

Thursday
30 June 2016

Volume 612
No. 18



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 30 June 2016

House of Commons

Thursday 30 June 2016

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BATTLE OF THE SOMME

9.35 am

The House observed a minute's silence.

Mr Speaker: Colleagues, thank you for that display of respect.

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Public Transport: Affordability

1. **Liz McInnes** (Heywood and Middleton) (Lab): What recent assessment he has made of the effect of trends in the cost of public transport on the affordability of those services. [905568]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Rail fares rose by 0.7% last year thanks to this Government's fares cap, meaning that rail fares rose by less than earnings for the first time since 2003. Outside London, deregulated bus fares rose by 1.8% last year, with the Government continuing to spend more than £1.2 billion a year through the bus service operators grant and concessionary fares to help keep fares affordable.

Liz McInnes: With a quarter of unemployed 18 to 24-year-olds finding that the cost of a bus fare is a barrier to getting a job, what steps does the Minister intend to take to ensure that young people have access to work and training?

Claire Perry: There are already concessionary fares targeted exactly at that group. On the rail network too, there are now specific discount fares for jobseekers. Often this is a matter for local authorities to work on with their bus operators. The Bus Services Bill currently in Committee gives local authorities additional powers through a franchising mechanism, should they choose to use it.

Daniel Zeichner (Cambridge) (Lab): After many years of Conservative deregulation and privatisation, we find that many of our bus and rail operators are now owned by European companies, and some by European Governments indeed. Given that we are not exactly flavour of the month in Europe, and that we already know that British passengers are subsidising other countries, what can the Minister say reassure us that we will not see our fares going up as a consequence?

Claire Perry: I can reassure the hon. Gentleman—it is a pleasure to see him on the Front Bench this morning. Those operators may have ownership structures involving foreign entities, as do many British companies, but any operator in the UK is a UK-based company, employing UK staff and headquartered in the UK, continuing to invest in a very successful rail and bus programme right across the country.

Daniel Zeichner: I am not sure the House will be entirely reassured by that. We have talked already about the Bus Services Bill. Will the Minister take this opportunity to withdraw the punitive clause 21, which will stop local councils creating successful municipal bus companies? What have the Secretary of State and others on the Government Front Bench got against British success stories such as Reading and Nottingham, which do so well?

Claire Perry: We believe in parliamentary democracy in this country. As the hon. Gentleman knows, the Bill is in Committee in the Lords, and we will all have an opportunity to debate those points when it comes to our Chamber shortly.

Emergency Towing Vessels: Scotland

2. **Mr Alistair Carmichael** (Orkney and Shetland) (LD): What recent discussions he has had on the future of emergency towing vessels in Scotland; and if he will make a statement. [905569]

The Minister of State, Department for Transport (Mr Robert Goodwill): I discussed emergency towing capability in Scotland with the right hon. Gentleman on 9 June, and we had an informal chat this week on that subject. The Maritime and Coastguard Agency has consulted all interested parties about options for future provision beyond September 2016. I expect to make an announcement very soon.

Mr Carmichael: We look forward to hearing the Minister's announcement. The last stakeholders' group meeting convened by the MCA received a risk assessment—a proper, substantial piece of work commissioned from the private sector—that made it clear that removing the tug would pose an unacceptable risk for the coastal and island communities of Scotland. When the Minister makes his decision, will he make sure that that risk assessment is on his desk and at the heart of his considerations?

Mr Goodwill: I absolutely reassure the House that I understand the importance of maritime safety in those northern waters, from the point of view not only of pollution—we all know how difficult a major oil pollution incident can be—but of our seafarers at risk on the waters.

Workplace Parking Levy: Nottingham

3. **Mr Graham Allen** (Nottingham North) (Lab): What discussions he has had with Nottingham City Council on the use of income from the workplace parking levy for transport projects in Nottingham; and if he will make a statement. [905570]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): Ministers have had no discussions with representatives of Nottingham City Council on the use of the income from its workplace parking levy scheme, but officials from the Department have been in contact with officials from Nottingham City Council.

Mr Allen: Devolving power to the city of Nottingham by enabling it to have a workplace parking levy has led to Nottingham having the biggest fleet of electric buses in Europe, to the redevelopment of the Nottingham rail station and to tramlines being introduced in Nottingham, and those have now been extended. Will the Minister come to Nottingham to see these developments and to discuss with the city council how a shortfall in EU funding will be made good so that these things can continue?

Andrew Jones: I agree that this is a very buoyant time—a positive time—for public transport in Nottingham. The workplace parking levy raises between £8 million and £9 million a year, and it does indeed contribute to the tram system. However, the coalition Government agreed to provide £371 million towards it, so many of the enhancements we see come from central Government. I would be delighted to go to Nottingham—they are doing a very good job there—and would happily discuss the funding arrangements.

Rolling Stock

4. **Sir David Amess** (Southend West) (Con): What assessment he has made of the adequacy of the amount of railway rolling stock. [905571]

The Secretary of State for Transport (Mr Patrick McLoughlin): I am sure that my hon. Friend will join me in welcoming the introduction of an additional 9,000 peak-time seats on the Essex Thameside route by January next year. By 2024, capacity will increase by a further 16,000 seats.

Sir David Amess: As my right hon. Friend is aware, there has been some criticism from constituents about c2c train services and services on the Greater Anglia line. Will he share with the House when he expects further new rolling stock to be provided by c2c and when he expects the decision on the Greater Anglia franchise to be announced?

Mr McLoughlin: A number of improvements are coming to the c2c line. In the past, my hon. Friend has been incredibly critical, but he has welcomed many of the changes that have been brought in by the new franchise. Obviously, those take a bit of time to bed in, but I know he very much welcomes the extra availability and the new seats, and I hope to see those in operation as soon as possible.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State will know that the rolling stock serving the south-west of England dates from the 1970s, and we are eagerly updating our new, updated trains. What assessment have he and his Department made of the impact of Brexit and the economic shock from Brexit on his overall investment plans for our transport system?

Mr McLoughlin: I am pleased to be travelling on one of the new intercity express programme trains later today to mark the 150 years of the part of the railways that serves his town and his constituency.

Mr Bradshaw: City.

Mr McLoughlin: I apologise to the right hon. Gentleman. The investment we have seen on his line, and the investment we are seeing in the new IEP trains and the new AT300s, which will serve places further into the south-west, are very welcome, and I am pleased that he welcomes that investment.

Jo Churchill (Bury St Edmunds) (Con): Following on from the question from my hon. Friend the Member for Southend West (Sir David Amess), will the Secretary of State assure me that the East Anglia rail franchise announcement is imminent, as we expect, so that we in the east can move out of the sidings?

Mr McLoughlin: I well know the desire of all my colleagues in East Anglia to hear about the new franchise. I hope not to have to keep them waiting too long.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The other day, an employee of Virgin Trains East Coast described the refurb of some of the old trains as “like giving granny a new dress”. Is the Secretary of State not aware of the state of the rolling stock on the east coast? When is it going to get better, and how can we justify that sort of rolling stock when we are wasting so much money on HS2?

Mr McLoughlin: What the hon. Gentleman should be welcoming, as he always fails to do, is the vast investment that we are seeing on that railway line. He is now complaining about the upgrading of stock in the interim before the new IEP trains come in. I would have thought he would welcome that new service and also welcome the new service into London that will eventually serve Huddersfield.

Mr Philip Hollobone (Kettering) (Con): The Secretary of State and I use the midland main line operated by East Midlands Trains to get to and from our constituencies. The high-speed 125 trains on that line are rapidly approaching the end of their operating life. Will he ensure that, with the new franchise, they are replaced with new rolling stock and not recycled second-hand rolling stock from other lines?

Mr McLoughlin: When we come to look at the franchise for the east midlands line, I am sure that is one of the many issues we will take into account. It is worth pointing out that since 2010 we have seen almost 5,000 new carriages for use in the UK’s railway network. That is one of the biggest ever upgrades of our railway stock. Like my hon. Friend, as a regular user of the east midlands line I also hope it will get new rolling stock in due course.

Sue Hayman (Workington) (Lab): The Cumbrian Coast railway line serves my constituency, and I get regular complaints about the rolling stock. A lot of the busy trains often have only a single carriage, and some

of the carriages date from the 1970s. What work are the Government doing with the new franchise holder to improve the situation?

Mr McLoughlin: We are doing a number of things with regard to the Transpennine route and the Northern route—not least, under this Government, the phasing out of the Pacer train. That was always promised and alluded to, but we are actually going to deliver on it, and I am very pleased about that. If the hon. Lady is saying that more needs to be done, I accept that, but the very fact that since 2010, as I say, almost 5,000 new carriages will have been ordered and put into use on the railway network is a very commendable record.

Mary Robinson (Cheadle) (Con): With over 900 houses currently under construction in Woodford, residents in Cheadle, Gatley, Cheadle Hulme and Bramhall are facing daily gridlock at the junction of the A34 and the A560. Will the Secretary of State agree to meet me to discuss ways to alleviate this problem?

Mr McLoughlin: I am sure I can organise a meeting for my hon. Friend to discuss this problem. We had a bit of a look at it some time ago when I was last in her constituency, but I am more than happy to discuss any transport problems that she has.

Mr Speaker: Order. I think that, as I have just been advised, the rolling stock has rather left the line. I err on the side of generosity, but the hon. Lady's supplementary was at best tangentially related to the question on the Order Paper. We will let her off on this occasion.

Regional Airports

5. **Callum McCaig (Aberdeen South) (SNP):** Whether he plans to review the effectiveness of the public service obligation for regional airports. [905572]

The Secretary of State for Transport (Mr Patrick McLoughlin): The Government will soon update their aviation policy framework. As part of this update, the Government will consider the role that public service obligations can play in serving regional airports, which are a vital economic and social lifeline for all parts of the United Kingdom.

Callum McCaig: For Aberdeen, as an international oil and gas hub, the access that we enjoy to Heathrow as a gateway to the rest of the world is as important, if not perhaps more important, than its access to this fine city of London. Aberdeen has looked at the prospect of a PSO, which would provide access only to a London airport, whereas we need point-to-point access. Will the Secretary of State ensure that that is considered in the review?

Mr McLoughlin: I will certainly consider the representations that the hon. Gentleman has made to see whether that is compatible with the overall rules that we want to introduce in public service obligations.

