have it. There are thousands of families in Norwich on the housing waiting list. Those who argue against the policy seem to believe that if people living in council housing earn a bit more, they should not pay a bit more in rent, and that people on any amount of money should be able to continue to live in public housing, subsidised by the taxpayer. People might remember that union baron Bob Crow lived in a council house until he died, yet reportedly earned £145,000.

I simply do not think it is right for the struggling family who really need that home to be denied a place because a well-off person has it. That is why I support the Bill, as a Norwich MP who wants people to be able fairly to get the homes they dearly need, and why I am speaking against Lords amendment 54.

Bob Blackman: My hon. Friend has jogged my memory. Unfortunately, I forgot to declare my entry in the Register of Members' Financial Interests and draw it to the attention of the House. May I use this opportunity to correct the record?

Chloe Smith: I welcome my hon. Friend's doing so, because it shows the kind of principles that we should uphold in public life. We seek integrity and honesty in public life. That goes to the heart of my point. It is particularly hypocritical and wrong if a local council leader opposes this policy while standing to gain personally from doing so.

Mr Jackson: My hon. Friend is making a very strong case. Does she remember the time, not that long ago—about half a dozen years—when the Labour party was on the side of working people and was considering reforms of lifetime tenancies of council houses? Now, for purely political reasons, it is not on the side of working people but, for electoral reasons, on the side of people who support the Labour party. That is why it opposes this policy.

Chloe Smith: I welcome that reminder from my hon. Friend. Like him, I urge people to vote Conservative in city council elections this week, because on the one side we have self-interest, and on the other the principles of public office. Those principles are very clear: council leaders should, like all of us, be upholding integrity, accountability and honesty in public office.

The people of Norwich deserve higher standards of integrity from the leader of our council, rather than a strong smell of self-interest and personal gain. The thousands of people in Norwich on the housing waiting list deserve better. People across the country deserve better than a watered-down pay to stay that could allow local weakness to stand in the way of right and wrong. I urge hon. Members to join me in opposing Lords amendment 54, and to uphold the right thing to do by asking those who are better off to pay accordingly.

Mr Lammy: I am grateful to you, Madam Deputy Speaker, for calling me to speak, because I know that many other Members wish to. I will therefore not take any interventions.

The Government's own figures show that rough sleeping has increased by 30% over the past year, and it has almost doubled since they came to power back in 2010. The Mayor of London promised to tackle homelessness in the capital, but it has doubled over his period in City Hall. The Combined Homelessness and Information Network found that there are 7,500 rough sleepers on London's streets alone. Councils are spending a staggering £623,000 every single day on temporary bed and breakfast accommodation just to put a roof over the heads of vulnerable families. That equates to £227.5 million last year, a rise of over £60 million on the previous year. The overwhelming majority of that money—some £176 million—was spent in London; 10% of the total figure—some £20 million—was spent in my home borough, the London borough of Haringey.

We have heard from my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), who chairs the Public Accounts Committee, which has looked into the extension of the right to buy. Its report makes sobering reading. The Government have not published a proper impact assessment on the full extent of the right to buy. In fact, my hon. Friend said:

“The Government should be embarrassed by the findings of this Report.”

I could not agree more.

I ask the Government why they are planning to push through changes that would reduce social housing stock by 370,000 by 2020. That figure is not from the Labour party; it is from the Chartered Institute of Housing. Why are they proposing to push that through? They are stretching councils to breaking point but are not even prepared to publish an impact assessment. Homelessness will increase and more families will end up in temporary accommodation. More families on low incomes will be reliant on the private rented sector. Of course, if they are reliant on the private rented sector, who will pick up the bill for that? We the taxpayers will, because housing benefit will increase.

Ms Buck: Does my right hon. Friend also recognise that there is a phenomenon known as “right to buy to let”, which has seen, for example, ex-council flats on the Amberley estate in my constituency, which would have

been rented for £140 a week under the council, now being rented for £690 a week? In some cases, they are used to place homeless families in temporary accommodation. Is that not a phenomenal waste of resources?

Mr Lammy: It is a phenomenal waste of resources. Usually, although we play party politics and there are dividing lines, there are issues on which there is some agreement. But here we have a Bill that offers a discount to those who can be earning up to £77,000, and there is already a discount for right to buy. The housing benefit bill is bound to go up. How is that a sensible Conservative policy? That is what I would like the Minister to explain. On what analysis is that fiscally sensible? It does not feel fiscally sensible to me to introduce a set of policies that will not only run a coach and horses through our housing policy, but actually cost the taxpayer more in the long run.

That is all in addition to the issues of social exclusion and, I believe, social cohesion that will inevitably follow in parts of London. It has been said before that what we are seeing in London—this Bill will make this worse—is a move towards what we see in Paris, with an inner sanctum that is very well off, surrounded by an outer banlieue where people who are very poor move when they are increasingly pushed out. We should commit to having a balanced situation. Of course we want to help people on to the housing ladder, but surely we do not want to drive the very poorest into some of the most squalid housing in the city and then ask taxpayers to subsidise it.

7.45 pm

Only last Thursday it was reported that Camden Council will be auctioning off £150 million of council homes on the private market in order to pay for these short-sighted reforms. Those council homes should be going to families on the capital's waiting lists, but instead they are being sold to private buyers. For what reason? Is it to fund the fire sale of yet more council properties to tenants at a discount rate under the right to buy? It just does not make sense. I am putting on my best Conservative hat and trying to understand it, but I am struggling—usually I can just about get there, but I cannot on this occasion. I am really looking forward to hearing the Minister explain this.

Last month I asked the Minister what steps his Department is taking to ensure that replacements under the replacement housing scheme will be provided. He told me that

“housing associations will have the flexibility to replace nationally.”

He has repeated that line today, but the House has pressed him for detail. He is an educated man, so can we get into the detail, because this is important stuff that we are being asked to see through? He has been asked for detail by the Public Accounts Committee and its Chair, but we have heard absolutely none. When there is no detail, as this House knows from experience, it is usually because it has been done on the back of an envelope. We will be back here in a few years' time to tidy up this mess—when I say “we”, I mean the House as a whole. Where is the detail? We need to hear more about what flexibility he actually means.

In London there were just 4,881 affordable homes built last year, which is the lowest number since 2008. How will this Bill make that any better? It will not, and that is why we oppose it.

Ben Howlett: I will try to be a little more sober in my approach to this debate. It is a privilege to be able to speak in favour of the Bill. As Members across the House will know, I have raised my concerns about the high cost of housing in my constituency and other high-value areas on multiple occasions, and I have been supportive of the Government's plans to build 400,000 affordable homes by 2020-21. Starter homes will make a massive impact in the west of England, enabling young families—and indeed families who are not young—to get on the property ladder. I think that is an incredibly important story to tell. I join other Members across the House who have talked about the importance of the housing debate, not just in London, but in other high-value areas throughout the UK.

I am fortunate enough to have got myself on the property ladder a little bit younger than the average age, aged 29, but that was only because my other half and I were able to combine our earnings in order to afford a two-bedroom house worth £450,000. I have a huge amount of respect for the hon. Member for City of Durham (Dr Blackman-Woods), and not just because I went to Durham University and one of the first elections I campaigned in was in her constituency—sadly, we did not win, but we did get rid of those Liberal Democrats, as we managed to do in Bath as well. But I take umbrage with the Labour party on this point, because if a two-bedroom home that costs £450,000 is good enough not to do anything, frankly, I do not think that is an argument that will wash very well with her constituents; it certainly would not wash with any of our constituents.

I am confident that the Bill, which we have now been debating for months, will go some way towards helping Bath residents access the housing ladder. During an earlier stage of our consideration of the Bill I joined several other Government Members, as the Minister has said, in calling for more to be done to increase the amount of affordable housing in high-value areas outside the capital, including Oxford, Winchester, Truro and Bath. Those are all beautiful places, so it is understandable that demand for houses there is very high. In such areas it is often young, aspiring homeowners who do not have the chance to buy, especially when they do not have the financial support of a relative. I do not want those groups to be put off moving to those areas and ultimately staying there, simply because they could not find a deposit. That has a major impact on economies outside London that are desperate for houses to be built to ensure they have the workers to maintain their economic growth. The west of England has increased its growth rate substantially over the past five years, as a result of the Government's economic policies, but without housing integrated into the equation, we cannot maintain that.

I thank the Minister for taking the time to meet fellow MPs to discuss this issue and for taking our views into consideration. I agree with him that one answer to the problem is to increase the housing stock in higher-value areas. After talks with him, I am pleased to see the Government amendment changing “higher” to “high”, which will allow them the flexibility to ensure that areas with the highest-value housing are not unfairly impacted. That will have a major impact on the flexibility local authorities have to deliver more homes. I am also pleased that the Government have listened to our concerns and ensured that for every home a local authority agrees to sell, at least one new affordable home will be provided.

Such measures will increase our housing stock and allow more young people to access the housing ladder. It also suggests that the Minister has listened to the concerns of the past and produced sensible proposals to ensure that housing is built rather than lost.

I applaud the Government for taking those important steps, but they will not, sadly, increase the housing stock in Bath, where the local authority has already taken steps to sell vacant high-value housing, having sold off a lot of homes for social housing. I therefore welcome what the Minister said earlier and call on Bath and North East Somerset Council to work with fellow councils, such as Wiltshire, Somerset and South Gloucestershire, to bid for the £1.2 billion and other funds available to deliver more homes for our areas. I look forward to working with the Minister, I hope, to see how our authority can put that into practice.

Bob Blackman: Is not one problem in this debate that a property will be sold for a certain value—the open-market value less the discount—but that the cost of building a home is normally much less? That great benefit could be used for new housing.

Ben Howlett: I completely agree. The sale of one high-value asset in a high-value area, such as Oxford, could enable more than just one new home to be built, because it costs a lot less to build, particularly given the current style of building adopted in some cities to keep up with demand. That is learning the lessons of the problems in the 1980s when these things were not taken into consideration, and it is thus another reason to back the Government's proposals and not to listen to the wrecking amendments from the Lords.

I look forward to the housing revolution by 2020, and I hope that the House will reject the wrecking amendments from the House of Lords and back the Government on this vital Bill.

Tom Brake: I am a member of Sutton Housing Society Ltd, although I have no pecuniary interest.

I will start where the Chair of the Communities and Local Government Committee finished, on the issue of supply. The Bill should be about supply in the widest sense, but while I do not doubt that Ministers are seeking to solve housing problems for some, I am afraid that the Bill will do nothing for the people I see regularly in my constituency surgeries. Nothing in it will help the single mother I referred to earlier, living and working in London on £17,000 a year and seeking a better private rented property or social housing through a housing association. Nor will it help the couple I saw a few months ago in a two-bedroom flat with three children, who could not afford the rent in a housing association property, let alone afford to buy in London.

We have heard about the Khan amendments, but perhaps I could throw in the Caroline Pidgeon amendments, which unfortunately do not feature in any of the strings today. The advantage of her proposal for London is that it includes a revenue stream of £2 billion to deliver the housing. Many have said they will deliver housing, but in practice we are still hundreds of thousands of properties short.

The Bill has been subject to an extraordinary number of amendments and no fewer than 13 Government defeats in the Lords, which is testimony to the fact that

[Tom Brake]

the Bill was presented to the House lacking a huge amount of detail and clarity. I thought we might get some here but that has not, I am afraid, been the case. The Bill contains provisions that will have extremely concerning consequences for housing in the UK and affordable housing in particular, and the fact that there has been such united cross-party opposition to the Bill in the Lords, including from Cross Benchers, indicates the depth of concern.

The Bill's focus is on home ownership for better-off renters, but it neglects affordable homes to rent and clearly seeks to reduce the number of social homes provided by local authorities. As Opposition Members have said, the impact will undoubtedly be a rise in homelessness. Furthermore, far too much is being imposed on local authorities, in terms of sales of higher-value council homes, pay to stay and secure tenancies. It is encouraging, however, that the Government have taken on board some of the serious concerns and made concessions in relation to amendments 26 to 36, on abandonment, and amendments 90 and 91, on mandatory electrical safety checks for private tenants. Those are welcome.

I also welcome the Government's recent inclusion in the Bill of a commitment to replace all homes sold off under the sale of higher-value properties. Replacements are critical to whether the Bill will have a devastating impact on social housing. In the past, promises of replacement have been made but not delivered, and as several Members have mentioned, it is critical that the replacement is like for like, in terms of the type of property, and in the same area.

In London, pay to stay is of particular concern. Some Members might be aware of a report by the Joseph Rowntree Foundation in 2014 that found that a family of two adults and two children needed an income of £40,000 to have an acceptable standard of living. That was an average across the whole country. Given that that was two years ago and an average for the country as a whole, it is clear that families on £40,000 in London would not be wealthy. I hope that the Government will look favourably on amendment 57, which would raise the threshold by £10,000 and might actually get people up to an acceptable standard of living before their income is reduced by rising rents in their social property. In addition, I will certainly support amendment 55, if it is pressed to a vote, and amendment 54. If they are pressed, I will also support amendments 9 and 47, which were debated earlier.

With that and within your five-minute margin, Madam Deputy Speaker, I will sit down.

James Cartledge: I start by declaring my housing interests in the Register of Members' Financial Interests. They include a significant involvement in shared ownership, which it is almost impossible not to speak about in such a debate.

I want to focus on starter homes, on how they interact with other affordable home ownership products and, more importantly, on how they will affect my constituents. I am intrigued by the idea, in amendment 1, that someone would repay the 20% discount over 20 years. It is unclear how it would work in practice—I apologise for not having studied the *Lords Hansard* for a lengthy

explanation. Would the money be repaid on the sale of the property only, or would it be a credit agreement repaid annually? If, on the sale of a property, someone's circumstances had worsened or they were unemployed—people sell their properties when their circumstances change—would they still have to repay the equity discount from which they had benefited? We must remember that whenever we add complexity to a home ownership product, lenders do not like it and are less likely to be involved. I make that impartial observation as a former mortgage broker.

My other point about amendment 1 is that we must remember that it is relatively unprecedented in affordable home ownership products to have repayment of the subsidy from which the homeowner has benefited. With shared ownership, grant is implicit, but when someone sells their share, they do not repay the part that came from the Government grant. They have become a homeowner, and they benefit or otherwise from the increase in the value of the share.

8 pm

Under the Labour Government, there was a product called "price discount covenant", and I remember dealing with it when I was a broker. There was a perpetual discount there, which meant that there was less of an argument about whether it should be repaid. The problem was that mortgage lenders do not like perpetual discounts, and there were only two active lenders, who required a much higher deposit than would otherwise have been the case.

We do have equity loan products. The largest scheme for funding home ownership at the moment is an equity loans scheme, whereby people receive a loan for a 20% deposit, and with their own 5% deposit, they can buy a 75% loan to value on a new-build property. The beauty of the discount scheme, as I understand it, is that it does not include an equity loan; it is paid for by taking affordable housing allocations on a development through a section 106 agreement. In that sense, it is an eminently sensible policy.

Probably the most important amendment on starter homes for Conservative Members is Lords amendment 9. It looks very innocent:

"An English planning authority may only grant planning permission for a residential development having had regard to the provision of starter homes based on its own assessment of local housing need and viability."

I can understand why Labour Members, including the hon. Member for Sheffield South East (Mr Betts), the Select Committee Chairman, would want more clarity on how starter homes will mix with other affordable housing tenures. To that extent, we might say that we can understand why the amendment was tabled. Government Members, however, ask ourselves whether it is because of some commitment to localism and giving local areas a say, or is it because their Lordships do not like the idea of starter homes, and this is a wrecking amendment, which would mean that many councils would ensure that these schemes never saw the light of day. That is our concern, and it is why I believe that most of my hon. Friends are likely to vote against the amendment.

The interaction of starter homes with other products is important. The most extraordinary point that I have heard in the debate is the criticism of the affordability

of a starter home. By definition, it is singularly the most affordable product. Let me explain why. I have had a lot of experience with shared ownership, so I know it is a good and sustainable product that has lasted a long time. With a shared ownership property, people buy a share and put down a deposit in respect of it. They are tenants, engaged in a process of “part buy, part rent”—a stepping stone towards full ownership. Here is the key point. The person pays the market price for the property. Yes, they buy a share in it, but the full market price is paid in total.

As part of my business interests I used to run a website in conjunction with the Greater London Authority, which displayed all the shared ownership properties in London. I can tell Members that the average price is £450,000. In places such as Notting Hill, shared ownership properties have been re-sold at £800,000 or £900,000. We have received emails, saying “This isn’t an affordable housing website because these properties are £600,000 or £700,000”, but that is not the point. Shared ownership does not affect the market price. The property is still sold at the prevailing market price. It simply provides a mechanism to pay a lower deposit.

I see that you are calling me to conclude, Mr Deputy Speaker, so let me finish with one final point—an extraordinary statistic—about South Suffolk. It is predicted that by 2035, there will be 4,000 more people in the starter-home age bracket in my constituency—aged 25 to 39—while there will be 84,000 more people aged 65 to 90. As I say, it is an incredible statistic. I return to the point made by my hon. Friend the Member for Chippenham (Michelle Donelan)—that the most important benefit from starter homes is that it will encourage more young people to remain in constituencies such as South Suffolk and will attract people in that age bracket so that we can make our communities more sustainable.

Helen Hayes (Dulwich and West Norwood) (Lab): I congratulate their Lordships on their meticulous and effective scrutiny of the Housing and Planning Bill and on their staunch opposition to many of its most damaging provisions. Having heard the Government response, I see that what remains is an ideological commitment to the undermining of social and genuinely affordable housing, which flies in the face of evidence from across the housing sector; and a package of measures that will fail to deliver for my constituents and for people across the country the solutions to the housing crisis that they so desperately need.

There is a universal consensus that starter homes will be out of reach for people on median incomes in most areas of the country, and particularly in London, and that the very strong obligations on councils to deliver starter homes will undermine their ability both to deliver genuinely affordable homes and to meet local housing needs. Councils will see their waiting lists grow, while scarce valuable land will be used up delivering homes that very few can afford. Home ownership will not grow in the way that Members on both sides of the House would like to see it grow, while too many people are spending too high a proportion of their income on rent and letting agents fees in the private sector to be able to save for a deposit.

It is therefore extremely disappointing that the Government are refusing to accept Lords amendment 9, which would allow councils to decide how many starter

homes are built, based on their own assessment of local housing need. It is astonishing that in their ideological commitment to starter homes, the Government are prepared to override the detailed local knowledge of councils and their ability to respond best to what their local communities need.

It is also disappointing that the Government are refusing to accept Lords amendment 47, which would allow councils to retain the receipts from the forced sale of higher value council homes to provide new homes of a tenure that is in demand locally. Without this amendment, there is no guarantee that homes built to replace those sold under right to buy or forced sale will be of the same tenure, or indeed in the same area, and this will have a devastating impact on the social mix and economy of London in particular, and in many other areas.

The abolition of secure tenancies is deeply concerning. I welcome the extension of the maximum length of a social tenancy from five years to 10, and the introduction of some protection for families with children, but I continue to question the principle of the abolition of secure tenancies. People on lower incomes aspire just as much to a secure home as those who can afford to raise a mortgage. I remain concerned that fixed-term tenancies of 10 years simply postpone the anxiety that will surround the ending of the tenancy.

A tenancy review for families with grown-up children presents the very real prospect that adult children may no longer be accepted as a legitimate part of the household for any new tenancy for the purposes of a housing needs assessment. Where would our young adults go then? It would be far better if the Government accepted the benefits of secure tenancies for families and communities, and removed this damaging measure from the Bill.

I remain concerned about the pay-to-stay provisions, which are a further attack on hard-working tenants—a tax on aspiration and achievement. I recently heard from a constituent who had lived with her partner and children in a council home for 14 years. She wrote:

“You see, our joint income for 2015-2016 is estimated to be £38,000. That’s with me working part time and my partner working full time. I intend to work full time from September 2016. If I do then our income will be over £40,000—the government have decided I will have to pay market value rent. I’m sickened at the idea of having to move as there is no way we can pay that level of rent. We don’t have any savings so we are in no position to even contemplate getting a mortgage.”

How can the Government justify legislation that will have such perverse and damaging consequences?

Let me turn now to the elephant in the room. The single biggest cause of homelessness is now the ending of a private tenancy, yet this Bill does absolutely nothing to improve either security of tenure or affordability for the millions of people living in the private rented sector. I have been contacted by 50 constituents since the beginning of January—more than two a week—who are facing homelessness, the vast majority of them in the private rented sector. Residents whose private tenancy comes to an end are increasingly ending up in temporary accommodation at great financial cost to the public sector and great personal cost to the residents and their children, who often end up a long way from their children’s schools, in overcrowded accommodation, too often sharing kitchens and bathrooms with strangers.

[Helen Hayes]

In the London Borough of Lambeth alone, there are 5,000 children living in temporary accommodation—more than in the entire city of Birmingham in a single London borough. The Housing and Planning Bill entirely ignores the plight of these families. It will make it harder for them to access a genuinely affordable home to rent; impossible for them to access a secure tenancy; and offers no hope that their family's next private tenancy will have any more security than the last. How can the Government introduce major housing legislation that ignores the single biggest cause of homelessness?

The housing crisis has become all-pervading. It is already affecting London's public services, with schools and the NHS finding it difficult to recruit suitably qualified and experienced staff, and it is affecting London's economy, as the workforce our city needs cannot afford to live here. This Bill will make the situation worse.

We are debating this Bill during a week when Londoners will vote for our next Mayor. We need a Mayor who will stand up for Londoners who are unable to afford a secure home to rent or to buy. We need a Mayor who will make good use of publicly owned land to deliver genuinely affordable homes. We need a Mayor who will stand up for Londoners against a Government who are determined to divide our city, undermine our diversity and make it a place where only the wealthy can afford to live. I look forward to seeing my right hon. Friend the Member for Tooting (Sadiq Khan) doing just that in two days' time.

Kevin Hollinrake: Opposition Members have made the point that starter homes will be built, rather than affordable homes to rent. That is, of course, true to some extent, because people want to buy homes and people on lower incomes have been excluded from the housing market for too long. We have been building an average of 50,000 affordable homes to rent for the last 20 years. Why have we not been building more affordable houses for sale, if that is what people want? Given that we have 20 years of catching up to do, it is absolutely right for the Government to set the ambitious target of building 200,000 starter homes over the next four years.

The hon. Member for Dulwich and West Norwood (Helen Hayes) gave the example of someone who will have earned £40,000 by the end of this year and is living in an affordable rented property. The average price of a London home for a first-time buyer is £250,000. I believe that, under this policy, a starter home in London could be built for about £200,000. The information provided by Shelter about the unaffordability of starter homes in most local authority areas is flawed, or deliberately misleading, because it is based on the median house price. First-time buyers buy at around 25% below the median house price, and in my area, the average house price is about £200,000.

Mr Lammy: Does the hon. Gentleman dispute the figures given by the Office for National Statistics, which has said that the average first-time buyer in London paid £400,000 last year?

Kevin Hollinrake: I am not aware of the figures to which the right hon. Gentleman has referred, but, according to the Council of Mortgage Lenders, the average house

price for first-time buyers in Greater London is £250,000. In my area the average house price is more than £200,000, but we have some very nice villages in which the average is £300,000. First-time buyers will pay about £150,000, and will move a few miles away from those nice villages to buy in a more affordable area. If they can buy at 20% below that value, they will pay £120,000. Bringing property for home ownership within the reach of many more people is absolutely the right thing to do, and this policy is clearly very popular with first-time buyers.

Victoria Borwick: Will my hon. Friend join me in welcoming the fact that, over the last eight years, the current Mayor of London has built more than 100,000 affordable homes? Moreover, the public land database established by the London Land Commission, supported by the Chancellor, will reveal that there is space for another 400,000 homes on brownfield sites. It will show that not only the Transport for London land that was mentioned earlier by my hon. Friend the Member for Harrow East (Bob Blackman) but other public land will be publicly available to enable the next Mayor—who we hope will be my hon. Friend the Member for Richmond Park (Zac Goldsmith)—to deal with the housing crisis.

Kevin Hollinrake: I welcome the building of properties for all tenures, because lack of supply is at the heart of the big issues that affect the housing market.

This policy is also popular with local residents. If there are to be new developments in their areas, they want to see properties that local people can afford. There is a feeling that people in affordable properties for rent may have no connection with the area. People who buy affordable homes are much more likely to have that local connection and commitment, so I welcome the Government's proposals.

Of course we need to ensure that properties are delivered for all types of tenure, and I am convinced that that will happen. The Government are consulting on the proposal that about 20% of a development of 10 units or more should be for starter homes. The average number of affordable homes on a site is more like 35%, so there will be room for affordable homes to rent as well. It will clearly not be possible to achieve the 20% target in some cases for reasons of viability or because other kinds of development have been allowed, so I hope the Government will consider whether allowing a percentage of the affordable homes on that development to be starter homes might be more appropriate, but we certainly want to increase the number of properties being built. I believe that that objective is at the heart of the Bill, and I shall enjoy walking through the Lobbies this evening to support the Government.

8.15 pm

Catherine West: It is a pleasure to follow the hon. Member for Thirsk and Malton (Kevin Hollinrake).

I shall be brief, because I know that the hour of the vote is upon us, but I could not resist speaking. Since I was elected a year ago, 1,300 people have come to my advice surgery or have contacted me, and 60% of complaints have been about housing. People have wanted to get on to the housing ladder, have been party to unsatisfactory private rental agreements, or have desperately needed a social home.

It is great that so many London Members have spoken today. Many of us look forward to a wonderful result on Thursday and a more positive approach to housing in London. I am sorry to say that, when it comes to housing for people on ordinary incomes, the record of the current Mayor of London has been pathetic. As a council leader—I must declare an interest as a vice-president of the Local Government Association—I was involved in a number of rows with him. When the council said, “This must be 50% genuinely affordable,” he changed the definition of affordable homes to 80% of the market rate which, in inner London, is utterly unaffordable for the average worker. He also called in applications proactively. When we had agreed with developers about 50% affordability, he turned the application on its head and gave in to the developers. We need a Mayor who will stand up for Londoners and hold developers’ feet to the fire. We need a Mayor who will do the opposite of what was done then and call in developments when councils are not providing enough affordable property.

Let me say a little about the private rented sector. This is not just a London issue, because 4 million families in the country are now renting private property. This is not just a minority interest for London Members; the problem exists across the board. The insecurity that families in the private rented sector feel must be taken much more seriously. It is a crying shame that, notwithstanding all the parliamentary time that we have had in which to debate this matter, and despite all the thinking that has been done in the House of Lords and here in the House of Commons, we have come up with no more than paltry recommendations for an unfair housing sector in which rents go up at the drop of a hat, agents can charge ridiculous fees just to photocopy a rental agreement, and people regularly have to change schools and GPs, which involves a massive cost. In the previous Parliament, housing benefit cost us £60 billion, which could have been spent on building more affordable homes. Why do we think that housing is such a wonderful investment for the private sector? Because of the returns. An investment of £100,000 returns that money after 10 years. It is an excellent investment, which is why housing is so expensive.

I see that you are restless for the vote, Madam Deputy Speaker, so let me end by saying that we must have some leadership from the Government on social housing. There are virtually no proposals, apart from that on starter homes, for the active promotion of high-quality communities with a mix of social homes, private homes, starter homes and key worker homes. We need to be able to take an active interest in how we shape our communities and neighbourhoods so that they are genuinely mixed, rather than being the ghettos that proposals of this kind could potentially create.

Chris Philp: I draw colleagues’ attention to my entry in the Register of Members’ Financial Interests.

Let me start by responding to a point made by the hon. Member for City of Durham (Dr Blackman-Woods). She referred to the Government’s house building record; let me tell the House that it is a fine one. In the last year of the previous Labour Government, only 125,000 units were started. Last year, that figure had increased to 165,000 units, so this Government have a record they can be proud of when it comes to building new homes.

The hon. Lady and the Chair of the Select Committee, the hon. Member for Sheffield South East (Mr Betts), also talked about the need to increase supply more generally, and we on this side of the House wholeheartedly agree with that. There is much in the Bill with which their lordships have thankfully chosen not to disagree that will increase supply, including local development orders, the requirement to have local plans in place by 2017 and the work of the London Land Commission. There is a huge amount in the Bill that will increase supply, which Opposition Members have asked for.

I want to say a word in support of starter homes. We know that 86% of the citizens of this country aspire to own their own home, and starter homes will help them to do that. By owning their own home, they will benefit economically as house values go up and they pay down their mortgages, and social benefits will accrue as well. We have heard a lot from Opposition Members about the importance of settled and rooted communities. What better way is there of having a settled and well-established community than by ensuring that it is a community of people who own their own homes?

Opposition Members also talked about affordability, speaking about the ceiling of £450,000 in London and £250,000 outside the capital. That is a ceiling; it is a maximum. My borough, the London Borough of Croydon, is the largest borough by population. The average starter home there will cost £190,000. That means that, with Help to Buy, a deposit of £10,000 will secure a home, and a couple earning £22,500 each will be able to afford to service the mortgage on it. In the London Borough of Croydon, starter homes will work.

On the point about increasing the supply of council houses, I must respectfully point out that in the past five years of a Conservative Government, we have built more than were built in 13 years under Labour. I would further point out that under the rules governing the disposal of high-value council houses, one such house will replace every one that is sold outside London, and it will be two for one in London. These measures will actually increase the supply of council housing across London as a whole, so they should be welcomed.

The problem with the amendment relating to the 20 years’ discount is that if someone wants to move from their starter home, they will need to realise its full market value in order to move up the property ladder to their second and then their third home. I believe that we might see regulations that would allow for a sliding scale, perhaps between five and 10 years. Given that the average length of time spent in a property is about seven years, that would make sense.

On the amendment about local authorities being able to circumvent starter home provisions, I must point out that our proposals were part of a national manifesto commitment that was approved by the electorate at the general election, so it is quite right that they should now be implemented nationally. Local issues will be fully accounted for via the 20% discount on the open market value, which will reflect local housing need.

There is more that I could say, but I am sure that we all want to hear from the Minister. I support the Government’s position on the amendments and look forward to supporting them in the Lobby.

Brandon Lewis: With the leave of the House, I shall respond to the debate. I thank all Members who have spoken about such a wide variety of subjects.

[Brandon Lewis]

I want to make a short speech to outline some important issues. Conservative Members feel strongly that we want to return the Bill to the other place with the clear message that we want more homes to be built, not fewer; more homeowners, not fewer; and progress on increasing our housing supply. Let me put this in context by quoting from our manifesto, which resulted in our being given a mandate at the general election. It stated:

“The chance to own your own home should be available to everyone who works hard...We will...build more homes that people can afford, including 200,000 new Starter Homes...for first-time buyers under the age of 40...We will give more people the chance to own their own home by extending the Right to Buy to tenants of Housing Associations...We will fund the replacement of properties sold under the extended Right to Buy by requiring local authorities to manage their housing assets more efficiently, with the most expensive properties sold off and replaced as they fall vacant.”

That is a direct quote from our election manifesto, and it is a promise to the people of Great Britain that we intend to keep. We also feel strongly that the Houses of Parliament should respect our mandate.

Let us also consider this in the context of the work we have been doing, which the Bill will take further—*[Interruption.]* The number of new homes delivered in the past year was not as low as it was under the shadow Minister, the right hon. Member for Wentworth and Dearne (John Healey)—he did not find this debate important enough to speak in, other than from a sedentary position—when it was just 88,000. The number of new homes delivered last year was up by 25% on the previous year, thanks to the work that we have done, and 181,000 new homes were built. Housing construction orders have doubled since 2009 and registrations are at their highest level since 2007. In fact, new housing registrations have increased in England more than three times as much as in Labour-run Wales. That gives us a clue about what Labour is doing for housing, and we as a Government are determined to go further.

When the House was asked to give the Bill a Second Reading, it delivered one of the largest majorities in this Session. That is why we believe it is important that we see more progress on delivering on the contract that we now have with the British people, who want more homes that they can afford to buy, as well as an overall increase in supply. The House once again has an opportunity to demonstrate its commitment to helping those who work hard to achieve their dream of home ownership. We are a Government of aspiration and opportunity, and we are getting Britain building again.

We are also a Government who will get our social housing working as efficiently and effectively as possible, not only so that more people can own their own home, but to increase the affordable housing supply overall. We will ensure that one new home is built for every high-value property sold outside London and, thanks to my hon. Friend the Member for Richmond Park (Zac Goldsmith), two will be built for every such home sold in London. That represents real delivery from someone who wants to represent London, with a plan to deliver more homes for London, but we have not seen that from Opposition Members. There is now a guarantee that one affordable home will replace every one sold outside London, and two in London.

We are delivering on our promises and we will continue to deliver on our contract with every person in this country that results from the mandate that they gave us. They gave us a mandate to deliver fair social rents through our first Conservative Budget in 19 years. They also gave us a mandate to deliver the ground-breaking Bill that we are discussing today. I am proud to be here today to enable us to go further with a Bill that will deliver more homes for our country.

8.27 pm

Three hours having elapsed since the commencement of proceedings on consideration of Lords amendments, the debate was interrupted (Programme Order, this day.)

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83F), That this House disagrees with Lords amendment 1.

Question agreed to.

Lords amendment 1 accordingly disagreed to.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F).

Government amendments (a) to (c) made in lieu of Lords amendment 1.

Government amendment (a) made to Lords amendment 184.

Lords amendment 184, as amended, agreed to, with Commons financial privilege waived.

Clause 4

PLANNING PERMISSION: PROVISION OF STARTER HOMES

Motion made, and Question put, That this House disagrees with Lords amendment 9.—(Brandon Lewis.)

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I must remind the House that the motion relates exclusively to England. A double majority is therefore required.

The House having divided: Ayes 287, Noes 172.

Votes cast by Members for constituencies in England: Ayes 279, Noes 158.

Division No. 258]

[8.28 pm

AYES

Adams, Nigel	Blackman, Bob
Afriyie, Adam	Blackwood, Nicola
Aldous, Peter	Blunt, Crispin
Allan, Lucy	Boles, Nick
Allen, Heidi	Bone, Mr Peter
Amess, Sir David	Borwick, Victoria
Andrew, Stuart	Bottomley, Sir Peter
Ansell, Caroline	Bradley, Karen
Argar, Edward	Brady, Mr Graham
Atkins, Victoria	Brazier, Mr Julian
Bacon, Mr Richard	Bridgen, Andrew
Baker, Mr Steve	Brine, Steve
Baldwin, Harriett	Brokenshire, rh James
Baron, Mr John	Bruce, Fiona
Barwell, Gavin	Buckland, Robert
Bebb, Guto	Burns, Conor
Bellingham, Sir Henry	Burns, rh Sir Simon
Benyon, Richard	Burrowes, Mr David
Beresford, Sir Paul	Burt, rh Alistair
Berry, Jake	Carmichael, Neil
Berry, James	Cartledge, James
Bingham, Andrew	Cash, Sir William

Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Dinelage, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hands, rh Greg

Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Leadsom, Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Lewis, Brandon
 Liddell-Grainger, Mr Ian
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James

Morton, Wendy
 Mowat, David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew

Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
George Hollingbery and
Sarah Newton

NOES

Abbott, Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allen, Mr Graham
 Anderson, Mr David
 Ashworth, Jonathan
 Austin, Ian
 Bailey, Mr Adrian
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackman-Woods, Dr Roberta
 Blenkinsop, Tom
 Blomfield, Paul
 Brake, rh Tom
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Byrne, rh Liam
 Campbell, rh Mr Alan
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Clegg, rh Mr Nick
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann

Cooper, rh Yvette
 Corbyn, rh Jeremy
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 De Piero, Gloria
 Dowd, Jim
 Dromey, Jack
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Glass, Pat
 Glendon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Gwynne, Andrew
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hepburn, Mr Stephen
 Hermon, Lady
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Hunt, Tristram
 Huq, Dr Rupa
 Jarvis, Dan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Kane, Mike
 Kendall, Liz
 Khan, rh Sadiq
 Kinnock, Stephen
 Lammy, rh Mr David
 Lavery, Ian
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Long Bailey, Rebecca
 Lucas, Caroline
 Madders, Justin

Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 McDonald, Andy
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 Mearns, Ian
 Miliband, rh Edward
 Moon, Mrs Madeleine
 Morris, Grahame M.
 Mulholland, Greg
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Rees, Christina
 Rimmer, Marie
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Sheerman, Mr Barry
 Sherriff, Paula
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Stringer, Graham
 Stuart, rh Ms Gisela
 Thomas, Mr Gareth
 Thornberry, Emily
 Timms, rh Stephen
 Turley, Anna
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 West, Catherine
 Whitehead, Dr Alan
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:
Jeff Smith and
Holly Lynch

Question accordingly agreed to.

Lords amendment 9 disagreed to.

Lords amendment 10 disagreed to.

Government amendment (a) made in lieu of Lords amendments 9 and 10.

Lords amendment 37 disagreed to.

Clause 72

REDUCTION OF PAYMENT BY AGREEMENT

Motion made, and Question put, That this House disagrees with Lords amendment 47.—(Brandon Lewis.)

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I remind the House that the motion relates exclusively to England. A double majority is therefore required.

The House having divided: Ayes 288, Noes 172.

Votes cast by Members for constituencies in England: Ayes 279, Noes 158.

Division No. 259]

[8.44 pm

AYES

Adams, Nigel	Caulfield, Maria
Afriyie, Adam	Chalk, Alex
Aldous, Peter	Chishti, Rehman
Allan, Lucy	Chope, Mr Christopher
Allen, Heidi	Churchill, Jo
Amess, Sir David	Clark, rh Greg
Andrew, Stuart	Cleverly, James
Ansell, Caroline	Clifton-Brown, Geoffrey
Argar, Edward	Coffey, Dr Thérèse
Atkins, Victoria	Collins, Damian
Bacon, Mr Richard	Costa, Alberto
Baker, Mr Steve	Cox, Mr Geoffrey
Baldwin, Harriett	Crabb, rh Stephen
Baron, Mr John	Davies, Byron
Barwell, Gavin	Davies, Chris
Bebb, Guto	Davies, David T. C.
Bellingham, Sir Henry	Davies, Glyn
Benyon, Richard	Davies, Mims
Beresford, Sir Paul	Dinenage, Caroline
Berry, Jake	Djanogly, Mr Jonathan
Berry, James	Donelan, Michelle
Bingham, Andrew	Dorries, Nadine
Blackman, Bob	Double, Steve
Blackwood, Nicola	Dowden, Oliver
Blunt, Crispin	Doyle-Price, Jackie
Boles, Nick	Drax, Richard
Bone, Mr Peter	Drummond, Mrs Flick
Borwick, Victoria	Duddridge, James
Bottomley, Sir Peter	Duncan, rh Sir Alan
Bradley, Karen	Duncan Smith, rh Mr Iain
Brady, Mr Graham	Dunne, Mr Philip
Brazier, Mr Julian	Ellis, Michael
Bridgen, Andrew	Ellison, Jane
Brine, Steve	Ellwood, Mr Tobias
Brokenshire, rh James	Elphicke, Charlie
Bruce, Fiona	Eustice, George
Buckland, Robert	Evans, Graham
Burns, Conor	Evans, Mr Nigel
Burns, rh Sir Simon	Evennett, rh Mr David
Burrowes, Mr David	Fabricant, Michael
Burt, rh Alistair	Fernandes, Suella
Carmichael, Neil	Field, rh Mark
Cartlidge, James	Foster, Kevin
Cash, Sir William	Fox, rh Dr Liam

Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Leadsom, Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Lewis, Brandon
 Liddell-Grainger, Mr Ian
 Lopresti, Jack

Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe

Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew

Abbott, Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allen, Mr Graham
 Anderson, Mr David
 Ashworth, Jonathan
 Austin, Ian
 Bailey, Mr Adrian
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackman-Woods, Dr Roberta
 Blenkinsop, Tom
 Blomfield, Paul
 Brake, rh Tom
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Byrne, rh Liam
 Campbell, rh Mr Alan
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Clegg, rh Mr Nick
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John

Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
 Sarah Newton and
 George Hollingbery

NOES

Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 De Piero, Gloria
 Dowd, Jim
 Dromey, Jack
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Glass, Pat
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Gwynne, Andrew
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hepburn, Mr Stephen
 Hermon, Lady
 Hillier, Meg

Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Hunt, Tristram
 Huq, Dr Rupa
 Jarvis, Dan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Kane, Mike
 Kendall, Liz
 Khan, rh Sadiq
 Kinnock, Stephen
 Lammy, rh Mr David
 Lavery, Ian
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Long Bailey, Rebecca
 Lucas, Caroline
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 McDonald, Andy
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 Mearns, Ian
 Miliband, rh Edward
 Moon, Mrs Madeleine
 Morris, Grahame M.
 Mulholland, Greg
 Onn, Melanie
 Onwurah, Chi

Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Rees, Christina
 Rimmer, Marie
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Sheerman, Mr Barry
 Sherriff, Paula
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Stringer, Graham
 Stuart, rh Ms Gisela
 Thomas, Mr Gareth
 Thornberry, Emily
 Timms, rh Stephen
 Turley, Anna
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 West, Catherine
 Whitehead, Dr Alan
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:
Holly Lynch and
Jeff Smith

Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, Richard
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Dinage, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie

Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkins, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon

Question accordingly agreed to.

Lords amendment 47 disagreed to.

Clause 78

MANDATORY RENTS FOR HIGH INCOME LOCAL AUTHORITY TENANTS

*Motion made, and Question put, That this House
 disagrees with Lords amendment 54.—(Brandon Lewis.)*

The House divided: Ayes 286, Noes 171.

*Votes cast by Members for constituencies in England:
 Ayes 278, Noes 157.*

Division No. 260]

[8.57 pm

AYES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward

Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Leadsom, Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Lewis, Brandon
 Liddell-Grainger, Mr Ian
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence

Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:

Sarah Newton and
 George Hollingbery

NOES

Hanson, rh Mr David
 Harman, rh Ms Harriet
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hepburn, Mr Stephen
 Hermon, Lady
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Hunt, Tristram
 Huq, Dr Rupa
 Jarvis, Dan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Kane, Mike
 Kendall, Liz
 Khan, rh Sadiq
 Kinnock, Stephen
 Lammy, rh Mr David
 Lavery, Ian
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Long Bailey, Rebecca
 Lucas, Caroline
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 McDonald, Andy
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 Mearns, Ian
 Miliband, rh Edward
 Moon, Mrs Madeleine
 Morris, Grahame M.
 Mulholland, Greg
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Rees, Christina
 Rimmer, Marie
 Robinson, Mr Geoffrey
 Rotheram, Steve

Ryan, rh Joan
 Sheerman, Mr Barry
 Sherriff, Paula
 Skinner, Mr Dennis
 Slaughtier, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Stringer, Graham
 Stuart, rh Ms Gisela
 Thomas, Mr Gareth
 Thornberry, Emily

Timms, rh Stephen
 Turley, Anna
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 West, Catherine
 Whitehead, Dr Alan
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:

**Holly Lynch and
 Jeff Smith**

Question accordingly agreed to.

Lords amendment 54 disagreed to.

Lords amendments 55, 57 and 58 disagreed to.

Mr Deputy Speaker: I must now put the Questions necessary to dispose of the remaining Lords amendments in the group. First, under the Standing Order, I must put the Question on the Lords amendments that relate exclusively to England.

Lords amendments 2 to 8, 11 to 36, 38 to 46, 48 to 53, 56, 59, 60, 88 to 96, 197 to 199 and 215 to 239 agreed to, with Commons financial privilege waived in respect of Lords amendments 38 to 46, 48 to 53, 56 and 91.

Mr Deputy Speaker: I must now put the Question on the remaining Lords amendments that have not been certified.

Lords amendments 61 to 87, 182, 183, 185 to 188, 190, 191, 195, 196 and 200 to 214 agreed to, with Commons financial privilege waived in respect of Lords amendment 185.

Sir Peter Bottomley (Worthing West) (Con): On a point of order, Mr Deputy Speaker. Lords amendments 92 and 93 were moved by Lord Young of Cookham with the understanding of the Government. Amendment 92 deals, it says, with tenants—in fact, it is leaseholders—and amendment 93 deals with leaseholders in a commonhold agreement. Am I right in saying that they give powers to Government to propose to Parliament statutory instruments, which we can consider separately?

Mr Deputy Speaker: As a man who has been here longer than most, you will know that that is not for the Chair to interpret.

After Clause 128

NEIGHBOURHOOD RIGHT OF APPEAL

Brandon Lewis: I beg to move, That this House disagrees with Lords amendment 97.

Mr Deputy Speaker: With this it will be convenient to consider the following:

Government amendment (a) in lieu of Lords amendment 97.

Lords amendment 100.

Lords amendment 108, and Government motion to disagree.

Lords amendment 109, and Government motion to disagree.

Lords amendment 110, and Government motion to disagree.

Lords amendment 98, 99 and 101 to 107.

Lords amendment 111, and Government amendment (a) thereto.

Lords amendments 112 to 181, 189, 192 to 194 and 240 to 282.

Brandon Lewis: I will try to be brief, but I want to go through a few key areas in this group of amendments. If we are to build more houses, we need to make it as simple as we can to do so, while supporting the key principles of local determination and empowerment. If we are to build new homes so that families and communities can grow, those communities need to be happy that they have a say and a voice. The more red tape there is and the more spanners there are in the system, the more the system grinds to a creaking halt, and we end up in the mess that we are trying to fix—the mess that we inherited.

As we have made clear, decisions on planning applications must be made in accordance with the development plan, unless material considerations indicate otherwise. A neighbourhood plan brought into legal force is part of the development plan and must be the starting point for authorities' decisions on applications. I want to be very clear that neighbourhood plans have weight in law. I am exceptionally proud of neighbourhood planning, as, I expect, is every Member of this House who has seen their community take the lead in deciding the future development of their area—deciding where new homes and businesses should go, what they should look like and what local infrastructure is needed.

Putting planning power in the hands of local people involves the whole community, from plan drafting to referendum stages. Local support for house building in such areas has doubled, and opposition has halved. I have spoken to people who are excited about the prospect of new homes, schools for their children as they grow older and the opportunity to have their say about how their towns and villages should grow.

Neighbourhood plans are clear evidence of our belief that decisions about community life should be taken by those communities. We can and should trust communities to make those decisions. We do only half our job if neighbourhood plans are there, but in name only. If people have exercised their right to be heard about where new homes should go, and if a group has put time and effort into doing so, I believe it is only right that the local planning authority should take notice, although I am not inclined to support Lords amendment 97 as the best way to achieve that. I am sympathetic to it—of course I am—but even in a limited form, a neighbourhood right of appeal could affect housing supply and reduce confidence in the system.

Neighbourhood plans have weight in law, and I want to make sure that we keep the spirit of the amendment and maintain that confidence. There is no stronger position for a community to hold than to have an

up-to-date neighbourhood plan in place. I believe that communities should have the reassurance that, after they have taken the time and effort to get involved, there will be additional safeguards in place to ensure that they are listened to.

Antoinette Sandbach (Eddisbury) (Con): The Minister will be aware that in a number of areas where neighbourhood plans have been adopted, those plans are repeatedly challenged by developers making planning applications against them. Does the Minister agree that we need to look at that and tighten up the safeguards around neighbourhood planning?

9.15 pm

Brandon Lewis: My hon. Friend makes a very good point. She is absolutely right that there have been examples of developers having a go at getting a planning application. That is why it is important that we are very clear that where a neighbourhood plan outlines where housing should be, it should be respected by the local authority. As I said in response to a very similar point, it should also be respected by planning inspectors and by us in the Government.

That is why amendment (a), which I propose to return to the other place in lieu of Lords amendment 97, will ensure that neighbourhood plans are fully taken into account. It will introduce into the Town and Country Planning Act 1990 a requirement for local planning authorities to identify, in their reports to planning committees, how the neighbourhood plan was taken into account in making a recommendation to grant planning permission. They will also be required to identify in the report any points of conflict between their recommendation and the neighbourhood plan. This will ensure absolute transparency in the decision-making process and that the balance of considerations is made clear.

Anne Marie Morris (Newton Abbot) (Con): The Minister makes an extremely good point. I am pleased that he is introducing such a new clause. However, my concern is that it does not really go far enough. The only redress is to call in the decision, which means that it will not be made by the community, which the Minister has said we should trust. I am very pleased that he is going as far as he is, but if he believes in trusting the community, the original Lords amendment is a much better way to go.

Brandon Lewis: I know that my hon. Friend has campaigned hard and has made her case strongly in the House. However, if a neighbourhood plan is in place, we must trust our elected representatives, who are locally accountable through the local authority, to make the right decisions for their area—ultimately, they are accountable to their area—and to make sure that their decisions are in line with the neighbourhood plan. We intend to make sure that that process is entirely transparent. I should also make it very clear to the House that when we looked at what is happening at the moment, we found that decisions made by local authorities are in line with neighbourhood plans.

Scott Mann: I am grateful to the Minister for giving way because I know he is pressed for time. My issue is not with the local community, but with the planning inspector. May I, in the very strongest terms, ask the

Minister to put a rocket up the planning inspectors in order to support local democracy? When neighbourhood plans are voted through in a referendum, they should be respected.

Brandon Lewis: My hon. Friend makes a very good point. I can assure him that I have very recently written to the chief executive of the Planning Inspectorate, and I know that that letter is very clearly in the front of the mind, on the database and under the nose of all planning inspectors, so they are clear that we believe neighbourhood plans should be respected. The amendment (a) that we have tabled will take that even further, but I will continue to work with colleagues to look at how we can go further to ensure that neighbourhood plans get the robust support and programme that they need in the period ahead.

Kit Malthouse (North West Hampshire) (Con): The Minister is making a powerful point. Last week, he very kindly made that point to three of my constituents from Overton, Whitchurch and Oakley, all of which have neighbourhood plans in place. Does he agree that although greater protection for neighbourhood plans would be very welcome, one of the key building blocks is the five-year land supply? What consideration is he giving to allowing councils greater power to protect their five-year land supply from challenges from developers, so that that can cascade down into greater certainty for neighbourhood plans?

Brandon Lewis: My hon. Friend makes a very good point about the importance of making sure that five-year land supplies are in place, that we are delivering the housing we need and that developers get the message loud and clear that neighbourhood plans will be respected by local authorities, the Planning Inspectorate and the Government.

William Wragg (Hazel Grove) (Con): Notwithstanding the very welcome amendment (a) in lieu of Lords amendment 97, can the Minister give the House any indication that he is prepared to countenance alternative future measures that might go some way to meeting the Lords amendment?

Brandon Lewis: My hon. Friend has joined colleagues in making it clear that they want us to look at how we can go further to make sure that neighbourhood plans have precedence and that everybody is very clear about central Government's view that neighbourhood plans should guide planning. I will reflect on that and work with colleagues in the period ahead. We are determined to make sure that the message is that neighbourhood plans are the way for communities to come together, that the time they spend together will be valuable in giving them control and power over planning and that that will have weight in law. I am very happy to continue to do that.

Martin Vickers (Cleethorpes) (Con): The Minister is making a good case for neighbourhood plans, although I am personally more sympathetic to the amendment, as he well knows from the ten-minute rule Bill I proposed on the subject last year. Does he accept that communities find it difficult to get the resources together to produce a neighbourhood plan and will he consider what additional help might be forthcoming?

Brandon Lewis: I am happy to outline that there is additional help out there. We give money to local areas to do their neighbourhood plans, and to local authorities to support them in that work. We will continue to do that. I am always looking at more ways not just of promoting plans but of making sure that communities have the support that they need, from a wide network, including templates and other work.

We are tight on time, so I will move on. As I said earlier, the Government have listened. Permission in principle is a good example. Thanks to Lords amendment 100 the Bill now states explicitly that permission in principle can be granted only for housing-led development. We are happy to accept that amendment.

We are somewhat unconvinced, however, by amendment 108. It would increase the construction costs for home builders by an average of more than £3,000 on a semi-detached home, and place a regulatory burden of around £200 million a year on the industry. That will have an impact on all home builders—not just the big companies, but the small and medium-sized companies that we are looking to drive and help grow across England. We cannot accept the amendment. It would tip the balance, driving some small home builders out of the industry altogether and making housing development unviable in some areas. We already build some of the most energy-efficient homes in the world as a result of the tough building regulation standards we set in the last Parliament. In fact, there has been a 30% improvement on the standards before 2010, reducing energy bills by around £200 annually.

Tom Brake: Has the Minister attempted to calculate what homeowners would save each year in energy costs if the Government were to go for the enhanced standard?

Brandon Lewis: The right hon. Gentleman might want to reflect on the point I have just made about how we have reduced energy bills with that 30% improvement. We must balance that with the fact that a £3,000 increase in the cost of building a semi-detached home will lead to at least that increase—potentially even more—in the cost of buying one. That will not help home builders, and could slow down house building and make it harder for small businesses to come into the sector.

Rebecca Pow (Taunton Deane) (Con): Will the Minister assure us that he has given due consideration to our climate change commitments, as energy efficiency in homes really contributes to those?

Brandon Lewis: My hon. Friend makes a very good point. That is why we are so proud of the work that we have done on energy-efficient homes since 2010, raising those standards. But we have to be very clear on certain policy ideas. For example, the reason why we have said no to the reintroduction of zero-carbon homes has been well summed up by the Federation of Master Builders, which represents many of the small builders that we all want to see more of. It said that that policy “threatened to perpetuate the housing crisis.”

This House should return any amendment that would do that.

Likewise, there are serious and fundamental reasons why amendment 110 is unworkable. I know many of us appreciate how important this issue is, so I will go through

why for a few moments. Flood risk is an incredibly important issue, and I fully understand, sympathise with and share the strength of feeling on it. The Government are committed to ensuring that development is safe from flooding, and the delivery of sustainable drainage systems is part of our planning policy, which was strengthened just over one year ago.

Our planning policy and guidance are clear that local councils must consider strict tests that protect people and property from flooding, and that development should not be allowed where those tests are not met. Our approach to avoiding flood risk applies to all sources of flooding, including from surface water and from overloaded sewers and drainage systems, and it sets clear expectations for the use of sustainable drainage.

Rebecca Harris: I very much welcome what the Minister is saying. He will be aware of the problems we have had in Castle Point with surface water drainage, so I am grateful for his guidance to planning authorities. Does he agree that not incorporating Lords amendment 110 will mean that superb companies such as Anglian Water will struggle to deal not just with historical problems but with potential future problems, which could place a heavy burden on bill payers?

Brandon Lewis: I appreciate my hon. Friend’s point; indeed, I appreciate the intention behind Lords amendment 110. The Government are doing some work on this, and are reviewing how the new policy is working.

Rebecca Pow: Will the Minister give way?

Brandon Lewis: I will make a little progress, but I will take more interventions later.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Members want to get in, but they will not get in if they keep intervening. They have to choose which they want to do, and I will choose the ones who are not intervening.

Brandon Lewis: Lords amendment 110 seeks to remove an automatic right to connect to the public sewer for surface water, unless a sustainable drainage system forms part of a development and is constructed in accordance with non-statutory technical standards and the planning permission. However, the proposed new clause, as currently drafted, is unnecessary and unworkable. First, it makes the right to connect conditional on complying with the terms of a planning permission that may not actually provide for such a drainage system. That might be because it is not viable or because there are on-site constraints.

Secondly, the new clause presumes that a process exists that determines whether or not a development is permitted to connect to the public sewer, where there is none. Thirdly, making the right to connect conditional on planning permission leaves open a number of issues, including what happens when connections are needed and where there is currently no requirement for planning permission to be obtained at all. That might include situations where water sewerage companies are exercising their statutory obligations to drain an area effectively.

Finally, the new clause, which would increase red tape and barriers to development, has no transitional arrangements and industry, especially smaller house

builders, will struggle to respond without time to prepare, leading to delays in house building.

Anne Marie Morris: The Minister is being generous in giving way. I understand his concerns about the current proposal, but he assumes that the authorities will determine that the drainage and infrastructure in place are adequate. I have a number of examples where, in my view and that of the community, that is not the case. If there was a way of appealing those decisions if they are not robust, to say that the draining infrastructure was not appropriate, I would feel much happier with what he is saying.

Brandon Lewis: I appreciate my hon. Friend's point, but I say again that one of the problems with the proposed new clause is that, as currently drafted, there would sometimes be an issue where there is actually no requirement for planning permission to be obtained in the first place.

Rebecca Pow: I thank the Minister for giving way. I was going to save this point and make a short speech, but I will make my point now. In my constituency of Taunton Deane flooding is a massive issue, and of course the incorporation of SUDS—sustainable drainage systems—would help with wider catchment management, which in future we are all going to have to address, so would it not be sensible to think about doing it now? I do understand his concerns about discouraging house building, because I know that we have to build all these houses.

Brandon Lewis: My hon. Friend make a very good point, as have other colleagues across the Chamber this evening. I am very sympathetic to the points they have raised, which is why we are looking through this review to see how the current system is working, bearing in mind that it came in only a year ago and that it will be reporting back.

There is a theme emerging. I am proposing that this House should disagree with amendments that would increase burdens on house builders, would be unworkable for those building new homes and, like those in the previous group of amendments, would effectively slow the pace at which they can deliver them. That is also why the Government disagree with Lords amendment 109, which seeks to prevent the Secretary of State from using a power in relation to small sites and also in rural areas.

I want to make it clear that we are happy to work with the other place and to address the issues it raises about rural areas through regulations. Regulations will make clear those rural areas where restrictions will not apply. Working with the other place will also allow us to consider how other rural areas can seek exclusion from any restrictions.

Finally, I have read the *Hansard* reports of the proceedings in the other place, and on many occasions I stood at the Bar to watch them myself. I have missed standing here over the past few weeks talking about the Bill. As you know, Mr Deputy Speaker, we could talk much longer about the Bill, but I will not be tempted to do so this evening. *[Interruption.]* The hon. Member for Sheffield South East (Mr Betts) tempts me to speak further. I hope that this House will accept my earlier argument. The motions that stand in the name of my

right hon. Friend the Secretary of State to agree with the other place mean that homes will be delivered faster as a result, the planning system will run smoother and the way we manage and deliver housing will be faster and fairer.

Dr Blackman-Woods: The first thing I want to say about the planning section of the Bill is that it is a pity that it has not had more resonance in the public realm, because it is bringing about far-reaching changes to the planning system that many local communities should be concerned about. Two issues that I will highlight are the extensive use of permission in principle on brownfield sites and the contracting out of planning services to private providers. Both risk drastically reducing the say that local communities have over what is built in their area and are a further nail in the coffin of the Government's localist credentials.

9.30 pm

I will begin with those Lords amendments that the Government are opposing or seeking to amend. Introducing Lords amendment 97, which provides for a neighbourhood right of appeal against an application for planning permission, Lord Kennedy said in the other place:

"It is right that communities have a direct say in developments in their area, and the amendment provides a mechanism for a limited right of appeal in certain circumstances. The right of appeal would apply only to parish councils and neighbourhood forums whose plans progress to formal submission to the local authority."—*[Official Report, House of Lords, 20 April 2016; Vol. 771, c. 661.]*

We accept that the Government have come forward with an amendment that seeks to make clear how the plan will be taken into account in making a planning recommendation and identifying points of conflict, and we can see where the Minister is coming from, but we are not sure it gives the protections that hon. Members are seeking, so we will have to monitor the situation in due course.

Lords amendment 108, tabled by Lord Kennedy, Lord Young and Baroness Parminter, aims to ensure that new homes contribute to meeting our greenhouse gas targets and help to lower fuel bills by requiring that new homes built from 1 April 2018 achieve the carbon compliance standard. In opposing this amendment, the Government argued that the amendment imposed a regulatory burden, but these standards, withdrawn by the Chancellor last year, had industry-wide support. If the Government's priority is to support small house builders, it should be noted that they themselves say that the major constraints on their building more homes are land prices and access to finance, not building carbon-neutral homes.

That was the evidence given last October to the House of Lords Committee on National Policy for the Built Environment by representatives from both the Home Builders Federation and the Federation of Master Builders. Their evidence completely contradicts the Minister's point. The House of Commons Energy and Climate Change Committee has also added its voice to the call for a reinstatement of the zero-carbon homes policy. Higher regulatory standards should be considered not as burdensome red tape but as a requirement that is essential both to reducing energy costs and to tackling the threat of climate change.

The zero-carbon homes standard is important to delivering on our climate change commitments. The cost of building to standards is reducing all the time and is now probably only about £1,500, not the £3,500 the Minister mentioned. Introducing the standard would result in homes that have lower energy bills and reduced carbon emissions. Given that Labour introduced the zero-carbon homes policy for homes built after 2016, which was disgracefully stopped by the previous Government, we will support the Lords in their amendment to bring back carbon compliance measures from 2018.

Given all the flooding we have had in this country recently, it is very strange that the Government are seeking to vote against amendment 110, which would require that 1 million new homes be built with sustainable drainage systems, helping to protect homeowners against flooding and delivering wider environmental benefits. Almost every environmental organisation and those concerned with flooding support the amendment, from the Wildfowl and Wetlands Trust to Water UK, the Royal Institute of British Architects, the Chartered Institute of Ecology and Environmental Management, the Chartered Institution of Water and Environmental Management, the Angling Trust, the Rivers Trust, the Royal Society for the Protection of Birds—I could go on.

New developments will put new pressure on critical infrastructure, including drainage and flood defence. New homes continue to be built in areas of flood risk without resilience measures, such as SUDS, and many conventional drainage systems are already over capacity. In many cases, capital costs for sustainable drainage will be lower than conventional connections, as recognised in the 2010 impact assessment by the Department for Environment, Food and Rural Affairs. We also know that retrofitting is considerably more costly. The amendment would offer considerable protections against damage from flooding in the long term, and I do not think the Minister justified why he was voting against the amendment. I ask him to have a rethink.

We consider Lords amendment 111 to be a good one, because it seeks to limit to five years the time during which the pilot to test the privatisation of the processing of planning applications can run. We appreciate that the intent is to limit the policy, but we do not agree with the policy at all, because we believe it could lead to extremely difficult conflicts of interest at the local level and would take away much needed resources from local planning departments.

Let me deal briefly with some of the Government amendments. Government amendments 98 and 99 would amend clause 129 to ensure that the Secretary of State, or the Mayor in the case of London, could prepare a local development scheme that sets out the development plan documents that the authority intends to produce and the timetable for their production for an authority that has failed to prepare one, and then direct the authority to bring the scheme forward. In effect, this means placing a requirement on authorities to have a local plan in place and it is what Labour proposed in the Lyons report, so it is good to see that the Government have taken our proposals on board.

Amendments 100 to 106 relate to clarifications on permission in principle, and the time limits are welcome. I must commend Baroness Andrews for all her work in the other place; it is also good that the Government accepted Lord Beecham's amendment on developments

on brownfield sites being housing-led, but we still have huge reservations as to whether this whole policy of permission in principle will bring forward more land, more quickly.

It is particularly good to see in amendments 240 to 243 that the Government have accepted what Labour argued for both in Commons Committee and in the other place—that where they consider it expedient to do so, it would be possible in principle for local planning authorities to revoke or modify permission granted by local plans or registers. We look forward to seeing the regulations that will accompany this, but we wonder why the Minister did not agree to this in Committee—still, better late than never!

Similarly, we accept amendments 124 and 127, which simplify the process for setting up new town corporations and urban development corporations. Again, this is something we argued for in Committee, and we would like to see an updated version of new towns legislation as soon as possible to deliver the garden cities and villages our country needs.

Lastly, we accept that amendments 128 to 179 clarify changes to the compulsory purchase orders process. We will monitor these in practice to see if they do enable a speeding up and a wider use of CPOs to help local authorities to deliver the additional housing that our country desperately needs.

Peter Aldous (Waveney) (Con): I shall speak briefly to Lords amendments 108 on carbon compliance for new homes and Lords amendment 110 on sustainable drainage systems. Both have considerable merit, and I would be inclined to support them both if the Government were not already committed to reviews both matters. It is best to bring in such measures after full consideration of all the evidence, having weighed up and carefully assessed the pros and cons.

An understandable concern with both amendments is that they might have a disproportionate negative impact on smaller buildings. While there is a concern that a carbon compliance standard is an additional regulatory burden that could add to building costs, evidence shows that such a target incentivises innovation, leading to cost reductions and the achievement of its objective of increasing energy efficiency in new buildings.

On sustainable urban drainage systems, I have in mind my own Waveney constituency. As in many places, much new housing is proposed there in the next few years, and it saw devastating flooding of homes last year, caused partially by large new developments that did not have sustainable drainage systems.

I find it significant that Anglian Water, the statutory drainage authority for the area, is backing this amendment. It pointed to the following merits: a reduction in occurrences of surface water flooding; a reduction in the £2 billion cost of flood damage in England each year; the creation of additional drainage capacity that will help to deliver more new homes; lower bills to customers, as SUDS are cheaper than conventional drainage systems; and bringing the system in England in line with the rest of the UK.

I welcome the Government's reviews of those two issues. The reviews should be wide-ranging, should be conducted in a timely fashion—both should certainly be completed by this time next year—and should be subject to full debate and scrutiny in the House and its Committees.

Mr Betts: I want to say a little about the “alternative provider” clauses and the relevant Lords amendment, which I understand that the Government will be accepting.

I continue to be concerned about what I consider to be a most peculiar form of privatisation. Normally, in cases of privatisation, the council is able to choose the companies or organisations that will provide the service and put that service out to tender. In this case—very peculiarly—the applicant will decide who will conduct the process on behalf of the council and eventually, presumably, supply information and advice to the planning committee. In other words, the council which is ultimately responsible for making the decision—and that, I think, is what the Lords amendments further clarify—will have no role in deciding which organisation will be involved in the process of working with the applicant to decide, eventually, what the recommendation on the application is to be.

There seems to be an idea that suddenly, at the end of the day, a recommendation comes out of thin air. It does not; it results from a very detailed process involving a major application, in which a planning officer and an applicant work through all the details of the scheme. The Bill, however, proposes that that should be done by an alternative provider appointed by the applicant. I think that that is a very strange process, and one that is difficult to justify.

There is also a potential conflict of interests. The alternative provider in one council who advises the planning authority about a scheme could also be a consultant operating directly on behalf of someone in another authority making a very similar application in relation to a very similar scheme, and being paid for doing so. We should be very aware of that possible conflict of interests.

The Lords amendments clearly state that the council—the planning authority—is ultimately responsible for making the decision, and nothing that the alternative provider does should bind the council. I want to know whether, in the context of the pilots, the Minister intends the alternative provider to do all the work and make the recommendation to the planning committee, or whether the alternative provider will make information available to council officers who will independently make a recommendation to the planning committee. I think that that is incredibly important. Will a councillor who receives an application and a recommendation receive the recommendation from a council officer who is independent, on the basis of advice from the alternative provider, or receive it directly from the alternative provider who is appointed by the applicant? That is a fundamental point, which has not been clarified even by the Lords amendments.

Stuart Andrew (Pudsey) (Con): I want to speak briefly about Lords amendment 97. The issue of planning has been at the forefront of the minds of people in my constituency. I have often said in the past that my constituents felt that planning was something that happened to them rather than something in which they could become involved. I therefore welcome the move towards neighbourhood plans.

Much of this has come about because we have had masses of development on old brownfield sites. That is, of course, a good use of such sites, but we now face the prospect of having to build 70,000 homes over the next

14 years, as that is the target that the city council has set itself. There is a great deal of concern in the constituency that we are going to have to release green-belt land to match that demand.

This has galvanised a lot of local action, and I pay tribute to those involved in the Aireborough neighbourhood development forum and in the Rawdon and Horsforth parish councils who are now working hard to develop local neighbourhood plans. However, their experience in the past has been that the city council can turn down an application on very good grounds, only for it to go to an inspector who will turn it around. Those people want to feel that they have all the necessary support and tools at their disposal to defend their neighbourhood plans. They feel that this is far too often a one-way process.

9.45 pm

I understand what the Minister has said about this, and I am grateful to him for the time he has taken to speak to me personally, as well as to other colleagues, about this. I welcome the fact that he is sympathetic to the idea that those groups should have a right to appeal, and I hope that he will work with all of us to see what can be done to give them the confidence that they want. Those parish councillors should be allowed to defend the neighbourhood plans that they have drawn up. Many of them are volunteers, and they have spent a considerable amount of time developing first-rate plans. They want to have confidence that the system will support what they have drawn up rather than working against them. I hope that the Minister will look into that. I hope that he will also ensure that emerging neighbourhood plans will have equal weight with those that have already been adopted.

Helen Hayes: I welcome the Lords amendments that introduce exemptions from permission in principle and clarify the qualifying documents under which permission in principle can be granted. I also welcome the amendments that will allow permission in principle to be overturned on the basis of new information, such as archaeological remains being discovered on a site. I argued for this in the Public Bill Committee.

I am concerned, however, that too many aspects of technical details consent are being left to be set out in regulations. Technical details could include the height or density of a development, open space provisions, design, layout and many other considerations. I maintain, as I did in Committee, that while those details can be informed by technical studies, their substance can often make a fundamental difference to how communities feel about a planning proposal. They are therefore often far closer to matters of principle than the description “technical details” implies. I had hoped that, by this stage, we might have seen some of that detail being set out in the Bill.

I am also concerned by the ability that will be introduced in this legislation to appoint third parties to assess planning applications. This will remove democratic accountability from the assessment of the applications. I welcome the fact that the Government have clarified that councils will be the final decision makers, but important judgments are made during the assessment process, which involves a substantial amount of work. Councils would effectively have to repeat that process to

[Helen Hayes]

enable proper scrutiny or to unravel that work. A far better solution would be to allow councils to recover the full cost of the development management process from planning application fees, so that they could be properly resourced to carry out this democratic role with full democratic scrutiny and accountability.

Fundamentally, the planning aspects of the Housing and Planning Bill miss the opportunity to set out a positive vision for planning, to engage and involve communities in solving the housing crisis, to strengthen our plan-led system, which is highly valued and highly regarded across the world, and to give communities and homebuilders the certainty they need as we face an unprecedented need to build new homes in this country.