Andy McDonald (Middlesbrough) (Lab): Does the Secretary of State agree that the sustainability and development of regional airports could be much enhanced by the increase in connectivity inherent in the additional

capacity plans for the south-east? Given that such connectivity will deliver economic growth throughout the UK, what assessment has he made of the efficacy of any engagement with the regional airports in ensuring that once a decision is made, the proposals in the recommended option of Heathrow will deliver the desired development of our regional airports?

Mr McLoughlin: I welcome the hon. Gentleman to his position. I have been in this post for four years, and he is the fifth shadow Secretary of State I have seen and, I think, the 10th person to hold the Labour transport brief in nine years. I congratulate him on that. I also thank the hon. Member for Nottingham South (Lilian Greenwood) for the way in which she conducted herself while she was doing the job. Although at the moment she is sitting on the Back Benches, I am sure that that is only a temporary measure while certain things are sorted out.

If I may now come to the question—I have almost forgotten what it was—I think we all agree that regional airports play a vital role in connectivity. One of the issues about regional airports—this was alluded to in a previous question—is their accessibility to the London airport system. We have to consider such issues and some later questions may address them.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Davies commission report came out almost a year ago—I think a year ago tomorrow, in fact—and it recommended that the Government take a different view of point-to-point PSOs. Regional connectivity for Scotland could be enhanced by PSOs for many airports, including London City, yet London City's plans for development are still on hold. Will the Cabinet Secretary commit to releasing that development now, so that it can partake in PSO development?

Mr McLoughlin: That is one of the issues for which the Mayor of London has responsibility first, and I think he has already taken a view on it. When a decision comes to me, obviously it will have to go through the proper process. I agree with the hon. Gentleman about the opportunities for people to get to London airports.

Drew Hendry: I thank the Secretary of State for that answer. The Davies commission report also recommended that we urgently consider expansion and that other airports, such as Heathrow and Gatwick, might benefit from PSO connectivity. Can we finally get a decision on airport expansion in the south-east, or will we yet again see more and more fudging of this subject?

Mr McLoughlin: I fear that the hon. Gentleman has come in a bit too early. I intend to address the points he has just made in response to question 8 on the Order Paper.

Severn Bridges

6. **Jessica Morden (Newport East) (Lab):** When he expects a decision to be made on post-concession arrangements for the Severn bridges. [905574]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The UK Government are committed to the continued successful operation of these vital crossings.

The Government plan to consult this autumn on the proposed halving of tolls—which would represent a massive saving for users—as well as other options, including free-flow tolling.

Jessica Morden: I thank the Minister for attending the recent meeting in this place with the Freight Transport Association to discuss the future of the Severn bridges. I know that there is to be a consultation, but there is real concern about the issue, especially now that the bridges will continue to be seen as a cash cow for the Government. May I reiterate that we want the bridge tolls to come down further and an assurance that when they return to public ownership they stay that way?

Andrew Jones: I very much enjoyed that meeting and hearing the views of businesses in Wales and of Welsh Members. The concession will finish when £1.029 billion is returned from tolls to the public purse. We expect that to happen sometime in early 2018. We are working on the plans that will follow that transition. We will consult more broadly, but I entirely agree that keeping the tolls low will help businesses in the area.

Mrs Madeleine Moon (Bridgend) (Lab): I have a large number of haulage and private contract hire companies in my constituency, many of which trade across the whole of the UK. They are very concerned that the consultation is not just a paper exercise and that the Minister is listening. Once the tolls have paid off the cost of the bridge, will he consider handing it over to the Welsh Assembly to manage?

Andrew Jones: The bridges are primarily in England, so that is an interesting Welsh land grab. As regards listening to the voice of businesses, if I was not listening to the voice of business, I would not have attended the meeting that was arranged by the hon. Member for Newport East (Jessica Morden) with the Freight Transport Association.

Border Controls

7. **Deidre Brock (Edinburgh North and Leith) (SNP):** What recent discussions he has had with the Home Secretary on border controls at air and maritime ports. [905575]

The Minister of State, Department for Transport (Mr Robert Goodwill): The Secretary of State regularly meets the Home Secretary to discuss a range of subjects, including border security. The most recent of these discussions took place on 26 April this year.

Deidre Brock: I understand that incoming international passengers at Edinburgh airport are experiencing lengthening delays as a result of cuts to the number of Border Force officers available. Given the increasing passenger numbers there and the likely increased need for passport checks after Brexit, will the Minister take urgent action to increase Border Force official numbers at the airport?

Mr Goodwill: I, for one, am pleased that we do not have border checks at Berwick-upon-Tweed when I travel north. The hon. Lady should more reasonably put that question to the Home Office, which deals with

such matters. As the Minister with responsibility for aviation, I am aware of the whole airport experience, and long queues at immigration are not good for the experience of people who come to our country.

Airport Capacity

8. **Mr Nigel Evans (Ribble Valley) (Con):** What plans he has to expand airport capacity. [905576]

10. **Valerie Vaz (Walsall South) (Lab):** When he plans to make a decision on the construction of an additional runway in south-east England. [905578]

The Secretary of State for Transport (Mr Patrick McLoughlin): I had hoped that we would be able to announce a decision on airport capacity this summer. Clearly, any announcement on airport capacity would have to be made when the House was in session. Being realistic, given recent events, I cannot now foresee that there will be an announcement until at least October. We aim to publish the further analysis on air quality soon. Separately, promoters have announced undertakings that would increase the compensation available for residents living near the airports and the connectivity between other UK airports. The Government are fully committed to delivering the important infrastructure projects that they have set out, including the delivery of runway capacity on the timetable set out by the Davies report.

Mr Evans: It is another boring day at Westminster, and I was rather hoping that the Secretary of State might inject some excitement into it for me. Nobody can accuse him of rushing this decision. Post-Brexit, with a number of countries banging on the door of the UK to do trade deals, does he agree that increasing airport capacity at London City, London Heathrow and London Gatwick will be vital to British businesses throughout the UK?

Mr McLoughlin: I would have liked to be in the position of asking the House to make a decision, and endorsing a decision. We are not going to be in that position, and we have to be realistic. My hon. Friend may regard it as a boring day in the House of Commons, but it is certainly not a boring day in Westminster.

Valerie Vaz: The Secretary of State will know that I am going to make the case for Birmingham airport. Is there still time, whenever the report comes out, for Birmingham airport to make the case for the 250,000 jobs that could flow from a second runway there?

Mr McLoughlin: Looking at the hon. Lady's question, I did not realise that she was going to mention Birmingham, because her question specifically talks about south-east England. To the best of my knowledge, Birmingham has not moved since I knew it as a boy, 20 miles away from where I lived. Birmingham airport is a fantastic airport, which serves an important role as far as Birmingham and the midlands are concerned, and it has just had a runway extension.

Mr Speaker: We are greatly reassured by the Secretary of State's geographical knowledge.

Sir Alan Haselhurst (Saffron Walden) (Con): Does my right hon. Friend accept that even if he had been able to make an announcement on this subject today, the earliest that extra runway capacity could be provided would be 2023, and at worst probably 2030? Does that not point up the need to improve connectivity to Stansted, which is the only airport in the London area with the capacity to deal with the strain of extra demand?

Mr McLoughlin: That is one of those questions that one cannot really disagree with, and my right hon. Friend has a habit of asking such questions in Transport questions. Although I agree with the point he makes, the delivery of what he is asking for is somewhat more difficult than he suggests.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Yet more dithering on the decision whether to expand hub capacity at Heathrow will harm the regions of this country and the United Kingdom. What recommendation will the Secretary of State make to the next Prime Minister?

Mr McLoughlin: Well, one step at a time. If the hon. Lady does not mind my saying so, she is assuming a number of events, which I am not going to do. In all seriousness, I would say to the hon. Lady, who is Chair of the Transport Committee, that this is a very important and big decision for the United Kingdom and it is not an easy one. The simple fact is that whichever option we choose will impact on people's lives. It is therefore right to make sure we do all the preparatory work on air quality and the other issues. However, I very much hope that a decision can be made later this year.

Crispin Blunt (Reigate) (Con): It is inconceivable that either the Home Secretary or the former Mayor of London would at this time put their constituency interests ahead of the national interest. I know that had the Secretary of State sought an assurance from the former Mayor of London that he would support this decision if the Government went ahead with it, he would have received it. Did he seek such an assurance, and if not, why not? This is not in the national interest, and it is not in the interests of people around Gatwick who will have to live with further uncertainty.

Mr McLoughlin: I am very sorry that my hon. Friend is disappointed by my announcement this morning. As I have said, however, given the parliamentary timetable and when the House will rise, I do not see how it would be possible to come to the House for a statement with a recommendation and possibly a vote before the summer recess.

Lilian Greenwood (Nottingham South) (Lab): I thank the Secretary of State for his earlier comments, but his answer is exacerbating the profound uncertainty about the future of essential transport projects, including HS2 and a new runway at Heathrow. Hundreds of thousands of jobs and apprenticeships are in the balance. Does he not understand that delaying these plans will add to the wider economic shock that was triggered last week, and that public and private investment in our transport networks must be delivered?

Mr McLoughlin: We are now back on familiar ground and I do not need to repeat what I said earlier. The simple fact is that I am very proud of the investment

that this Government are putting into infrastructure. Infrastructure investment is 50% higher than it was during the last Parliament, and it is much larger than the amount put in by the previous Labour Government, so this Government are very committed to infrastructure investment. The hon. Lady talks about airport capacity, but there were airport capacity issues during the 13 years her party was in government, when it did nothing.

Andy McDonald (Middlesbrough) (Lab): With the political and economic uncertainty following last week's referendum vote, infrastructure projects have become more, not less, important for the future of this country. That is particularly true of our airports, which will have renewed importance in ensuring that the UK is a global, outward-looking trading nation. The comments made by the Prime Minister and, indeed, by the Secretary of State today have cast doubt on that. Does the Secretary of State not accept that kicking this decision into the long grass yet again is simply utterly unacceptable?

Mr McLoughlin: We are accused of kicking something into the long grass, but I have said that I hope to see a decision by the end of the year, and Opposition Members have not yet expounded which option they actually support.