Antoinette Sandbach: I know that the Minister is aware of my constituents' feelings in the light of an avalanche of applications by developers against adopted neighbourhood plans and an avalanche of objections by developers to emerging neighbourhood plans. I have seen this in Tarporley, in Moulton and in Davenham. My constituents describe themselves as being under siege. In the light of the debate that we have had today, particularly on clause 97, I urge the Minister to take this opportunity to review the planning legislation so that we can have some certainty about the interplay between neighbourhood plans and local plans and provide stronger protections for residents such as mine in Eddisbury. My constituents have put time and effort into creating robust neighbourhood plans that have been passed by inspectors, but they now feel as though they are under siege. We need a full review of the planning process if we are to strengthen local democracy and achieve the localism that everyone in Eddisbury so desperately wants.

Tom Brake: I want to spend a couple of minutes on two amendments. I am disappointed by what the Minister had to say about amendment 108, which he said would cost homebuilders some £3,000. We heard from the Labour Front-Bench team that it might be as little as £1,500, and as builders get used to building homes to high emissions standards, I suspect that the cost will fall further in years to come. Over the lifetime of a property, the savings to its owners will be significant and much greater than £3,000—if that even is the figure. I am therefore disappointed that the Minister is not willing to support amendment 108.

The Minister said that amendment 110, which I will be pressing to a vote, was faulty, but it was not clear whether he was saying that it was defective. If that is the case, the Minister could have amended it in a way that was acceptable to him to ensure that it was not faulty. He has heard the long list of organisations, including the water industry, community groups, and a range of water management experts, that feel that the current arrangements for sustainable drainage systems are inadequate and unsatisfactory. Amendment 110 would ensure that developers provided SUDS to reduce the pressure on existing systems, which we know from the flooding up and down the country cannot cope with current levels of water.

If there is a vote on amendment 108 this evening, I will certainly support it. I will also press amendment 110 to a vote.

Rebecca Pow: I know that we are tight for time. I listened with much interest to what the Minister said about sustainable drainage systems, and I urge him to ensure that the best possible use is made of devices to protect people's land and to manage surface water, regardless of the size of the development. Having witnessed the consequences of the terrible flooding in Taunton Deane in 2013-14, I am conscious that we must harness every tool in the box to deal with flooding. According to the Met Office, an awful lot more water is coming our way, so we have to be ready.

I am also conscious that Taunton Deane, much like other parts of the country, has seen a massive, rapid increase in house building, which I applaud, because we do need it. I fully support the Government's proactive house building plan, but I call on the Minister to give due consideration to the water run-off from new houses so that that does not add to the flooding risk. Developers are currently encouraged to install SUDS, but they retain the legal right just to connect new properties directly to the sewerage system, which probably makes more economic sense in many cases. Lords amendment 110 has much support, including from water companies, the Institution of Civil Engineers, the Chartered Institution of Water and Environmental Management, and the Adaptation Sub-Committee of the Committee on Climate Change.

In Somerset and elsewhere, we are required to consider a wider catchment approach to how we address water management and flood prevention. The use of the SUDS will inevitably play its part as time goes on. Both the Environment, Food and Rural Affairs Committee and the Environmental Audit Committee are conducting inquiries into flooding and water management. We await their conclusions with interest, and they will no doubt have many useful things to say. We, as a population, will have to look seriously at holding more water on our land to control the rate at which it rushes into rivers and the rest of the water system.

The Minister has spent a lot of time on this important issue and has considered Lords amendment 110 in detail. I listened to his reasons for not including it in the Bill right now, but I would welcome any future deliberations and review. I would be most willing to work with him on the matter to bring forward the best possible outcomes and to ensure that we encourage our house building programme without exacerbating the risk of flooding or causing unnecessary environmental degradation.

Anne Marie Morris *rose*—

Mr Speaker: If Anne Marie Morris orates briefly, she might almost allow the Minister, with leave of the House, a couple of minutes to reply, although she is not obliged to do so. In this case she has some power over the Minister, but she may only have it once.

Anne Marie Morris: Thank you, Mr Speaker. I will keep my comments brief.

As the Minister knows, I have campaigned for a community right of appeal for many years, and it is now time to consider that issue seriously as there is more and more support for it across the House. The Minister said that the original right of appeal was introduced to redress the balance in favour of the landowner, who was effectively having his freedom taken away. I suggest that the time has come to redress the balance in favour of

communities that, in the words of many, are now having development thrust upon them. I hope that the Minister will consider this issue, as it is perfectly possible to introduce a community right of appeal. That is not the same thing as a third-party right of appeal, and I am sure that he could come up with something that would work and not stop the building programme.

In defending his position, the Minister said that the community has a voice through the local authority. I understand where he is coming from, but electing a local authority once every four years is not the same as giving local communities a voice in planning decisions that affect them. It is now time to look seriously at giving the community a real sense of democratic responsibility and accountability. The Minister relies on the local authority to be the arbiter, but in many cases—certainly in my constituency—the local authority is conflicted, and an obligation to write a report will not solve the problem. One of the biggest issues—the Minister knows this, because I have spoken regularly to him about it—concerns infrastructure decisions, because at the moment there is no right of redress if the local authority gets something wrong. That is one of the most significant issues on my desk today.

I understand why the Minister wants to reject the proposal on SUDS, but in my south-west constituency, flooding has been a chronic issue. This is about proper funding as well as planning, and about ensuring that those who make infrastructure decisions understand the issues and are held to account. I cannot think of anybody better to do that than the community.

Brandon Lewis: The debate has summed up just how important the planning system is to many of those who write to us, or who come to see us in our surgeries every week. My hon. Friends have spoken passionately and clearly about the importance of empowering local communities, and all those in my Department who have responsibility for planning understand how deeply a decision about where a new development should go affects those who live or work nearby.

Good planning is about more than just buildings. It is more than just maps, numbers, assessments and forms, and more than calculations about housing need and the ability of our vibrant high streets to deliver local growth. Good planning is about people, and we have heard good things said by good people this evening. Good planning is about seeing past documents and planning applications, and being able to judge the impact of the changing nature of our places on the families and communities that grow up there.

That is why, as my hon. Friends have rightly outlined, neighbourhood planning is so important. It is the future of a community being agreed and designed by that community, and such work must be respected. It is about local people deciding where their children will live when they grow up and leave home. It is about local decisions that affect the future of our schools and our shops. That is why it is so effective and empowering—the ultimate localism. Local support for house building has doubled in the past four years, while opposition to local house building has more than halved. We have empowered more than 1,800 communities to start the process of neighbourhood planning, which we introduced in 2012, and nearly 10 million people in 72% of local authorities are now represented. On average, 89% of people voted yes in their neighbourhood plan referendum.

We are seeing that engagement with the planning system leads to undeniably positive results, which is why I am so passionate about getting right our reforms and our delivery of neighbourhood planning. It is reassuring to hear so many colleagues making their case so passionately to ensure that the voice of their local community is heard and properly represented in the planning system, as that is exactly what neighbourhood planning is about. There is no point in building expectation into the planning system if we then slow it down with red tape and extra bureaucracy. There is no point in getting local authorities to engage properly with local communities if we then prevent building with other red tape and regulations. That is why we have made our points in the debate about drainage and energy-efficiency. It is important that we get this right, that we do the work to get this right, and that we listen to what colleagues have said to make sure that we do just that in the period ahead. We are here to deliver the housing that our country needs.

10 pm

Debate interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83F), That this House disagrees with Lords amendment 97.

Question agreed to.

Lords amendment 97 accordingly disagreed to.

The Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F.)

Government amendment (a) made in lieu of Lords amendment 97.

Government amendment (a) made to Lords amendment 111.

Lords amendment 111, as amended, agreed to.

After Clause 143

Motion made, and Question put, That this House disagrees with Lords amendment 108.—(Brandon Lewis.)

The House proceeded to a Division.

Mr Speaker: I must remind the House that the motion relates exclusively to England. A double majority is therefore required.

The House having divided: Ayes 286, Noes 163.

Votes cast by Members for constituencies in England: Ayes 277, Noes 149.

Division No. 261]

[10.2 pm

AYES

Adams, Nigel	Bellingham, Sir Henry
Afriyie, Adam	Benyon, Richard
Aldous, Peter	Beresford, Sir Paul
Allan, Lucy	Berry, Jake
Allen, Heidi	Berry, James
Amess, Sir David	Bingham, Andrew
Andrew, Stuart	Blackman, Bob
Ansell, Caroline	Blackwood, Nicola
Argar, Edward	Blunt, Crispin
Atkins, Victoria	Boles, Nick
Bacon, Mr Richard	Bone, Mr Peter
Baker, Mr Steve	Borwick, Victoria
Baldwin, Harriett	Bottomley, Sir Peter
Baron, Mr John	Bradley, Karen
Barwell, Gavin	Brady, Mr Graham
Bebb, Guto	Brazier, Mr Julian

Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Choje, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Dinéage, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drummond, Mrs Flick
 Duddridge, James
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen

Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Leadsom, Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny

Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry

Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
 George Hollingbery and
 Sarah Newton

NOES

Abbott, Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allen, Mr Graham
 Anderson, Mr David
 Austin, Ian
 Bailey, Mr Adrian
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackman-Woods, Dr Roberta
 Blenkinsop, Tom
 Blomfield, Paul
 Brake, rh Tom
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn

Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Clegg, rh Mr Nick
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, rh Yvette
 Coyle, Neil
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 Dowd, Jim
 Dromey, Jack
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Glass, Pat
 Glindon, Mary
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Gwynne, Andrew
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hepburn, Mr Stephen
 Hermon, Lady
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Hunt, Tristram
 Huq, Dr Rupa
 Jarvis, Dan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Kane, Mike
 Kendall, Liz
 Kinnock, Stephen
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Long Bailey, Rebecca

Lucas, Caroline
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 McDonald, Andy
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 Mearns, Ian
 Moon, Mrs Madeleine
 Morris, Grahame M.
 Mulholland, Greg
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Rees, Christina
 Rimmer, Marie
 Rotheram, Steve
 Ryan, rh Joan
 Sheerman, Mr Barry
 Sherriff, Paula
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Stringer, Graham
 Stuart, rh Ms Gisela
 Thomas, Mr Gareth
 Thornberry, Emily
 Timms, rh Stephen
 Turley, Anna
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 West, Catherine
 Whitehead, Dr Alan
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:

**Holly Lynch and
 Jeff Smith**

Question accordingly agreed to.

Lords amendment 108 disagreed to.

Lords amendment 109 disagreed to.

Motion made, and Question put, That this House disagrees with Lords amendment 110.—(Brandon Lewis.)

The House proceeded to a Division.

Mr Speaker: I must remind the House that the motion relates exclusively to England and Wales. A double majority is therefore required.

The House having divided: Ayes 285, Noes 164.

Votes cast by Members for constituencies in England and Wales: Ayes 285, Noes 161.

Division No. 262]

[10.22 pm

AYES

Adams, Nigel	Clifton-Brown, Geoffrey
Afriyie, Adam	Coffey, Dr Thérèse
Aldous, Peter	Collins, Damian
Allan, Lucy	Costa, Alberto
Allen, Heidi	Cox, Mr Geoffrey
Amess, Sir David	Crabb, rh Stephen
Andrew, Stuart	Davies, Byron
Ansell, Caroline	Davies, Chris
Argar, Edward	Davies, David T. C.
Atkins, Victoria	Davies, Glyn
Bacon, Mr Richard	Davies, Mims
Baker, Mr Steve	Dinenage, Caroline
Baldwin, Harriett	Djanogly, Mr Jonathan
Baron, Mr John	Donelan, Michelle
Barwell, Gavin	Double, Steve
Bebb, Guto	Dowden, Oliver
Bellingham, Sir Henry	Doyle-Price, Jackie
Benyon, Richard	Drummond, Mrs Flick
Beresford, Sir Paul	Duddridge, James
Berry, Jake	Duncan, rh Sir Alan
Berry, James	Duncan Smith, rh Mr Iain
Bingham, Andrew	Dunne, Mr Philip
Blackman, Bob	Ellis, Michael
Blackwood, Nicola	Ellison, Jane
Blunt, Crispin	Ellwood, Mr Tobias
Boles, Nick	Elphicke, Charlie
Bone, Mr Peter	Eustice, George
Borwick, Victoria	Evans, Graham
Bottomley, Sir Peter	Evans, Mr Nigel
Bradley, Karen	Evennett, rh Mr David
Brady, Mr Graham	Fabricant, Michael
Brazier, Mr Julian	Fernandes, Suella
Bridgen, Andrew	Field, rh Mark
Brine, Steve	Foster, Kevin
Brokenshire, rh James	Fox, rh Dr Liam
Bruce, Fiona	Francois, rh Mr Mark
Buckland, Robert	Frazer, Lucy
Burns, Conor	Freeman, George
Burns, rh Sir Simon	Freer, Mike
Burrowes, Mr David	Fuller, Richard
Burt, rh Alistair	Fysh, Marcus
Carmichael, Neil	Gale, Sir Roger
Cartlidge, James	Garnier, rh Sir Edward
Cash, Sir William	Garnier, Mark
Caulfield, Maria	Gauke, Mr David
Chalk, Alex	Ghani, Nusrat
Chishti, Rehman	Gibb, Mr Nick
Chope, Mr Christopher	Glen, John
Churchill, Jo	Goodwill, Mr Robert
Clark, rh Greg	Gove, rh Michael
Clarke, rh Mr Kenneth	Graham, Richard
Cleverly, James	Grant, Mrs Helen

Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Gareth
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Leadsom, Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny

Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond

Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David

Abbott, Ms Diane
 Abrahams, Debbie
 Alexander, Heidi
 Ali, Rushanara
 Allen, Mr Graham
 Anderson, Mr David
 Austin, Ian
 Bailey, Mr Adrian
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Blackman-Woods, Dr Roberta
 Blenkinsop, Tom
 Blomfield, Paul
 Brennan, Kevin
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Campbell, rh Mr Alan
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Clegg, rh Mr Nick
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, rh Yvette
 Coyle, Neil
 Creasy, Stella
 Cryer, John
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 Dowd, Jim
 Dromey, Jack
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul

Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
George Hollingbery and
Sarah Newton

NOES

Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Glass, Pat
 Glindon, Mary
 Goodman, Helen
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Gwynne, Andrew
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hepburn, Mr Stephen
 Hermon, Lady
 Hillier, Meg
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Howarth, rh Mr George
 Hunt, Tristram
 Huq, Dr Rupa
 Jarvis, Dan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Kane, Mike
 Kendall, Liz
 Kinnock, Stephen
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Long Bailey, Rebecca
 Lucas, Caroline
 Lynch, Holly
 Madders, Justin

Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 McDonald, Andy
 McDonnell, John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahan, Jim
 Mearns, Ian
 Moon, Mrs Madeleine
 Morris, Grahame M.
 Mulholland, Greg
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Rees, Christina
 Rimmer, Marie
 Robinson, Mr Geoffrey
 Rotheram, Steve

Ryan, rh Joan
 Sheerman, Mr Barry
 Sherriff, Paula
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Stringer, Graham
 Stuart, rh Ms Gisela
 Thomas, Mr Gareth
 Thornberry, Emily
 Timms, rh Stephen
 Turley, Anna
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 West, Catherine
 Whitehead, Dr Alan
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:

**Tom Brake and
 John Pugh**

Question accordingly agreed to.

Lords amendment 110 disagreed to.

Mr Speaker: I must now put the Questions necessary to dispose of the remaining Lords amendments. First, under the Standing Order, I must put the Question on the remaining Lords amendments that relate exclusively to England.

Lords amendments 100, 98, 99, 101 to 107, 112 to 127 and 240 to 243 agreed to.

Mr Speaker: I must now put the Question on the remaining Lords amendments that relate exclusively to England and Wales.

Lords amendments 128 to 179 and 244 to 282 agreed to.

Mr Speaker: I must now put the Question on the remaining Lords amendments that have not been certified.

Lords amendments 180, 181, 189 and 192 to 194 agreed to.

Motion made, and Question put forthwith (Standing Order No. 83H), That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments 37, 47, 54, 55, 57, 58 and 108 to 110;

That Dr Roberta Blackman-Woods, Andrew Griffiths, Brandon Lewis, Seema Kennedy, Grahame M. Morris and Julian Smith be members of the Committee;

That Brandon Lewis be the Chair of the Committee;

That three be the quorum of the Committee.

That the Committee do withdraw immediately.—(*Julian Smith.*)

Question agreed to.

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

Business without Debate

DELEGATED LEGISLATION

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

SENIOR COURTS OF ENGLAND AND WALES

That the draft Crown Court (Recording) Order 2016, which was laid before this House on 21 March, be approved.—(*Kris Hopkins.*)

Question agreed to.

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

LICENCES AND LICENSING

That the draft Licensing Act 2003 (Her Majesty The Queen's Birthday Licensing Hours) Order 2016, which was laid before this House on 12 April, be approved.—(*Kris Hopkins.*)

Question agreed to.

Mr Speaker: We come now to the petition—

The Vice-Chamberlain of Her Majesty's Household (Kris Hopkins) rose—

Mr Speaker: The hon. Gentleman is ahead of himself. What a fast-thinking denizen of the House the Comptroller of Her Majesty's Household, the hon. Member for Croydon Central (Gavin Barwell), is. Why should I expect otherwise from a cerebral Whip?

PETITION

Closure of Garforth Clinic

10.31 pm

Alec Shelbrooke (Elmet and Rothwell) (Con): I rise to present a petition relating to the closure of Garforth clinic. I have more than 1,000 signatures from my local community, who believe that the Leeds Community Healthcare NHS Trust decision to close the clinic has not been properly thought through.

The petition states:

The petition of residents of Elmet and Rothwell,

Declares that the decision of the Leeds Community Healthcare NHS Trust to close Garforth Clinic removes ease of access to local health services for elderly and disabled patients; further that it removes podiatry, adult dietetics, children's speech and language therapy, psychological therapies, musculo-skeletal, cardiac and weight management services from Garforth; further that it removes access to a local warfarin clinic for those without personal transportation; further that it highlights a failure to comply with statutory functions of an NHS Trust; further that the Leeds Community Healthcare NHS Trust has failed to identify a sustainable alternative or detail how neighbouring health centres will cope with increased demand; further that the Trust has failed to reference pressure from Leeds City Council's Core Strategy, which plans to build thousands of additional dwellings around the

[Alec Shelbrooke]

town; and further that the Trust withdrew from a pre-arranged public meeting with our Member of Parliament and City Councillors at which residents were hoping to explain their personal concerns over the removal of local health services.

The petitioners therefore request that the House of Commons urges the Department of Health to encourage the independent Leeds Community Healthcare NHS Trust to review its decision to close Garforth Clinic; arrange a meeting with residents to answer concerns; and re-consult with patients on the impact that such a closure will have.

And the petitioners remain, etc.

[P001687]

Letting Agent Fees and Deposits: Private Rented Sector

Motion made, and Question proposed, That this House do now adjourn.—(Kris Hopkins.)

10.33 pm

Maria Caulfield (Lewes) (Con): Thank you, Mr Speaker, for allowing me the opportunity to secure this debate. Tonight, I want to highlight the emerging scandal of letting agent fees. Those are fees charged by letting agents when a tenant takes on a new tenancy, on top of any deposit that needs to be paid to secure a property and in addition to the monthly rent that needs to be paid in advance. In London and the south-east, letting agent fees have rocketed over the last two years as competition for rental properties has grown. Not only has the amount charged by letting agents increased, but there has been an increase in the types of fees charged.

There seems to be a particular problem in London, where competition in the private rented sector is fiercest, but the problem is also now affecting many parts of the south-east, including my own constituency of Lewes. My constituency is only 58.2 miles from London and, despite the poor rail service, which has been the subject of previous Adjournment debates, is still very commutable. After being priced out of the London housing market, many people move to the south coast, so competition for rental properties has soared in my constituency during the past 18 months, and letting agents have put up their fees accordingly.

At this point, I should declare that I am a patron of a local housing charity, Homelink, in Lewes. It provides financial assistance to people struggling to secure a deposit for a home to rent. Homelink has seen a significant increase in local letting agent fees during the past 18 months. As a result, it is having to provide local families with financial support for the fees, as well as help for the deposit. In 2015, Homelink provided over £101,000 in financial assistance to local people to help them to secure a home. Despite that, Homelink has seen key workers, those on a low income and young people priced out of the local property market not because they could not afford the rent, but because they could not afford the fees and the deposit required up front.

To investigate the extent of the problem of lettings agent fees, my local citizens advice bureaux in Seaford and Lewes researched those fees across the constituency. They found that the fees can range from £175 to £922. Such fees are in addition to the average six-week rent deposit required—it is rapidly becoming an eight-week rent deposit—and the month's rent needed in advance. Using the rent calculator provided by the charity Shelter, which is available on its website, a new tenant wanting to rent a two-bedroom property in Lewes, where the average rent is £1,200 a month, would need to stump up in advance anything from £3,032 to £3,779, depending on the lettings fees charged. Realistically, how many of us could afford that?

The research from the citizens advice bureaux goes further, and makes fascinating reading. They have found that not only do fees vary from £175 to just under £1,000, but that such variations can be found by letting agents on the same high street, with the big national letting agents tending to charge the most, while the small independent agents charge the least. Moreover,

the type of fees that a letting agent charges varies greatly. Letting agents often charge a holding fee of about £200 to secure a property.

Alex Chalk (Cheltenham) (Con): Does my hon. Friend agree that part of the problem is not just the size of the charges, which can be great, but the lack of transparency? They are often levied on the basis of a pretext that is completely unclear and completely unjustified.

Maria Caulfield: I completely agree. I will come on to that specific point in a moment.

The holding fee of about £200 does not always secure a property and is not always refundable. A credit check can amount to about £100. All letting agents charge for drawing up a tenancy agreement, but some charge more for other tenants on the agreement. One tenant who takes out a tenancy agreement may be charged up to £350, but a second tenant may be charged up to £450. Reference checks cost roughly £100, and admin costs usually amount to another £100 to cover phone calls and postage. Some letting agents are making a new charge for an express move. Someone wanting to move into a property within three days will have to pay an extra £100, while to do so within five days costs £50. Letting agents even charge people if they have a pet—this is separate from what the landlord requires—and often charge them £200 to bring a pet with them. If one of the young people in a group who are sharing a property moves out, the person who takes over the sharing arrangement can be charged £300 just to change the name of the sharer in the agreement.

Kevin Hollinrake (Thirsk and Malton) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests. My hon. Friend is quite right to raise this subject. There is clearly not a free market for tenants, who follow property rather than choose between letting agents because of fees, so it is an issue that we need to address. However, letting agents rely on these fees for income, and so that income would have to come from somewhere else; it could be added to rent or else come from higher fees for landlords. Agents may also choose to take the most secure tenants and prefer those with good credit histories, rather than take a risk on a tenant with an inferior credit history, because of the risk of having to do the work twice, which would add to their costs. There is a potential issue there, so should we consider a cap rather than abolition?

Maria Caulfield: I completely agree. That will be one of the recommendations I make to the Minister.

Research by the National Union of Students mirrored that undertaken by my local citizens advice bureaux. The NUS surveyed 3,000 students and found that, on average, students pay £887 in fees, going up to more than £1,000 if they rent from an agent online. That shows that the situation in my constituency is being replicated across the country.

There is still one more injustice that tenants have to endure on top—the six-month tenancy regime. Very often, tenants want a longer lease and landlords are happy to give them one. But it is in the letting agent's interests to keep tenants on a rotating six-month tenancy, because every time that tenancy is renewed the agent charges another £150 to £350. It is a classic opportunity

to fleece tenants once again. The renewal of the same lease for the same tenants for the same property just costs the tenants more money. In law, a tenant should be able to ask for a longer lease from their landlord, but letting agents often ensure that that message is not passed on, and so every six months tenants have to pay fees to agents for little more than a new piece of paper.

To go back to the point raised by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), landlords are often none the wiser about the charges that their tenants face. In fact, landlords often pay no fees at all, because they benefit from letting agents who are keen to encourage them to put their properties on their books rather than those of another letting agent. The charges are therefore passed on to the tenant.

What do letting agents actually do to justify their fees? They do a great deal of work. A let-only deal will involve the letting agent assessing a property for rent, submitting the advert, carrying out viewings, doing tenant reference and credit checks, ensuring that tenants have contents insurance, providing tenancy agreements, setting up payments and informing utility companies of any changes. However, does that work really justify charging tenants just under £1,000?

Robert Jenrick (Newark) (Con): My hon. Friend is making some very important points. Does she appreciate, however, that estate agents are making around 40% of their income from lettings fees, so if we abolish or cap them, those costs will only be passed on to the tenant in a different way, principally through higher rents from the landlord? There are perhaps two answers. She has already alighted on one, which is to try to encourage—not mandate, but encourage—longer tenancies. Secondly, this House should be much more cautious in future about increasing the regulatory burden on landlords, so that letting agents do not have so many items to check off before they can get tenants into properties; I am thinking, for example, of the right to rent changes brought in recently, which put extra costs and burdens on landlords and letting agents.

Maria Caulfield: I thank my hon. Friend for his points. I am sure he will hear some of those suggestions in my recommendations.

The Government have done a tremendous amount to protect tenants and restrict over-exuberant letting agents. Last year, they made it illegal for agents to charge potential tenants to register with them or to charge for providing lists of properties. The Government also changed the law so that agents have to advertise their fees publicly in advance, both online and in their offices; non-compliance is enforceable by local trading standards officers, with a maximum fine of £5,000.

That change is very welcome, but in reality the law is not being followed. Again, my enthusiastic bunch of volunteers at the citizens advice bureaux did a form of mystery shopping locally. They visited 10 letting agents in Lewes and 15 in the town of Seaford. Of those 25, only one had its fees easily and publicly displayed. In practice, then, tenants are none the wiser that there is such a difference in fees between letting agents in the same town.

I therefore have five asks of the Government to ensure further protection for those who find themselves part of generation rent—very often those who cannot

[*Maria Caulfield*]

afford to buy a property or get a mortgage. First, we should indeed cap letting agent fees, because there can be no justification for the difference in the fees currently charged. Secondly, we should set standards for what can and cannot be charged for. For example, is it right that tenants are charged a holding fee that does not actually hold the property they want and that is not refundable? Thirdly, we should end the practice of charging for tenancy renewal, or at least give greater protection to tenants on short-term lets.

Caroline Ansell (Eastbourne) (Con): Does my hon. Friend agree that short-term lets of six months are not only hugely costly to tenants in what should be a straightforward renewal—there should also be much more openness about the possibility of having a longer tenancy agreement—but undermine people’s sense of security and their connection to their community?

Maria Caulfield: I agree with my hon. Friend, because tenants have a legal right to ask for longer tenancy agreements, but often that request is not passed on to their landlords.

Fourthly, there should be tougher penalties for not displaying fees, because that is clearly being flouted. I urge that councils should be allowed to keep the money from any fines to encourage them to enforce the law that already exists. Fifthly, we should promote this issue so that tenants are aware that there is a difference between the fees that are charged, often on the same high street for the same properties. I have written about that in my monthly column in the *Sussex Express* in order to highlight the issue so that tenants are aware and can then make choices for themselves.

In conclusion, letting agent fees have the greatest impact on the young, the poor and those excluded from the housing market. Many letting agents know that these people are desperate to secure somewhere to live and take full advantage by charging exorbitant fees. There is huge competition for housing, particularly in London and the south-east, and if someone refuses to pay these fees there are three or four people behind them in the queue who will. I urge the Government to step in and protect tenants from the scourge of letting agent fees.

10.47 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): I am grateful to my hon. Friend the Member for Lewes (*Maria Caulfield*) for securing this debate and giving the House an opportunity to discuss letting agent fees and tenants’ deposits in the private rented sector. The Government are committed to promoting a strong and thriving professional rented sector where good landlords can prosper and hard-working tenants can enjoy decent standards and receive a service that represents value for money for their rent. The vast majority of landlords provide a good service and rent out good-quality, well-managed properties. We know from the English housing survey that 84% of tenants are satisfied with their accommodation and that, on average, tenants stay in a property for four years.

The private rented sector is expanding and is now a major part of the country’s housing stock, providing homes for over 4 million households. We want to see professional buy-to-let and institutional landlords and high-quality and professional letting agents who provide value for money for tenants. We have therefore introduced a range of measures to help drive up standards and improve the quality and management of privately rented housing.

Since 2014, all letting agents and property managers have been required to belong to one of three Government-approved redress schemes, with a penalty of up to £5,000 for those who fail to comply. Where standards do not meet expectations, both tenants and landlords now have an effective and transparent means of raising their concerns. This offers a clear route for both landlords and tenants to pursue complaints by weeding out the cowboys who give agents a bad name, and at the same time we hope to drive up standards for tenants.

Since 2015, letting agents and property managers have also been required to display a full tariff of their fees prominently in their offices and on their websites, and to make clear whether or not they belong to a client money protection scheme, with a fine of up to £5,000 if they fail to comply.

We have introduced legislation, through the Deregulation Act 2015, that prevents landlords and letting agents from evicting a tenant simply for making a legitimate complaint about the condition of the property. They have also been prevented from serving open-ended eviction notices at the start of a tenancy, helping to improve tenant security, which I hope my hon. Friend will agree is an extremely important move. We have also made £12 million available to a number of local authorities to help them crack down on rogue landlords and drive them out of the sector. Results have been impressive, with over 40,000 properties inspected and legal action taken against more than 3,000 landlords to date.

And we are going further. Through the Housing and Planning Bill, we are introducing a package of measures that will enable local authorities to do more to improve standards in the sector and ensure that rogue landlords either are forced to improve or leave the sector. Civil penalties of up to £30,000, which the local authority can retain and use for housing and enforcement purposes, will be levied in the most difficult cases, while a database of rogue landlords and letting agents will allow councils across the country to keep landlords and letting agents convicted of criminal offences firmly on their radar and a target for enforcement action.

My hon. Friend will know that the Government, through the Bill, are introducing banning orders for the most serious and prolific offenders. The measures will also require the repayment of rent where a landlord has illegally evicted a tenant, failed to rectify a potentially serious health or safety hazard or breached a banning order. There will also be a tougher “fit and proper person” test to help ensure that rogue landlords and letting agents are properly vetted before they can manage licensed properties.

The Government are committed to ensuring that where a tenant pays a deposit to their landlord, it will be returned at the end of the tenancy, provided the tenant has complied with the terms of the tenancy agreement. Where a deposit is paid in conjunction with an assured shorthold tenancy, it must be protected by the landlord

or agent in one of the Government-approved schemes, and certain information must be sent to the tenant within 30 days of the deposit being received. If a landlord fails to do so, the tenant can initiate legal action and the landlord may have to pay the tenant up to three times the amount of the deposit paid. Tenancy deposit schemes in England have protected over 11.5 million deposits since their launch in 2007 and helped to raise standards in the private rented sector and ensure that tenants are treated fairly at the end of a tenancy.

I am clear that the vast majority of letting agents provide a good service to tenants and landlords and that most fees charged reflect genuine business costs. I do not believe, therefore, that a blanket ban or cap on letting agent fees is the answer to tackling the small minority of rogue letting agents who exploit their customers by imposing inflated fees for their services. Banning or capping letting agent fees would not make renting any cheaper for tenants—tenants would still end up paying but through higher rents—which is why the Government believe that ensuring full transparency is the best approach. This can be done by requiring letting agents to publicise a full tariff of their fees, giving consumers the information they want and supporting the majority of reputable letting agents. Such transparency will help to deter double charging by letting agents and enable both tenants and landlords to shop around, encouraging agents to offer competitive fees.

The evidence from Scotland, where letting agent fees have been banned, strongly suggests a direct relationship between a ban and higher rents. The Association of Residential Letting Agents commented that

“there was strong evidence of a negative fallout in Scotland...agents have gone out of business, some have raised landlords’ fees, some have put up rents”.

In the first quarter after the introduction of the ban, rents in Edinburgh increased by more than 5% and in Aberdeen by over 6%. While a direct link between the abolition of fees and higher rents cannot be proved, these rises are significantly higher than inflation. By comparison, over the same period, the average rent increase across England was just 1%.

Moving on to deal with my hon. Friend’s specific questions, I have probably covered those she asked about the cap. Although we do not believe that a cap on

letting agent fees is the right answer, when the requirement on letting agents to publicise their fees was introduced in October 2015, we said that we would review how well the scheme was working after 12 months. I think that is a sensible approach, allowing the new system time to bed in and to demonstrate that it is delivering the expected benefits.

I cannot pre-judge the review or its recommendations, but I am clear that we are not ruling anything out. If we find that the approach is not, in fact, working well, we will consider whether more needs to be done, including looking at the case for taking action on fees. The review will be carried out later this year. In the meantime, the Government’s position is that a ban or cap on letting agent fees would be disproportionate, probably pushing up rents without benefiting either landlords or tenants.

My hon. Friend made a request about having statutory tenancies longer than the usual six or 12-month ones. As I said at the outset, the average tenancy is sustained for a period of four years, and the Government are not currently looking to change that. My hon. Friend will know, I am sure, that the model tenancies brought forward by the Government over the past few years have been extremely successful and have been adopted by many letting agents.

My hon. Friend mentioned tougher penalties. When we look at the review, I am sure that that issue will be considered, too. My hon. Friend knows—she served on the Housing and Planning Bill Committee—that there are significant penalties for rogue landlords and rogue letting agents. Civil penalties of up to £30,000 exist as a deterrent to them, and as my hon. Friend mentioned, that sum can be kept by local authorities to assist them with further enforcement.

I am grateful to my hon. Friend for raising this important issue, and I hope that my response this evening has reassured her that the Government take extremely seriously the issues she has set out for us. Following a review later this year, we will consider whether more needs to be done.

Question put and agreed to.

10.58 pm

House adjourned.

Westminster Hall

Tuesday 3 May 2016

[SIR EDWARD LEIGH *in the Chair*]

Anti-corruption Summit

9.30 am

Nigel Mills (Amber Valley) (Con): I beg to move,

That this House has considered the Anti-Corruption Summit.

Hon. Members, members of the public and people watching this debate will not be surprised to learn that tackling corruption is one of the biggest items on the agenda this year. Barely a day goes by without it hitting the news. As co-chair of the all-party group on anti-corruption, I was keen to hold this debate so we can air the issues that the Government hope to tackle in the important summit next week and subject the summit to parliamentary scrutiny.

I thank the Backbench Business Committee for awarding me this debate. Unusually for a Back-Bench debate, we are not here to criticise the Government. We may have some suggestions about how they can be a bit stronger, but we are here to congratulate the Prime Minister and the Government for holding the summit, for placing this issue at the top of the agenda and for consistently championing transparency and accountability as enablers of good governance. We want real actions and agreements from the summit next week, so that those important things can be taken forward and enforced. I will set the scene and explain how I see the agenda, and then I will ask the Minister some questions about how the summit will work, who will be there, what the key Government aims are and how we can enforce the actions that are agreed.

In next Thursday's summit, international partners will, we hope, agree a package of practical steps to expose corruption, punish the perpetrators, support the victims and drive out the culture of corruption. That is clearly timely, given what we have seen in recent weeks and months. It is difficult to measure the impact of corruption, but the scale has never been more obvious: the FIFA scandal, the Unaoil leaks and the recent Panama papers gave us a glimpse of the far-reaching and egregious damage that bribery, fraud, grand corruption and tax evasion can cause. As the Prime Minister said last July,

"Corruption is one of the greatest enemies of progress in our time."