Tourists: Rail Travel

9. **Michelle Donelan** (Chippenham) (Con): What steps he has taken to increase the number of tourists travelling by rail. [905577]

14. **Nigel Huddleston** (Mid Worcestershire) (Con): What steps he has taken to increase the number of tourists travelling by rail. [905583]

15. **Scott Mann** (North Cornwall) (Con): What steps he has taken to increase the number of tourists travelling by rail. [905584]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Millions of tourists use our railways, and we have products such as the BritRail pass to encourage this, but we want to do more. In March, the Prime Minister launched a £1 million competition to boost tourism specifically in relation to heritage and community railways, and it has been wildly successful. We had a fabulous array of bids, and we have made 17 grants to wonderful projects from Cornwall to Caledonia and from Welshpool to Warwick.

Michelle Donelan: Will the Minister confirm whether her Department has conducted any work into the potential economic boost from trade and tourism for Corsham, Wiltshire and the wider area of reopening Corsham railway station, and if not, will it do so?

Claire Perry: Even before my hon. Friend took her seat she had for a long time been a doughty campaigner for reopening the station. I thoroughly enjoyed going to see the site with her, and I know that we will have a meeting next month to continue the discussions. I understand that a feasibility study is currently being undertaken in Corsham, which I hope will reference the uplift for tourism and, indeed, some of the educational opportunities in this area. I am looking forward to seeing such references when the report is presented.

Nigel Huddleston: Will the Minister provide an update on potential improvements to the north Cotswold line, which could provide a significant increase in tourist traffic beyond Oxford to Worcestershire and Herefordshire?

Claire Perry: My hon. Friend knows that the Department is working with Network Rail, Great Western Railway and other stakeholders to look at the whole business case and funding opportunities to really improve the London-Oxford-Worcester train services. The Department will publish its next rail investment strategy in summer 2017, which will set out the investment plans for 2019 to 2024.

Scott Mann: It will come as no great surprise to the Minister that I would like to raise the Okehampton link, which is part of the south-west Peninsula Rail Task Force agenda. Does she believe, as I do, that there should be an economic assessment of the tourism benefits that use of that particular route could provide to businesses in north Cornwall?

Claire Perry: Before answering my hon. Friend's question, I will point out to him that two of those wonderful projects I mentioned were in Cornwall, so there was a really good effort by the peninsula. The Peninsula Rail Task Force will be working on a report to look at all sorts of options for enhancing that rail network. I look forward to receiving and studying that report later this year.

Nick Smith (Blaenau Gwent) (Lab): A new metro system in south Wales would really help rail tourism there, but the planned metro is heavily dependent on EU support. What measures will the Minister take to ensure that the south Wales valleys metro system can be delivered?

Claire Perry: Investment in rail services in Wales is now devolved to the Welsh Administration, so that funding is a matter for them. I am sure that, like me, the hon. Gentleman will welcome the fact that three of the winners of the competitions I mentioned were based in Wales, including the wonderful velorail bike visitor attraction, which involves cycling along disused railways on enormous great bicycles. There will be some tourism uplift from investments like those.

Mr Speaker: It sounds very exciting.

Tom Brake (Carshalton and Wallington) (LD): What assessment has the rail Minister made of the impact of the appalling Southern and Thameslink services and Network Rail's infrastructure failures on the ability of tourists to get to key tourist destinations such as Beddington Park and Honeywood Museum in Carshalton?

Claire Perry: The right hon. Gentleman, like all right hon. and hon. Members whose constituencies are served by the line he refers to, knows that—largely due to the major investments in the region—the current performance has not been acceptable. The Government, operators and Network Rail have been working incredibly hard to solve those problems. It was great to see that by April of this year performance had climbed back up to a public performance measure of about 84%—not good enough, but getting better. Unfortunately, since then industrial

action and high levels of conductor sickness have seen a deterioration in that measure. We have to get the unions and operators to settle their differences as soon as possible, for the sake both of tourists and of the right hon. Gentleman's commuting constituents.

Road Investment Strategy

12. **Andrew Stephenson (Pendle) (Con):** What steps his Department is taking to implement the road investment strategy. [905580]

The Secretary of State for Transport (Mr Patrick McLoughlin): The Government have launched the first ever road investment strategy, committing a record £15 billion up to 2020. Work is already under way on 20 of the schemes named in the road investment strategy, with five schemes already open to traffic in 2015-16. I can confirm that work on the A14—one of the biggest projects in our RIS, at £1.5 billion—is on track to start construction later this year.

Andrew Stephenson: Does my right hon. Friend agree that the momentous events of last week, and the opportunities they provide, mean that our transport infrastructure and schemes such as the road investment strategy are now more important than ever?

Mr McLoughlin: It is very important that we press on with both road and rail infrastructure projects. They are often controversial when we start them, but by the time they are completed people have usually asked why we did not start them some time ago.

Daniel Zeichner (Cambridge) (Lab): Back in 2015, when the Government announced the road investment strategy, £6 billion was promised to resurface 80% of our strategic road network. We now understand that Highways England is saying that that promise will not be met. Where has the money gone, and what projects are being cancelled?

Mr McLoughlin: This is coming from the party that actually stopped investment in road spending almost completely. We are creating record investment while having to clear up some of the mess made by years of under-investment while the Labour party was in office. I do not recognise the points the hon. Gentleman has made.

South-east England: Runways

17. **Danny Kinahan (South Antrim) (UUP):** What steps he is taking to ensure that a decision is made as soon as possible on the new airport runway in south-east England. [905586]

The Minister of State, Department for Transport (Mr Robert Goodwill): The Government are fully committed to delivering the important infrastructure projects they have set out. The hon. Gentleman heard what the Secretary of State had to say about the decision on runway capacity in the south-east.

Danny Kinahan: I thank the Minister for coming over and visiting us, and discussing with all of us the future of runways and connectivity, but I am incredibly

disappointed by today's decision. He knows that Dublin airport is due to have its new runway by 2023. We need a decision. May we have a promise that we will have a decision by Christmas 2016?

Mr Goodwill: I think the Secretary of State was very clear. There are some other interesting developments, for example Stobart Air is looking at connections between Carlisle and Belfast, Carlisle and Dublin, and Carlisle and Southend, which will increase connectivity and improve the prospects for tourism so that people in the north of England can visit the wonderful Ulster that he represents.

Jim Shannon (Strangford) (DUP): The third runway for Heathrow would unlock some £16 billion of private investment at a time when the economy needs it most. The chief executive of George Best Belfast City airport has said that the

“Heathrow hub is vital in making Northern Ireland accessible to business and leisure passengers from all corners of the globe”.

It is really important for Belfast city; it is important for Northern Ireland. Make the decision now.

Mr Goodwill: The Davies report made very clear the importance of connectivity in the south-east to the regions, the north of England, Ulster, Scotland and elsewhere. We are very mindful of the issues that have been raised by colleagues from around the country.

Local Roads

18. **Andrew Rosindell (Romford) (Con):** What recent assessment he has made of the condition of local roads. [905587]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The Department published its latest assessment in March 2016. This assessment shows that local classified roads are improving, with fewer local classified roads that should be considered for maintenance. But there is still much to do, which is why the Government have committed record levels of investment, over £6 billion, to highways maintenance up to 2021, as well as having a pothole action fund totalling £250 million in this Parliament.

Andrew Rosindell: I thank the Minister for his reply, but is he aware of the significant difficulties my constituents face travelling east from Romford due to the congestion caused by the roundabout and flyover at Gallows Corner? At peak times, this roundabout can cause complete gridlock in parts of my constituency. Will he raise this matter with the Greater London Authority and work with the Mayor of London to organise a new road layout? That would be a great relief to the local constituents in Romford and throughout the London Borough of Havering.

Andrew Jones: This is a matter for Transport for London, because it is part of the local network. TfL consulted on proposals earlier this year in respect of road safety improvements at Gallows Corner, but my hon. Friend makes an extremely important point. I would be very happy to take this up with the Mayor and TfL. I suggest that the most helpful way forward would be for both of us to continue to do just that.

Departmental Funding: Shipley

19. **Philip Davies (Shipley) (Con):** What proportion of the funding allocated by his Department to the West Yorkshire combined authority has been spent in Shipley constituency. [905588]

The Minister of State, Department for Transport (Mr Robert Goodwill): My Department has allocated over £41 million of local transport funding this year to the West Yorkshire combined authority and nearly £233 million over the life of the Parliament to improve local roads and deliver integrated transport schemes across west Yorkshire. It is for local authorities to decide how funding is allocated to schemes.

Philip Davies: I am very grateful for the answer, but the Minister failed to say how much of that had been spent in the Shipley constituency, which was the driving force behind my question. I think we can take it from that response that the answer is very little, if we are being generous. What is his Department doing to ensure that Labour west Yorkshire authorities are not just spending money in the Labour heartlands, but that the whole of west Yorkshire benefits from Government investment?

Mr Goodwill: My hon. Friend makes a very valid point. Maybe those in charge in west Yorkshire should look at some of our national projects. We are determined to invest where investment is needed, in many cases in areas in the north of England not run by our own party, to stimulate jobs and to contribute to the northern powerhouse, something to which I hope the council and those in control in west Yorkshire will pay attention.

New Railway Stations

20. **Rebecca Pow (Taunton Deane) (Con):** What assessment he has made of the viability of new railway stations funded through (a) the new stations fund and (b) alternative funding arrangements. [905589]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): We know that rail investment and new stations provide a real boost for a local economy. I am very pleased that, since January 2014, 10 new stations have opened or reopened in England and Wales, funded by the new stations fund, local growth deals and by local partnerships. My right hon. Friend the Chancellor announced last year that another £20 million will be available for new station fund bids, and that fund will be open for bids very soon.

Rebecca Pow: Given that new stations are doing well and providing a boost to local economies and the environment, does the Minister agree that the town of Wellington in my constituency is an excellent candidate for a new metro railway station? A recent petition received an overwhelmingly positive response while the feasibility study showed an economic benefit. Will she also clarify our next steps in qualifying for new station funding?

Claire Perry: My hon. Friend is a Taunton girl born and bred and has campaigned assiduously on this and many other issues since assuming her seat. I have met her to discuss this matter, and we are looking forward to seeing the proposals. We have changed the terms and

conditions of the new stations fund so that promoters do not have to get to the GRIP 3 stage before their submission for funding. I am looking forward to seeing this and other applications.

Southern Rail

21. **Peter Kyle** (Hove) (Lab): What assessment his Department has made of the effect of the recent performance of the Southern rail franchise on economic productivity in the south-east. [905590]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Surprisingly, there is no formal economic assessment of the impact of rail disruption, but I am in no doubt that the hon. Gentleman and I would completely agree that a disrupted railway is not good for the economy or for passengers. That is why we are so committed to once again making Southern rail a high-performing railway.