Bribes, tax evasion and grand corruption destabilise development, keep the vulnerable in poverty, add significantly to the cost of doing business and fund terrorism. We all agree that we need to find a way of fixing those things.

Next week's extraordinary summit is outside the usual gamut of United Nations, G20, G7 or even OECD processes. It is a one-off, stand-alone, unique summit, and we are all keen to understand how any actions that are agreed can be enforced. We do not want just warm words next week; real action must result from them.

It is right that the UK takes the lead on this issue, because we are uniquely exposed to corruption. Our status as a pre-eminent global financial centre and the unfortunate financial secrecy touted by our overseas

territories and Crown dependencies make the UK seem a safe haven for the proceeds of corruption and the individuals and organisations that facilitate and benefit from financial crime and tax evasion. We ought to recognise that.

When MPs go around the world and look at the issues that developing countries face, we often think, "Isn't it great that we're not suffering from that level of day-to-day corruption? We don't have to bribe public officials to get the service we want. We are not at risk of being stopped by the police and being asked for a charge to keep driving." But the UK is not completely corruption-free. As a big financial centre, we are very exposed to corruption, and we are used as a way to launder money and hide the proceeds of corruption and crime elsewhere in the world.

It is right that we praise what the Government have done in that regard. We will soon be one of the first countries in the world, and the first in the European Union, to have a public register of beneficial ownership. That is a real step forward, which will allow us all to see who owns the companies that operate in the UK. I am sure that it will give us some extremely useful and interesting information. We all welcome the recent consultation on extending that transparency to property ownership. We also welcome the new anti-money laundering action plan, which, if fully implemented, will bolster the regulators' enforcement powers and their ability to identify and freeze suspicious transactions.

Of course, we have issues with our overseas territories, and if we cannot convince them to get on board with this agenda, our reputation for being a truly anti-corruption jurisdiction will not be intact. As the Panama papers show, secret company ownership makes most cases of large-scale corruption, money laundering and terrorist financing possible. Without secrecy, much of that could not be done.

A World Bank review of more than 200 of the biggest corruption cases between 1980 and 2010 found that more than 70% relied on shadow entities that hide ownership. Sadly, company service providers in the UK and the Crown dependencies are second on the list of providing the shell entities that facilitate those awful crimes. This summit and our international reputation will prevail only if we secure commitments from all our overseas territories and dependencies to introduce public registers of beneficial ownership and strip companies of the secrecy that allows them to hide the proceeds of crime, corruption and tax evasion.

Success will depend on whether we tackle the risks that are somewhat closer to home. Trillions of pounds flow through the UK's financial system every year, and sadly some of those transactions are less than clean. The National Crime Agency recently estimated that tens to hundreds of billions of pounds-worth of corrupt and illicit funds are laundered through the UK each year. Last week, the acting chief executive of the Financial Conduct Authority appeared before the Treasury Committee, and when asked whether the UK system is suitably hostile to money launderers, she could only reply, "We could do better." Clearly, we could and must do better. The laundered funds that are used to buy property here get into the system through the secrecy that our overseas territories allow. It is harder to spot

[Nigel Mills]

and stop such funds once they are in the system, so we need to prevent them from getting there in the first place.

We must tackle money laundering in the UK. We welcome the action plan, but having 27 different institutions to supervise the anti-money laundering rules in the bodies that they regulate is far too many. They cannot have a real picture of what is going on, what action is needed, the trends and who is not complying. Will the Minister say whether the Government plan to find a way to reduce the number of supervisors, so that we can be confident that the new rules and those that are already in place will be enforced?

Law enforcement authorities identify three sectors that do not adequately report suspicious activity: the legal sector, accountancy and estate agency. Property ownership is a topical issue, and the fact that only 0.05% of all suspicious activity reports came from estate agents in 2013-14 suggests that action is needed to make that sector transparent. Recent research from Transparency International and investigations from Global Witness show how London's property market is used for corrupt ends. More than 36,000 properties in London are owned by companies registered in offshore jurisdictions, and almost 10% of the properties in Westminster are owned by anonymous companies. We clearly cannot allow that situation to continue.

Anonymity has a clear link to corruption. More than 75% of corruption cases involving property investigated by the Metropolitan police's proceeds of corruption unit involved anonymous companies registered in secrecy jurisdictions, 78% of which were registered in the UK's overseas territories or Crown dependencies. This huge problem is sadly centred in territories over which we have some influence, so it is imperative that we produce some action from them.

Senior figures at the National Crime Agency have reported that corrupt investment in London's most expensive properties is driving up house prices across the board. So money laundering not only is a problem for the rich and powerful, but has an impact on everyday life here in London. The longer we allow London to be a kleptocrats' playground, the worse off we are making ordinary people.

We have all those statistics to recount, and an APG inquiry is ongoing at which we have heard many anecdotes about how British firms working overseas are losing out on contracts to unscrupulous firms based in countries that do not have the same regulations and rules, and do not play fair, as we do. We are losing jobs and income here, because other countries around the world are not following the rules that they ought to be. It is right for us to make a stand. We do not want businesses bribing their way into contracts around the world. Where we find that happening, businesses and their executives will be punished, and serious action will be taken. We will not turn a blind eye to it. Recently, Ernst and Young's 2016 global fraud survey of senior executives found that 98% of UK respondents believed that it was important to know who ultimately owns and controls the entities with which they do business. So this is not a minority interest; the business world agrees that we should all know about such things.

Turning to the summit next week, will the Minister confirm exactly which countries are attending and the level of their representation? How many of the overseas territories and Crown dependencies will be present? Perhaps he will list which ones will not be. According to the recent statement, the two territories that had not agreed to have even a closed register of official ownership were Guernsey, which had some excuse to do with having elections and so could not agree—has any progress been made?—and Anguilla. Has some sense prevailed in that small part of the world? Has it seen the light?

The Parliamentary Secretary, Cabinet Office (John Penrose): I will try to answer the broader questions at the end, but I can confirm that Anguilla has signed up. Guernsey's election was last week, so we expect discussions to begin in earnest very promptly.

Nigel Mills: At least we have all the territories over that first hurdle.

Next week, the important thing will be to get real commitments on beneficial ownership and a timeframe for the register to be transparent and public, so everyone can see who owns every company established in a jurisdiction. For law-enforcement providers to be able to find such information in a timely way may be of some use, but we also want everyone to be able to search the register—for example, campaign groups could trace right through the system and see who owns properties. I suspect that law enforcement does not have the resources, sadly, to do that proactively, whereas sunlight and transparency will give us far more progress than a closed register ever could.

Will the Minister confirm whether the summit agenda includes discussion of a certain time by which all those territories will have a publicly accessible register of who owns companies and, preferably, of trusts in the jurisdiction? I accept that trusts are more complicated, but we need to see some progress on them as well.

Last autumn, I attended a meeting at which the Government's anti-corruption champion, my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles)—sadly, he cannot be present today—confirmed that the Prime Minister was pretty determined to get overseas territories on board with a public register. The words the anti-corruption champion used were “through legislation, guidance or naked pressure”.

I am not sure whether the summit counts as guidance or naked pressure, but if those do not work, what other options do the Government have? My right hon. Friend said “legislation”—his word—so will the Government put that on the table? At some point, will they take action if the territories will not go as far as we want them to, or is that completely off the table?

What other major countries are turning up? Are the Americans sending anyone next week, because they clearly have an important role to play in sorting out the world financial system? Those of us who would like to see greater action on global tax avoidance realise that the Americans have a real and vital role in that situation, so are they turning up next week?

If some actions are agreed next week and, as we hope, they are specific and have a real timeframe, how will they be enforced? Presumably, there will be no binding global agreement, but are the Government conscious of

that? We do not want to hear warm words and promises that have been made before, followed by years of drift; we want real, concrete actions that are reviewed, with a timescale and ways to enforce progress.

If there is an agreement next week and some territories subsequently resile from it, what actions will the Government propose taking to convince the territories otherwise? It is not encouraging to see the Government announce that everyone has agreed to a closed register, and then senior people from some of our overseas territories glory in being able to say, "We've won. We've got everything we wanted out of this," implying that it will be business as usual—presumably, not what we were aiming for. We want any agreement next week to be meaningful and strong, not just hot air.

With those thoughts, I wish the Government and the Minister well at the summit next week. We hope that they will come out with a strong and binding agreement, which can take the agenda forward towards finding ways of materially reducing the amount of corrupt money that flows around the world, especially into the UK. Nations around the world should, rightly, keep the money that they earn and have the tax revenues necessary to grow their economies. Everyone throughout the world should be able to see our financial system moving in the direction of being open, transparent and honest, rather than corrupt.

9.46 am

Dame Margaret Hodge (Barking) (Lab): I congratulate the hon. Member for Amber Valley (Nigel Mills) and my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing today's debate.

I welcome the Government's commitment to tackling corruption and the leadership shown by the Prime Minister, but for this to end up as more than a public relations stunt, the Government need to take serious action. I want to focus on three issues: tax havens and the proposals on beneficial ownership registers; properties that are owned in the UK through shell companies that have been established in tax havens; and Britain's own record in stamping out corruption at home.

First, on tax havens, transparency about who owns assets—whether in companies, trusts or other entities—is absolutely vital if we are serious about stamping out corruption. Most tax havens are UK Crown dependencies and overseas territories, which are countries that carry the Union Jack on their flags and whose citizens are given British passports. Yet the secrecy that surrounds tax havens, which is at the heart of how they operate, results in massive corruption and money laundering throughout the world. I agree with what the Prime Minister said during his recent trip to the Caribbean in the autumn of 2015 that

"if we want to break the business model of...stealing money and hiding it in places where it can't be seen: transparency is the answer."

I have looked at a whole range of data, research and evidence. The World Bank review, to which the hon. Member for Amber Valley referred, looked at 213 cases of corruption over a 30-year period, from 1980 to 2010: 70% of the cases relied on anonymous shell entities, and the UK, the Crown dependencies and the overseas territories were second on that list. In the Mossack Fonseca papers, we find that of the 214,000 corporate

identities exposed, half were registered in the British Virgin Islands. Of the world's top 200 global companies, 90% have a presence in the tax havens. Tax havens are being used to hide money and to enable money laundering and corruption, yet the Prime Minister has failed to secure what I thought he was setting out to do: to ensure that the Crown dependencies and the overseas territories have registers of beneficial ownership that are open to the public. The commitment that he gave when he came to the House to give a statement arising out of his own position on the Mossack Fonseca papers failed to give us that assurance.

We only have to look at the words of one of the leaders of the overseas territories, the Premier of the Cayman Islands, to see that they saw the Prime Minister's statement as a victory. Premier McLaughlin said that the UK had caved in:

"As previously indicated this is not a central registry as beneficial ownership details will remain with the service providers managing them, but rather information will be accessed via a central technical platform. And it certainly will not be available publicly or available directly by any UK or non-Cayman Islands agency."

I am sure that the Minister is familiar with these words. The Premier went on to say:

"This is what we wanted, this is what we have been pushing for three years for, a disaggregated system which leaves the beneficial ownership information intact with the service providers but accessible by the general registry and accessible by the law enforcement agents in Cayman."

This is what they wanted. Indeed, what is almost worse is that in that interview, which was published in the Cayman press on the day following the Prime Minister's announcement here in the House of Commons, the Premier said that having reached the agreement gave the Cayman Islands a greater sense of confidence about the UK's endorsement of the business that is transacted there.

By agreeing to what is not really a register but a secret gathering of information, we have ended up giving a veil of legitimacy to the bad practices in overseas territories that allow money laundering and corruption. I say to the Minister that that is simply unacceptable. It is vital that such registers are properly compiled and public. Only then will we know who owns the assets that are at present in companies in the tax havens. Practically, until we know that, any idea that the odd collection of information in the tax havens will benefit us is false. Our own enforcement agencies are far too poorly resourced to be able to come up with evidence to justify why a tax haven should tell them who owns a company, and there will be unequal access to the data required to tackle corruption, because developing countries have even fewer resources and are less capable of seeing whether they can access such information.

I say to the Minister that it is perfectly possible for us to insist that the overseas territories and Crown dependencies compile public registers of beneficial ownership. We have intervened on other issues, and if we are serious about tackling corruption, we should intervene on this issue. In a previous time, the Conservatives intervened through an Order in Council to ban capital punishment, and Labour, when it was in office, intervened through an Order in Council to outlaw discrimination on the grounds of sexuality. The UK public will believe that the Government mean what they say about tackling corruption only if they choose to use the powers available

[*Dame Margaret Hodge*]

to them through the Privy Council to enforce transparency. The first issue I ask the Minister to comment on is whether he will do that—and if not, why not?

The second issue is the scandal at our own doorstep of the way money is laundered into the UK property market. Again, the data and research here are substantial. In a 2015 paper, Transparency International found that £180 million of property that is thought to have been bought with laundered money since 2004 is currently being investigated. It claims that that is the tip of the iceberg and, to go back to the first point, says that in three out of four of those cases, an offshore structure was used to hide the owner's identity.

Transparency International also found in March 2015 that more than 40,000 properties in London alone were held by foreign companies and that 89% of them were held in secret tax havens such as the British Virgin Islands, Jersey, the Isle of Man and Guernsey. In 2014 the *Evening Standard* found 700 “ghost mansions” as it called them, worth about £3 billion, uninhabited in London. *The Guardian* looked at one street in Hampstead and found £350 million of vacant properties all owned by shell companies in tax havens and the brilliant investigations carried out by both *Private Eye* and Tax Justice Network found not only massive properties held in tax havens but that 120 former Crown Estate properties had ended up being owned in 14 tax havens. They established that one in six homes sold in Westminster and in Kensington and Chelsea in the three years before their 2015 report had been bought by offshore companies.

That is a scandal, which hikes up property prices here in London and distorts the housing market. Because that is at the top of the market, I am not sure whether that is taking away from many people in real housing need, but we therefore become the centre and focus of money laundering and bringing money into the London property market through shell companies in tax havens. The Minister and the Government are consulting on this issue, but we should insist on a publicly open register of ownership of all properties in London.

In the Minister's proposals, he talks about potential fines and imprisonment provisions for those who do not provide information, but of course that is no good if the owner is sitting in the Cayman Islands or the British Virgin Islands. He therefore needs powers to confiscate property and bring it back on to the British housing market. That would be a much stronger power. In those proposals, is the Minister talking about properties acquired in the future? If so, what does he intend to do about the many current properties?

My third and final point is about our seriousness in fighting corruption, which must start with fighting corruption at home. It is interesting—I am sure the Minister noticed this—that the first three prosecutions brought under the Bribery Act 2010 were all against UK officials: one in the courts; one a taxi driver bribing a local government official to get a licence; and one an overseas student bribing a lecturer. Whenever I talk to people in other countries, I always feel nervous about the patronising, complacent attitude we show that we have got it all right at home. We have not. If we are to be serious about fighting corruption, we should start by establishing our own anti-corruption strategy in Britain.

I am particularly concerned about the role of the financial institutions in the UK. Banks, advisers and all those people are focused here because of the strength of our financial sector, and they are the very institutions that are facilitating money laundering and helping the corruption that takes place internationally. We saw in the Panama papers that the UK was the second most popular place with which Mossack Fonseca did business. We saw that nearly 2,000 of the so-called enablers—the lawyers or advisers—were located here. We also saw that HSBC was one of the biggest banks involved in the transactions revealed in those papers and that Coutts was second to it. HSBC was used 2,000 times and Coutts was used 500 times. I have argued before, and will argue again, that if the Government are serious about fighting corruption and limiting the role of all those advisers and banks in facilitating it, they ought to introduce a new offence on the advisers and banks and not just look at the culprits. It is the advisers who devise the schemes, and if we could cut that off at the root, we would not have problems later.

The rumoured proposal for the Serious Fraud Office to come under political control via the National Crime Agency at the Home Office is another concern. If we are serious about setting an example in the fight against corruption, we should not allow the Home Secretary to direct SFO investigations. Of course, proper resourcing—whether of the SFO or HMRC—is vital.

I was disturbed at the recent accusation from David Normington about the politicisation of public appointments. Corruption may be too strong a word, but this example, which comes from the Minister's Department, shows how much we need to do at home to get our own house in order. David Normington accused Ministers of seeking to dismantle the existing system for making senior appointments to public bodies. He specifically accused the Secretary of State for Culture, Media and Sport of trying to fill a prominent position in the National Portrait Gallery with a Conservative. None of the five applicants deemed suitable by Ministers for the job had been put through for interview, although four of the five had substantial connections with the Conservative party, and the Secretary of State therefore refused to accept officials' recommendations.

It is very disturbing to see the Conservative Home website actively encouraging Conservative supporters to apply for key public appointments. That may be a little thing, but it is symbolic. If the Government are going to lead the fight against corruption in the world, they have to start by putting their own house in order. The summit next week is an opportunity for action. I hope that it does not turn into an exercise in public relations. The decision on which way we go is in the Government's hands.

10.2 am

Damian Collins (Folkestone and Hythe) (Con): This is a massive topic that will provoke a huge amount of interest today and in Parliament next week. I want to confine my remarks to corruption in global sport, which has been one of the major global corruption issues that we have debated and confronted over the past few years. I have been involved in this area through my work on the Select Committee on Culture, Media and Sport and as co-founder of the New FIFA Now group, which has campaigned alongside excellent organisations that care

about the integrity of sport, such as Transparency International UK, for greater openness and transparency in the way global sports bodies are run, and in particular for reform of major organisations such as FIFA.

On the FIFA corruption scandal, I recall the exact words issued by the US Department of Justice in its indictment against FIFA, published last year. It said that corruption at FIFA was

“rampant, systemic, and deep-rooted”.

The scale of the investigation so far and the number of arrests and indictments against senior officials in FIFA underline the breadth, and what will come in time to be seen as the depth, of corruption within that global sporting body.

As with other areas of corporate corruption, the causes of corruption within sports organisations are reasonably clear and simple to understand. Corruption in sport is an important issue, and it is not only a question of the integrity of sporting competitions and the people who take part in them. That is important in its own right, but we have to recognise that serious criminal elements have used the opportunities that sport presents to move money all around the world, be it through laundering money through the football transfer system or people acquiring stakes and interests in clubs before seeking to hide their identity behind shell companies held overseas. That has been a major problem for a number of years, and the major corruption scandal at FIFA and in other sports has brought it to the forefront.

The reasons why corruption occurs are relatively easy to understand when there are organisations with poor internal governance, led by a group of people who are not really accountable to anyone else and who base themselves in hard-to-reach places, with little scrutiny of the way they use their money and power. If we look at the breadth of allegations of corruption against FIFA officials, they have largely been about people using the organisation’s resources to enrich themselves by taking a cut of contracts, broadcasting rights and marketing rights, or by using their power and wealth to buy the votes of other people in order to secure positions of prominence for themselves and their friends and even to determine where the World cup final is played.

There is not only a lack of transparency within FIFA and how it uses its resources; there is also a lack of any real opportunity for people within the organisation who have a concern to blow the whistle. There is nowhere for them to go, because they are largely making their complaints to the people who control the organisation and who, on the whole, are not that interested in those complaints.

During the FIFA scandal in 2011, David Triesman, a former Foreign Office Minister and the former chairman of the Football Association, who had been intimately involved in leading England’s bid to host the World cup championships in the process leading up to the voting for where the tournament should be played in 2010, used parliamentary privilege to lay before the Culture, Media and Sport Committee allegations of corruption against senior football officials such as Jack Warner, Ricardo Teixeira and Nicolas Leoz, suggesting that they had solicited bribes. Lord Triesman claimed that Jack Warner had asked the FA to pay him a sum of money to secure the rights to show World cup football matches in major stadiums in Haiti to people who had been affected by a recent earthquake. It transpired that

Jack Warner was asking for payments from the FA for rights he already owned in an attempt to solicit money for himself personally, with the understanding that if he received that money, he might vote for England to win the right to host the World cup.

That is an example of information we have received. In the case of Lord Triesman’s allegations, which were dismissed at the time by FIFA and not taken seriously enough, the people he alleged were guilty of being involved in corrupt practices have subsequently been indicted by the FBI as part of its investigation. That poses the question: why did the Serious Fraud Office not do more at the time to investigate thoroughly the allegations that Lord Triesman put into the public domain? Are the resources available to ensure that such investigations can take place? Could more be done to reach out to other law enforcement agencies around the world in order to share intelligence and information where a suggestion of wrongdoing is put before the offices in this country?

Sharing of information and international co-operation is important. While it may well be more appropriate for a different international or national authority to take the lead in an investigation, we can still play a very important role in following up on it. I am concerned that there have been occasions in the past when whistleblowers have come forward with information but there has not been follow-through or action on it, and years have been lost that could have been spent going after the wrongdoers and taking a stand against them.

I want to use this opportunity to raise an example that relates to an allegation that was made in the course of the recent FIFA presidential elections but could not be discussed in public because of the action of the lawyers representing Sheikh Salman of Bahrain, who was a candidate for the FIFA presidency. This is an important illustration of the sort of case that needs to be discussed publicly and examined carefully by people who care about issues of corruption. There was a suggestion that Sheikh Salman had colluded with Sheikh Ahmad, who is head of the Olympic Council of Asia and a member of the FIFA executive committee and the International Olympic Committee, so that Sheikh Ahmad could use his financial position as head of the OCA to channel money to football associations in Asia in order to persuade them to vote for Sheikh Salman in the 2013 elections for the presidency of the Asian Football Confederation.

I would like to run through an exchange of emails between the various parties involved, to give an example of the sort of case that should be followed through and examined more closely. In this case, the Football Federation of the Kyrgyz Republic was in email contact with the Olympic Council of Asia. Sheikh Ahmad, the Kuwaiti head of the OCA since 1991, is a sporting kingmaker and a key powerbroker in Asia who is a close friend and associate of Sheikh Salman. The FFKR voted for Sheikh Salman in the AFC election on 2 May 2013, which he won by a landslide. On 26 April 2013, the FFKR’s executive director, Dastan Konokbaev, wrote to the private email address of the OCA’s IT manager, Amer Elalami, with details of flights that the FFKR’s delegation would be taking to and from Kuala Lumpur for the AFC vote. Addressing him as “Brother”, he listed the flights he would be taking with the president, Semetei

[Damian Collins]

Sultanov, and the vice-president of the organisation. On the previous day, he had sent an email with his security mobile number, saying,

“it is available any time”,

and wrote,

“this is my private email”.

Mr Elalami replied from his personal account with the signature,

“IT Manager, Olympic Council of Asia”,

and his own phone number. He wrote:

“Noted brother, will keep in touch, just let me know if required any assistance from our side”.

On 29 April 2013, three days before the vote, Mr Konokbaev emailed Mr Elalami at his private email address listing 53 projects and requesting the OCA's financial support. The subject heading of the email was “About support for Kyrgyzstan football”. These projects included training camps, friendly matches, more than 300 air fares and the construction of a sports centre. The total value of the projects amounted to millions of pounds.

There seems to be no legitimate reason for the FFKR, which is part of FIFA, to seek funding from the OCA. The OCA's IT manager had no grant-giving role and was using his private email address rather than his official one. Despite this, Mr Konokbaev wrote:

“Brother, I hope you are well! I would like to acquaint you with our plans for 2013 (here included preparatory cycle Kyrgyzstan's National Team) and indicate”

where you need support. He continued:

“We have previously discussed, and even decide[d] many issues”.

Mr Elalami forwarded the email on to the OCA's director general, a former pilot he referred to as “captain”. Mr Al-Musallam is Sheikh Ahmad's right-hand man and the pair work closely together. Mr Elalami appears to have believed that Mr Al-Musallam was already aware of this request for funds, writing:

“Did you receive this email from Dastan?”,

and seeking advice on how to respond. He continued:

“They send a financial support till March next year, what I should reply. Please advise”.

The emails also show that Sheikh Ahmad, Mr Al-Musallam and Mr Elalami were among a 19-strong OCA delegation in Kuala Lumpur for the vote. Bizarrely, the OCA did not have accreditation from the AFC. Instead, it was accredited to football associations.

In a document headed “list of delegates—KL”, which was circulated among OCA officials, Mr Elalami's name appeared alongside “KYR”, which is believed to mean Kyrgyzstan, in the “accreditation” column. Mr Elalami is a Kuwaiti who had no formal association with the FFKR. In 2009, the OCA had requested accreditation for the AFC Congress but, after being refused this, set up offices nearby and hosted a reception for 30 or so football associations on the day before a vote in which Sheikh Salman unsuccessfully stood for a position on FIFA's executive committee. On 6 May, the day after flying back from the 2013 vote, the FFKR's executive director sent a further email to Mr Elalami reminding him of the projects that needed funding. He said:

“Earlier, I sent you”

an email

“describing our needs and as you can see, there are issues that need to be addressed in the next few days [now] that all went according to plan”.

Beneath the projects he wrote:

“Which way you help? How much? Period of time?”

In some cases, he asked how the FFKR would be paid—“by bank transfer” or “in Kuwait”.

These issues warrant further investigation. In this case there is no direct proof that money changed hands between the OCA and this particular football association, but it is curious and suggests that there could be people who abuse their position in global sport to support each other, reward each other and share money between each other as a currency to secure political support. But where does anyone go with such allegations? Where can a whistleblower turn to ensure the proper investigation of such allegations? This has been at the heart of many corruption issues in sport.

Looking to the anti-corruption summit particularly, how can we ensure a gold standard for organisations operating in the sporting world to ensure they comply with high standards in auditing the way their money is used? There are questions for big global accountancy firms such as KPMG, which has audited FIFA's accounts for many years. Despite its auditing of those accounts, it was possible for Sepp Blatter to pay Michel Platini 2 million Swiss francs, although that money was not accounted for in FIFA's accounts. How can that be possible? How can major companies that work with global organisations sign off accounts if there concerns about them? What sort of faith can we have in that auditing process?

What sort of auditing is there? What sort of transparency is there in the way money and resources are used, and what sort of enforcement can be taken when there is a problem? Should there be a green light system for global organisations to say there are concerns about the lack of transparency in the organisation? Other commercial partners, whether sponsors or broadcasters that work with those organisations, should be mindful of those concerns when transacting with that organisation or seeking to do business with them.

Do we need some form of specialist unit in the National Crime Agency to look at sports corruption? There is a real problem with a lack of investigators working in this area. The Select Committee recently took evidence from the Tennis Integrity Unit, which has just two investigators looking at problems, largely involving gambling, and allegations of match fixing in tennis. I believe that FIFA had four people in its investigation unit. The UK's Anti-Doping Agency has one person in its investigation unit.

Do we need greater resources for work across different sports and based in the NCA that can look at allegations of corruption in sport and act on them? Perhaps we need a unit of four or five officers working in the NCA and dedicated to looking at sports corruption, working with global sports governing bodies, having a direct relationship with their own internal integrity units and seeking to co-operate with the FBI and other investigatory bodies around the world. That additional resource would be welcome—

Sir Edward Leigh (in the Chair): Order. I am becoming a bit worried about time. Given that we had long speeches by Back Benchers, it is only fair not to restrict

Front Benchers. Perhaps the hon. Gentleman will start to bring his speech to a close and perhaps the next speaker will please keep an eye on the clock.

Damian Collins: I will wrap up.

Can we look at the way the NCA works and at its resources? Working with overseas territories has been an important question in the FIFA corruption scandal. Jeff Webb is one of the people indicted by the FBA and is based in the Cayman Islands. How easy is it for us here to request information from the Cayman Islands about people we are concerned about and who may have links with sports corruption scandals? I welcome what the Government have said about access to a register and I am interested to hear how the Minister believes that will change our ability to pursue such cases.

10.16 am

Catherine McKinnell (Newcastle upon Tyne North) (Lab): As chair and co-founder of the all-party corruption group, chair of the parliamentary friends of CAFOD group, and a long-standing advocate for anti-corruption efforts, may I say that it is a pleasure to speak in today's debate? I congratulate the hon. Member for Amber Valley (Nigel Mills) on securing it. It is important and timely. Hon. Members have made important speeches and I look forward to the Minister's response to the questions that have been raised.

As we have heard, the forthcoming anti-corruption summit presents a unique opportunity for world leaders, business and civil society to come together and advance the international transparency and the anti-corruption agenda in a way that we have not seen for years. I agree with the hon. Gentleman that we are not here to criticise the Government, because we welcome the summit and the efforts made in that regard. However, as my right hon. Friend the Member for Barking (Dame Margaret Hodge) powerfully made clear, if we are going to call on the rest of the world to take action, we must get our own house in order.

Last summer, the Prime Minister said in Singapore:

"I'm determined that the UK must not become a safe haven for corrupt money from around the world...there is no place for dirty money in Britain".

However, Transparency International said in its report, "Corruption on Your Doorstep", that there is still a place for dirty money in the UK. Since 2004, over £180 million of property in the UK has been brought under criminal investigation as the suspected proceeds of corruption; over 36,000 properties are held by offshore companies based in tax havens—a point made by my right hon. Friend—and in 2011 alone, £3.8 billion of UK property was bought by companies registered in the British Virgin Islands. If we hope to see progress at an international level, we must lead by example. The Prime Minister has rightly given a commitment on public registers of beneficial ownership, and I hope we see that come to full fruition. It is critical that the Prime Minister turns this leadership into action and that we ensure the British overseas territories and Crown dependencies come on board with their own public registers—a point made by the hon. Member for Amber Valley.

The UK can lead by example in other areas, but what more can we do here at home on enforcement? The hon. Member for Folkestone and Hythe (Damian Collins)

asked whether our enforcement agencies do enough. My key question is: do they have the right resources and legislative framework to do all they can to stamp down on corruption?

One of the first issues I want to raise is how we hold companies criminally liable for actions of their employees that facilitate corruption, tax evasion, money laundering and fraud. I have spoken about that previously. I have pressed various Ministers and the Prime Minister on the issue because, astonishingly, the UK remains one of the most popular places for the facilitation of all forms of corruption. The Panamanian firm Mossack Fonseca, of recent Panama papers fame, worked with almost 2,000 professional enablers in the UK—accountants, estate agents and lawyers—to set up companies, foundations and trusts, all or some of which could potentially have been used to launder money or facilitate illicit financial flows. The UK was the second most popular place for Mossack Fonseca to operate in. I do not think that is an achievement of which the Prime Minister is particularly proud.

Many factors are involved, but one key issue in the UK is the law on corporate criminal liability. Under UK law, it is extremely difficult to hold a company criminally liable for the actions of its employees in terms of corrupt acts or any similar offence. To do so, prosecutors have to prove who is the "controlling mind" of the company, with direct knowledge of those acts. Our law enforcement agencies, including the Serious Fraud Office, have raised the issue time and again. The SFO director, David Green, has said:

"That is difficult because inevitably the email trail tends to dry up at middle management and evidentially it is hard to prove."

There is a potential solution. The Bribery Act 2010, introduced by the last Labour Government, sets a more reasonable evidential threshold for prosecuting companies where their employees have been involved in acts of bribery. It requires companies to prove that they have taken "adequate" steps within their organisation to prevent employees from committing such acts. The SFO secured its first prosecution and conviction for that new "failure to prevent" offence last December, and we understand that more prosecutions are on the way.

The Government recognise the effectiveness of the offence, because the Prime Minister recently announced, in the wake of the Panama papers revelations, that he would legislate to create a similar offence in respect of tax evasion, but he needs to go further and apply the new law to all forms of economic crime. I strongly urge the Minister, as I did a Treasury Minister two weeks ago, to look closely at part 2 of schedule 17 to the Crime and Courts Act 2013, because it contains an exhaustive list of offences, all of which cause immense harm both abroad and at home—they range from false accounting and forgery to fraudulent trading, bribery and money laundering—to which the Government could easily apply the new offence. That would send a clear message to the rest of the world that criminal corporate behaviour will not be tolerated in the UK and that the full force of our criminal justice system will bear down on corporate wrongdoing wherever it is found. I am sure that the Minister would like to send that message. The Prime Minister recently committed to "consider carefully" that proposal when I put it to him during his statement on the Panama papers. It would be helpful if the Minister updated us on whether the Prime Minister has been able to do that as of yet.

[Catherine McKinnell]

Ahead of next week's summit, the Government could also commit to ensuring that our law enforcement agencies across the board have the tools they need to properly tackle the facilitators and enablers of corruption in this country. I have mentioned the SFO. Under the Roskill model, it is charged with investigating and prosecuting the most serious and complex crimes, much of which falls under the umbrella of corruption. That unique model of investigating and prosecuting crime, all under one roof, has proved to be highly effective, yet doubts still linger about the SFO's future. I hope the Minister will today give a reassurance that the SFO will be provided with the support and resources it needs over the long term. There is always a question mark hanging over its future and whether it will be absorbed into the NCA. It is important that the SFO is able to concentrate on these very important matters, not the least of which are the issues that the hon. Member for Folkestone and Hythe raised.

Another great weakness in the armoury of our law enforcement agencies is their ability to recover stolen assets or the proceeds of crime. As Transparency International has highlighted, the UK's asset recovery regime has not been up to the job. It is estimated that £23 billion to £57 billion of dirty money is laundered in the UK each year, given London's role as a global financial centre, second only to the US. Against that, the National Audit Office estimates that only 25p out of every £100 is confiscated from organised criminals; a significant proportion of that sum is likely to be the proceeds of corruption. It is therefore extremely welcome that the Government say in their "Action Plan for anti-money laundering and counter-terrorist finance" that they are considering new legal powers

"to enable the quick and effective forfeiture of money held in bank accounts in cases where...there is suspicion that the funds are the proceeds of crime."

Such powers are long overdue. In the light of that new impetus, can the Minister say whether asset recovery regimes will feature highly on the agenda of the Government's summit next week? What aims do the Government have for increasing co-operation and joint working across national borders to ensure that those words on asset recovery are translated into action? At the end of the day, it is only through global co-operation and by demonstrating that there is nowhere to hide from law enforcement agencies that we will be able to disrupt and ultimately recover stolen assets and, hopefully, prevent this sort of crime.

I want to finish by reiterating a key point made by the hon. Member for Amber Valley and my right hon. Friend the Member for Barking: the central importance of public registers of beneficial ownership to the Government's anti-corruption efforts. The Prime Minister himself said last September:

"If we're to beat corruption, we need transparency."

That means transparency over who owns properties, transparency over which companies own other companies and transparency over which individuals own those companies. It is simply not good enough for Ministers to accept assertions from overseas territories and Crown dependencies that providing access to beneficial ownership registers to law enforcement agencies alone is sufficient.

Sir Edward Leigh (in the Chair): Order. Will the hon. Lady please conclude?

Catherine McKinnell: I will just sum up.

Sir Edward Leigh (in the Chair): Very briefly please.

Catherine McKinnell: Okay. The Government need to do more and ensure that the public have access to the registers. We saw the power of public light falling on the Panama papers and we need to ensure that the public have the same right of access to the ownership registers. The summit is an extraordinary opportunity for the UK to press ahead with the anti-corruption agenda. There is much to do, including here at home, and we do not want this to be a missed opportunity, so I hope the Minister will provide reassurance this morning that it will not be.

Sir Edward Leigh (in the Chair): I know that the next Member will be brief and to the point and will on no account speak beyond 10.35 am.

10.27 am

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under the chairmanship of a fellow member of the Procedure Committee, Sir Edward. Indeed, 10.35 is incredibly generous—I hope that is not an act of patronage or corruption because we are on the same Committee. I will endeavour to be as brief as I can. Many of the points that I wanted to make have already been very well made in the debate.

I want to consider the impact of corruption overseas, in developing countries, some of the steps that can be taken to address that issue and the leadership role that the UK Government have in that, but I will briefly reflect on the speech by the hon. Member for Folkestone and Hythe (Damian Collins) about FIFA. I do not know whether this is strictly within the limits or purview of the forthcoming summit, but in advance of the recent FIFA presidential election, I called for the Scottish Football Association to take an indicative vote of the members of its travel club, the Tartan army, on which of the candidates for the presidency they would prefer to see elected; perhaps it could inform the choice of its delegates. I do not think that necessarily happened, but it would be interesting to look at that kind of democratisation and shedding a bit of light on some of the processes of these great global bodies that control so much money and so much public interest but have so little accountability.

Let me move on to the specifics of the impact of tax dodging and corruption overseas. There is a tax gap in the UK between what it is estimated could be collected and what is actually collected. How much is lost through tax dodging and corruption? At least, however, we have a tax base to begin with. In developing countries, corruption and tax dodging can hit economies very badly indeed. Some estimates suggest that about \$1 trillion flows out of developing countries via illicit financial flows every year. As a result, the continent of Africa is actually a net creditor to the world economy; that is not something that is generally understood.

The OECD has estimated that tax havens may be costing developing countries a sum that is up to three times the size of the global aid budget. In a few weeks,

we are expected to debate the aid budget here in Westminster Hall. If people really want a reduction in global aid budgets, the money for resources to take people out of poverty in developing countries has to come from somewhere, and it has to come from developing countries being allowed to develop their own tax base. At the moment, the impact is there for all to see. A lack of infrastructure, development being held back, and weak health and education systems compound all the other development challenges that we so often hear about in Westminster Hall.

There is a particular challenge in the extractive industries. Addressing corruption in those industries must be a priority because a huge amount of resources and revenues for development is lost through bribery and corruption. In a sense, we are robbing some of the poorest countries in the world twice through a lack of accountability within the extractive industries: once when materials are extracted in poor labour conditions or in the shadow of conflict; and again when we allow tax to be dodged or profits to be siphoned off. Look at the Democratic Republic of the Congo. It should be one of the richest countries in the entire world—we all carry a little piece of the DRC around in our pockets in our mobile phones—yet it is one of the poorest. Tackling those financial flaws is crucial and ought to be a key priority for the summit.

Probably the most repeated phrase today is that we must get our own house in order. It is correct that we are not immune here in the UK, and we have heard about money laundering in the property market. People have suggested—I will not make any specific accusations, as that would be completely out of order—that there is a correlation between donations to political parties and seats in the House of Lords, right at the very heart of our so-called democratic system. The examples that we set to the rest of the world, including soft power and systems of patronage in the UK, must be looked at.

Alternatives do exist. Look at how the Scottish Government have taken forward the tax powers that they have been given. They have also introduced general anti-avoidance rules, described by various commentators as one of the strongest measures in the European Union. The convener of the Tax Law Sub-Committee of the Law Society of Scotland, Isobel d'Inverno, said:

“The general anti-avoidance rule that we have got in the Scottish legislation is much fiercer than the UK one. It's a very much firmer ‘Keep off the grass’ sign than the UK one is. Revenue Scotland also appears very determined to collect all the tax that is due.”

It would be interesting to hear what discussions the Minister has had with his Scottish Government counterparts on that matter.

As we approach the EU referendum, it is worth reflecting on the benefits of EU membership to global anti-corruption efforts. The EU anti-money laundering directive launched in June 2015 has been a huge boost to international efforts and is one factor that has helped to drive the UK Government's process of setting up beneficial ownership registers.

It falls to the UK Government to take action now and to show leadership through the summit. We have heard calls demanding action from the overseas territories in publishing beneficial ownership registers. We have also heard that there are precedents to do so, as the Government have previously required progress from the

overseas territories. It would be useful to hear what the Government's intentions are and whether they intend to set any kind of date for taking such steps.

The Government are in the process of reviewing the tax treaties they have with a number of developing countries. Scottish National party Members have spoken several times about the tax treaty with Malawi. It would be interesting to know how other tax treaties will be reviewed to ensure a fight against poverty and a fight against the flight of tax in an open and transparent way, and that extends to how we empower communities in developing countries to hold their own Governments to account.

It is important that the Department for International Development continues to support governance and civil society organisations to hold Governments to account and to ensure that they collect the tax they are due. It would be interesting to hear about that and about any other steps the Government will take, including on country-by-country reporting—requiring companies to publish the tax that they are paying in developing countries—especially regarding the extractive industries. Tax can be a key to unlocking resources in developing countries and a route out of poverty, and the summit is a chance for the Government to show leadership.

10.34 am

Tommy Sheppard (Edinburgh East) (SNP): On behalf of the third party, I congratulate the people whose efforts have secured this timely debate. I also look forward to having debates in the main Chamber next week as we prepare for the summit.

Many people are mesmerised and bewildered when they consider the scale of what is happening and what we are talking about. It is estimated that \$2 trillion of tax goes unpaid in the world economy. To put that in perspective, £1 in every £20 in circulation in the world is subject to some form of dubious practice and somebody trying not to do what they should do with it.

As my hon. Friend the Member for Glasgow North (Patrick Grady) stated, in developing countries, the amount of money that goes uncollected and is therefore unavailable to Governments in Africa is greater than the amount of international aid that that continent receives. Here in our own country, the amount of tax that is evaded or avoided by those who should be paying it is estimated to be in excess of £7 billion. If the Government were so minded and were able to collect that money, it would be enough to do away with all the proposed cuts to welfare and social security that we have spent many hours debating over the past couple of years. We really need to get a grip on this.

Something that has concerned me over the past few months is that there are those who will try not to justify what is happening, but to provide a smokescreen for some of it. They suggest that an awful lot of what is going on is perfectly legal, saying, “Ah, well, this is tax avoidance, which is lawful. This is not tax evasion.” A lot of members of the public get very confused about that, so we need to be clear about what is happening. For instance, people might decide to donate to a charity and to use the gift aid regulations to maximise their donations, or they might save for an ISA and get tax benefits out of that. That is not tax avoidance. That is using a legislative procedure for what it was meant to be

[Tommy Sheppard]

used for. Tax avoidance is when companies use procedures for things that they were not designed to be used for in order to avoid their liabilities—something that most people in this country never even get the chance to contemplate.

With regard to doing something about the problem, I echo the comments of others. The most important thing is that we need to be able to follow the money and see where it is, so transparency is vital. I welcome the fact that, from next month, we will have a public register of beneficial interests in this country. We will be able to see what companies in this country own in this country. However, large parts of the land in the Scottish highlands are owned by companies that are registered in the Bahamas and elsewhere, so the register will not assist me or anyone else in understanding the transparency of property and land ownership in the areas we represent.

The most important thing in this whole debate is that our dependent territories and overseas areas be compelled in some way to be transparent. After all, as the right hon. Member for Barking (Dame Margaret Hodge) observed, the people that live in those areas are British citizens who also enjoy the protection and all the benefits of the Crown. Therefore, it is inconceivable that a situation can exist whereby the overseas territories and Crown dependencies are allowed to deprive Her Majesty's Revenue and Customs of monies that it should, rightfully, hope to get. It is vital that action be taken. My question for the Minister, above all others, is: what leverage or sanction will be applied to the Administrations in those areas to ensure that they do not frustrate the objectives that this Parliament has set itself? There have been times in the past when we have not been shy about taking action to compel, and we need to know that those areas will be discussed at the summit.

Many people have talked about this country getting its house in order. I agree that we should not be too complacent about the situation here. There are some aspects that have not yet been mentioned and that we might want to revisit, including HMRC's arrangements with large multinational companies regarding their tax liability—for example, the deal that was done with Google. If we are talking about transparency, we still need to know the details of that. In the absence of the facts and figures, we have to assume that a deal has been done to allow a very rich multinational company to pay an effective corporation tax rate of 3%. Many people who run businesses in this country will look at that and wonder how it can be that one of the world's richest companies is charged 3% on its profits in the UK when they are paying many times that rate.

My hon. Friend also observed that we need to consider the general anti-avoidance rules. He is right that the Scottish GAAR has been lauded by many independent commentators as a stricter and more effective set of regulations than exist in the UK as a whole. The irony is that the Scotland Act 2016 will still cover only a minority of taxation and regulation in that country, but the UK Government could learn much from Scotland's GAAR about toughening up the regulations.

Perhaps the Brexit debate is the elephant in the room. Much has been achieved in recent years at European level, through the EU, on anti-laundering legislation. I accept that, in theory, if we were to leave the EU, it

would be possible to make bilateral or multilateral arrangements with other countries to try to do something about tax avoidance, but in the short term, and for an undefined period, the holes in the regulatory net would be widened if Brexit were achieved, so we need to consider the implications. Finally on putting our own house in order, there is still much more to be done on deploying resources and specialists to investigate malpractice, so I would like the Minister to talk about beefing up our capacity.

My final point is on leadership. As others have said, the Prime Minister has done a lot, but there is still more to do. For example, I would like a little more transparency on whether he has had any benefit from his father-in-law's company that owns large parts of Jura, where the Prime Minister decided to holiday in 2015. More information on that would be welcome.

There has been a distraction in recent months. We debated this subject a couple of months ago, when everyone was having a feeding frenzy to get Ministers and MPs to publish their tax returns. Of course, it became apparent that, if anyone was up to no good, the last place we would find evidence of it is on a tax return. What we really need to know is the information that does not appear on tax returns. As Members of Parliament, we are in a position of trust as legislators. We are the custodians of the arrangements that our citizens have to follow, and we need to be beyond reproach. We need to register our interests in the Register of Members' Financial Interests, and we need to consider whether Members should register any interests in offshore countries where they may be benefiting from the loopholes that we are trying to close.

The anti-corruption summit offers an opportunity for the Government to demonstrate global leadership. There are many decent people in this country who pay their taxes and who have never thought about doing anything else, and they are looking to the Government to do something about this massive international problem.

10.43 am

Jonathan Ashworth (Leicester South) (Lab): I am delighted to serve under your chairmanship, Sir Edward. This issue is of such importance to me that I was determined to be here despite the ongoing celebrations in Leicester, the city I represent. I reassure you, Sir Edward, that I will be celebrating Leicester's remarkable victory tonight.

I congratulate the hon. Member for Amber Valley (Nigel Mills) and my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell), both of whom have worked so hard on the all-party parliamentary group on anti-corruption, on being instrumental in securing this excellent debate. The hon. Gentleman, in particular, made a fine, well-considered speech that raised many key questions, and we look forward to hearing the answers from the Minister. Equally, my hon. Friend made a serious, heavyweight contribution with many good, practical suggestions, and I look forward to the Minister's assessment of her points.

Obviously, my right hon. Friend the Member for Barking (Dame Margaret Hodge) made a typically forensic speech, and I pay tribute to all her work, both in her role on the Public Accounts Committee in the previous Parliament and in the role she continues to

play in this Parliament on pushing these issues. Parliament is so much the better for her being here and for her work, and we are all grateful to her.

The hon. Member for Folkestone and Hythe (Damian Collins) made an interesting contribution, and he has shown great tenacity in pursuing corruption in sport. I hope that he continues to pursue those issues, and I look forward to seeing where his inquiries take him. There was much in his speech that is of concern to us all, and I hope that, if not this Minister, Ministers in the Department for Culture, Media and Sport will respond to him adequately. The hon. Member for Glasgow North (Patrick Grady) mentioned some of the issues that I will particularly address in my brief contribution, especially on the developing world.

There is consensus on both sides of the House on the importance of addressing corruption, and we would all agree with the Prime Minister and his strategy when he reminds us that corruption harms societies, undermines economic development and threatens democracy. In the past, he talked about the golden thread of conditions that allow countries to thrive, and the absence of corruption is one of those conditions. The Opposition welcome the summit because, as has been said many times in this debate, some campaigners estimate that illegal tax evasion, corrupt deals for natural resources and money laundering cause between \$100 billion and \$2 trillion-worth of money to flow out of developing countries every year. Estimates suggest that corruption equates to more than 5% of global GDP. The World Economic Forum's analysis shows that corruption increases the cost of doing business by up to 10%, and it suggests that cutting corruption by just 10% could benefit the global economy by nearly \$400 billion a year.

We welcome the summit, which is an opportunity for the Government to show leadership, as many Members have said. The summit meets against the backdrop of the Panama papers. Indeed, the full details of the papers will be released just three days before the summit. Surely, the test for the summit in the eyes of the public will now be how it responds to the issues raised by the Panama papers. There has been widespread revulsion at the revelations, which is understandable, and many people are interested in the impact of the Panama papers on our domestic scene and in the political fallout from the Prime Minister's tax returns and the way that he had to come to Parliament and from the number of Tory party donors caught up in the Panama papers.

Interesting though that is, and we all accept that the Government probably still have more to answer, for me the biggest issue raised by the Panama papers was the revelation of chronic corruption that has helped people to siphon billions of pounds from Africa, stealing from some of the globe's very poorest people. Africa is a continent rich in natural resources, yet its people are poor because, too often, foreign investment has been channelled through offshore centres such as the British Virgin Islands. Fortunes are being made and siphoned from Africa, rather than being spent on the schools, hospitals and infrastructure needed across the continent. Surely, it is obscene that, for example, a Jersey-based oil company can instruct Mossack Fonseca to shift its registration from the Bahamas to Mauritius, to avoid more than £280 million in tax on the sale of an oilfield in Uganda—£280 million is more than the Ugandan Government will spend this year on health services.

Surely, it is a disgrace when major mining concessions in the Democratic Republic of the Congo are acquired at seemingly below market rates and sold on for \$1.4 billion, which is almost double the combined annual budgets for health and education in a country with one of the world's highest child mortality rates, by taking advantage of such offshore accounts.

Surely, the test for the summit now is how the UK deals with its overseas territories and Crown dependencies. As has been said throughout the debate, the Prime Minister has previously pledged to introduce a fully public register, and he has previously written to the overseas territories demanding such a register. I will not run through all the quotations because of time, but last year in Singapore he said

“when you have companies whose ownership isn't known you allow a shroud of secrecy behind which people can do bad things, sometimes terrible things, with no accountability.”

On the overseas territories and Crown dependencies, he went on to boast that he would

“take concrete steps to force the pace.”

Sadly, those concrete steps have been smashed up. Just two months ago, the Financial Secretary to the Treasury said that the overseas territories and Crown dependencies are “not committed” to a public register of beneficial ownership:

“The United Kingdom is leading the way in respect of a public register of beneficial ownership, but other countries, including the overseas territories, are not committed to that.”—[*Official Report*, 1 March 2016; Vol. 606, c. 815.]

As many Members have said, is now not the time for the Government to insist that the overseas territories and Crown dependencies take the action necessary? To what extent will that be on the agenda for the summit, and will the summit agree a timetable to force those jurisdictions to publish central public registers of beneficial ownership? Not to do so would surely mean that the summit fails the test set for it by reasonable people. As the hon. Member for Amber Valley asked, which overseas territories and Crown dependencies will attend the summit?

Very quickly—I appreciate that the Minister will want time to sum up—as well as action on beneficial ownership, which is vital, we want action on tax reporting. It has been disappointing, given the summit's aims and the Chancellor's stated support, that past proposals in the European Parliament calling for published country-by-country reporting by companies of the details of where they earn their money and pay taxes have been defeated by Conservative MEPs. Does he not agree that it is now time for the Government to deliver on their promise to introduce country-by-country reporting for multinational companies, and can he tell us what progress will be made on that at the summit? My right hon. Friend the Member for Barking discussed money laundering. I will not go over that because of time, but again, will the Minister respond to those issues and detail what response we can expect at the summit?

The Minister has been asked a number of questions that I hope he can answer. As I said, we welcome the summit. We want concrete action on registers with respect to overseas territories and Crown dependencies. The Government can force action. There is a degree of consensus across the House, but when Governments tolerate large-scale tax avoidance by big corporations and the wealthy and fail to address legitimate concerns about tax havens, it is our constituents, public services

[Jonathan Ashworth]

and some of the poorest people in the world who suffer. If we refuse to act, we create the conditions for the inaction of others. The Government have an opportunity to show leadership at the summit; they must not squander it.

10.52 am

The Parliamentary Secretary, Cabinet Office (John Penrose): Sir Edward, it is always a pleasure to have you in charge, ensuring that we behave ourselves during our debates. I join the chorus of plaudits for my hon. Friend the Member for Amber Valley (Nigel Mills) and the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), who have done so much to raise the issue as co-chairs of the all-party group on anti-corruption. I particularly thank my hon. Friend the Member for Amber Valley for organising this debate.

We have had a series of extremely carefully considered and very wide-ranging speeches, not only from a former Chair of the Select Committee on Public Accounts—you are one yourself, Sir Edward—but from members of the Select Committee on Culture, Media and Sport and many others. The debate shows the breadth of concern and the issues into which the tentacles of corruption can spread—everything from sport to international aid to public contracts and property ownership in Baker Street, among other places in this country and elsewhere.

I think that there is cross-party agreement that it is important for us all to remember—although I am pleased by and welcome everybody's recognition that the Prime Minister and others have been instrumental in taking forward the agenda—that there is a great deal more to do. The effects of corruption are not felt only in other countries. My hon. Friend the Member for Amber Valley was right to say that, although we may be blessedly free of some of the more commonplace and in-your-face forms of petty corruption, such as people demanding bribes for everyday public services, that does not mean that any society, ours included, is safe.

The effects are widespread and pernicious. Corruption raises the costs of doing business, through bribes and friction costs. That is true not only in the UK but for our exporters trying to get contracts and trying to win jobs for our workers in exporting overseas, and consumers must put up with poorer quality goods, because if goods are purchased through a corrupt process, the chances are that they will be second best, either in quality or in value for money. Again, everybody suffers. Corruption drives up prices, not just in the UK—we heard the example of property prices here—but around the world as well. Most importantly, it is a fundamentally unjust way to run not only a country but global society in general. People cannot be sure that what they see on their TV screens and hear from their leaders or, indeed, their bosses is correct or fair. We are talking about a piece of social justice, so there is a huge amount to do.

In the limited time left, I will try to respond to some of the points raised, although I want to leave a couple of moments for my hon. Friend the Member for Amber Valley to sum up. He asked specifically what would be on the agenda for the summit and precisely who would be there. I can give him some guidance on that, but obviously, these matters are still under discussion, so I

cannot give him a running commentary. He rightly pointed out that the summit's overall aims are to expose corruption, punish those who perpetrate it and drive out the culture of corruption.

We have had a number of submissions from Members about how, for example, asset recovery could be improved; the right hon. Member for Barking (Dame Margaret Hodge) suggested confiscation, but other suggestions were made for other kinds of asset recovery as well. Suggestions were also made about better opportunities for whistleblowing and better governance in sport, which has been a potential channel for distributing ill-gotten gains around the world. All those things need to be discussed and will, I am sure, be on the agenda, but its precise details will be released nearer the time.

I can give my hon. Friend the Member for Amber Valley a little detail about who is invited. Again, the final guest list will be released nearer the time, but I can confirm that we have invited the G20 countries, leading international organisations in the field, including the UN, the World Bank, the OECD and the International Monetary Fund, and a wide range of other countries—I think this is where he was going; we will have more details, I am sure, as we get closer to the day—that are leading the fight against global corruption or have a pivotal role to play. I understand that John Kerry from the US will be there as well.

I should mention that there will be an event the day before with a broader invitation list, which will be run by the Department for Business, Innovation and Skills, for example. We will invite a number of companies and other non-governmental organisations, because there are many NGOs, companies and sectoral organisations that understand the reputational damage that corruption can cause. We must harness those who are willing to take a lead on the issue to set the right tone and take part in the three aims that I spoke of, particularly driving out corruption. Their co-operation and help will be essential in setting a tone for others to follow, not just in political leadership but in commercial and, potentially, third sector leadership as well. I hope that I have given my hon. Friend some extra detail. I am sure that more will come, and that he will want to hear more about it.

The right hon. Member for Barking asked whether we would be willing to use last resort powers. To summarise, they are a last resort. We do not want to have to use them; we want to ensure that people come as far as possible without any need for them. However, it is clear from all the submissions, suggestions and speeches that we have heard that there is a huge thirst and desire for the agenda to be taken further. We in this country are not unique in wanting to do so. We have taken some important leading steps, but we are far from the only ones who need to be involved, and far from the only ones who are. The issue needs to be taken forward on an international scale. The UK absolutely needs to play its part, and we have heard the reasons why we, particularly given our overseas and dependent territories, need to be a leading member of that international coalition.

This is clearly a developing agenda. The proposals and the progress made in the wake of the FIFA scandal, for example, show how much further international opinion has moved and still needs to move. The revelations in the wake of the Panama papers show how much further we can go and how much further public opinion, although

it has moved, still needs to move. I am sure that this topic will continue to develop and that the rules and regulations and, most importantly, the ethos and culture of international business, investment and ownership, will continue to change and tighten. I am sure that everybody in this room and more broadly will welcome that on a cross-party basis, with open arms. I will leave a few seconds for my hon. Friend to respond to the debate.

10.59 am

Nigel Mills: I thank everyone who has taken part in this debate for their excellent speeches. I think it is clear to anyone watching that there is a strong consensus among all the parties here that we want the summit next week to be a success. We want strong action to be taken. We want real agreements to take the issue forward, and we want to ensure that things happen on a timely basis, so that we do not just drift along and forget about the issue in a few years. I wish the Minister and the Government well with the summit, and we look forward to seeing what actions are taken next week.

Motion lapsed (Standing Order No. 10(6)).

UK Foreign Policy on Libya

[MR DAVID HANSON *in the Chair*]

11 am

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): I beg to move,

That this House has considered the effect of UK foreign policy on Libya.

It is a pleasure to serve under your chairmanship, Mr Hanson.

I start this debate by paying special tribute to Martin Kobler, special representative and head of the UN support mission in Libya, and to the British ambassador to Libya, who have both put an incredible amount of effort into bringing together competing institutions and encouraging them to form a single Government of national unity. However, the UK Government's foreign policy legacy in Libya has been an unmitigated disaster. The lesson for the Government is that they reap what they sow. Today, Libya is in an extremely fragile state. The political and security crisis deepens, as two rival Governments—in Tripoli and Tobruk—compete for legitimacy. Meanwhile, countless rival militias and the spread of Daesh make for a troubled environment.

According to UN estimates, the violence in Libya has affected some 2.5 million people and displaced more than 430,000 people. It has also disrupted access to hospitals, schools and basic services, such as power, water and sanitation. However, a UN humanitarian appeal to provide basic services—including medical care, education and the protection of refugees and migrants—to 1.3 million people in Libya has just 1% of the funds that it requires.

In the absence of the rule of law and functioning institutions, refugees and asylum seekers are subjected to harassment, arbitrary detention, limited freedom of movement and other human rights violations. Libya continues to be the main transit and departure point for irregular sea migration to Europe from north Africa. In 2015, 151,000 arrivals to Italy were reported, with 90% of them departing from Libya. Meanwhile, the total number of detainees held by the department for combating illegal migration in Libya is between 2,500 and 4,000 people, including some 396 women and 52 children, who are held in eight detention centres.

We in the Scottish National party fully support Amnesty International's call for the world to help to pull Libya out of its human rights chaos, five years after the uprising there began. Speaking in January, Said Boumedouha, deputy middle east and north Africa director at Amnesty, could not have been clearer when he said:

“World leaders, particularly those who took part in the NATO intervention that helped to overthrow Colonel Muammar al-Gaddafi in 2011, have a duty to ensure that those responsible for the horrors that have unfolded in Libya in its wake are held to account.”

I want to raise the European Parliament's recent resolution on Libya, as it reminds us of the increasing threat of security spill-over of the Libyan conflict not only in Egypt and particularly Tunisia, but in Algeria and its oilfields. The resolution emphasises the role of the Libyan conflict in exacerbating extremism in Tunisia.

[Stuart Blair Donaldson]

The growing presence of extremist organisations and movements in Libya is deeply worrying. The lesson of Libya, like the lesson of Iraq, is that countries cannot just bomb somewhere and move on. Thanks to the work of the Library staff and my hon. Friend for North East Fife (Stephen Gethins), we know that the UK Government spent 13 times more money on bombing Libya than on rebuilding it. Let us just consider those figures for a moment. The Library confirmed that £320 million was spent on military operations and bombing in Libya during NATO's intervention in 2011. Meanwhile, separate UK Government figures show that a mere £25 million was spent on rebuilding infrastructure in the years following the war.

The legacy of that policy in Libya has meant that today we have a vacuum that is being filled by rival militias and a country that is struggling to provide for its desperate population. US intelligence agencies tell us that the number of Daesh fighters in Syria and Iraq has dropped to about 25,000 from a high of about 31,500. However, the number of Daesh fighters in Libya has roughly doubled in the same period to about 6,500.

The UK Government cannot shirk their responsibility to Libya. Leaving the country in a disastrous state after bombing it has undoubtedly created the conditions that Daesh needs to operate, as it terrorises local civilians and sets up home among the rubble of 2011. Indeed, the UK's bombing of Syria—along with countless other military operations—is not defeating Daesh but merely displacing it across the wider region.

The UK Government's involvement in Libya has been so catastrophic that even the US President himself has criticised the UK's Prime Minister. During an interview in March, the President was forthright in his assessment of the military intervention in Libya, criticising the Prime Minister for the UK's role in allowing Libya to degrade to its current state; in fact, the President used more colourful language than that. The President also suggested that the Prime Minister had taken his eye off Libya after being

“distracted by a range of other things”.

The US President's comments do not paint the picture of a UK Prime Minister who is either up to the job of leading our forces in strategic military interventions or capable of international co-operation in multi-faceted actions. The President went on to admit that Libya was the worst mistake of his presidency. The Prime Minister could do with reflecting on his own actions and admitting the catastrophic failures of his premiership regarding Libya.

On 19 April, the Foreign Secretary, freshly returned from his visit to Tripoli, announced £10 million of funding to support the new Libyan Government of national accord. This money includes £1.5 million to tackle illegal migration, smuggling and organised crime, and £1.8 million to support counter-terrorism activities. The new cash follows an £11.5 million payment last year for development and humanitarian assistance.

We in the SNP welcome that funding, but it is too little, too late. Despite urgent calls to provide humanitarian assistance to an estimated 2.4 million Libyans in need of aid, the Department for International Development has set aside just £50,000 in aid this financial year to prevent food and medicine shortages in the country.

Understandably, that has led to much criticism. A UN official has described the UK's humanitarian efforts as

“paltry bone-throwing from a European country whose bombers reaped so much destruction”.

The Government not only undertook military action with little in the way of long-term planning, but they have left the state and people of Libya paying a heavy price for that action. Humanitarian conditions in Libya have deteriorated since mid-2014, leaving an estimated 2.4 million people in need of humanitarian assistance, and some 1.28 million people across the country are at risk of food insecurity.

It has been widely reported that the Government are now preparing to deploy British troops in Libya. The Foreign Affairs Committee wrote to the Foreign Secretary about the prospect of Britain deploying 1,000 ground troops in training and security roles for the new Government of national accord in Tripoli, but the response it received was less than clear. The Chair of the Committee, the hon. Member for Reigate (Crispin Blunt), accused the Foreign Secretary of

“not dealing straightforwardly with Parliament”

and went on to describe the

“less-than-candid reply to my request for further detail on a rapidly developing situation that may require further active British engagement.”

That is hardly a ringing endorsement for a Government who are already struggling with their poor legacy in Libya.

Furthermore, a leaked memo from a confidential briefing to US members of Congress from King Abdullah of Jordan suggested that British SAS units are already operating in Libya. We urgently need honesty and transparency about the Government's intentions in Libya. Our troops may soon be in Libya as part of training missions. How much of that training do the UK Government envisage taking place on Libyan soil? In 2013, the UK Government agreed to train up to 2,000 Libyan soldiers, who were part of the Libyan general purpose force, at Bassingbourn barracks near Cambridge. The first contingent arrived in 2014, but the programme was halted early after repeated allegations of disciplinary issues and of serious sexual assaults by Libyan personnel against civilians. The Government appear unclear whether they would again host Libyan training missions in the UK.

Will the Government ensure that a vote and full debate take place in the main Chamber before any deployment of UK troops on Libyan soil? The Prime Minister must seek approval from Parliament before deploying any UK forces and provide full disclosure of the Government's plans. Given that Libya is extremely fragile, with numerous militias and the growing presence of Daesh, how do the Government envisage a training mission in Libya taking place?

We now know that NATO Secretary-General, Jens Stoltenberg, has ruled out any new combat operations, and that further highlights how unwise it would be for the UK to have any further military presence in Libya. The US President's willingness even to partially admit he made a mistake is commendable, but only in that way will he and coalition partners learn from the errors of the past. It is time that the Prime Minister and his Government admitted their mistakes, and it is time that

the Prime Minister was up front to Parliament about his Government's plans in Libya. We need less military posturing and more long-term stability planning for Libya.

I conclude by posing some questions to the Minister. Why have the Government promised only £50,000 to the UN Office for the Co-ordination of Humanitarian Affairs, for humanitarian efforts? It has been said that Libya is a rich country, but surely that makes reconstruction efforts all the more important, so that in the future we can access that wealth. Will the Government be hosting any more Libyan training missions on UK soil, or does the Minister envisage that the new training missions will be held on Libyan soil? Where do the Minister and the Government stand on the deployment of 1,000 British troops to Libya, and will the Minister ensure that a full debate and a vote take place in the House before the deployment of UK troops on Libyan soil?

11.11 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): It is pleasure to work under your chairmanship, Mr Hanson. Given your interest in the matter, I know that you would probably want to participate in the debate, but we are pleased to have you in your seat.

As is customary—but also because it is important to give recognition—I begin by congratulating the hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) on securing the debate. It is important that the House take a firm interest in the matter, not least for the reasons he has outlined. Events are changing on a regular basis, so I am pleased to have the opportunity to bring the House up to date with the events and with Britain's involvement.

The hon. Gentleman will understand that I completely disagree with his interpretation of recent—the past few years'—history. He glosses over many of the key elements that, sadly, allowed Libya to slip backwards after we had parliamentary and prime ministerial elections after Gaddafi was removed, but I will come to that in due course.

We must recognise that Libya has gone through a testing period since 2011, but we must also place into context the backdrop against which events have taken place. Libya is a relatively new country. It has a huge amount of history, going back thousands and thousands of years. It is where the Berbers, the Phoenicians, the Greeks, the Romans and not least the Ottoman empire and the Italians were. We were there for a period as well. As a modern state, however, 1951 is when it gained its independence. Gaddafi took over after the coup and spent 40 years deterring societal development. Over the years, all the institutions had been able to learn, to adjust, to adapt and to further themselves, but that did not take place under Gaddafi. That is one of the reasons why, when the Arab spring came along, the people of Libya were asking for something very different. Once Gaddafi was removed, however, it was tough to suddenly create the institutions that were needed for the country to move forward. That was the challenge we faced in 2011.

UN Security Council resolution 1973, which was adopted in March 2011 and allowed Operation Ellamy to take place, represented a legitimate cause to move in

and support the people of Libya, because Gaddafi had made it clear that after Benghazi—the bloodbath he attempted to orchestrate there—he would have moved on to other cities where other Libyans were rising up and saying, “I've had enough of this dictator. I want something else”. It was right, therefore, that our Prime Minister and other leaders around the world stepped up to the plate and did the proper thing. We can look back on that and say that it absolutely was the right thing to do. As I mentioned, that led to the country holding parliamentary and prime ministerial elections, and creating its own leadership.

If we were to look back at that period and ask, “Is there more the international community could have done?”, we would answer, “Yes there are lessons to be learnt, absolutely”, but the country itself, the leaders themselves, pushed back—shrugged off—international support. They wanted to do it themselves and that, I am afraid, led to inertia from the centralised perspective. Decisions were not being made. When there is a vacuum of power, and we have seen this across other parts of the Maghreb—the middle east and north Africa—extremism takes a foothold. We have seen it with Daesh in places such as Derna and Sirte.

Last month's visit by the Foreign Secretary, however, is an indication that we are moving into a new and cautiously optimistic chapter. The Foreign Secretary was able to meet Prime Minister Siraj in Tripoli itself. His first impressions were that the security the Prime Minister had around him meant that he was being accepted by the majority in both the House of Representatives and the State Council, and that this was allowing his own presidential council and the Government of national accord to take hold and start to re-establish the institutions that I spoke about earlier. It is important to place that into context, but the hon. Gentleman is correct that in the absence of strong central leadership extremism has taken a foothold. That has affected us here in Britain, because those who participated in organising and training the killers in Sousse in Tunisia were themselves trained in Libya. The matter is of concern to us because of that and because of the migration issues, which I shall come on to in a second.

Our Prime Minister very recently spoke with President Obama and other leaders about the concerns of the Libya challenge. There must be an international effort to ensure that we can support Prime Minister Siraj, and indeed Martin Kobler and the UN efforts there. The hon. Gentleman was right to praise the UN envoy. I speak to the envoy regularly, and I am pleased that our ambassador is able to provide support—the hon. Gentleman mentioned the funding we provide to his office. Nor should we overlook the Prime Minister's envoy, Jonathan Powell, who has worked closely with Martin Kobler and his predecessor. Some £10 million has been allocated for technical support, and if there is a request for further funding we will of course consider it but I understand that such a request has not been forthcoming. The £10 million includes £1.8 million for counter-terrorism work, for exactly the reason I have mentioned, to prevent the vacuum from being taken over by extremism.

Patrick Grady (Glasgow North) (SNP): I think that that is the same £10 million I asked the Foreign Secretary about—I asked whether it would be counted towards

[Patrick Grady]

ODA. He said in the Chamber that he did not think it would, and then he had to write to me to clarify that it would. My question was actually whether it would be counted towards both ODA and the 2% NATO target. I do not know if the Minister has that knowledge to hand, but if he does not perhaps he will be able to clarify by correspondence.

Mr Ellwood: It can be the case that an allocation of funding qualifies for two budgets. There is nothing wrong with that, it is just the way it works. It can come from official development aid—as it is called—but also from the defence budget too. We should not assume that, because it is one allocation, oh my goodness, somehow we are double accounting. That is just the way the systems work.

The reason why we must always confirm whether funding is ODA-able—as it is called—is because the rules were written in the 1950s, as the hon. Gentleman might be aware. They are, therefore, slightly out of date and need updating. The work of stabilisation is not really included in the definitions; it was “humanitarian work” when the rules were created by the OECD. We have been pushing for the rules to be updated, to recognise that the British taxpayer would like to see the money spent on exactly that. But if the rules do not allow for that, that is probably why the Foreign Secretary—indeed, anyone involved—needs to double-check whether the allocation can be confirmed. I hope that that answers the hon. Gentleman’s question.