Peter Kyle: This shambles is turning into a crisis. I have people writing to me who are late for work every day and getting written warnings from their bosses. The Government seem to expect them to turn to their bosses and say, "Don't worry. By 2018, it will all be fine". When will this shambles and crisis end? When can people tell their bosses that things will get better?

Claire Perry: The hon. Gentleman and I talk about this a lot. He knows that there was disruption as a result of our record investment but that things are getting better—I point out again that in April we got up to an 83.8% public performance measure. If his constituents would like to write to bosses, I suggest they write to the union bosses involved, who are doing their members a grave disservice by bringing them out on completely unjustified grounds. This is a dispute about who presses the buttons that operate the doors and the change in the role of the second staff member; there are no job losses or changes to terms and conditions.

Mims Davies (Eastleigh) (Con): My constituency benefits from Southampton airport and its economic productivity. It is getting four new routes this summer, and many hub in from Ireland and the Channel Islands, but Southern rail's shameful performance is affecting commuters across the south coast as well as those hubbing into my airport and heading up to Gatwick from Swanwick. Flights are being missed and jobs are constantly in peril. Will the Minister say that the huge impact this failing franchise is having cannot be tolerated?

Claire Perry: Everybody understands that the railway has to get better—that is why the money is being spent and why so much work is going on with the operator and Network Rail—but I point out again that £2 billion of brand-new trains are coming off the production line that the company wants to run on these routes, but their introduction is being held up. And by the way, this is not just about Govia Thameslink Railway; they are having exactly the same problem in Scotland. This is a nationwide dispute about who presses the buttons that open the doors.

Caroline Lucas (Brighton, Pavilion) (Green): It is no good having more rolling stock if it is not actually moving, and it is not good enough for the Minister simply to blame the unions. Her Department has to get

a grip. My constituents are furious. They are paying through the nose for an appalling service that threatens their jobs and robs them of time with their families, while the pay deal of the chief executive officer of Go-Ahead rose to more than £2 million last year. Will she get a grip, stop defending the failing private sector, remove the franchise and put the service into transparent and accountable hands now?

Claire Perry: Unlike the hon. Lady, my focus is completely on the passengers. She accepted a large donation from the RMT before the last election, while members of the ASLEF union have just awarded themselves a 16% pay increase. They need to stop objecting to the introduction of new technology that will benefit her constituents and constituents right across the UK.

Mr Speaker: And finally, Justin Madders.

Passenger Rail Franchises

22. **Justin Madders** (Ellesmere Port and Neston) (Lab): What recent assessment he has made of the performance of passenger rail franchises. [905591]

The Secretary of State for Transport (Mr Patrick McLoughlin): Does anyone have—I do apologise, Mr Speaker. I rather thought we were going on to topical questions, so my mind was there and not on the answer to the hon. Gentleman's question.

In the national rail passenger survey report for spring 2016, published this morning, 80% of passengers were satisfied with their journey. Merseyrail, which serves many of the hon. Member's constituents, scored 90%.

Justin Madders: Unfortunately the Secretary of State's response was as late as a number of the trains on the Wrexham to Bidston line, which goes through my constituency. It is an infrequent, unreliable and expensive service, which is due for renewal in the next couple of years. Will the Secretary of State ensure that we have the highest specification possible for the renewal, so we get a much improved service?

Mr McLoughlin: I apologise to the hon. Gentleman for the slight delay in my response. I very much hope that his constituents will enjoy some of the improvements happening in the franchises serving his area. I referred to Merseyrail, but of course there are other train operating companies providing services into his constituency and I think there will be considerable uplift on both Northern and TransPennine Express links, which will benefit his constituents.

Topical Questions

T1. [905558] **Jason McCartney** (Colne Valley) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Mr Patrick McLoughlin): Right—I was prepared for this, Mr Speaker.

I am proud of the fact that capital expenditure on infrastructure will increase by 50% in this Parliament. We have set up the first ever roads investment strategy, on which I answered questions earlier this morning, but throughout my time at the Department for Transport I

have attached great importance to safety, so I am pleased that the latest statistics for road casualties in Great Britain, published at 9.30 this morning, show a decrease of 2% in road fatalities, a decrease of 3% in serious injuries, and a decrease of 4% in slight injuries. The number of deaths is too high, but the reduction is very welcome indeed.

Jason McCartney (Colne Valley) (Con): Please can the Secretary of State confirm four dates for me? When will Huddersfield get its direct London service? When will the Pacers go? When will HS2 link to Yorkshire? And when will the electrification of the trans-Pennine route begin?

Mr McLoughlin: Off the top of my head, I think the answers are May 2019; December 2019; 2033; and I am happy to say that preliminary work has started, although final decisions on the scope will have to wait until 2018. I wish I had all the figures in my head, as you often do, Mr Speaker.

Mr Speaker: I am extremely grateful to the Secretary of State.

Andy McDonald (Middlesbrough) (Lab): As my hon. Friend the Member for Hove (Peter Kyle) said, Southern rail passengers are suffering the worst delays in the country and its staff are locked into an increasingly bitter industrial dispute. All those who work or rely on this failing service deserve much better. Does the Minister not think that by ruling out the cancellation of the franchise and by winding down the operator of last resort, Directly Operated Railways, the Department has no plan B and has effectively forfeited the chance to place any meaningful pressure on the company to improve performance?

The Parliamentary Under-Secretary of State for Transport (Claire Perry): The hon. Gentleman only needs to look at the share price performance of the owning group to see that considerable pressure is being put on the company by the markets, by customers and by my Department. In my view, changing the franchise would do nothing. Everybody has to work together. There is a highly experienced management team already in place. We have an investment programme that is coming to an end. The first major part of London Bridge will open this summer. I urge everyone involved, including the union bosses who are taking out their members on completely unjustified action, to sort this out for the benefit of the hard-pressed commuters, who just want to get to work and get home to their families.

Mr Speaker: Kevin Foster. Not here.

T3. [905561] **Joan Ryan** (Enfield North) (Lab): Many of my constituents who live on the eastern side of Enfield are fed up to the back teeth with infrequent and unreliable train services. Does the Secretary of State agree that the early delivery of four-tracking of the west Anglia main line rail route from Coppermill junction to Broxbourne junction offers a unique opportunity to improve services, boost housing growth potential and benefit the local economy?

Mr McLoughlin: I met the right hon. Lady to discuss other issues in her constituency following her request at the last Transport questions, and she mentioned four-tracking. That is being considered under the chairmanship of my right hon. Friend the Member for Saffron Walden (Sir Alan Haselhurst), who is examining services to that part of London and beyond. I look forward to receiving that report and, hopefully, making progress.

T4. [905562] **David Rutley** (Macclesfield) (Con): What assessment has been made of the importance of transport improvement and infrastructure projects to the success of the northern powerhouse? Will my hon. Friend provide an update on progress?

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): Transport is vital for creating the northern powerhouse, connecting northern regions and supporting jobs, which helps to rebalance the UK economy. Work towards delivering an improved, integrated transport system is well under way. In 2014, we created Transport for the North and we have committed to spending a record £13 billion on transport in the north.

T6. [905564] **Calum Kerr** (Berwickshire, Roxburgh and Selkirk) (SNP): Since it was reopened by the Scottish Government last year, the Borders railway has been a remarkable success. In the first six months of its operation, passenger forecasts were exceeded by 22% and the Scottish Government have committed to a feasibility study on restoring the line to its historic route to extend it to Hawick and Carlisle. What dialogue has the Secretary of State had with the new Scottish Transport Minister on the matter and does he support the principle of a new cross-border rail connection?

Mr McLoughlin: I have not yet had the chance to meet the new Scottish Transport Minister to discuss this particular issue but there will be opportunities. I look forward to our first meeting on these subjects and I am more than happy to consider any of the points that he makes. The hon. Gentleman rightly makes the point about what happens when new services are provided. Particularly on the railways we often see a greater take-up than planned.

T5. [905563] **Stephen Hammond** (Wimbledon) (Con): My constituents in Motspur Park, Raynes Park and Wimbledon welcome the concept of Crossrail 2, but are worried about consultation. Could my right hon. Friend assure my constituents that the Government will ensure that Crossrail 2 has the money to undertake an extensive consultation and a quality masterplan for the centre of Wimbledon?

Mr McLoughlin: I am well aware of the concerns of my hon. Friend's constituents about the current plans. Both Transport for London and Network Rail are investigating the feasibility of a number of alternative options, which potentially include tunnelling and reconfiguration of stations in the area. Of course we will continue to consult on this. As he knows from his involvement in many major transport systems, there is a lot of consultation before we start digging the tunnel for Crossrail 2.

Mr Speaker: Hannah Bardell, not here.

T8. [905566] **Caroline Lucas** (Brighton, Pavilion) (Green): Behind closed doors in February, Ministers agreed to allow GTR to cancel even more services without fear of breaching its contract, increasing the number from 23,000 cancellations to 32,000 cancellations. MPs were told about that on the last day before recess in May. How on earth can we have confidence in GTR services when there is such a delay before MPs are told and when it appears that Ministers are in cahoots, setting up risk-free contracts undermining the interests of our passengers?

Mr McLoughlin: I would have hoped that the hon. Lady would have worked with us, with all the investment that we are putting into the railway serving her area. All she has ever done is complain and back up the unions' unjustified position on the new investment. There has been billions of pounds on new rolling stock and massive investment in London Bridge station. However, all she does is continually complain and take donations from the RMT.

Mr David Nuttall (Bury North) (Con): What is the Department doing to ensure that the pothole action money is being efficiently spent and to ensure best practice?

Andrew Jones: The pothole action fund has a budget of £250 million across this Parliament. The first allocation has already been made this year. It has been allocated to councils according to the number of highways for which they are responsible. We are looking at how we can make the fund as efficient as possible but the key thing is that we are backing local authorities to improve the quality of their local road network.

T9. [905567] **Alan Brown** (Kilmarnock and Loudoun) (SNP): I have previously highlighted the predicted 45,000 shortage of HGV drivers in the UK. That is only going to get worse after Brexit because many agencies already rely on EU citizens to supply HGV drivers. When will the Government commit to looking at the cost benefits of providing grants for companies to put people who are unemployed through HGV training?