In addition, we also hosted a meeting of 47 countries last month in Tunisia. That goes back to the point I made earlier: it is important that the international community rallies together and recognises that, in Libya’s hour of need, we need to be ready to provide service and support to the new Prime Minister in a wide range of capacities. We co-hosted the meeting with the United Nations. It allowed all international communities to say what they can contribute, including the funding they can put forward and the packages they can offer to the Prime Minister. I make it clear that we have to be invited by the country to embark on any processes to improve, in the same way as happened back in 2012, when central Government’s wheels perhaps started to come off.

The hon. Member for West Aberdeenshire and Kincardine criticised the fact that things went wrong after Gaddafi was removed. I agree that the international community should have pressed for more, but ultimately the Libyan people need to recognise the challenges they face, the support on offer from the international community and the consequences of failing to show the leadership what they want. Extremism gets a footing when there is an absence of leadership. The meeting in April provided

exactly that leadership: it brought together the international community and allowed us to provide some scope as to how we would provide support and security.

A lot of discussions will take place about the 1,000 or so troops. The Libyan international assistance mission is an Italian initiative in which Britain, Spain, Italy, France and other nations are likely to participate. There is planning for 1,000 troops or so, but we are yet to receive the invitation—the request—for any support. That support is likely to come, when it does, in the form of training and mentoring. Where that will take place is yet to be decided. It could very well be in Libya or somewhere else in the region, but it is unlikely to take place in Britain. It is training and mentoring; it is not an operational initiative, so there is no requirement for a vote in Parliament. Please do not expect one on the issue. That is the plan as we move forward, but I stress that we are yet to receive any request from the Prime Minister.

As was implied by the hon. Member for West Aberdeenshire and Kincardine, the challenge we face is with migratory patterns. We are seeing criminal gangs orchestrate ruthlessly efficient programmes, selling tickets and encouraging individuals with the promise that they will get to Europe. Libya is seen as the weak link from which they can get across the Mediterranean. We all know that they do not get across the Mediterranean. The gangs place them in rickety boats that barely make it out of Libyan waters. Operation Sophia, which is the European Union’s initiative, currently operates in international waters. We want to move things forward so that it can operate in Libyan territorial waters, too. That will mean that the boats do not venture so far out that they cannot be returned to Libya. Those people can return back there, thereby breaking the chain from which the criminal gangs are benefiting.

There is no doubt that the challenge of Libya will continue, or that Britain, working with our international partners, will ensure that we stand by the new Prime Minister, the new presidential council and the people of Libya. It has been a very difficult five years; everyone recognises that. It has been extremely challenging, but we must continue to work for peace and security in the country, not only because that is crucial for stability in the wider north African and Mediterranean regions, but because the United Kingdom has important interests, as I have outlined. After the revolution, the Libyan people expressed joy, enthusiasm and hope after 40 years of Gaddafi’s misrule, oppression and fear. They wanted freedom and democracy, and they held elections. The people of Libya want education and to continue to hear the inspiring stories of Libyans being able to succeed into the future. We want to stand by them, and we will continue to do so in the UK interest, ensuring that Libya emerges as a strong, peaceful and prosperous democracy. I pledge today our continuing support for the Prime Minister and the people of Libya.

Question put and agreed to.

Asylum Seeker Dispersal Policy

11.25 am

Simon Danczuk (Rochdale) (Ind): I beg to move,

That this House has considered asylum seeker dispersal policy.

It is a pleasure to serve under your chairmanship, Mr Hanson. I will begin by touching on the asylum application system as a whole. At present, the system is so inefficient and backlogged that asylum seekers are being housed in hotels and temporary accommodation while endless appeals are dragged out. In the Home Office legacy case statistics, there are people with cases dating back to 2004.

We see the majority of cases turning out to be bogus. In fact, I see many economic migrants who have come to this country illegally clogging up the system with doomed cases, slowing the process for those in genuine need. Statistics from 2012 to 2013 on asylum cases where outcomes have been determined show that only 32% of cases were accepted at the first stage of applying, while 57% were rejected and 11% were withdrawn. Of those cases that were not accepted, 70% were appealed. Of those appeals, 68% were dismissed and 7% were withdrawn. The system is clearly being abused and delayed by bogus claims of asylum, and that cannot continue.

Let me give the House a real-life case study from my constituency surgery on Friday. Hassan is a Sudanese national. He is currently living in Rochdale in a house with four other male asylum seekers. He was 17 when he entered the UK in September 2014 via a lorry from Calais. Before that, he had worked in Libya, earning money in construction. He travelled to Europe by boat. He got off a lorry in Dover. Fingerprints were taken and he was put in a hotel. He spent two months down south. He was then moved up to Rochdale. He has been in Rochdale for one year and five months.

Hassan has been trying to claim asylum. He says there is a conflict between two tribes in close proximity to his village and that a lot of people have been killed. Hassan was interviewed by the Home Office over a year ago in February 2015, but no decision has yet been taken on his case. He now says that he is bored here, has nothing to do and that, if he had the choice, he would return to Sudan. He said:

“I want to feel human, like a normal person.”

He then broke down in tears in my constituency office. That is the reality of the asylum system under this Government.

Whatever we make of this young man's case, there is no denying that there are failures within the system, and we must remember that the asylum system exists for a very good reason. As a prosperous and tolerant nation, we must play our part in helping those fleeing persecution and horrors in their home country. Earlier this year, a young mother attended my constituency surgery. She had been persecuted because of her Ahmadiyya Muslim faith, and I believed it to be an open-and-shut case. She had been subjected to awful abuse in Pakistan. She was twice violently kidnapped for refusing to abandon her religion. Here was a straightforward case of someone unable to return to their country from fear for their own security. I would always be prepared to support that kind of asylum case. To my complete surprise, her

asylum application was rejected. Even though Home Office guidance shows that such cases should be supported, this young woman was denied a safe haven.

I raise that case because it shows the growing strains on our asylum system, which is grinding to a halt. It is being clogged up with economic migrants submitting hopeless cases, while genuine people in need of refuge are told they have no right to sanctuary. The system needs an overhaul. We need a well-resourced and properly funded body that is able to deport quickly those who have no claim and assist those in genuine need of a life away from their home country. We cannot fulfil our moral duty to those in genuine need under the system now in place.

I now come to the issue at the heart of this debate: the unfair dispersal system for asylum seekers. In Rochdale, we have 1,044 asylum seekers at present. That figure represents 3.77% of the 27,650 asylum seekers in England. Rochdale has a population of just over 200,000, so one in every 204 people in Rochdale is an asylum seeker. The situation is worse only in Middlesbrough where there is one asylum seeker to every 152 people. Rochdale has been dumped with an unequal share of the burden. The Minister will say, as he has said previously to me, that this policy was introduced by the previous Labour Government, but that is simply not good enough. He and the rest of his party have been in government for six years now.

The COMPASS contracts introduced under his Government have made the situation worse. In 2012, when the contracts were introduced, Rochdale was responsible for 371 asylum seekers. At the beginning of 2014, this number went up to 550. By the end of 2015, we suddenly had 1,044. The problem does not stop with Rochdale. Ten local authorities in England have just under 40% of all asylum seekers in the country. That is just 10 out of 322 local authorities, according to research that my office has done. The north-west region has been bearing the brunt, taking 30% of all asylum seekers in England.

In correspondence, the Minister stated:

“Our dispersal policy ensures a reasonable spread amongst...local authorities.”

That is clearly not true. Certain regions and councils have done absolutely nothing. The Minister must answer why this problem has got worse under his Government and why he has done nothing about it. I must add that, if local authorities will not sign up voluntarily, why has the Minister not enforced this on the shirkers using sections 100 and 101 of the Immigration and Asylum Act 1999? The Act enshrines power in the Home Secretary to ensure that leaders of local authorities co-operate to provide support for asylum seekers. The problem has been growing and the Minister must answer why that power has not been used.

Next, I wish to touch on some of the details of the COMPASS contracts. Key performance indicators within the contracts were to factor in the capacity of local health, education and other support services and the risk of increased social tension if the number of asylum seekers increases within a given area. There has been a clear disregard for those factors. A recent report from the Joseph Roundtree Foundation found that 10 of the 12 struggling towns and cities in the UK are in the north of England. Number one in that analysis is

[Simon Danczuk]

Rochdale. We can argue with the methodology of the research, but there is no doubt that public services are vital for local people in our town. There is a greater strain on services, yet the Conservative Government have added more than 1,000 asylum seekers to the town. Combined with this, we have Serco dumping asylum seekers in our town with hardly any notice given to the local authority. There are waiting lists for housing in Rochdale and a limited number of school places. Some schools are already being challenged to improve performance, but cannot afford the added burden of even more languages to be learned. Waiting times for GPs and access to accident and emergency are already stretched beyond acceptability.

On the changes to spending power from 2015-16 to 2017-18, Rochdale is again among the hardest hit from Conservative Government cuts, which already affect its ability to fund its already overstretched public services. Between those years, Rochdale will have its spending power reduced from £177 million to £165 million: a reduction of £12 million.

Patrick Grady (Glasgow North) (SNP): I caution the hon. Gentleman against the use of words such as “dumping” to describe the way in which human beings arrive in his constituency. Does he have a view on extending the right to work to asylum seekers? If asylum seekers are allowed to work and actively contribute to their communities, they would pay tax, including council tax, that would provide resources for local authorities. They would be seen to be actively contributing to communities, and that might help with integration.

Simon Danczuk: I thank the hon. Gentleman for his intervention. On the language used, it is not a reflection of the individual asylum seekers, but a reflection of how Serco and the Government treat these vulnerable people. I completely agree about the ability to work. I raised that issue with the then Secretary of State for Work and Pensions when I was a parliamentary candidate before the 2010 general election, so I have some sympathy with that view.

On spending power in Rochdale, not only are we predicted to lose £12 million, but on top of that there have been £200 million pound budget cuts to the local authority since 2010. I take no pride in saying that Rochdale is one of the most deprived places in the UK. It pains me to admit that. I, the council and other agencies are doing much more to change that, but we have overstretched public services and a very low wage economy. Asylum seekers, as the hon. Gentleman pointed out, are not allowed to work and that causes tension within communities. Groups of asylum seekers wander around town with nothing to do. As I mentioned earlier, the Minister’s Department is no good at processing their applications, so they are hanging around for literally years.

Rochdale is not the only example of such unfairness. The top five local authorities with the most asylum seekers are Birmingham, Liverpool, Manchester, Rochdale and Bolton. All will have their spending power over the next two years reduced by more than 5%, yet they have all taken in more than 1,000 asylum seekers each. So I must ask the Minister why no consideration has been

given to the strain put on public services and why tension in the local community has not been factored in.

The irony is that some local authorities see a rise in their spending power and have no asylum seekers at all. It is completely and utterly unfair. I will give some examples. In the Prime Minister’s local authority area of West Oxfordshire, zero asylum seekers are accommodated, despite a healthy 1% increase in spending power over the coming years. The Secretary of State for Communities and Local Government’s leafy local authority of Tunbridge Wells is also not taking in any asylum seekers and is seeing only a 1% decrease in spending power. The Home Secretary’s area has taken in only three asylum seekers, despite this issue falling under her remit, and faces only a 1% reduction in local authority spending power over the coming years. The Chancellor’s local authority seems to be reluctant to take any asylum seekers at all.

When we look further into the details, we really start to get a picture of the inherent unfairness of the system under this Government. Labour authorities on average have taken in 244 asylum seekers, yet have been on the wrong side of an average 5% reduction in spending power between 2015-16 and 2017-18. In contrast, Conservative local authorities have taken in only six asylum seekers on average and have suffered a rather modest 1% reduction in spending power. What is evident here is that Labour-run authorities are clearly the more compassionate. When they see vulnerable people, they strive to help wherever they can. That is an attribute that should be celebrated by the Government. Yet those councils have been hit with the largest reductions in spending power. Rather than helping those local authorities, the Government seem hellbent on ensuring that they make things as hard as possible, letting them take in some of the most vulnerable people, while tying one hand behind their back. This is partisan politics at its worst. The Minister must take action to stop it.

The Minister can choose to put whatever spin he wants on the situation, but it is clear that the status quo is deeply unfair to the less well-off. Areas that are struggling the most under this Conservative Government have been made to carry the increasing burden of our overweight and slowing asylum system; they have been doing so while the local areas of the Prime Minister and the Secretary of State for Communities and Local Government have done nothing but shirk their responsibilities to the most vulnerable people in society, while shielding themselves from the worst cuts.

Labour-run local authorities have been doing more than their fair share, but Conservative authorities have been ignoring the plight of asylum seekers. The most unjust aspect of the whole situation is that it is Labour local authorities that are being punished the most with cuts, while Conservative authorities are being rewarded for sitting back and watching. I look forward to the Minister’s attempt to address each and every point raised in the debate.

Several hon. Members *rose*—

Mr David Hanson (in the Chair): Order. Before I call Patrick Grady, I should say to the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald), who will be speaking from the Front

Bench for Scottish National party, that we started early because both the mover of the motion and the Minister were present. The hon. Gentleman missed only the aperitif; he is here for the meat of the debate.

11.41 am

Patrick Grady (Glasgow North) (SNP): I am grateful to have been called, Mr Hanson, having not indicated beforehand that I wanted to speak. Having seen how sparse the attendance was, I thought I should take the opportunity to reflect briefly on some of the points made by the hon. Member for Rochdale (Simon Danczuk).

Glasgow, part of which I represent, has approximately one asylum seeker per 217 residents, placing it in the top 10 centres of asylum seekers in the United Kingdom. The asylum seeker community has done nothing but benefit the society and culture of my city. We must recognise the huge contribution that people make to Scotland and the United Kingdom when they come here from all over the world for a wide range of reasons. It reflects well on the city of Glasgow when it extends the kind of welcome it has done to people coming from extremely vulnerable and distressing situations.

I pay tribute to the work of the integration networks in Glasgow. Community-based organisations play an incredibly valuable role in providing advice and support to asylum seekers. Since being elected last year, some of the most moving experiences I have had have been when I have encountered asylum seekers, either in formal settings facilitated by the likes of the Maryhill integration network in my constituency, or on a one-to-one basis when they have come to my constituency surgeries.

The hon. Member for Rochdale made the point that Cabinet Ministers lack first-hand experience of these issues because they simply do not have comparable numbers of constituents coming to their surgeries, and that does affect overall Government policy and attitude towards asylum seekers. There is nothing more humiliating for me as a Member of Parliament than sitting in a surgery and a constituent presenting me with a card that tells them, “You do not have the right to work.” That right is enshrined in human rights instruments around the world. It is one of the basic factors that allows people to express their human dignity by using their skills, attributes and strengths to earn a living for themselves. For them to be issued with a card from the Government that says, “You do not have the right to work,” is literally inhumane.

Likewise, when I see bits of paper that say, “You are liable to be lifted and deported and expelled from the country,” I am left literally speechless in front of these people, who have fled some of the most terrifying and difficult situations around the world. We heard about some of those situations in the previous debate about Libya—conflict situations in which, very often, the UK is complicit. There has to be an absolutely integrated and joined-up approach from the Government. Currently, such an approach is completely and utterly lacking.

Asylum seekers need to have the right to work. The Azure card, which allows people to buy things only from certain shops, should be abolished. Cash allowances would enable people to get culturally appropriate clothing, food or utensils, or whatever else they might need to provide for themselves or their families. Much asylum support is provided through the Home Office, rather

than by the Department for Work and Pensions. From a practical point of view, could that be integrated between the Home Office and the DWP? That might help to address some of the challenges and issues we hear of.

On dispersal, it is appropriate that local authorities throughout the country find a way to take their fair share, but they have to know that they are going to get Government support. The right to work is particularly important because it would make it all the more attractive to local authorities if they thought that their revenue base, council tax base or whatever might grow. We create work and problems for ourselves when we bracket people and let them get trapped in a bureaucratic system that denies them basic human rights.

I am grateful to have been called, Mr Hanson, because I wanted to take the opportunity to offer some reflections on the issues. I look forward to hearing the Minister’s response.

11.46 am

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): I congratulate the hon. Member for Rochdale (Simon Danczuk) on securing this debate and providing Members with the opportunity to scrutinise Government policy on the dispersal of asylum seekers at this important time in the development of that strand of policy. I am sorry to have missed the aperitif, but I certainly got the main substance of what the hon. Gentleman had to say.

Broadly, dispersal issues can be put into two categories. First, what exactly do we need to do and provide for those who have claimed asylum here? Secondly, where should that happen? To start with the second issue—the “where”, which is the meat of the debate—no one would now quibble with the Government’s stated ambition to expand the number of areas to which asylum seekers are being dispersed, although I certainly have sympathy with the hon. Gentleman’s argument that that should have happened long before now. More widespread dispersal is entirely the correct thing to do, from a number of different angles: it is fair that responsibility for providing housing and other support is shared around the country, and it is easier for local communities to adjust and for asylum seekers to integrate into those communities when responsibility is shared out in that way.

As we have heard, a number of authorities are shouldering a disproportionate share of the responsibility, including Middlesbrough—where the cluster limit of one asylum seeker for every 200 of the settled population has been exceeded—and Rochdale. As I understand it, the Home Office has written to other local authorities to encourage them to take part in the dispersal process; it would be useful to have information from the Minister on the response to that request. Many authorities are absolutely willing to play their part, but that willingness is conditional: they will play their part if, and only if, full and proper support comes from central Government. That is absolutely the correct approach.

That brings us to the other key issue: what exactly do we want to achieve through the dispersal process? It should not be about paying private companies to seek out the cheapest accommodation they can find in different corners of the country and then simply placing asylum seekers there willy-nilly, while leaving hard-pressed local authorities and other services to get on with it. That is

[*Stuart C. McDonald*]

not a sensible way ahead, but as the hon. Member for Rochdale said, sadly it sometimes appears to be all the COMPASS contract was designed to achieve and has achieved. Like the hon. Gentleman, I have made my misgivings about the contracts known in other debates; I will wait for the Home Affairs Committee to look at that issue more forensically in due course.

Dispersal should occur as sensibly and sensitively as possible, ensuring the provision of required support and finding communities where people fit. That means accommodating people and taking account of family circumstances, age, language and other factors. Most importantly, dispersal must occur where asylum seekers will have access to necessary support and services. Previously, COMPASS health assessments—for those dispersed to Glasgow, for example—were very easy to arrange: they took place in the same building in which many asylum seekers were initially accommodated. Sadly, under the current contract, providers are proving significantly less reliable at making support available to ensure that people can get where they need to go, and appointments are being missed. That is an extremely worrying development, particularly as those people often have complex health needs. Some are victims of torture, and many have mental health issues, such as post-traumatic stress disorder, as a result of the traumas that they have been through.

There is a range of other factors to be considered. When I practised as an immigration solicitor, there was—there still is—an experienced and capable group of immigration and asylum law practitioners in Glasgow, because it is a dispersal city and there is significant demand. However, that is not the case in other cities in Scotland and elsewhere, where dispersal has not yet taken place. We need to ensure that those who are dispersed to new towns and cities have access to quality advice, which is essential for their often complicated cases.

Local authorities in different parts of the UK have sought to go above and beyond what is required. The Scottish Government have funded the Scottish Refugee Council's family keywork service to support newly arrived families with children aged up to eight during their first six months. It covers areas such as advice about the asylum system, education and health, and it co-ordinates the different services.

As the hon. Member for Rochdale said, it is vital to keep communities involved and on side. There can be no sudden appearance of large numbers of asylum seekers without warning, which has happened from time to time with initial dispersal accommodation. That does not work for anyone. Equally, leaving asylum seekers alone and isolated by placing them in ones or twos in different parts of cities is also not helpful.

I have touched on only a tiny number of the basic wrap-around services that need to be considered when dispersing asylum seekers. We could have a whole debate on the right to work; the Scottish National party voted last week in support of the right to work, and we will always do so. Local authorities think twice about getting involved because it requires proper planning, close partnership working and discussions among national, devolved and local governments. That requires not just planning but proper resourcing, and many local authorities

feel that the current arrangements provide neither sufficiently. The model of using private contractors to provide accommodation without additional support services is not attractive to them.

As my hon. Friend the Member for Glasgow North (Patrick Grady) said, Glasgow has benefited over the years from the dispersal of asylum seekers in a number of ways, but when that policy was first introduced the council was contracted directly by the Home Office to provide accommodation and the funding was sufficient to develop a whole host of wrap-around services as well. The existing COMPASS contracts move away from that model. Glasgow can just about cope, because it already has well-developed infrastructure to support asylum seekers, but local authorities with no history of dispersal do not. If the Home Office attempts to expand the programme without adequate funding for developing services, we would be seriously concerned about the impact on public services and community cohesion. It is the same issue with unaccompanied asylum-seeking children: I understand that the Home Office is not paying a daily rate that covers the cost of supporting vulnerable young people.

Local authorities have willingly participated in the resettlement of refugees under the vulnerable persons scheme, and although there will always be differences in schemes' requirements, the stark contrast in resourcing and planning cannot be justified. Why not learn lessons from the successes of the vulnerable persons scheme? Local authorities will ask why they should agree to take part in the dispersal programme and then have to shoulder the responsibility for funding services such as education.

We support the Government's ambition to broaden dispersal, but their vision of what dispersal is all about requires much more work to convince us and, more importantly, local authorities. The Government should get down to that work quickly before contemplating using the powers in the Immigration and Asylum Act 1999 or the new powers in the Immigration Bill, which is currently going through Parliament.

11.53 am

Keir Starmer (Holborn and St Pancras) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson. I congratulate the hon. Member for Rochdale (Simon Danczuk) on securing this debate.

The asylum seekers dispersal policy and the contracts for providing accommodation have something of a sorry history. As we know, the six contracts were signed in March 2012 and taken up by G4S, Serco and Clearel. Only Clearel had any experience of the asylum housing sector, and that soon began to tell. The most significant findings of the National Audit Office's January 2014 report were that G4S and Serco took on stock without inspecting it, that the Home Office did not apply the key performance indicators in the transition period and that, although the intention and hope was for savings of £140 million, the savings in the year 2012-13 amounted to just £8 million.

Those are not teething problems, but clearly ongoing problems with the current system. The Home Affairs Committee, the Public Accounts Committee and the National Audit Office all highlighted serious flaws in the operation of the current dispersal system. The use

of red doors and wristbands in Middlesbrough and Cardiff, which arose earlier this year, led to disquiet among the public and in the media.

There are five big issues. The first is the standard of the accommodation being used, about which the Public Accounts Committee and the National Audit Office expressed concern. The Public Accounts Committee concluded that

“The standard of the accommodation provided was often unacceptably poor”.

I visited Oldham earlier this year—I will mention this a number of times in my speech—and I was struck by the quality of the accommodation provided on the ground in some of the towns in the north-west, where lots of asylum seekers are housed.

Secondly, there is a concern about the oversight and inspection regime. The Home Affairs Committee concluded that

“the complaints and inspection processes... appears to be flawed”.

Asylum seekers have little opportunity to make complaints, and the inspections by the local authorities and the Home Office are ineffective. The issues of the red doors and the wristbands exemplify the flaws in the system. In the end, those issues were exposed by the media, not the complaints and inspection regime, which is intended to deal with such issues.

Thirdly, there is the issue of clustering, which has been touched upon already. There are clearly marked differences in where asylum seekers are housed. Some local authorities take very large numbers—Glasgow has the highest, with some 3,000 or so—but 177 local authorities have refused to take any and a further 100 have taken five or fewer. There are clearly limits, which the Minister will point to, to the policy of not housing in London and the south-east and to the voluntary opt-in for local authorities—in other words, it cannot be mandated—but there are some marked differences. Let me take three examples at random. Swansea has rehoused 843 asylum seekers, whereas neighbouring Carmarthenshire has rehoused none and neighbouring Neath Port Talbot has rehoused only one. Middlesbrough has taken 917, whereas Redcar and Cleveland has taken just 10 and Hambleton has taken none. Glasgow, as I mentioned, has got 3,000, East Renfrewshire has got none and Renfrewshire has got just four. There are clearly big differences across the country.

Fourthly, there is a lack of appropriate support services. In other words, the dispersal of asylum seekers is not matched by appropriate support—whether healthcare, schooling or language classes—leaving asylum seekers isolated and vulnerable.

Fifthly, rising demand is outstripping housing and service supply. We all know that the number of asylum seekers has increased from about 18,000 in 2010 to 32,400 in 2015. All three providers of dispersal accommodation have emphasised that it is proving very difficult to get more accommodation for housing at a viable rate. The 2014 NAO report recommended that the Home Office share forecasts and flow with the contractors. I would be interested to hear from the Minister whether that is happening and, if so, how it is being managed.

The policy questions and issues that arise are these. We need to underline that the dispersal system should be fair, affordable and humane, and that it should

protect and promote community cohesion. There is no doubt that, under the current scheme, none of those things are being achieved. I have real concerns about clustering. In Oldham—no doubt, the situation is the same in Rochdale and some of the other areas that have been touched on—I witnessed large numbers of asylum seekers being housed not only in one local authority, but in a particular area within the local authority, predominantly because housing is simply cheaper there than anywhere else. The high concentrations in the areas I visited in Oldham were causing real concern for the asylum seekers, who felt isolated because of how they were being housed, and for the people of Oldham, who felt that they were taking on too much, in one small area and more than they could cope with. So there are real problems for community cohesion in the way that the dispersal system works.

The system cannot be based purely on the bottom line. In other words, the cost of accommodation cannot be the driver—there has got to be a wider approach. Cheaper provision is not synonymous with better provision. A resonating question that has already been asked is, what are the Government doing to encourage more local authorities to take part in dispersal? To be clear, I am not suggesting that the Home Office should be mandating local authorities to take asylum seekers at this stage. I can see real problems with that if that is the fall-back position. Letters have been written, but what more can be done? In addition, what support is being offered to local authorities to make it more likely that more of them will offer to provide accommodation and other services?

What are the Government doing to improve oversight and inspection of dispersal accommodation? I have already mentioned the revelations in Middlesbrough and Cardiff; they throw up a failure of the complaints and inspection system, which needs to be looked at again.

I, too, would like an update on the savings. According to the NAO, the savings in 2012-13 were £8 million of the expected £140 million. We are now nearly four years into the contracts, and it is important for the Minister to give an update on what the savings have been, because they were the driver of the contracts.

It is time to review the overall costs, not only the cost of providing the accommodation now, compared with before the contracts, but the cost that takes the prohibition on work into account. That has been touched on. The only reason why many of the families and individuals who are seeking asylum need to be housed under such arrangements at all is that they are prohibited from working. They fall into the destitute category because they arrive with little in the way of cash or other assets and are prohibited from working. It is therefore inevitable that large numbers within that group must then be accommodated.

Measures have been taken to improve the period within which decisions are made, but many decisions are still not made or concluded within the six months—many more beyond the 12 months—so, for a prolonged period, asylum seekers are prohibited from working and are inevitably dependent upon housing at public expense, which they could otherwise pay for if they were working. All the evidence suggests that at the end of the process, if people are granted refugee status, there is a strong likelihood that they will stay within the local

[*Keir Starmer*]

authority where they have been temporarily housed—perhaps inevitably. Furthermore, because they have not been able to work for the period it took for the decision to be made, the likelihood is that the local authority will still have to house them, because they will not be able to go straight into work at the end of it.

I have a probing question for the Minister. Is it time to step back and ask what the overall cost of the dispersal policy is, factoring in the prohibition on work? Would it be better in most, if not all, cases to allow people to work after a given period, so that they can pay for their own accommodation? They would not need to be in a particular local authority to do so.

That supports my wider call: it is now time to review the dispersal policy. There are clearly ongoing problems that have not been resolved. I think that the contracts expire in 2017, with a possible two-year extension, so there is a window of opportunity to review the situation before the contracts are renewed for either two years, or even longer in 2017.

12.4 pm

The Minister for Immigration (James Brokenshire): It is a pleasure to serve under your chairmanship, Mr Hanson, I believe for the first time. I welcome you to the Chair and to your role.

I congratulate the hon. Member for Rochdale (Simon Danczuk) on securing the debate, and on his probing questions and focus on the subject. He spoke about the impact on his community, given the pressure from the number of asylum seekers, and he has flagged some of the issues. Let me say at the outset that I hope that we will continue the discussion outside the Chamber, perhaps in meetings between Serco, my officials, him and his council about the pressures and the matters he has brought to the House's attention this morning.

On the overall background, the UK has a long and proud history of offering sanctuary to those genuinely fleeing persecution. I confirm that the Government remain committed to providing an asylum system that protects and respects the fundamental rights of individuals who arrive on our shores seeking refuge from persecution. The Government also want to send a clear message to those who seek to exploit the system—a point that was clearly made by the hon. Gentleman.

For those asylum seekers who would otherwise be destitute, the Government provide access to support services, in accordance with our international obligations. The Government provide that support through the COMPASS contracts, which have been mentioned, with three contractors: Serco, G4S and Clearsprings Ready Homes. The contracts provide asylum seekers who claim to be destitute with full-board so-called initial accommodation while their means are assessed, and then with the dispersed accommodation throughout the UK.

The Home Office is working hard with its contractors to ensure that all the accommodation provided to asylum seekers is safe and secure, and that asylum seekers are treated with dignity and respect, taking account of their vulnerability. We are also ensuring that the system is effective and efficient, and provides value for money for

the taxpayer. Since the new approach came into operation in 2012, standards in asylum seeker accommodation have improved.

The specific point that the hon. Gentleman focused on was the policy that follows the period of initial accommodation: the dispersal of supported asylum seekers across a number of areas in the United Kingdom. The Immigration and Asylum Act 1999 introduced the policy of national dispersal, which was designed to share the impact of asylum seekers across the whole of the UK. At the time, in how it was constructed, the policy was intended to ease the burden of numbers on London and the south-east.

Not all asylum seekers are supported by the Home Office. Many are accommodated by their friends or relatives throughout the UK, often in London and the south-east of England, which also has pressure on local services from unaccompanied asylum-seeking children—I might comment briefly on that matter later. The legislation was introduced to relieve the pressures on the local authorities that had previously shouldered a significant proportion of the asylum seekers, given their proximity to the main ports of entry into the UK. The dispersal policy aims to ensure a spread among UK local authorities, and we work to a maximum agreed dispersal cluster ratio of one asylum seeker per 200 head of total population. We would not normally go beyond that ratio without the agreement of the relevant local authority.

Historically, approximately 100 local authorities were signed up to asylum dispersal. We have been proactively engaging with all areas that to date have not participated in asylum dispersal, with a view to negotiating voluntary agreements for them to do so. The number of participants now stands at 103, with approximately 20 more signed up. We are engaging with areas that to date have not participated. Since 2015, 21 new local authority areas have agreed to become dispersal areas, with another 28 areas in discussion with us and our housing providers.

Through regional strategic migration partnerships—which basically group together the local authorities within a particular region and are Home Office-funded forums—we work with the contractors, local government and other local agencies to plan the most appropriate dispersal of asylum seekers. The partnerships consider the impact on communities and local services so that adjustments can be made where appropriate. This is intended to ensure that community cohesion, social welfare and safety issues are properly considered. We judge strategic migration partnerships to be the best mechanism to achieve that focus. We are working in particular with the strategic migration partnership in the north-west, where there have been particular pressures, so that local authorities in the surrounding areas can play their part in assisting the partnership.

Asylum seekers are placed in initial accommodation while their claims for support are addressed. Initial accommodation is short term and, after successfully claiming for support, asylum seekers are housed in dispersed accommodation. In initial accommodation, which tends to be hostel or halls of residence-style accommodation, service users are put in touch with support services and healthcare and provided with meals. Across the UK, there are initial accommodation centres in Croydon, Liverpool, London, Glasgow, Cardiff, Wakefield and Birmingham.

As has been indicated in a number of the contributions to the debate, and as I am sure hon. Members will recognise, global events have meant that the number of asylum seekers—many of them destitute and in need of our support—entering the UK has increased this year. That, and a change in the mix of the nationalities and characteristics of asylum seekers, means increased demand on the asylum accommodation system. As the hon. Member for Rochdale correctly said, the number of asylum seekers accommodated in Rochdale has increased in recent years. I pay tribute to the town for its participation in the asylum seeker dispersal scheme and the support it has provided to asylum seekers for many years.

We work closely with local authorities that raise concerns about dispersal to help to address those concerns. Indeed, my officials and I have met individual MPs to listen and respond to local concerns, and I extend an invitation to the hon. Member for Rochdale to meet us to pursue a number of the points that he has flagged. For example, we have listened to the concerns of the local authority and stakeholders in Prestwick and ceased the use of contingency accommodation there. In Middlesbrough, we have agreed with the Mayor to reduce the number of asylum seekers to the 1:200 dispersal ratio by the end of December, and the population there is already reducing. In Manchester, Birmingham and Cardiff, we have listened to the concerns of local authorities and MPs and our providers are reducing, in a gradual and balanced way, their use of hotels as temporary accommodation.

I remain convinced that increasing participation in the asylum seeker dispersal scheme is the strongest long-term solution for avoiding the use of contingency accommodation such as hotels. The director general of UK Visas and Immigration has written to local authority chief executives to ask them to participate in dispersal, and I plan to write again to local authority leaders following the local council elections.

Simon Danczuk: Am I right to say that the Department has the power to instruct local authorities as opposed to asking them to co-operate voluntarily, or does it not have that power to mandate?

James Brokenshire: The hon. Gentleman made a point in his contribution about the powers in the 1999 Act, which have not been used to date. Our preference is to continue to work with individual local authorities through the strategic migration partnerships to get buy-in from those authorities on broader dispersal. We would face challenges if we were to try to create, effectively, a mandated national dispersal mechanism, which other hon. Members have highlighted their reservations about. Therefore, our focus remains on working with local authorities to establish how we can expand the number of participating authorities; and, as I have indicated, we are starting to see progress. There is clearly more to do, which is why I intend to take further action by writing out following the local council elections.

Simon Danczuk: I do not want to be overly partisan, but my office's analysis shows that Labour local authorities do take asylum seekers and Conservative local authorities do not. That is broadly the situation. Surely a Conservative Minister in a Conservative Government could apply

some pressure on his local authorities and local representatives to get them to take some of the burden that Labour authorities carry.

James Brokenshire: I can say to the hon. Gentleman that my local authority is a dispersal area; equally, other Conservative authorities do take asylum seekers in dispersal. As I indicated, we seek to expand those numbers further and I will continue on that in the months ahead.

I want to respond to this point specifically: despite the increasing numbers, we continue to process claims promptly. Indeed, the inspection by the independent chief inspector of borders and immigration found that the Home Office had made significant improvements in the efficiency and effectiveness of its management of asylum casework during 2014-15. It had met its aim of deciding all straightforward claims made on or after April 2014 within six months, while successfully clearing all straightforward claims lodged before 1 April 2014 by 31 March 2015. The inspection also found that non-straightforward cases were being monitored effectively and decided quickly once barriers were removed.