Mr McLoughlin: I have had discussions with my right hon. Friend the Secretary of State for Work and Pensions on these matters, as far as training is concerned, and we are looking across at the Department for Business, Innovation and Skills, too, to assess what can be done to move this issue forward. There are good opportunities for young people to become drivers, and I would encourage them to look at those opportunities.

Sir Alan Haselhurst (Saffron Walden) (Con): Has my right hon. Friend's Department made any assessment of the potential for aircraft types such as the Boeing 787 and the A350, which can fly greater distances point to point, to provide opportunities for Manchester and Birmingham aircrafts, demonstrating that there are more ways of doing business in this country than landing in London?

The Minister of State, Department for Transport (Mr Robert Goodwill): It is certainly the case that many airlines are investing in the A350, which is exclusively engined with Rolls-Royce engines, and the point-to-point

option opens up many new opportunities for regional airports to provide direct services for their people.

Robert Ffello (Stoke-on-Trent South) (Lab): I very much welcome the statistics showing that road improvement and road safety are getting better, but those statistics mask what is really happening with all-lane running. The Transport Select Committee has produced a report, published today, which shows the disingenuity going on in the statistics. What we are looking for is the Minister's acceptance that all-lane running is dangerous and that we need to do something about it.

Andrew Jones: I am aware that the Transport Select Committee has published a report this morning, but I have not yet had a chance to read it fully. The point about our smart motorways is that they are designed to add capacity to our network without compromising safety. The evidence from the first all-lane running schemes on the M25 show that the busiest journey times have almost halved, the number of collisions has reduced by almost a fifth and casualty rates are down by 21%. Obviously, safety is a priority. I will read the report with much interest.

Huw Merriman (Bexhill and Battle) (Con): Does the Minister agree that improvements on our railways will be made only if the unions move into the current century, embrace new technology and stop playing politics with passengers?

Claire Perry: Yes.

Christian Matheson (City of Chester) (Lab): Will the Secretary of State take the opportunity to scotch reports of Treasury meddling in HS2 post-referendum, confirm that it will be built north of Birmingham and that proper services will run through Crewe to benefit all of Cheshire?

Mr McLoughlin: I never comment on rumours, because I have started quite a few of them during my time in this House. I am committed to HS2, which I believe to be very important for this country. We are already seeing the benefits for Birmingham of the investment that is going around.

Peter Aldous (Waveney) (Con): Lowestoft railway station, which has the great advantage of being in the centre of the town, has fallen into considerable disrepair in recent years. Lowestoft station partners have some exciting initiatives for bringing it back into full use. Will the Minister meet me and them to explore how best to achieve that?

Claire Perry: That would be a pleasure. There are many funding pots, including local growth fund money, that could help to regenerate Lowestoft station.

Stewart Malcolm McDonald (Glasgow South) (SNP): On airport expansion, the Secretary of State has achieved one thing—he has made the Leader of the Opposition look positively decisive. Does he not believe that he owes the Select Committee, this House and businesses across the UK an apology for the fudge that has become a farce?

Mr McLoughlin: I have often thought that SNP Members lived in a different world, and if the hon. Gentleman thinks I have made the Leader of the Opposition look decisive, he has proved that this morning in spades. I stand by the statements I made earlier. I would have liked to be in such a position, but realistically that is not possible at a time when the House is not sitting. I have informed the House this morning, as it is right for me to do.

Martin Vickers (Cleethorpes) (Con): The recent decision by the regulator to refuse direct services between Cleethorpes and King's Cross shows that the present rules are working more in the interest of the franchise holder than the passengers. The Conservative Government surely support competition, so when are they going to support the passengers and allow more of that competition?

Mr McLoughlin: I do not mind my hon. Friend rightly calling for more services directly to his constituency, but in fairness, we have seen a vast improvement and we are going to see it continue as far as the new franchise is concerned, not to mention the protection of services for which my hon. Friend originally campaigned in respect of the Northern franchise and the phasing out of the Pacers so that his constituents and others in the area will have the chance of using new trains. That shows that we are committed to not only better services in general, but better services for my hon. Friend's constituents.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I recently attended a guide dogs lobby of Parliament, and was shocked to learn about the extent of the problems that guide dog owners experience when trying to get taxis. Has the Secretary of State discussed that issue recently with his Cabinet colleagues?

Mr McLoughlin: Like many other Members, I too have been in touch with the Guide Dogs organisation. In fact, I was taken while blindfolded around Bakewell by a guide dog just a few weeks ago, and that demonstrated to me very clearly some of the problems often encountered by people who use assistance dogs. The law should be used to deal with any discrimination in that regard, and it is already an offence for taxi drivers to discriminate against those with assistance dogs.

Tom Pursglove (Corby) (Con): Investment in the Chowns Mill roundabout and the dualling of the A45 are important priorities for people in east Northamptonshire, and they are part of the road investment strategy. Will the Secretary of State do all that he can to ensure that they are delivered as early as possible, given that they are so desperately needed?

Andrew Jones: I fully recognise the importance of those schemes to my hon. Friend and his constituents. We are working to ensure that all our road investment strategy schemes are delivered as soon as possible, but I will keep him informed of progress.

Business of the House

10.36 am

Paul Flynn (Newport West) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Chris Grayling): The business for next week will be as follows:

MONDAY 4 JULY—Estimates day (1st allotted day). There will be a debate on courts and tribunal fees, followed by a debate on Energy Spending Priorities: Impacts on Investors and Consumers. Further details will be given in the *Official Report*.

[The details are as follows: 2nd Report from the Energy and Climate Change Committee, Session 2015-16, HC 692; Investor Confidence in the UK Energy Sector, 3rd report from the Energy and Climate Change Committee, Session 2015-16, HC 542; Home Energy Efficiency and Demand Reduction, 4th report from the Energy and Climate Change Committee, Session 2015-16, HC 552.]

At 10 pm the House will be asked to agree all outstanding estimates.

TUESDAY 5 JULY—Proceedings on the Supply and Appropriation (Main Estimates) Bill, followed by consideration in Committee of the Wales Bill (day 1).

WEDNESDAY 6 JULY—Opposition day (4th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 7 JULY—Statement on the publication of the first report from the Defence Committee, Russia: Implications for UK Defence and Security, HC 107, followed by a debate on a motion on online abuse, followed by a general debate on support for the UK's creative industries and their contribution to the economy. The Select Committee statement and the subjects for both debates were determined by the Backbench Business Committee.

FRIDAY 8 JULY—The House will not be sitting.

The provisional business for the week commencing 11 July will include the following.

MONDAY 11 JULY—Conclusion of consideration in Committee of the Wales Bill (day 2).

I should also like to inform the House that the business in Westminster Hall for 11 July and 14 July will be as follows:

MONDAY 11 JULY—Debate on an e-petition relating to school penalty fines and authorised absence from school.

THURSDAY 14 JULY—General debate on the contribution of co-operatives to the economy, followed by a general debate on maternity discrimination.

Paul Flynn: I thank the Leader of the House for giving us the business.

You may be a tad surprised to see me in this position, Mr Speaker, because for the past 26 years I have been a Back Bencher by choice—not just my choice, but the choice of the past five leaders of my party. Today, however, I am here for very positive reasons, as part of a diversity project in my party at which we have done splendidly. There are now far more women on the Front Bench and in Parliament than ever before—although not enough—and far more ethnic minorities, but there is currently a total absence of octogenarians. I believe

that my appointment to this post will be a trailblazer which will lead to an all-octogenarian shortlist in the party, and will make the wealth of experience and wisdom among my fellow octogenarians available to the House. It is important for us to have people here who can remember life before there was a health service.

I note that the Wales Bill will be back in the House on Tuesday, and I hope that the Leader of the House has abandoned his curmudgeonly attitude to it. He has dismissed the idea of allowing both the beautiful languages of the House to be spoken here. Speaking Welsh has the same status as spitting on the carpet: it constitutes disorderly behaviour. However, Welsh has been used in Committees of the House when they have been held in Wales, and, at nugatory cost, it could be used here. There is no reason to obstruct the will of most Welsh Labour Members, and Conservative Members as well. A number of Conservative and Labour Front Benchers are now Welsh-speaking. It is a sign of the great health of the language. It is marvellous to recall that Welsh was an ancient sophisticated language centuries before English existed. In fact it was spoken, as was Gaelic, at the time when the ancestors of those who created English were pagan barbarians who painted themselves blue with woad and howled at the moon from the top of mountains. This really must be taken seriously.

There are also lessons from the football field about leaving Europe that the Government would do well to heed. The English team Brexited swiftly and ignominiously; Wales remain, with honour. I appeal to the Leader of the House for his party not to dismiss the very sensible idea of having a second referendum, which is supported by one of the candidates in his party's leadership election. There are good precedents for this in the EU, which has a splendid tradition of keeping voting until you reach the right decision. It happened in Denmark and two other countries where they held a referendum and a year later reversed the decision. The reason is that people voted on false agendas. Where is the £365 million for the health service? Where is the emergency Budget?

The public are rightly outraged by the mistruths they were told by the propagandists on both sides. It is not a surprise that we have a petition of historic dimensions—as big as the petitions of the Chartists and suffragettes—put before this House. There are 4 million signatures and counting, of people who say they were deceived by the vote—by the propaganda—and which was largely determined by the proprietors of the daily newspapers, rather than by a sensible realisation of the horrors to come. So it is quite reasonable that, after the issue has settled down and when a new alternative comes along—we have been told it will take five years—the public should have the right to have their views considered.

It is timely now to look at the role of the independent adviser on ministerial interests. This man is virtually unemployed. He has looked at only one case in the past five years, and that involved a baroness who confessed to a minor misdemeanour. There have been six other cases since that have not been reported to the adviser because the only person who can report them is the Prime Minister. Two of them occurred a year ago and involved the Cabinet Office Ministers who gave £3 million to Kids Company in spite of the published advice of civil servants not to do it. Kids Company went bankrupt three days later. That is surely a matter to be considered by the adviser.

Another far more serious matter is of current concern. Some five years ago a Secretary of State for Defence stood down and the then adviser on ministerial interests, Sir Philip Mawer, recommended that the case should be heard by him. The Prime Minister decided it should not be, and the Minister involved achieved absolution by resignation. He left the job and nobody knows what he did—what was so serious that he had to leave office. The problem is that that person is now offering himself not only as leader of the Conservative party, but as Prime Minister, and it is a matter of concern to all of us that we know what happened and why he left that job. The first question one would ask anyone applying for a new job, particularly one as Prime Minister, is “Why did you leave your last job?” and we do not know.

Next week is going to be dominated by one event: the publication of the Chilcot report. The Prime Minister gave no information about that yesterday in his answer to the right hon. Member for Gordon (Alex Salmond). We must remember, as the report comes out, that Parliament is on trial. It was not just one man; it was hundreds of MPs, three Select Committees of this House, the military and the press who were in favour of joining a war in pursuit of non-existent weapons of mass destruction. Those who saw the very moving programme on BBC2 featuring Reg Keys will understand the true cost of war. For the last seven years, he has not been able to—

Mr Speaker: Order. The hon. Gentleman is an immensely experienced parliamentarian, and I know that he is just beginning his apprenticeship in this role. I always enjoy listening to him because he speaks with great experience and huge passion, but let me gently say to him that he has exceeded his time. It is his first time at the Box, and I do not wish to cut him off, but he must now bring his remarks to a conclusion, maybe with a couple of pithy questions. Then we will have had our dose for today.

Paul Flynn: I am grateful to you, Mr Speaker.

My question is: what is the programme that will allow the loved ones of the 179 soldiers who died to have an opportunity to present their case? We know that those who are likely to be accused by the Chilcot report have already employed lawyers to go over their defences. We want to ensure that Parliament takes responsibility for a decision taken in this place in 2003 that resulted in the deaths of 179 of our brave soldiers, probably in vain, and the deaths of an uncounted number of other people. Chilcot must be debated fairly. What are the arrangements for doing that?

Chris Grayling: I welcome the hon. Gentleman to his place on the Opposition Front Bench and congratulate him on an extraordinary comeback. Mr Speaker, you might not know that it is 26 years since he last sat on that Front Bench, or that what he has in common with his immediate predecessor—and quite a lot of people on the Opposition Benches—is that when he last sat on that seat, he also resigned from his position. Since then, he has become a distinguished Back Bencher—so much so that he has written a book on how to be a Back Bencher. It contains many words of wisdom. For example, his advice to Ministers in waiting is:

“Cultivate the virtues of dullness and safety.”

Chris Bryant (Rhondda) (Lab): You’ve been doing that for years! [*Laughter.*]

Chris Grayling: There is also some advice for a Speaker in waiting, which might be entirely appropriate for the hon. Member for Rhondda (Chris Bryant), who now has plenty of time to concentrate on preparing his campaign. Although we want to see him in his place for many years to come, we know that he is already getting his campaign team together.

I absolutely agree with the hon. Member for Newport West (Paul Flynn) on one point. This week we are all Welsh. I suspect that that even includes our good friends on the Scottish nationalist Benches. There is regret among the English over the result last week, and perhaps on the Scottish side over the qualification period, but we are all gunning for Wales to get to the final and do us all proud as a nation. We wish the team well, and we are all keeping our fingers crossed. We are all absolutely behind them.

I take the hon. Gentleman’s point about the history and traditions of the Welsh language, although I cannot quite imagine him and his colleagues dancing around covered in woad. I have to say to him that it has been decided many times over the years that the language of this place is English and, as I have already indicated, I do not propose to make any changes to that.

The hon. Gentleman asked about a second referendum. I am afraid that it just does not work like that, just as I am not going to ask for a rematch between Iceland and England. The people have spoken. We have had a referendum and we have the result. That is democracy. If we have a general election and our side loses, we do not get another go a month later. We had a four-month debate, with arguments from both sides and huge amounts of information being set before the nations of this country to enable them to decide one way or the other. They have reached their decision, and it is now our job to follow that decision and to deliver the will of our people. I have to say that, after four months of hedging my bets and not always speaking for the Government on this matter, it is nice to be back and to be able to speak clearly for the whole Government in saying that we now need to get on with the job that the British people have given us.

As for the independent adviser on ministerial interests, the hon. Gentleman wants more investigations, but it could just be that there has been no basis for such investigations. If Members have concerns about the conduct of other Members, there are ways and means available to them within the procedures of this House. If the hon. Gentleman has concerns about what has happened, he can use those channels, but they should be used only when there is a genuine matter to investigate. It is for the Prime Minister and the adviser to decide what should happen. If they choose not to act, it is possible to pursue issues in the House.

Lastly, the Chilcot report is of course a matter of great seriousness. We of course recognise how important it is that we understand what happened and why it went wrong, but no one can say at this stage that the process has not been exhaustive. I wish that the report had been published years ago. I have agreed with the right hon. Member for Gordon (Alex Salmond) on many occasions that I wanted to see the report published and that is now happening—thank goodness—and not before time. There is not a single person on these Benches who does not wish that it had happened a long time ago, but it is going to come out next week. We will shortly set out

[Chris Grayling]

plans for how it will be debated in this House. It is right and proper that lessons should be learned, what happened should be considered and issues should be fully debated.

Mr Speaker: I am of course proud to have written the preface and to have hosted the launch of the most recent publication by the hon. Member for Newport West (Paul Flynn). It was a very happy occasion indeed.

Bob Blackman (Harrow East) (Con): The Chairman of the Backbench Business Committee is unfortunately unable to be here, so he has asked me to convey to the Leader of the House that, as a result of our great queue of Back-Bench business, we now have sufficient debates, including those announced by the Leader of the House, for six full days before we rise for the recess. I therefore trust that the Leader of the House will allocate some more time to the Backbench Business Committee so that we can honour all the applications.

This weekend sees the annual Al Quds Day demonstration. It ends in London and has increasingly become anti-Semitic, with some absolutely disgraceful slogans and flags of terrorist organisations being flown on the streets of Britain. It is paramount that the Government ensure that if anyone is guilty of committing a hate crime in that way, those people should be arrested and should face the full force of the law. I want the Leader of the House to ensure that that happens this weekend.

Chris Grayling: We will do our best for the Backbench Business Committee. It sounds like it is being quite ambitious, but we will see what we can do.

It is important to say that I clearly echo the words of my hon. Friend about hate crime in this country. I campaigned for Britain to leave the European Union, but I did not campaign for Britain to become an intolerant, racist nation. Racist or intolerant comments are utterly unacceptable. I deplore them, and they should be dealt with by the full force of the law.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing the business for next week. We saw him in front of the cameras just over an hour ago when the whole nation was hoping and praying that he was going to throw his hat into the ring. Instead, he just became a cheerleader for the Home Secretary, who had a friend-winning message about “divisive nationalists”. I presume that she was referring to me and my hon. Friends.

I obviously also congratulate the hon. Member for Newport West (Paul Flynn) on assuming his new position. I am very fond of him and there should be more octogenarians on the Front Bench, but may I say ever so charitably that he was not exactly the first choice for this post? Labour has been scrambling around all week to fill it. However, regardless of what happens in the awful, raging civil war—a parliamentary party versus its membership—I hope that we will still find him in his place when it has all been concluded.

To the Leader of the House, I say well done. This is as much his wee victory as it is that of the hon. Member for Uxbridge and South Ruislip (Boris Johnson) and Nigel Farage and the rest of those UKIP acolytes. “To

the victor, the spoils,” and what spoils he has: a divided country, a tanking economy, ugly racist attacks on the streets, a nation baffled and confused by the result, and a Government without an idea or a plan. The nation has every right to feel eternally grateful to the right hon. Member for Epsom and Ewell (Chris Grayling) for his stunning victory last week.

When will we get all the debates? When will we get the debate that clarifies when this £350 million a week will come back to the NHS, as promised by the right hon. Gentleman and his friends? When do we get the debate about the control of our borders—again, about immigration—that was promised by the right hon. Gentleman and his friends? When do we get even the start of a debate that suggests that the Government have a clue about how to take this whole thing forward? We desperately need a debate about the nations of the United Kingdom and how this will all work out. Scotland will not be taken out of the European Union against our national, collective will. We were forced to choose in a referendum that we did not want. We were forced to make a decision. We have given that decision and it is abundantly clear what Scotland wants, so when will the right hon. Gentleman respect the decision of the Scottish people?

Chris Grayling: I see that the hon. Gentleman is back on form. We did not, unfortunately, have the opportunity of forming the dream ticket to lead this country, since he is so determined not to be part of it. Look, Scotland voted to be part of the United Kingdom. The United Kingdom voted to leave the European Union. That, I am afraid, is democracy and we, as a Government, are democrats. We will listen to the will of our collective people across the United Kingdom of Great Britain and Northern Ireland, as supported in that Scottish referendum. I simply say that we will carry on governing for the whole United Kingdom. We will listen to the people of the whole United Kingdom. We will do the right thing for the whole United Kingdom, and Scotland is a part of the United Kingdom.

Philip Davies (Shipley) (Con): I congratulate the hon. Member for Newport West (Paul Flynn) on his position on the Front Bench. There is clearly hope for us all—if the hon. Gentleman can make it on to the Front Bench, anybody can. He is an inspiration to us all.

May we have a debate on the status of the referendum result so that we can find out who in this House is a true democrat and who is not? Before the referendum a Government document stated:

“The result of the referendum on the UK’s membership of the European Union will be final. The Government would have a democratic duty to give effect to the electorate’s decision.”

Will the Leader of the House confirm once and for all for everybody in the country, and particularly for the benefit of the BBC, whose hysterical coverage since the referendum has been nothing short of a disgrace, that we have had the result, that there is no need for any more campaigning, and that everyone must now get together to implement the will of the public? Does he accept that every single member of the Government must accept the result of the referendum and implement the will of the electorate?

Chris Grayling: It is very simple: we are a democracy; we vote; the result stands. If we have a general election and we are not successful—we Conservatives have experienced a few of them over the years—we sit on the Opposition Benches and do our best to oppose for the country; we do not sit there demanding another general election a month later. That is the way democracy works. The people have spoken; the Government will act.

Mr David Winnick (Walsall North) (Lab): May I tell the Leader of the House that the contribution of my somewhat younger parliamentary colleague, my hon. Friend the Member for Newport West (Paul Flynn), is an illustration of how the “Dad’s Army” here is always willing to give whatever assistance is necessary when firm leadership is lacking on both sides, as it is at present? On a more serious note that arises from various exchanges about the referendum result since Monday, would it not be useful for us to have an early debate on the alienation and resentment that are felt in so many parts of the country—certainly in the black country boroughs—which led, to a large extent, to the slight majority for leaving the EU? In the past few months and perhaps longer, the House of Commons has not understood sufficiently that feeling of resentment and alienation.