We continue to focus on driving further improvement and ensuring that cases are determined promptly. Of course there are some more complex cases, where we may have concerns over issues of previous criminality or perhaps even war crimes that individuals may be linked to in some way. It is therefore appropriate that we consider matters carefully and cautiously in those circumstances. However, I am clear about the need for an efficient and effective service. We have been driving that through change over recent years and we intend to retain a focus on that.

On the COMPASS contracts, the suppliers are contractually required to provide safe, habitable, fit-for-purpose accommodation to comply with the Housing Act 2004 and the decent homes standards. All Home Office contracts include performance standards that are defined in the contract and managed using key performance indicators. Any failure in delivering the critical service levels may result in deductions against submitted invoices in the form of service credits. The Home Office and the providers regularly inspect asylum seeker accommodation. All three contractors are currently meeting the key performance indicators for property standards. When any defects are found through the inspection regime, such defects are being rectified promptly and within contractual time limits.

I stress the change we have made in the inspection regime. We are listening more closely to service users—I think we had not previously listened and had that rightful feedback from them to a sufficient degree—and working with non-governmental organisations to pick up on issues where they arise, so that we are better able to target the inspection regime and address any concerns about the quality of accommodation that asylum seekers use. The Home Office regularly inspects properties in Rochdale and did so only last week. The inspections found that the accommodation was of a good standard and that the asylum seekers living there felt adequately supported.

To take the point raised by the hon. and learned Member for Holborn and St Pancras (Keir Starmer), the COMPASS contracts, as well as improving accommodation standards, remain on target to deliver £136.4 million of financial benefits during their lifetime

[*James Brokenshire*]

compared with the cost of the previous arrangements. As I made clear at the recent, passionate Westminster Hall debate on 19 April on unaccompanied children, the Home Office takes its

“responsibility for the welfare of children seriously.”—[*Official Report*, 19 April 2016; Vol. 608, c. 286WH.]

We have stringent and statutory policy safeguards in place regarding child welfare. Ensuring that we treat children with care and compassion is a priority.

Last year saw a 56% increase in the number of unaccompanied asylum-seeking children arriving in the UK, particularly in Kent. The Government are grateful to all those in Kent and to other local authorities meeting that challenge for the excellent way in which they have responded to those pressures and we are keen that there should be no repetition of the situation that occurred in Kent last summer. That is why I have announced that we will put in place a national transfer scheme this summer to ensure a fairer distribution of unaccompanied asylum-seeking children across the UK. I am extremely grateful for the collaborative way in which the Local Government Association and the Association of Directors of Children’s Services have engaged with that work. I will be writing to all local authorities again after the local elections to provide further information about the scheme and the support mechanisms.

I am sure hon. Members will agree that the outpouring of support we have seen in response to the Syrian crisis has been incredible, from local authorities that have volunteered to take refugees as part of the Syrian resettlement programme, to offers of help from the general public, businesses and voluntary organisations. Less visible is the ongoing support in communities such as Rochdale and what they have been doing to provide for asylum seekers over a number of years. I pay tribute to those communities.

Keir Starmer: I have said before that I think the scheme to resettle Syrian families is very good, but I have a growing concern about a two-tier system. I know that there is much greater financial support for local authorities that house Syrian families than for those that house other asylum-seeking individuals. Does the Minister share my concern that there is a growing perception of a two-tier asylum-seeking system evolving?

James Brokenshire: It is important to remember that those who are arriving into the UK through the Syrian resettlement scheme are given refugee status on arrival. There is a distinction to be drawn between those granted refugee status and those seeking a refugee status that has not yet been established.

On the hon. and learned Gentleman’s point, we need to ensure that we retain focus across the system, in respect of the asylum system and also resettlement programmes. We continue to do that. I work very closely with the Minister for Syrian refugees to ensure that we recognise the pressures that may build up in certain local authority areas from supporting asylum seekers, as well as pressures for those that are meeting responsibilities under the refugee scheme, including in relation to unaccompanied asylum-seeking children. There are a number of different pathways and factors that need to be viewed in their totality. That is precisely what the Government are doing and will continue to do. I pay tribute to those communities that are taking action, supporting asylum seekers in their communities and playing their part. I am keen that we build on that support and join up between resettlement and asylum wherever possible, so that all communities across the UK are able to support unaccompanied children, asylum seekers and refugees.

I agree with a number of hon. Members that we need to continue to widen the dispersal system across the UK. That is what we are seeking to do, and we have had some important successes. That is the best way for the towns and cities of the UK to offer protection to those who genuinely need it. I am grateful to the hon. Member for Rochdale for raising this debate, and I look forward to continuing the conversation.

12.22 pm

Simon Danczuk: I will be brief. I thank you for chairing the debate, Mr Hanson, and I thank the Minister for his contribution and some of the answers he has given. I have concerns about the dispersal system, which is why I called for this debate. I appreciate that the Government are beginning to move towards a wider dispersal strategy, but some speed would be appreciated.

Question put and agreed to.

Resolved,

That this House has considered asylum seeker dispersal policy.

12.23 pm

Sitting suspended.

Burial or Cremation (Delays)

[GRAHAM STRINGER *in the Chair*]

1 pm

Mark Pawsey (Rugby) (Con): I beg to move,

That this House has considered delays between death and burial or cremation.

The purpose of this debate is to consider the increasing amount of time that is now occurring between a person dying and their subsequent burial or cremation. The subject was considered by the all-party parliamentary group on funerals and bereavement, which was founded in 2002 to examine issues of concern to parliamentarians and their constituents. Of course, the group brings together Members of both Houses, representatives of the funeral director profession and representatives of bereaved people. The report on delays originated in the previous Parliament at the instigation of Paul Goggins MP. We all remember him well as the Member for Wythenshawe and Sale East from 1997 until his untimely death in January 2014. At various meetings of the all-party group, he raised issues related to delays and their impact on people who had lost loved ones.

The report was commenced under the chairmanship of my predecessor as chair of the all-party group, Lorely Burt MP, now Baroness Burt. We held evidence sessions in July 2014 and January 2015, and we published our report in December 2015. We have had three ministerial responses since the publication of our report. The Under-Secretary of State for Health, my hon. Friend the Member for Ipswich (Ben Gummer), addressed death certification issues, including the role of the medical examiner within the national health service. The Under-Secretary of State for Communities and Local Government, my noble Friend Baroness Williams of Trafford, addressed crematoriums and burial facilities. We received an extensive reply from the Under-Secretary of State for Women and Equalities and Family Justice, my hon. Friend the Member for Gosport (Caroline Dinéage), and I am delighted that she is here today. She addressed legal issues and the provision of services that are legally required.

The objective of today's debate is to highlight some of the issues raised in the report and, in addition, to provide an opportunity for the Minister to update the House on the measures she mentioned in her letter of three months ago. I note that she will respond purely on those matters for which the Ministry of Justice has responsibility. The all-party group will continue the dialogue it has already started with Ministers in other Departments.

At the outset, it is useful to consider why the report was necessary. It is accepted that the time taken between death and a funeral or cremation is getting longer. We received written evidence suggesting that the average time between death and burial or cremation is some 15 days, which was pretty standard in the submissions we received. Witnesses, however, noted that the time could vary significantly based on factors in the local area, whether the death was expected and whether the death occurred at home or in hospital. There was consensus among our witnesses that the time had increased in recent years. One witness suggested that the time had increased from some 10 days in 2003 to 15 days in 2013,

which is an increase of five days, or half again as much, over a period of 10 years. Another witness noted that, between 2012 and 2014, an average of two days had been added to the process.

There is a problem in measuring the change in time, because central statistics are not collected. Although some funeral directors collect those data, the figures cannot easily be broken down to show which aspect of the process is causing delays. The national medical examiner told the all-party group that the new death certification system is likely to add half a day or so to the current average time. He was at pains to express it as an average so, in some instances, we can expect the process to take longer.

In 2015, the National Association of Funeral Directors surveyed its members and it identified that families were waiting increasingly long to see a registrar after a death. Almost 70% of members reported that waiting times had increased over the previous year, with 49% of families waiting at least three days for an appointment and 15% waiting more than five days. A survey of National Association of Funeral Directors members this month revealed a complex picture of the effectiveness of coronial services across England and Wales, with, regrettably, only 41% describing their local coronial service as good or very good. Thirty per cent. described their local coroner as providing a satisfactory service, and 27% described the service as unsatisfactory or very unsatisfactory. That is one area of concern.

The all-party group took evidence from a range of witnesses involved in the process, including bereavement support groups, funeral directors, faith groups and organisations representing coroners' staff, pathologists, crematorium staff and cemetery management. There is consensus among those working in the sector on the increasing time between death and burial or cremation, and we heard a number of reasons for why that might be, including increased pressure on registration and death certification services, a lack of communication and co-ordination between the organisations involved in certifying a death, and a lack of core crematorium slots.

Our report contained 13 conclusions and recommendations, and I will pick out three key ones. First, we urged the Government to review their post-mortem arrangements. The implementation of death certification reforms provides an opportune moment to assess whether the current fee of £96.80 for a post-mortem examination is sustainable. The all-party group would welcome an assessment from the Government on whether sufficient pathologists are being trained in autopsy to cater for future demand, as the requirement to study a post-mortem module has been removed from the appropriate syllabus.

Secondly, the Government should undertake a comprehensive review of the current state of burial and cremation in the UK, including an assessment of the projected capacity needs for the next 50 years and a review of barriers to developing crematoriums and cemeteries. New crematoriums are being developed. I am proud that a new crematorium has opened in my constituency of Rugby in the past few years, and it is an excellent example of the local authority working jointly with the neighbouring authority, Daventry District Council. We have a facility in my constituency of which we can be proud, so it is possible for additional facilities to be provided.

[Mark Pawsey]

Thirdly, we urged the Government to publish their proposals on death certification reform and to ensure that they address two key issues: reducing the number of people involved in the certification process; and enabling the provision of certification outside regular working hours. On the latter matter, since our report was published, we have held a feedback session with the various witnesses who came along to give evidence in order to review the responses we received from Ministers. Concerns were raised in that session about the comments of the national medical examiner, Professor Peter Furness, who said that, on average, the new death certification process

“is taking approximately half a day longer than the old one”.

There is a feeling that half a day is something of an underestimate. The all-party group is pleased that a number of consultations have been announced since the report's publication. We are keen to see them resolved, particularly the consultation on death certification reform by the Department of Health and the consultation on crematorium provision and facilities by the Department for Communities and Local Government. We are also pleased that the Ministry of Justice has been consulting on an out of hours coroner service, and we are keen to see the outcome of that consultation; I hope that the Minister can provide us with an update.

As I said, we held a feedback session, which produced two conclusions. One conclusion that might be of concern to the Minister was the feeling among those in the sector that none of the ministerial responses inspired confidence that the Government understand that bereaved people, those who have lost a loved one, are at the centre of the system. The belief was that things are process-driven, that it is a matter of numbers and that there is a lack of understanding that people are affected. The feedback session's second conclusion was that the Government must focus on ensuring that all Departments involved in the death process work together more coherently, and that that culture change must be instilled in every organisation involved, whether in central Government or local government.

We picked out one or two additional observations. In respect of the out of hours issue, we know that the NHS is moving more towards a seven-day service, and it is believed that death facilities should do the same, so that out of hours service is available for those who need it. Many attendees at our feedback meeting highlighted the lack of consistency among coroners' offices in terms of contact practices and the ability to offer non-invasive autopsy options. In particular, some witnesses highlighted that some coroner offices would not speak to funeral directors but wanted email communication instead. They advised us that emails sometimes go unanswered.

A number of witnesses highlighted that they increasingly struggle to get access to some mortuaries when several are run by the same NHS trust. It is believed that, to save costs, some trusts reduce the opening hours for each mortuary, meaning that bodies can be unavailable for days at a time. Our attendees noted that, although 80% of deaths occur in hospitals, as far as they are aware, medical professionals are not given training in the death certification process and what best practice

looks like. Our previous chair, Baroness Burt, disagreed with DWP Ministers' assessment that the funeral payments system is fit for purpose.

I have a number of questions to which I hope the Minister can respond in the time available, particularly about improvements to the coroner out of hours service, to which I have referred and which we are interested to hear about. I understand that she has met with the Metropolitan Police Service to consider an across-London out of hours coroner service. If she cannot respond to my specific question now, perhaps she could respond in writing to the all-party group on that and on other questions in due course. Has her Department assessed how the coroner service and other organisations involved in the process will work alongside a seven-day NHS?

This issue came out of several of our meetings: would it be possible for a simple flowchart to be made available so that people could see clearly the process after death? It would give both bereaved people and policy makers a better understanding of what is going on to have some explanation of the path towards a funeral. A graphic representation may help policy makers to identify which processes are causing delay.

Our inquiry was interesting, and we came up with a number of recommendations and developments. It is clear that the delays are causing great distress to many people, not least many in our faith communities, who for faith reasons are anxious for burial or cremation to take place more promptly after death. I hope that, when the Minister rises to bring us up to date, she will be able to reassure the many people to whom we spoke that the Government take these issues seriously and that the delays that have increased in recent years might be reduced in order to minimise the distress caused to bereaved people.

Dr Matthew Offord (Hendon) (Con) *rose—*

Graham Stringer (in the Chair): Before I call the hon. Member for Hendon, does he have permission to speak from both the proposer of the debate and the Minister?

Dr Offord: I have sought permission from the proposer, but not from the Minister. Is she prepared to allow me to speak?

The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinage) *indicated assent.*

1.15 pm

Dr Offord: I am grateful to you for allowing me to speak, Mr Stringer. I am prompted by events this weekend. Both the Jewish and Muslim traditions require that burial take place as soon as possible after death, preferably within 24 hours, but the process is sometimes affected adversely by the unavailability of any coroner out of hours, the absence of an appropriate doctor or the lack of available facilities in local authorities for rapid registration. It has been a problem and a cause of concern in my constituency; I raised the issue on the Floor of the House only this January, asking what provisions the Government are making to ensure that such services are available.

In the last week, a constituent of mine has been involved in a very difficult process. Liora Rosenberg was on a life support machine in Hampstead at the Royal London hospital. Unfortunately, on Saturday night she died. To compound her untimely death at the age of 20, her parents were unable to obtain a death certificate over the weekend, meaning that burial is being delayed; the coroner for the Royal London hospital will not consider engaging with the issues surrounding Liora's passing out of hours. It is adding to the grief of her family, who cannot commence the formal shiva—the Jewish period of mourning—until after the funeral, which can be conducted only after the coroner concludes her investigations.

I am aware that no one wants to interfere with the legal process, but we must be mindful of the problems faced by particular faith communities. As I said, I have raised specific cases in north London. Will the Minister continue with the coroner reform programme to ensure that an out of hours coroner service is available?

Within the Jewish tradition, there is a process called performing a mitzvah, a good deed on someone's behalf. Lauren Rosenberg, Liora's mother, has asked everyone to perform a mitzvah today. Will the Minister perform her mitzvah by ensuring that, in future, people have access to the coroner service and death certificates so that the dead can be buried appropriately and as soon as possible?

1.18 pm

The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinéage): It is a great pleasure to serve under your chairmanship, Mr Stringer. I congratulate my hon. Friend the Member for Rugby (Mark Pawsey) on securing this important debate. As he said, he wrote to me on 16 December last year to bring my attention to the report by the all-party parliamentary group on funerals and bereavement, which set out 13 recommendations and conclusions that the all-party group wished the Government to consider and take forward. I start by commending the all-party group's work in producing such a comprehensive report. I pay tribute to the late Paul Goggin, the former Member for Wythenshawe and Sale East, who was instrumental in instigating much of the work.

I am grateful for the opportunity to update hon. Members on the progress made since the report was published. I should probably start by saying that Members will be aware that responsibility for the period between death and burial or cremation lies across several different agencies—the Department of Health, local authorities, the police, coroners—all of which have different levels of autonomy. I think that I can safely say that if we were going to start from scratch and create a system anew, we probably would not organise it in quite that way. I certainly take on board my hon. Friend's suggestion of a flowchart—I wish I had had one when I first took on this ministerial role—but I am keenly aware that, as he pointed out, at the heart of this process and all these authorities are people who are grieving and need to be supported through a particularly difficult time in their lives.

I will run through a few of the issues that have been raised today. My hon. Friends the Members for Rugby and for Hendon (Dr Offord) raised the issue of out of

hours coroner services. As they and the all-party group are aware, the Ministry of Justice has been considering how an out of hours coroner service can be achieved. Of course, this is of concern to faith communities, particularly the Jewish and Muslim communities, because without it—as my hon. Friend the Member for Hendon has already highlighted—there can be a considerable delay, preventing the timely burial of loved ones that is required by certain faiths.

My right hon. Friend the Lord Chancellor and Secretary of State for Justice and I share that concern. Together, we have met members of the Jewish and Muslim communities, and separately I have met members of the Jewish community, and I have been working consistently with the London authorities, the Chief Coroner and the Metropolitan police to try to develop an out of hours service across London.

Some progress has been made. In particular, I sense that the Metropolitan police now appreciate the urgency of recruiting a full complement of coroner's officers to work "in hours" in each of the seven coroner areas that it covers. However, more needs to be done to cover the out of hours service, and we are doing all that we can to bring the various constituent parties together to achieve that. It is absolutely fundamental that we allow bereaved people of whatever faith to make their funeral arrangements quickly, preventing the distress that can be caused by delay.

The all-party group drew attention to the sustainability of pathology services. I can report that the Health Education England commissioning and investment plan for 2016-17 shows a steady state of commissioning in the five pathology specialties. Health Education England is mandated by the Government to make sure that specific and targeted education and training are introduced for all pathologists, including taking forward the developments arising from the 2014 pathology quality assurance review by Dr Ian Barnes.

My hon. Friend the Member for Rugby mentioned post-mortem imaging. The all-party group recommended that the Government monitor the efficacy of post-mortem imaging, which in some cases can provide an alternative to the conventional invasive post-mortem examinations. The MOJ and the Department of Health are keeping up to date with developments in this procedure through their membership of the national post-mortem imaging board.

The all-party group highlighted the need for death certification reform. On 10 March, the Department of Health launched its consultation, which is entitled, "Introduction of Medical Examiners and Reforms to Death Certification in England and Wales: Policy and Draft Regulations". As my hon. Friend has said, the proposed reforms will introduce, for the first time, a unified system of scrutiny by independent medical examiners of all deaths in England and Wales that are not investigated by a coroner. This development will strengthen safeguards for the public, make the process simpler and more transparent, and improve the quality of certification and mortality data. An eye is being kept on the delays that he has referred to; the Department of Health is watching that issue very closely. At the moment, it is probably too early to determine what the impact of the consultation will be, but the consultation is certainly on everyone's horizon.

[Caroline Dinéage]

With regard to the civil registration service, the all-party group will know that the Home Office responded to its recommendations on civil registrations on 1 February, and undertook to raise awareness of the group's report with local authorities, which it did via a circular on 1 March.

The Government are very pleased that the all-party group recognised the Government's commitment to reviewing cremation legislation. The MOJ published our consultation on cremation on 16 December last year, seeking views on changes; the consultation was really aimed at improving cremation practice. The consultation closed on 9 March and the responses are now being analysed by a team in the MOJ. We plan to publish our response to the consultation as soon as possible.

On 16 March, the Department for Communities and Local Government published a consultation on the provision of crematoriums and related facilities, to establish whether they meet the demands and cultural requirements of all communities. This consultation closes on 26 May and DCLG will use it to establish whether the concerns that have been raised are as widespread as has been suggested.

We are aware that a number of new crematoriums have been established over the past three years—on average, one new crematorium is being built every three months—because new crematoriums have to report their opening to the Secretary of State for Justice. So we are keeping an eye on that issue, too.

With regard to coroner reforms, the need to place bereaved people at the heart of the coroner service was the key aim of the reforms implemented in 2013. One of those reforms introduced the post of Chief Coroner. Judge Peter Thornton QC was appointed as the first Chief Coroner, and he has played a central role in issuing guidance for coroners. Coroners are now required to conclude an inquest within six months of a death and they must report coroner investigations that last for more than 12 months to the Chief Coroner, so that he can refer to them in his annual report.

For bereaved people, probably the most significant development under the Coroners and Justice Act 2009 has been the "Guide to Coroner Services", which is a booklet published by the MOJ. It sets out how a coroner's investigation is likely to proceed, as well as the standards of service that bereaved people can expect to receive from a coroner's office, and what they can do if those standards are not met.

As my hon. Friend the Member for Rugby generously pointed out, I have the coroners portfolio and I share his wishes that the matters he has raised are resolved as quickly as possible. However, he understands that the operational responsibility for coroners services is a matter for the appropriate local authority, while my Department has responsibility for coroner law and policy. As frustrating as that situation can sometimes be, it is for the relevant local authorities to decide how to fund and run their coroner service.

Mark Pawsey: My hon. Friend the Minister is drawing our attention to the very broad range of agencies that are involved in this area. Is there any way that these different authorities and Departments can be brought together to improve communication between them?

Caroline Dinéage: That is certainly the case in the pan-London service that we have been looking at; we have been bringing all the different constituent authorities together in one room to discuss matters. We hope that guidance on the lessons learned from that process can be rolled out to other parts of the country.

I am really very grateful to my hon. Friend, the other members of the all-party group and all those who provided evidence to the group's report. It is a comprehensive analysis of the range of services that bereaved people may have to deal with when they are faced with the death of a loved one, and for me its recommendations underscore the need for the Government to ensure that these services meet the needs of users and bereaved families at what will always be a very difficult time. I am also very grateful to him for bringing this matter to the House today.

Question put and agreed to.

Ealing Hospital

[*Relevant document: E-petition, entitled Save our NHS. Stop Privatisation. Save Ealing Hospital – publicly funded & provided (109473).*]

1.28 pm

Mr Virendra Sharma (Ealing, Southall) (Lab): I beg to move,

That this House has considered services at Ealing Hospital.

It is a great pleasure to have secured this debate and I am delighted to serve under your chairmanship, Mr Stringer. I am grateful to you and to Mr Speaker for providing the opportunity to debate this important matter. I am also delighted to see the Under-Secretary of State for Health, the hon. Member for Battersea (Jane Ellison), here in Westminster Hall today.

Last week, on 26 April, I presented in the main Chamber a petition organised by a local group in my constituency and signed by more than 100,000 people, which said:

“The petitioners therefore request the House of Commons urges the Government to reconsider the impact of the Shaping a Healthier Future programme on Ealing Hospital, Ealing and the surrounding boroughs that rely on Ealing Hospital to deliver high quality emergency care 24 hours a day.”—[*Official Report*, 26 April 2016; Vol. 608, c. 1404.]

I have outside the room quite a few organisers and other constituents who are visiting from Ealing and hope to see some outcome from the debate today.

The London Borough of Ealing is one of the fastest-growing areas in the city of London. West London is experiencing fantastic population growth, as people flock to join our vibrant multicultural business hub. Ealing, and Ealing hospital, are at the heart of that growth. London is a demanding city—we know that from living here—but it is not just demanding regarding lifestyle and culture, it makes demands on health and the population demands a lot from its healthcare providers. Across the west of the city, in particular, we have a high level of young people, but the area also suffers from one of the highest levels of lifestyle-led premature death. It is a scandal that we in this great city preside over such a high rate of child poverty, while London drives the British economy.

In 2011, in what I can only assume was a well-meant but ill-founded attempt to improve the situation, the “Shaping a healthier future” programme was implemented across Ealing and the surrounding boroughs. “Shaping a healthier future” looked to combine services in certain hospitals to make savings and to improve 24-hour care, but the reconfiguration and rationalisation were often little more than cover for closing services. For the past few years, local people—the Minister can see that many of them are here today—including people from different walks of life and different political backgrounds and beliefs, west London MPs, Ealing Council members and Dr Onkar Sahota, the Labour spokesperson on health in the London Assembly and chair of its health committee, have repeatedly spoken out against what is being done to Ealing hospital.

We were threatened with the loss of four of our local 24/7 blue-light A&E units. Ealing hospital is expected to lose its full A&E service and have it replaced by a service that is not fit for purpose and cannot guarantee the safety of Ealing residents. Despite the increasing

birth rate across our area of London, we lost our maternity unit last summer. That loss means that no more children will be born in the London Borough of Ealing. I must declare my interest in Ealing hospital. Two of my three grandchildren, Aatish and Riah, were born there, and I can vouch for the quality services provided. The paediatric unit is scheduled to lose in-patient services this summer. The iniquity of cuts that threaten the health and wellbeing of our youngest is a betrayal of every Ealing resident.

Shirlyn, a single working mother in my constituency, wrote to me last week to ask me to

“do [my] best to fight this”.

She cannot believe that vulnerable children are being put at risk by cuts. Shirlyn is worried, just as every parent across Ealing must be, that in the case of an emergency the increased travelling time risks increasing the danger children are in. The loss of that key community asset means that the most vulnerable families, those that have children with serious long-term medical conditions, will spend longer travelling, which will threaten their ability to both work and see their sick child. What kind of society can stand by and make someone choose between putting food on the table and seeing their sick child? As Shirlyn says, we in Ealing have paid our taxes and we have not been listened to.

As each successive round of downgrades and closures is announced, public trust in the London North West Healthcare NHS Trust falls further. Public confidence is so low, and people so frustrated at being ignored, that many are worried the hospital will be completely closed and sold for housing. That creates an unsafe situation for the people of west London, and for my constituents in Ealing, Southall.

Accompanying investments were supposed to balance the situation, but as costs have spiralled to more than £1 billion, promised investments have been threatened with withdrawal. Part of the deal for Ealing hospital had been that a new, fit-for-purpose, community style hospital would be built, providing high-quality services in a modern, clean and safe environment. In 2014, Ealing Council, along with others served by the London North West Healthcare NHS Trust, established a commission headed by Michael Mansfield, QC. The independent commission almost universally condemned the results of “Shaping a healthier future”. It found that cuts were affecting the poorest in society most acutely, and that the public had not been properly consulted. Plans had been drawn up that just could not deliver for Ealing. There was no sustainable business plan and the reconfiguration did not offer value for money, and was not affordable or deliverable.

The most important adjustment that can be made now is that the Secretary of State step in and halt the current programme, which is risking lives. The experiment is failing my constituents in Ealing, Southall. Michael Mansfield, QC and his independent commission recommended that a full A&E service be reintroduced at Ealing hospital, and that the maternity unit be reopened. The report also noted that local GP and out-of-hospital services were overwhelmed. Investment in public health is the only way we can end this shame, and give back to Ealing residents the healthcare they deserve. By helping young people and those who are mentally ill, and not

[Mr Virendra Sharma]

allowing thousands more to slip into homelessness—as the Mayor has across all of London—we can help the health of everyone.

In January last year, I asked the Prime Minister to consider implementing Labour’s plan to employ a further 8,000 GPs to ease the workload for the most stretched services. Despite agreeing that GP care is fundamental to providing proper healthcare, he dismissed the plan and we are now seeing the results of his complacency.

London does not just have younger people putting pressure on healthcare services. The population at the other end of the spectrum is growing, and by 2031 there will have been a 40% increase in the over-80s population. That means that London, and Ealing, have to be better than many other parts of the country. We have to face the challenges not as problems but as solutions to the significant health inequalities that exist in our city. In 2013, the Mayor of London launched the London Health Commission, which published its report near the end of 2014. Although it suggested many important changes to NHS services, and outlined many noble intentions, the picture for London is only worsening.

That is why the Government have to step in. I ask the Government, on behalf of the more than 100,000 people who signed the petition and the many more who could not sign it but are worried about the services, that the current programme of rationalisation be halted. Services that are not adequately supported must be supported and reopened. Patient safety has to be the ultimate litmus test, and currently that cannot be guaranteed. As my constituent said:

“Every child is important and this move is putting the lives of these children at risk. Children need A&E.”

The people of the London borough of Ealing and surrounding areas need fully resourced and supported hospitals that provide a full service. Those hospitals need to be supported by the Government for the benefit of the local community.

Several hon. Members *rose*—

Graham Stringer (in the Chair): Order. Before I call Dr Rupa Huq, I would like to explain the timetable for this hour-long debate. I would like to call the Opposition spokesperson at approximately 2.15 pm, and I expect him to take five minutes. Then the Minister can respond, leaving a minute or so for the proposer of the debate to reply. We seem to have plenty of time.

1.40 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate my hon. Friend and parliamentary neighbour, the Member for Ealing, Southall (Mr Sharma), on securing this important debate. It was the consolation prize for a petition that had more than 100,000 signatures. Initially, that petition went to the Petitions Committee. The number of signatures demonstrates how the Ealing hospital issue has gone beyond being a little local difficulty. It is now a national scandal.

Mr Stringer, I do not know what it says in your diary for 18 May. For MPs from all parts of the House, it says, “State opening of Parliament”. Despite the legislative programme coming our way, it is usually a joyous

occasion. It has pomp and circumstance, and we may get a sighting of Her Majesty the Queen. It is also, however, the day when the Ealing clinical commissioning group will take the decision to shut the door on children’s services at Ealing hospital. For people in Ealing, it will be a sad day.

It is not yet a year that I have been a Member of Parliament, but some of the subjects that come up in relation to Ealing hospital seem depressingly familiar, even to me as a newbie. We seem to have this common situation when the Government just will not budge. Their intransigence makes it all seem a bit like groundhog day. I was a Labour candidate for 18 months before I was elected, and the NHS was the No. 1 issue on the doorstep. We were told that we were fearmongering. I remember we had a big march—a demonstration—from Ealing hospital to Ealing common, which is a number of miles on the map. We warned that the A&Es at Hammersmith and Central Middlesex would be closed, and we were told that we were fearmongering. They have both gone now, closed in September 2014. That was euphemistically called “changes”. Everyone had a leaflet through the door talking about “changes” when it meant “closures”.

In the run-up to the election, I did several hustings where I warned that maternity was next for the chop at Ealing hospital. Again we were told that we were scaring people and that it was a scare story, but on the other side of my election that closure sadly came to pass. One of the first things I did as an MP was table an early-day motion about it, which my hon. Friend the Member for Ealing, Southall signed. I think my right hon. Friend the Member for Islington North (Jeremy Corbyn) was the first non-Ealing MP to sign that early-day motion, which asked for the Government to think again and condemned the closure.

As my hon. Friend the Member for Ealing, Southall pointed out, Ealing is a young borough. It needs maternity services. Those services closed at Ealing hospital in June, and paediatrics is next, because we cannot have a children’s ward without maternity services, and maternity is gone. There is a fear that there is a domino effect—that these things consequently happen one after another. It creates a climate of fear and uncertainty among the staff and the patients. Many of the mums who had births in the middle of last year were uncertain as to whether the maternity services would be there. The closures are demoralising and out of step with the needs of the wider west London area.

As an academic by trade, I believe in evidence-based policy, and the evidence is that Ealing borough has a population of 360,000 people and rising. That is as big as a city like Leeds. The borough needs accident and emergency services, maternity and a children’s ward. There was a meeting at Richmond House, which I think my hon. Friends the Members for Ealing, Southall and for Hammersmith (Andy Slaughter) attended, along with the Minister. It was a good meeting on the whole, but the PowerPoint we were shown confirmed that Charing Cross and Ealing will be downgraded to minor hospitals. The House of Commons Library confirmed to me this morning that the population of London as a whole is projected to rise to 10 million, so surely we need more capacity, not less.

The bill for the “Shaping a healthier future” reconfiguration programme keeps rising. I think it is £235 million at present. Some £35 million has been

spent on management consultants, such as McKinsey and all those people. It does not look like good value for the taxpayer. We are living in an age where every pound of public money spent has to be justified, and the end result of this programme will be fewer acute beds and fewer hospitals, with A&Es in west London decimated. It is a bad deal all round. There is other evidence of that. I am not someone who likes to trot out loads of statistics, but waiting times are massively up at Northwick Park, which is seven miles away from bits of Acton in my constituency. In the immediate aftermath of the closure, it had the worst recorded A&E waiting times in England for six out of 15 months.

My hon. Friend the Member for Ealing, Southall has alluded to the Independent Healthcare Commission for North West London headed by Michael Mansfield, who is a respected QC and who has expressed concerns about the business case. Forget all the emotional stuff; he is looking at whether it is a good deal for the taxpayer, and he has called the business case “deeply flawed”. I pay tribute to the tireless work of Eve Turner and Oliver New, as well as to my constituents Arthur and Judy Breens, who have formed an organisation—it keeps changing names: it was Save Our Hospitals, then it was Save Ealing Hospital.

The petition, which was batted back by the Petitions Committee, talks about

“a peaceful occupation at the Maternity Wing Area”.

That is how bad things have got. It also states:

“Protests are growing and the anger is reaching boiling point amongst thousands of members of the community.”

These people were not political before this issue came up. It has politicised the chattering classes of Ealing behind their net curtains, not that I am dismissing people with net curtains. They are a completely valid form of internal decoration and I love them dearly. The issue has managed to inflame people who are not usually inflamed and who have never been on a demonstration.

Mr Virendra Sharma: I am sorry to intervene when my hon. Friend is in full flow, but it is important to make the point that the campaign is non-partisan. All the political parties on Ealing Council unanimously support it and more than 100,000 people signed the petition. Many hundreds of people actively went around their areas asking for signatures. It is important to understand that the campaign is not led by any political party.

Dr Huq: My hon. Friend puts it very well. I completely accept his point. The strength of feeling about this issue is palpable. It is a non-partisan thing; they are people who have never been on a protest march before.

Talking of protest marches, a couple of weeks ago I joined the junior doctors on the picket line outside Ealing hospital. Some of those people are in the Public Gallery today. We were last together on that day, so we have been reunited. Quite aside from imposing a contract on junior doctors—a contract is not a contract unless there is offer, acceptance and agreement—there are so many other issues with the junior doctors’ strike that should be raised here, such as the fact that they are patronisingly called junior doctors, as if they are the work experience person who makes the tea. They are

very experienced people with years and years of clinical experience. Calling them junior doctors is almost a way of belittling them.

I raised the plight of those highly experienced, yet technically junior, doctors with the Prime Minister at Prime Minister’s questions recently. The Government’s equality impact assessment of the new contract shows that it discriminates disproportionately against women because childcare costs more at the weekend, and if weekend hours are counted as normal hours, women will have to pay. Again, the issue was batted back and just shoed away, which is disappointing because the Government’s own advice tells them about the costs. It feels as though junior doctors are being stretched ever thinner, and if something is stretched ever thinner, it can snap.

I wanted to be brief today because I have spoken many times on Ealing hospital both here and in the main Chamber. This morning I asked the Library staff whether they had a briefing pack on the 1.30 debate on Ealing hospital and they said, “Again? You’re always speaking on this. You had three hours on this subject on 24 March,” for which they did prepare a briefing. One would think that after umpteen debates, I would have said all I have to say on this subject, but the tale gets worse and worse.

I have mentioned before the cases of constituents facing long waits: for example, the Khorsandi and Anand families. The last time I faced the Minister in this Chamber, I mentioned my constituent Bree Robbins’s three-year wait for breast reconstruction. She was disappointed she did not get an answer last time, but maybe we can try again today. People have legitimate concerns.

Like my hon. Friend the Member for Ealing, Southall, for me Ealing hospital is personal. It is where I would have been born, but I was born in 1972 and it did not exist then. However, I remember that hospital going up with so much hope attached to it, and now I see it constantly being downgraded. As my hon. Friend says, the suspicion is that it is on the way out. I have been to the acute medical unit in the basement with my mum; I have been to the hospital as a mum; it is where in September 2014 my father breathed his last. So this hospital is not a hypothetical thing on a spreadsheet; it is something that I and family members use.

Recently, 11 north-west London Labour MPs, led by my hon. Friend the Member for Harrow West (Mr Thomas), signed a letter calling for the National Audit Office to investigate. There is a question of economics. We want the Minister to think again, consider the business case and halt the closure programme. The case simply does not add up.

As I said, I remember the hospital going up and I remember, as will my hon. Friend the Member for Ealing, Southall, several schools in the Borough of Ealing that were closed in the ’80s when rolls were falling. The place in Greenford—I cannot remember its name—where they send school governors on training courses is a disused school, but now schools in Greenford are having to be opened. The Priors Centre in Acton was a community centre in a disused school. Now it has been razed to the ground and a brand-new primary school built, because numbers are going up. The short-sightedness flies in the face of the evidence and ignores the fact that populations are rising.

[Dr Huq]

I do not have any hospitals in my constituency, although I had several on the edges: Central Middlesex, where the A&E has gone, Hammersmith hospital, where the A&E has gone, and Charing Cross, in the constituency of my hon. Friend the Member for Hammersmith (Andy Slaughter), which is going to be downgraded. Although I do not have hospitals in my constituency, all those ones that were there on the edges are disappearing before our eyes, so I urge the Minister, who I know is a reasonable person and a London MP, to think again.

1.54 pm

Andy Slaughter (Hammersmith) (Lab): It is a pleasure to be here this afternoon under your chairmanship, Mr Stringer. Although the debate is difficult, it is a great pleasure to follow my two neighbours from the London Borough of Ealing, and I thank my hon. Friend the Member for Ealing, Southall (Mr Sharma) for securing this debate today. As the MP for Ealing hospital, no one has done more than he has to champion the cause of that hospital over the four years that it has been under threat. As we see from the petition that generated this debate—not the first petition of this size—he is admirably and clearly reflecting the view of the vast majority of people not only in Ealing borough but across west London.

Apart from their choice of Member of Parliament, the constituency of my hon. Friend the Member for Ealing Central and Acton (Dr Huq) may be one of the most unlucky in the country. To lose one A&E department may be considered unfortunate; to lose four must be an all-time record. Following the closures of Central Middlesex and Hammersmith and the downgrading of Ealing and Charing Cross to non-type 1 status, her constituents will be in a very difficult position, as will all our constituents.

I am here today for two reasons. I am not an Ealing MP, but I want to support my colleagues and I want to say—I think the Minister will accept this—that the proposals for Ealing hospital are inextricably linked, under the “Shaping a healthier future” programme, to the future of the eight other major hospitals in west and north-west London, four of which, as we have seen, will undergo substantial change and either closure or downgrading of services, or at least movement of services elsewhere.

As my hon. Friend the Member for Ealing Central and Acton said, we have debated this subject many times. I do not think that is surprising. I make no apology for that, given the importance of the issue. In the recent debate in March, which was an across-London debate, “Shaping a healthier future” was raised several times. One of the matters on which I and others pressed the Minister was when we would see the next developments. I was grateful when the Minister said that Members would have the next important document—the draft of the implementation business case—as soon as possible.

Since that debate we have also managed to fix a date, 25 May, for the 11 MPs to meet the health service management across north-west London. Unfortunately, I have been told by my clinical commissioning group that the document will not be available for the meeting, although it will be available later in the summer. The sooner we can see that document and have an update on

what the proposals are for Ealing and the other hospitals, the better. I say that because this will be familiar not only to Members here, but to the many people in the Public Gallery. The difficulty we have had over the past four years is a lack of information.

We began with the bombshell proposals in the summer of 2012, which effectively proposed the closure of Ealing and Charing Cross hospitals, leaving just a primary care facility on the site. There was a modification when the final proposals were brought forward in February 2013. Those proposals—which most of us regarded as a fig leaf, albeit a very expensive fig leaf—were for the demolition and disposal of a substantial portion of the site, but with the building of new facilities, primarily for primary care and some other treatment, while still using the majority of emergency and acute services on the site. Since then, nothing. Indeed, we have been waiting a couple of years for the business case. In the place of factual information, rumours tend to spread. As was mentioned previously, nothing has changed.

As for Ealing hospital, the very strong rumour is that, given the poor financial condition of the NHS and the scepticism of the Treasury about the programme, it is likely that the service cuts and reconfigurations will go ahead, but also that the existing buildings will be retained. Those buildings were not designed for the purposes for which they will now be used and will not receive the funding to modernise them that was at least the mitigation in the previous proposals. The sooner we know one way or the other on that, the sooner we can have a proper discussion about it. The news that Imperial will have a £50 million deficit this year—I think the situation for north-west London hospitals is even worse—suggests that the financial imperative is continuing to drive this

Although the health service itself may have been quiet—certainly in what it has told Members and the public—my constituents and those of my hon. Friends have not been quiet over the past few years. As I say, the petition that generated this debate is not the first petition of more than 100,000 signatures that has been lodged. I hope that more attention is paid to this one than has been paid to previous ones. I pay tribute to the thousands of people who have not only signed petitions but been active in the campaign, which is going into its fifth year. The uncertainty is not helping anyone.

The public, the organised campaigns and the local authorities have acted responsibly. The local authorities commissioned the Mansfield report, a serious document that was not taken seriously enough by the NHS. The level of demoralisation is extremely high, and is combined with issues relating to the junior doctors’ dispute. Places such as the Imperial College school of medicine are centres of excellence for training junior doctors. I have spoken many times to the staff there and their morale is very low. All staff morale is very low because people do not know where they are going to be working or what job they will have. They do not know whether the facilities they are working in will survive, or whether they are going to be run down in the meantime. Consequently, we have a substantial overreliance on agency staff. That is not a good template for the NHS.

I appreciate the fact that there are financial difficulties throughout the country and that the situation in west and north-west London is not unique. Nevertheless, I

do not think that any other areas have had to put up with this reorganisation—or whatever we want to call it—for as long as we have.

Dr Huq: When my hon. Friend made the point about the loss of four A&E departments, he reminded me of the saying, “Once is unfortunate, twice is a coincidence, but three times is beginning to look like a habit.” I do not believe that any saying even goes up to four. Does he agree that it is unprecedented to lose four A&E departments?

Andy Slaughter: Yes, I do. I anticipate that we are unlikely to get much by way of an answer from the Minister today, although I will be delighted if she does have some news to impart. I hope she will take the debate in the spirit it has been conducted, because there is genuine anxiety. What we are asking for and what will help is transparency. It may be that we do not like what we hear any more than we liked what we heard three or four years ago, but it is getting beyond a joke now.

We talk a lot about hundreds of millions of pounds of money and about people’s love for institutions such as hospitals, but if we are pragmatic about it, at the end of the day the important thing is whether individuals receive a good standard of care. By coincidence, this morning I spent half an hour on the phone to a constituent whose husband’s life was saved two years ago when he had a serious aneurism. They were told by the professor who operated on him that had they taken a few moments longer to reach Charing Cross hospital, which they live very close to, that would have been the end.

The rider to that is that last week the same gentleman was rushed to Charing Cross hospital again with a recurrence of that issue. He spent seven hours there before being transferred to St Mary’s in Paddington, where he again received very good treatment. I hear again and again that the system is beginning to break down and people are not necessarily taken to the right place at the right time or, when they do get there, they are not seen quickly enough. That is not a criticism of the staff, who are working extremely hard against the odds and are highly professional.

We are very lucky to have such world-class hospitals in west London. We do not take that for granted, but I have given just one example of the kind of story I could probably repeat every week. I worry about the future of the health service for my constituents and those of my colleagues if we do not get to grips with the situation quickly. We are drifting in a way that means that the excellent and superb levels of healthcare we have become used to over the years are no longer likely to be maintained.

2.5 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Stringer. I congratulate my hon. Friend the Member for Ealing, Southall (Mr Sharma) on securing this extremely important debate and on the eloquent way he introduced it. He is widely known in this place for championing issues on behalf of his constituents; his contribution today will only further enhance that reputation. He presented a comprehensive picture of his constituency, rightly highlighting the scandal of health inequalities there and his concern about the implications for patient safety of the Government’s proposals. He cited staggering figures

for the growth in elderly population in his area—not unique, but by no means to be ignored. He expressed his concern that the most vulnerable and those whose children have long-term conditions will have to travel further to access services, with possible negative implications for their economic situation. It is clear from what he said that he and his constituents have lost confidence in the process.

I draw attention to the contribution from my hon. Friend the Member for Ealing Central and Acton (Dr Huq). She is new to this place but is fast gaining a reputation as a Member who assiduously represents her constituents. She described the Government’s response as intransigent. If that is her experience, I am sure it is no reflection of the effort she has put in. She compared Ealing to the city of Leeds, and it is unthinkable that a city the size of Leeds would not have such fundamental health services as those being discussed today. She described what has been presented to us over the past few years as a bad deal all round. As an academic, she has based her comments on the evidence she has seen, not on opinion. She and my hon. Friend the Member for Ealing, Southall both expressed concern that Ealing hospital is on the way out. Those were not careless comments thrown about for political gain but genuine anxieties born out of what they see and hear.

My hon. Friend the Member for Hammersmith (Andy Slaughter) correctly said that the sooner the business plan for further implementation is available, the better. He identified the lack of information as a factor that has made the situation far more difficult than it could have been. As he says, where there is a vacuum, something will fill it. In this case, the vacuum has been filled by rumours—rumours so strong that two of my hon. Friends have felt compelled to raise them here today. He said that transparency will help; I certainly agree with that. I also agree that our concerns are no reflection on the hard work and valuable contribution that our NHS staff make each and every day.

More than 100,000 people have now signed the petition to express their concern about service downgrades and what they see as a real threat to the future of Ealing hospital. Their concerns relate to the “Shaping a healthier future” programme, which was launched in 2011 by a group of what were then 10 primary care trusts,

“to reshape hospital and out of hospital health and care services in North West London.”

Following the abolition of primary care trusts, the North West London Collaboration of Clinical Commissioning Groups has led the programme. It has proposed a number of extremely significant changes, including the downgrading of accident and emergency services at a number of hospitals.

In 2013, Ealing Council’s health overview and scrutiny committee referred the programme to the Secretary of State, who concluded that changes to NHS services in north-west London should proceed. In a statement, the Secretary of State said that five of the nine hospitals—Hillingdon, Northwick Park, West Middlesex, Chelsea and Westminster, and St Mary’s—would provide comprehensive, seven-day-a-week acute emergency care. He also stated that A&E departments at Ealing and Charing Cross hospitals would remain open, although with what—as my hon. Friend the Member for Ealing Central and Acton pointed out—he euphemistically called changes to the “shape or size” of services. Those

[Justin Madders]

changes have probably not turned out as people hoped. Changes were recommended to replace the A&E services of Hammersmith and Central Middlesex hospitals with urgent care centres, which were subsequently implemented in September 2014.

In 2013, it was decided that maternity services would be consolidated on to six hospital sites and maternity deliveries at Ealing hospital would cease. We have heard from my hon. Friends how significant that has been for their communities. The maternity unit at Ealing hospital was closed in July 2015. It has now been recommended that in-patient paediatric services should also be moved to maintain appropriate staffing levels. These changes have, understandably, caused great public concern, which in 2014 led to Brent, Ealing, Hounslow, and Hammersmith and Fulham Councils establishing an independent commission under Michael Mansfield QC to review the impact of the changes to the north-west London health economy and to assess the impact of planned changes.

On 2 December 2015, the commission published its final report, which was extremely critical of the “Shaping a healthier future” programme, finding that inadequate consultation had been undertaken and that departments had been shut without providing adequate alternative healthcare. Its recommendations included halting the SHF programme and that local authorities should consider a legal challenge. The Government’s response states that they are

“clear that reconfiguration of front line health services is a matter for the local NHS.”

It is clear from answers to parliamentary questions and a Westminster Hall debate on 24 March that both the CCGs and the Government do not accept the review’s findings.

The principle that decisions should be made locally by clinicians is sound, but there seems to be an issue about accountability in this case, as there is a clear feeling among the public and local politicians that their concerns are simply not being heard. Those who gave evidence to the commission were not fly-by-nights. Many were working on the front line of the services under discussion. Indeed, they are the local clinicians the Government say should be making the decisions. What recourse do clinicians, the public and patients have if they disagree so fundamentally with what is being done as we have seen here?

The most successful service reconfigurations are those where consultation is most effectively carried out and where support from clinicians at all levels, local politicians and, of course, members of the public is secured. It is no coincidence that when public concern is at its present level in Ealing and the surrounding communities, we tend not to see successful changes in provision.

Such was the frustration and concern about the changes that four local councils thought it necessary to use local taxpayers’ money to commission an independent report. As my hon. Friend the Member for Hammersmith said, the local authorities involved have behaved responsibly in commissioning this report. I do not believe there is any suggestion that they have behaved irresponsibly, so surely the Minister must acknowledge that taking this extraordinary step means that something must have happened that deserves further examination.

I turn to some of the recommendations in the independent report. Serious concerns have been raised

about the consultation in 2012. There has been no significant further consultation since. Given that we are now four years on from that point and that the scheme has undergone considerable changes, as has the demographic make-up of the communities, it seems reasonable to consider a further period of consultation.

Concern was also expressed in the Mansfield commission’s report and here today about transparency, particularly in the business case on which the SHF scheme is based. I would welcome the Minister’s observations on both points, and if, like me, she is not satisfied that there has been sufficient public involvement, will she step in and ensure that that takes place before further downgrades or closures and that it is genuine consultation predicated on release of the full business case? Genuine consultation cannot take place if vital information is withheld. Transparency is the key to meaningful engagement.

The commission was asked to look at deteriorating standards in three local NHS trusts that were consistently failing to meet key targets, including that 95% of patients attending A&E must be seen, treated and admitted or discharged within four hours. The Minister will be aware that after six years of a Conservative Government, February’s figures are the worst on record for A&E waiting times. The most recent figures confirm that all three NHS trusts covering this area are failing to meet their targets.

In major A&E units, London North West Healthcare NHS Trust saw just 76% of patients within four hours and Imperial College Healthcare NHS Trust saw 69.1%. Does the Minister agree with the commission that the closures of Hammersmith and Central Middlesex A&E departments are responsible for these appalling figures, or is the Government’s overall record to blame?

Finally, the other key principle to which all service reconfigurations should adhere is that they should be based on clinical rather than financial need. They must represent what is in the best interests of the patients who access the services and not simply be a tool to balance budgets at any cost. In this case, because the Government have fundamentally lost control of NHS finances with 75% of trusts now in deficit, local people are understandably asking whether the serious financial hardship that the trusts face is forcing the CCGs to consider changes that they otherwise would not. Can the Minister assure us that no decision will be made in this case or any other on the basis of finance alone and that the interests of patients will remain the central focus at all times? It is clear that public confidence has been lost in this case, and it is simply not good enough for the Government to wash their hands of it. We urgently need an acknowledgement of those concerns and concrete plans to address them.

Graham Stringer (in the Chair): To clarify, the debate, although it started early, will finish at 2.30 pm. Could the Minister leave a minute or two at the end for the proposer?

2.15 pm

The Parliamentary Under-Secretary of State for Health (Jane Ellison): Of course, Mr Stringer. It is a pleasure to serve under your chairmanship. I congratulate the hon. Member for Ealing, Southall (Mr Sharma), a fellow

London MP, on securing this debate on an issue that is of concern to him, to his constituents, as we can see from the attendance in the Public Gallery, and, of course, to colleagues in neighbouring constituencies, who also contributed to the debate—not for the first time.

Before I address the issues raised, I would like to echo the words of others and pay tribute to those who work in our national health service. Despite the debates that we have in this place about reconfigurations and the like, all of us are united in praise of the dedication of those working on the frontline to provide first-class services to all in their care.

There is of course considerable ongoing interest in the changes in north-west London proposed under the “Shaping a healthier future” reconfiguration programme. It is worth stressing that those are not just changes to acute hospitals, but planned changes to the whole of that health economy. The aim has been to look at how it can best provide in the future for the local population.

Of course I acknowledge the concern expressed among local people and in particular by the Save Ealing Hospital Community Action Group. The hon. Member for Ealing, Southall will know that I responded in January to a petition by the action group, and I will respond in writing in due course to the latest petition that he has presented. But I want to make it clear that proposals and change on so large a scale as that taking place in north-west London are inevitably controversial. Major change is inevitably controversial, but we have always stressed, as did the shadow Front-Bench spokesman, the hon. Member for Ellesmere Port and Neston (Justin Madders), that the reconfiguration of services is a matter for the local NHS. That is best organised and shaped by those who know the communities best, and with local clinicians right at its heart, rather than being dictated from Whitehall.

Let me deal with the Mansfield Commission report. On Thursday 14 January, the North West London Clinical Board considered the report of the Independent Healthcare Commission for North West London, and the view of the clinicians on the board—local doctors and health workers—is that the current programme, which was designed by doctors and based on significant clinical data, evidence and experience, continues to offer the best outcomes, experience and equality of access to NHS services for all our patients. That is a direct quote from what they said. Having read the Mansfield report, I am not surprised that that was the conclusion of local health leaders. I take issue with a number of things said about that report, not least about its independence, but I want to use some of the time that I have this afternoon to deal with some of the substance of the concerns raised about services for people in Ealing. Some of the language used was very strong, and I want to try to set a few minds at rest by talking about some of the new services.

Before moving on to specifics about Ealing, though, let me deal with the implementation of the programme itself. The hon. Member for Hammersmith (Andy Slaughter), perfectly reasonably, exposed the case why it is important that people have certainty and transparency. Some colleagues referred to the meeting that I chaired last summer to try to reboot this process after the general election—with a degree of success, in terms of the contacts between Members. But on the proposals

for capital works for both Ealing and Charing Cross hospitals, I have been assured that local health and social care partners are working together to produce a sustainability and transformation plan by the end of June 2016, and it is anticipated that details for those two sites will be included in that.

I have been honest enough before to say that I share hon. Members’ frustrations about delay. I quite understand why they want more certainty and I fully expect NHS England and the “Shaping a healthier future” programme to keep me abreast of developments as we move towards the summer. I want to hear if there are any problems with hitting that timetable, because Members have a right to expect to get that information, so that they can respond to it, so please rest assured that I will continue to ask those questions.

The hon. Member for Hammersmith also talked about morale, and it is vital that we put on the record some of the ways in which good progress is already being made as part of the “Shaping a healthier future” programme. As I have said, better healthcare is not just about the acute sector, important though that is. For example, good progress has been made in developing primary and community services, and there are examples showing patients benefitting. GP practices across north-west London now offer more than 1 million people in the area extended opening hours on weekdays, from 8 until 8, and weekend access. That is vital for families’ peace of mind, as has been mentioned. GPs in Ealing now provide 19 new services, including anticoagulation services, electrocardiograms and some mental health services. Many more community services are now in place across all eight boroughs, so more patients can be seen closer to home.

Those are just some of the reasons why I do not recognise the description of the plans given by the hon. Member for Ealing, Southall. He used expressions such as “risking lives” and that is not what local doctors want to do or what the plans are about.

Dr Huq: Will the Minister give way?

Jane Ellison: I am sorry; I will not, because the hon. Lady made a long speech and I must respond to it.

At the heart of the plans is the fact that local clinicians want to provide more and better services, although delivered differently, it is true, from the way they may sometimes have been delivered in the past. That brings me to the focus on Ealing hospital. Of course I recognise the concerns associated with such significant changes as are proposed, and I take the point entirely that uncertainty, both for Members of Parliament and members of the general public, gives rise to concerns.

Ealing hospital will be redesigned as a 21st century facility for the local community. The hospital will have a local A&E and a 24-hour GP-led urgent care centre, with access to 24-hour specialist care, as well as a range of specialist services designed with the needs of the community in mind, such as a diabetes centre of excellence. The hospital will be a centre of excellence for other areas of care, such as elderly patients, those with long-term conditions and the most vulnerable members of the community, by integrating primary and secondary care with community and social care. It is common ground between all parties that that is how we will help to keep

[Jane Ellison]

people healthier in the future. So good news for patients is already beginning, in the changes.

On maternity services, some strong language was used in the opening speech about concerns for local mums and their babies. As has been pointed out, maternity services were consolidated in July across north-west London into six maternity units. Women from Ealing now have a choice in maternity services, with 30 antenatal sites across Ealing, including Ealing hospital, and six sites for delivery across north-west London. As a result, there has been a 10% increase in choice of midwifery-led units. I am told that 778 women had their maternity care safely transferred from Ealing to a new maternity unit of their choice with no incidents reported.

What is the benefit to Ealing women from the changes? Before the changes, Ealing hospital was achieving 60 hours of consultant cover—lower than all the neighbouring hospitals. Across north-west London before the transition, the average was 101 hours. North-west London has set out to achieve 123 hours in 2015-16, and it currently has 122 hours of consultant cover. Also, 100 new midwives have been recruited across north-west London as a result of the changes. Antenatal and postnatal care are still available at Ealing hospital, and as I said, the number of community midwives has also increased locally at 30 sites across Ealing. It is clear that a complex service change has been managed safely, with benefits to patients—mothers and their babies. It is telling—Members need not just listen to my words—that Ealing Council's health and adult social services standing scrutiny meeting on 26 April heard from the Royal College of Midwives. That is not the Government. It endorsed the transition and congratulated the NHS in north-west London on the model of care and the detail in the transition. Again, I do not recognise that service in the words of the hon. Member for Ealing, Southall, although I know that he meant them with due concern for his community.

On paediatric in-patient services, good progress is being made on the implementation of changes. I am informed that that will ensure that children in north-west London will receive consistently high-quality seven-day care, with more paediatric nurses and specialist doctors available. Paediatric in-patient services, which are for children who require emergency treatment or an overnight stay, will move on 30 June from Ealing hospital to five other hospital sites in north-west London. That will significantly expand capacity—more beds, doctors and nurses, seven days a week.

The changes do not mean that all children services are moving from Ealing. Nearly three quarters of existing children's services will continue on the Ealing hospital site and elsewhere in the borough. Services remaining include routine appointments and treatments that do not require an overnight stay, such as day care unit activity, so most children will be seen in the same place as they are now. Urgent care for minor injuries and out-of-hours GP appointments will also remain at Ealing hospital. The majority of children who are brought to Ealing's A&E by their family or friends are already treated in the urgent care centre. Services for children with long-term conditions, such as asthma and epilepsy, and child and adolescent mental health services will also remain unchanged.

To reiterate, 75% of existing children's services will continue to be delivered by the dedicated staff of Ealing hospital, but—this is an important “but”—the sickest children in north-west London will receive better care as a result of the changes. That is what we all care about the most.

It is right that local people have the chance to hear from their parliamentary representatives in such debates, so I welcome the fact that we have had the chance to debate the subject again. I suspect that we will do so again at some point in the future. As the programme moves through its implementation, I encourage those with particular concerns to continue to engage with the local NHS. I thank colleagues for doing so, as they have been, because that is the right way to proceed. I have reiterated to local health leaders the need to share plans in a timely fashion. I only ask of hon. Members that they also share the positive changes that are already visible to people in their communities, as I have illustrated today. I look forward to hearing how the meeting later this month goes—it was referred to earlier—and I will continue to engage positively with colleagues as they handle this important issue, which matters so much, as we can see, to local members of the public.

2.27 pm

Mr Virendra Sharma: I thank the Minister, and I thank all my colleagues who have given their points of view on my side and supported what their local constituents want. I do not want to give the impression that we are only talking about hard-hitting, scaremongering practice; I am representing the true feelings at the grassroots—what people think of their services.

I, too, have experienced huge numbers of cuts in services, with a long waiting list, or people not getting appointments in time, or being sent home after hours of waiting, because a service cannot be given. There is a shortage of nursing and other staff members, so hospitals are unable to provide services. Northwick Park hospital, mainly used since Ealing hospital services closed down, has been declared to be the most inefficient hospital in west London. It came the very bottom of the league.

Something is therefore wrong, which is why we are making our points and asking the Minister to reconsider those values and to sympathise with those people who will be receiving the services on offer and with how they suffer the travelling and not knowing the system, which involves long waiting and not getting the services. In addition, there is sometimes a language problem for people from different communities without knowledge and experience of English.

I urge the Minister to reconsider, as my colleagues and I have requested. Again, I thank my colleagues and, in particular, my hon. Friend the Member for Ealing North (Stephen Pound), who unfortunately was unable to attend. He sends his support, of which he has spoken many times before.

Question put and agreed to.

Resolved,

That this House has considered services at Ealing Hospital.

2.29 pm

Sitting adjourned.

Written Statement

Tuesday 3 May 2016

WORK AND PENSIONS

Universal Credit

The Secretary of State for Work and Pensions (Stephen Crabb): I am pleased to inform the House that universal credit is now available in every Jobcentre across the country, having reached the final three Jobcentre Plus offices—Purley, Thornton Heath and Great Yarmouth—at the end of last month. This means universal credit is available for all new claims from single jobseekers wherever they are in Great Britain.

So far, over 450,000 people have made a claim to universal credit, with over 9,500 new claims made every week. The national roll-out means people in all parts of the country can now benefit from universal credit, which puts people at the heart of the welfare system for the first time.

As universal credit has rolled out, the positive difference it has made for those who claim it is clear. For example, those who are already receiving universal credit in comparison to a similar cohort receiving previous Jobseeker's allowance, people on Universal Credit spend 50% more time looking for work, they are 8 percentage points more likely to have found work or to be in work and when they are in work, they are more likely to be earning more.

Universal credit makes it easier to start work and earn more because it:

Offers personalised support to progress in work

Under the old system, as soon as someone moved into work, they were on their own. But with universal credit they can still get support. For the first time ever,

Jobcentre Plus work coaches continue to support claimants in work, helping people increase their hours, earn more and progress in their chosen career.

Mirrors the world of work

Like most jobs, universal credit is paid in a single monthly amount direct into people's bank accounts, giving them control over their own money and making the move into work easier.

Helps with childcare costs

Under universal credit, working families can claim back up to 85% of their childcare costs each month. This can be claimed up to a month before starting a job so people can focus on getting ready for work and so their child can settle into a new routine. For families with two children this could be worth up to £13,000 a year.

Stays with people as they move into work

With universal credit, people's claim remains open, even when they move into work. Unlike the old system, people can work as many hours as they want and take on short contracts without having to end their claim, helping to build up experience for a full time position.

Makes work pay

There are none of the cliff edges of the old system. As people's earnings increase, their universal credit payments reduce at a steady rate, so they can be sure they will always be better off working and earning more.

With universal credit rolled out nationally, more people will now be able to take advantage of this support and the unique features of universal credit, which is making work pay and is sweeping away the complexities, traps, and confusions of the previous system. Our focus now is continuing its expansion to all claimants.

[HCWS709]

Petitions

Tuesday 3 May 2016

OBSERVATIONS

FOREIGN AND COMMONWEALTH OFFICE

Divorce proceedings of a UK citizen abroad

The petition of residents of the UK,

Declares that Mrs Sian Mitchell moved to the United States of America where she married a US citizen with whom she has a son; further that divorce proceedings are currently in motion and Mrs Mitchell has been ordered by the courts in California to remain in the State with her son until proceedings have been resolved; and further that the petitioners believe that the Foreign and Commonwealth Office and the Government should offer as much support and assistance to her as possible so she can return to the United Kingdom.

The petitioners therefore request that the House of Commons urges the Foreign and Commonwealth Office and the Government to make representations to the US Government and the State of California to press the issue and get a resolution to the problem at the earliest possible stage so that Mrs Mitchell can return to the United Kingdom with her son as soon as possible.

And the petitioners remain, etc.—[Presented by Gavin Williamson, *Official Report*, 15 December 2015; Vol. 603, c. 1523.]

[P001662]

Observations from the The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): On Tuesday 8 March I met Mrs Mitchell's mother, Ms Debra Morgan and my right hon. Friend the Member for South Staffordshire (Gavin Williamson) to better understand the situation and explore what consular assistance we may be able to provide. I am sympathetic to Mrs Mitchell's situation and am keen that my officials provide all necessary support to her and her son.

I explained to my right hon. Friend that in line with our consular policy we cannot offer or pay for legal advice. My officials have provided Mrs Mitchell with details of the California State Bar Association, our recommended route to securing legal representation, and I am pleased that Mrs Mitchell does have an attorney representing her.

It is a key tenet of both the United Kingdom and the United States that courts are not subject to improper influence and it is important that the FCO respects this. The British Government cannot interfere in US judicial matters and it would be highly inappropriate for us to take a partisan interest in an ongoing civil legal case.

The petition requests the assistance of the FCO in order that Mrs Mitchell can return to the UK with her son at the earliest opportunity. As there are ongoing court proceedings and the United States is party to the 1980 Hague Convention on International Child Abduction, we are unable to issue an Emergency Travel Document for Mrs Mitchell's son without the consent of Mr Mitchell until the conclusion of these proceedings. We consider each application on its own merits but in these circumstances there would need to be compelling reasons, such as an imminent threat to the life of the mother or child, put

forward by the applicant for us to consider issuing a travel document against this established protocol, in particular where there is also a California court order that the child remains in the state until the divorce process is concluded.

HEALTH

Appropriate mental health treatment for Matthew Garnett

The petition of Isabelle and Robin Garnett,

Declares that the petitioner's son, Matthew Garnett, has been detained under the Mental Health Act in an emergency transitional Psychiatric Intensive Care Unit for six months; further that he is not receiving appropriate care or treatment; further that he appears to be regressing which is causing enormous distress to his family; further that he has recently sustained a broken wrist; further that a specialist facility (Malcolm Arnold House, St Andrew's in Northampton) accepted his referral in August 2015; further that Matthew urgently needs to be admitted to this facility so that he can be properly assessed and treated; and notes that an online petition of the same nature has received 262,636 signatories.

The petitioners therefore request that the House of Commons urges the Government to look urgently at this case and ensure that a bed can be made available for Matthew Garnett at Malcolm Arnold House as soon as possible, and to take action to address the wider issue of inpatient services for children and adolescents with mental health difficulties.

And the petitioners remain, etc. —[Presented by Helen Hayes, *Official Report*, 14 March 2016; Vol. 607, c. 756.]

[P001680]

Observations from The Minister for Community and Social Care (Alistair Burt): The Minister of State for Community and Social Care MS(CS), Alistair Burt, has recently been made aware of cases where there have been issues around the provision of children and young people's mental health care.

To address these issues, the Minister recently met with the family of one of these children, Matthew Garnett to hear of their experiences about where they think the system could be improved to support children and young people who have complex needs to get the right mental health care.

Since this meeting, the Minister has asked NHS England, which is responsible for commissioning in-patient care for children and young people with mental health needs, to carry out a review of Matthew Garnett's case.

Michael Marsh, the Medical Director of Specialised Commissioning for NHS London, chaired the review. The review is now preparing recommendations for local improvements. The Minister has asked to see the report of the review and its recommendations as soon as they are available.

The Minister has also asked Department of Health officials to work with an independent expert to see if there are more general systemic issues to be addressed as the Government implement the transformation programme to improve children and young people's mental health, as set out in the Government's report *Future in Mind*. This work will proceed as soon as the report of the review and its recommendations are available.

Matthew Garnett has now been transferred to St. Andrew's Hospital in Northampton, which is able to provide the care he needs.

TREASURY

Tobacco levy

The petition of residents of the UK,

Declares that cuts to public health funding mean vital Stop Smoking Services are being closed down; further that these closures are preventing smokers accessing the most effective way to make them quit; and further that an online petition and an additional paper petition on this matter have received 16,112 signatures.

The petitioners therefore request that the House of Commons urges HM Treasury to make the tobacco industry pay for the damage they cause by introducing a tobacco levy to help fund Stop Smoking Services and advertising campaigns to help people quit.

And the petitioners remain, etc. — [*Presented by Kevin Barron, Official Report, 8 March 2016; Vol. 607, c. 246.*]

[P001675]

Observations from the Exchequer Secretary to the Treasury (Damian Hinds):

The Government thank the right hon. Member for Rother Valley (Kevin Barron) for his petition on introducing a levy on the tobacco industry to fund smoking cessation services. We also thank all the members of the public who have signed the petition.

As the single largest cause of preventable illness and premature death in the UK, smoking remains one of the country's most significant public health challenges. The Government laid out their position on introducing a levy on the tobacco industry in the consultation response published last September. The Government do not believe a levy is an effective way to raise revenue or protect public health, particularly when we have already committed to maintaining the tobacco duty escalator until the end of the Parliament.

Local Authorities will receive over £16 billion to spend on public health—including stop smoking services—over the next five years. This is in addition to what NHS England will continue to spend on vaccinations, screening and other preventive interventions.

The Government remain committed to working towards their two fiscal goals on tobacco of raising revenue and protecting public health and will continue to make targeted interventions through the tax system. At Budget 2016 we announced an additional 3% rise on hand-rolling tobacco duty and that the Government would introduce a minimum excise tax for cigarettes, with legislation in Finance Bill 2017. The Department of Health will publish a new tobacco control plan later this year, which will ensure the Government's wider strategy for tackling the harms caused by tobacco continues to strengthen and evolve.

Ministerial Correction

Tuesday 3 May 2016

DEFENCE

Shipbuilding on the Clyde

The following is an extract from the response to the Urgent Question on Shipbuilding on the Clyde on Monday 25 April 2016.

The Minister for Defence Procurement (Mr Philip Dunne): More broadly for Scotland, our commitment to the successor programme will sustain 6,800 military and civilian jobs there, rising to 8,200 by 2022. As the programme progresses, an additional 270 personnel will be based at Her Majesty's naval base Clyde. Extending the Typhoon until at least 2040, and upgrading it with the active electronically scanned array radar, will benefit RAF Lossiemouth and continue to benefit Selex ES in Edinburgh. Our new maritime patrol aircraft will be based at RAF Lossiemouth, which is ideally placed for

the most common maritime patrol areas and is currently used as a maritime patrol aircraft operating base by our NATO allies. This will also lead to significant investment, and our current estimate is for some **200** extra jobs in Scotland.—[*Official Report, 25 April 2016, Vol. 608, c. 1139.*]

Letter of correction from Philip Dunne.

An error has been identified at the end of my response.

The correct response should have been:

Mr Dunne: More broadly for Scotland, our commitment to the successor programme will sustain 6,800 military and civilian jobs there, rising to 8,200 by 2022. As the programme progresses, an additional 270 personnel will be based at Her Majesty's naval base Clyde. Extending the Typhoon until at least 2040, and upgrading it with the active electronically scanned array radar, will benefit RAF Lossiemouth and continue to benefit Selex ES in Edinburgh. Our new maritime patrol aircraft will be based at RAF Lossiemouth, which is ideally placed for the most common maritime patrol areas and is currently used as a maritime patrol aircraft operating base by our NATO allies. This will also lead to significant investment, and our current estimate is for some **400** extra jobs in Scotland.

ORAL ANSWERS

Tuesday 3 May 2016

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Tuesday 3 May 2016

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