Mr Speaker: I ought to congratulate the hon. Gentleman, somewhat belatedly, on his recent birthday. Off the top of my head—if I am wrong, he will tell me—I think his birthday was last Sunday.

Mr Winnick: Indeed. One more step towards the century.

Chris Grayling: The hon. Gentleman is perhaps being a bit too pessimistic about his prospects. It does look as if there might be a Labour leadership contest shortly. Judging by the commitment coming from the octogenarians on the Labour Benches, one of them should perhaps put their hat into the ring.

On the impact of all the changes in recent years on the economy and on communities up and down the country, one of the Government’s achievements that I am proudest of is the huge fall—more than half a million—in the number of children growing up in workless households. That will transform the lives of those children, with their parents getting up in the morning and going to work with a sense of purpose and direction. I am really proud that my party has contributed to achieving that in government.

Jason McCartney (Colne Valley) (Con): I thank the Leader of the House for announcing that we will have a debate on online abuse next week. Does he agree that we all need to accept the result of the EU referendum with respect and good grace? We all need to work together to get the best result for Britain, and we must all stand up against racism, extremism and abuse from all sides of the political divide and the referendum divide.

Chris Grayling: My hon. Friend’s words speak for themselves. I reiterate that I absolutely, unequivocally condemn any racist attacks, racist abuse and xenophobic

abuse in this country. It is not acceptable, it should not be permitted, it is illegal, and it should be dealt with accordingly.

I did not refer in my remarks to the issue of security for Members, but I should do so briefly. I would simply say two things. The first is that, since the tragic loss of Jo Cox, a considerable amount of work has been taking place on this important issue. I and the Chairman of Ways and Means will bring back further thoughts to the House shortly, but I want to reassure Members that this is very much a matter of concern for us and something that we are giving our attention.

Given the comments that my hon. Friend makes, I should say that it is also a matter of concern that Members of the House continue to be subject to some pretty unpleasant abuse on social media. That is being discussed by the police and it is something on which I want firm action. It is not acceptable in any way, shape or form that female colleagues, in particular, get the kind of abuse they have been receiving. It must stop, and we must deal with it appropriately.

Alan Brown (Kilmarnock and Loudoun) (SNP): Another aspect of the leave campaign, which the Leader of the House was part of, was that it wrongly stated that EU decisions are taken by unelected bureaucrats. Given that attitude to unelected bureaucrats, when will the Leader of the House commit to getting rid of the more than 800 life peers next door who are unelected bureaucrats?

Chris Grayling: I know the SNP feels deeply committed to abolishing the House of Lords, but right now, I am afraid, we have other priorities as a nation.

Chris Davies (Brecon and Radnorshire) (Con): As the only Welsh Member in his place this morning—*[Interruption.]* On this side of the House. May I—*[Interruption.]* Members evidently missed the last election.

May I offer my congratulations to the hon. Member for Newport West (Paul Flynn) on his great elevation? I wish him many long hours—I am sure they will be long for Government Members—and happy years in his role.

High VAT rates have blighted the tourism industry in our country for too long. Areas such as mine, which recently welcomed large numbers of tourists to the Hay literary festival, and is now looking forward to the world-renowned Royal Welsh show, are hotbeds for that industry, but it is being held back by high VAT rates. Can we therefore have a debate on what could be done to lower VAT rates for the British tourism industry so that it is among the most competitive in the world?

Chris Grayling: Regardless of what one’s views about the referendum might have been, we will, after the Government fulfil the wishes of the people, be able to make modifications to VAT rates in a way that would not previously have been permissible. The Government then will be able to focus on issues such as the future of the tourism industry to a greater degree than has been the case in the past.

Paula Sherriff (Dewsbury) (Lab): A constituent of mine cares for his severely disabled mother and also works 16 hours a week. Due to the increase in the minimum wage and the freeze on the earnings threshold

[Paula Sherriff]

for carer's allowance, he is now more than £3,200 a year worse off. He is not alone—many thousands are in the same position. The Government claim to care for the most vulnerable in our society, and they always say that they want to make work pay, but it clearly does not. May we have an urgent debate on this issue?

Chris Grayling: That is precisely the purpose of universal credit. The hon. Lady is absolutely right that there have been some extraordinary cliff edges in our welfare system. We are now implementing universal credit around the country. It is being rolled out in geographic areas and among different categories of claimants. When it is finished, it will make a transformational difference to precisely the kind of circumstances she has described.

John Howell (Henley) (Con): In a week that has seen the start of the Henley regatta, will my right hon. Friend agree to a debate on the important role that rowing plays in our national life, and, contrary to the image that has been created, the contribution that it makes to young people's sporting activities?

Chris Grayling: My hon. Friend makes an important point. I commend everybody in his constituency for the work they put into making the Henley regatta such a successful international event. Rowing is a sport we should be proud of, and a sport we have excelled at in Olympic games. When the Rio games start, I hope that we will again be immensely successful, win lots of medals, and be proud of the athletes who make a difference to our country in that sport. I commend those in Henley for the work that they do, because the regatta is a part of the success that the sport has enjoyed on behalf of our country in recent years.

Mr Nigel Dodds (Belfast North) (DUP): It was with regret that we learned of yet another deferral of the decision about runway capacity in the south-east of England. I understand the context in which this is happening, but surely decisions about the security and defence of the country cannot be deferred. Will the Leader of the House indicate when we are likely to get a vote on the renewal of Trident?

Chris Grayling: We are considering that at the moment, and I intend to come back to the House to provide more information in due course. However, I understand the concern of many Members and that they want to have that vote. It is certainly on the Government's mind.

Mr David Burrowes (Enfield, Southgate) (Con): May we have a debate about fair health funding for Enfield? The crisis facing North Middlesex hospital is aggravated by a tale of two health cities within London. Boroughs such as Camden and Islington are receiving the lion's share, while the gap between the funding and needs of poorer Enfield continues to grow. We in Enfield need fair funding, and we need it now.

Chris Grayling: As ever, my hon. Friend is a fierce advocate for his constituency. The Secretary of State for Health will take questions here on Tuesday and I am

sure he will be very happy to respond to that issue, which I understand is a matter of concern to my hon. Friend.

Ian Murray (Edinburgh South) (Lab): May I follow up the unanswered question from the hon. Member for Perth and North Perthshire (Pete Wishart) and ask for an urgent debate or statement on when Scotland will get the Barnett consequential in relation to the £350 million that was promised to the English NHS? If that is not coming to Scotland, although it was promised on the side of the leave bus, would the Leader of the House, who I know is an honourable man, like to apologise to the country now?

Chris Grayling: First, I express my good wishes to the hon. Gentleman after his change of role this week. I am sure that in due course he will return to his position as shadow Scottish Secretary. I pay tribute to him for the bravery he has shown. The Government's position is that we have to negotiate carefully a way out of the European Union. Of course, until we have done so—until we have left the European Union—we carry on making contributions as normal.

Mr Philip Hollobone (Kettering) (Con): May we have a debate in Government time on the involvement of celebrities in politics? On referendum night a week ago, the pro-remain American actress, Lindsay Lohan, in a series of bizarre tweets, slagged off areas of this country that voted to leave the European Union. At one point she directed a fierce and offensive tweet at Kettering, claiming that she had never heard of it and implying that no one knew where it was. Apart from the fact that it might be the most average town in the country, everyone knows where Kettering is. It is famous as the home of Weetabix breakfast cereal, and Cheaney and Loake shoes, and Kettering Town football club has scored more goals in the history of the FA cup than any other football team in the country. Will my right hon. Friend support my invitation to Lindsay Lohan to come and switch on the Christmas lights in Kettering this Christmas, thus redeeming her political reputation and raising money for good causes?

Mr Speaker: In my mind, Kettering is principally famous for the hon. Gentleman.

Chris Grayling: As those of us who have children will know, Lindsay Lohan, a star of child and teen movies, who was a very entertaining actress at the time, has not necessarily fulfilled her professional potential over the years, and perhaps now we know why, because had she visited Kettering, she might have seen her career turn around. She should accept my hon. Friend's invitation, visit the fine town of Kettering and find herself returned to stardom.

Alex Salmond (Gordon) (SNP): May we have a week-long debate on the subject of political back-stabbing? We will need a week, because all the parliamentary Labour party will want to take part, but they are rank amateurs compared with the right hon. Member for Surrey Heath (Michael Gove)—the Lord Macbeth of this Chamber—who, having dispatched the Prime Minister, is today dispatching the Prime Minister's greatest rival. What

makes the Leader of the House think that Lord Macbeth's dagger will not soon be turned towards him and the Home Secretary?

Chris Grayling: My right hon. Friend the Member for Surrey Heath (Michael Gove) was an excellent Education Secretary and Chief Whip, and he is now doing an excellent job in his role as Lord Chancellor, which I used to perform. He has friends on, and the confidence of, this side of the House, and he is a formidable adversary of the Scottish National party.

Jo Churchill (Bury St Edmunds) (Con): Will the Leader of the House assure us that two strands that are of particular interest to our business community will be discussed at some length? The first—this has been brought up—is confirmation that we will carry on with our commitment to large-scale infrastructure projects up and down the country to ensure that stability, calmness and jobs continue. The second is that the special Cabinet unit for the EU makes full use of industry experts and leaders in key areas outside the Government to ensure that our negotiators will be fully briefed, will have clear objectives and will be good to go when required.

Chris Grayling: Let us be absolutely clear that we may be electing a new leader, and hence a new Prime Minister, but this Government's strategy has not changed and will not change. As well as continuing to pursue a one nation agenda, we will continue the modernisation of our infrastructure, where we have made a real difference. When I was shadow Transport Secretary a decade ago, I remember going around the country and campaigning with colleagues for infrastructure improvements that they said were desperately needed. Now, when I drive around the country, I see that those projects have either been finished or are being built. I am proud of what we are doing for our infrastructure.

On the team negotiating our future relationship with the European Union, it is my and the Government's view that we should draw from the broadest possible expertise to make sure that our strategy is the right one for this country.

Kevin Brennan (Cardiff West) (Lab): The Leader of the House has said that a huge amount of information was set before the country in the EU referendum. A Vote Leave campaign leaflet said:

"The EU costs us £350 million per week—we could spend that on the NHS instead."

Is it not the truth that a huge amount of misinformation was placed before the country? When can we debate when we are going to get that £350 million?

Chris Grayling: Let us be clear: the Government have this week set out in this House the first steps that we are taking towards negotiating our exit from the European Union. The hon. Gentleman will know that, while we remain members of the European Union—as we are today—our normal contributions will continue. When we leave, we will no longer make a contribution to the European Union in the way that we do now.

Tom Pursglove (Corby) (Con): Given that we have had recess periods over the past few weeks, will a Minister make a statement next week about the steel

industry? It is really important that steel workers and Members of Parliament know exactly what is happening and are kept up to date with the situation.

Chris Grayling: I understand my hon. Friend's concerns and I will make sure that they are passed on to the Business Secretary today. It would be most helpful for him and other MPs who represent steel-producing areas to get an update from the Department as quickly as possible, and I will see if that can be done.

Tom Brake (Carshalton and Wallington) (LD): Chilcot should provide closure for families of armed forces personnel on a sad and murky chapter of our recent history, as well as further vindication of the stance adopted by my then leader, Charles Kennedy. I am convinced that hundreds of Members will want an extended debate on the report. Will the Leader of the House therefore ensure that two consecutive days are made available to debate Chilcot before the summer recess?

Chris Grayling: I understand the desire to debate Chilcot in the House. We are discussing that at the moment and we will set out plans shortly. I have announced business until only Monday week and I am aware of the issues raised by the right hon. Gentleman.

Martin Vickers (Cleethorpes) (Con): Last weekend, upwards of 150,000 people visited Cleethorpes for events connected to national Armed Forces Day. That clearly demonstrates our local communities' commitment to and support for those who have served in the military past and present. Could we have a debate to consider further developments relating to the military covenant and how we support the welfare of those who have served?

Chris Grayling: I agree with my hon. Friend. I pay tribute to the people of Cleethorpes for organising such an important event last week, and to all those who are celebrating and commemorating, with poignancy, the anniversary of the Battle of the Somme. We should always value the people who serve this country in our armed forces. I hope that the weather brightens up and that the flow of people into Cleethorpes this summer grows rather than diminishes.

Mr Dennis Skinner (Bolsover) (Lab): Now we know that, according to what he has just said, the national health service will get more money, will the Leader of the House make a statement and tell the Secretary of State for Health that the Hardwick commissioning group in Derbyshire, which proposes to close the Bolsover and Bakewell hospitals, should keep those hospitals open because we have got the money?

Chris Grayling: Knowing what a formidable campaigner the hon. Gentleman is, I think it would be a bold person who tried to make changes in his constituency. I do not know about the local circumstances, but regardless of the process for the negotiation of our exit from the European Union, we are spending, and will continue to spend, more money on the national health service.

Mr David Nuttall (Bury North) (Con): May we have a debate on what we can do to improve the understanding—including, it seems, even among some Members of this

[Mr David Nuttall]

House—of how democracy works? It really is quite simple. In a referendum, when one side gets more than a million votes more than the other, that side has won.

Chris Grayling: My hon. Friend is absolutely right. The important thing now is not to pursue an illusion that one can simply rewrite democracy because one does not like the result. We must get on with the job of doing the right thing for the country, and negotiating and planning our exit in the best way for this country. We must also take real advantage of the opportunity that this brings to our country of forging new trade partnerships around the world. I am very encouraged that only this week the Speaker of the House of Representatives, Paul Ryan, said clearly that he wants the United States to take an early step towards agreeing a free trade agreement with the United Kingdom. That is the kind of opportunity now available to us.

Joan Ryan (Enfield North) (Lab): The Care Quality Commission has ordered North Middlesex University Hospital Trust significantly to improve the treatment of patients attending the emergency department. We face the possible closure of the emergency department on safety grounds; we have a shortage of consultants and senior doctors; and, in an unprecedented move, the General Medical Council and Health Education England are threatening to withdraw junior doctors from the hospital because of inadequate support. This is a disaster for the hospital and for everybody who uses it. The emergency department is one of the busiest in London, and probably nationally. Its closure would have a domino effect on all the surrounding hospitals. This is a national situation, because it is due to Government policy and a shortage of doctors. May we have an urgent debate on this crisis?

Chris Grayling: I absolutely understand the concerns of the right hon. Lady's constituents, although she will agree that the care that her constituents receive is of paramount importance. The reality is that there are hospitals in the NHS and in London that are doing very well. If there are hospitals that are not doing well, it is not necessarily a national policy issue; it is about sorting out why some are doing well and some are not, and ensuring that best practice is spread across the whole health service.

Peter Kyle (Hove) (Lab): Even though the right hon. Gentleman and I are on different sides of the referendum debate, I am sure that we both want to move forward in the right way, and to get the detail right. Once the Government have agreed the terms of negotiation, will the Leader of the House at that point give Members enough time to debate those terms in the Chamber, compare them with the promises made by the leave campaign and make sure that what the public voted on was the right thing?

Chris Grayling: I am absolutely certain that over the next few months, as we prepare our strategy for negotiation and as we begin the negotiations, the Government will wish to provide ample occasion for what is being done to be discussed and debated in this House.

Valerie Vaz (Walsall South) (Lab): That is why we need an urgent statement on the unit that has been set up following the referendum. We need to know whether there are sufficient numbers of civil servants and sufficient expertise, and what their work programme is. After all, treaties are going to be unravelled.

Chris Grayling: We will keep the House informed, clearly, but that work has only just started. We are assembling the team at the moment. We have appointed the man who is going to lead it, and the Government will keep this House informed as we move forward. The Prime Minister made a very full statement on Monday—only three days ago—and he will be back in this House next week. Obviously, we will want to make sure that Members have every opportunity to question us about what we are doing.

Robert Ffello (Stoke-on-Trent South) (Lab): The Leader of the House has clearly been very busy with his reading—not only of the book by my hon. Friend the Member for Newport West (Paul Flynn), but of H. E. Bates's "The Darling Buds of May".

In all seriousness, may we have a lengthy debate in this Chamber about the many concerns of our constituents? Mine voted overwhelmingly to leave—I respect them for that, even though it was not my view—and I will work very hard to make sure that we leave in good order and that it is done properly. May we have a debate about those concerns, such as those of the ceramics industry? We need to air all those concerns and get them out in the open before the unit starts its work.

Chris Grayling: We have of course already debated these issues this week.

Robert Ffello: That was a statement. I want a proper debate.

Chris Grayling: We also had a debate yesterday about this important matter. We will make sure that there plenty of such opportunities, and more to the point, that we consult extensively. It is really important that we get this right, and yes, that we listen to industries, such as the ceramics industry, so that we can understand how best to look after their interests in the negotiations that lie ahead. I give the House an absolute assurance that every member of the Government and, indeed, the many people outside Government whom we will want to take part in this process will work absolutely assiduously to make sure we do the right thing for Britain.

Mark Durkan (Foyle) (SDLP): I note the Leader of the House's inadvertent honesty in telling the Chamber that we now have "carry-on Government". He is obviously proud of his role in the referendum and he is also proud of his role in giving us English votes for English laws, but can he marry those two with English votes for English exits?

Chris Grayling: I know that the hon. Gentleman takes such a view. My view is very straightforward: we are one United Kingdom, we remain one United Kingdom and, given the opportunities in the world, we must absolutely plan our future as one United Kingdom. As we forge new trade deals around the world and businesses take advantage of new opportunities with the countries

now telling us that when we leave the European Union they will want to forge new trade ties with us, I have to say that I would be deeply saddened and would hate it if any part of our current United Kingdom lost out on those opportunities.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): After the momentous and tragic decision that the British people made last Thursday, are we in a position efficiently to hold to account the people who championed Brexit? The livelihoods of people in my constituency—those who work in the university, the textiles industry or manufacturing—are seriously threatened. In view of its present make-up, is the House of Commons able to assess what the damage is and how we can put it right, and can we hold to account those who made false promises?

Chris Grayling: I really do not think anyone can say, after the past four months, that inadequate arguments were made to the United Kingdom. People had the opportunity to set out their views, analyses, statistics and reports exhaustively. The British public were not short of information on which to base their decision. They have decided, and it is now our job to make sure that the decision they have taken for our country is implemented in the best possible way for the future of all of us.

Diana Johnson (Kingston upon Hull North) (Lab): May we have a debate in Government time on the impact of leaving the EU on important infrastructure investment in the north, particularly in relation to the northern powerhouse and the devolution agenda? A lot of Labour Members are very concerned that our northern constituencies, which voted to come out of the EU, will now face large gaps in the funding we had been hoping for, particularly for rail electrification in the north.

Chris Grayling: The Government remain committed to the northern powerhouse and to investing in it. That is an immensely important part of the strategy for us politically, for the country and for the communities that the hon. Lady and others represent in the north.

Imran Hussain (Bradford East) (Lab): Today is the deadline for bids to host the Great Exhibition of the North in 2018. My home city of Bradford has already submitted a bid, which I believe, with an excellent vision and venue, is a strong contender. The Great Exhibition of the North will celebrate the huge cultural and economic contributions, past and present, that the north of England has made and is making to the rest of the UK. I urge the Leader of the House to allocate time for a debate on this very important subject.

Chris Grayling: I wish everyone in Bradford well with that bid. Bradford is a city that feels transformed. The centre has changed and things are happening there to really take the city forward. I am sure that everyone in Bradford is pleased about and proud of that. I hope that the bid does not simply celebrate the past and present, but sets a path for the future, given the contribution that the hon. Gentleman's constituency and other communities in Yorkshire can make to our country.

George Kerevan (East Lothian) (SNP): Will the Leader of the House arrange for an urgent statement on significant changes introduced by the Department for Work and

Pensions to how it deals with MPs' queries on universal credit? My constituency of East Lothian is one of the first to have the full service roll-out, and there are lots of transitional problems. Unfortunately, the DWP MP hotline no longer takes queries on the full service roll-out, and I am being redirected to a DWP office in Bolton that will handle queries only by mail. That is insufficient.

Chris Grayling: I was not aware of that. I will have a word with the Secretary of State and see whether we can get a proper response to the hon. Gentleman.

Liz McInnes (Heywood and Middleton) (Lab): Yesterday the Prime Minister claimed yet again that The Smiths were his favourite band—I am sure he will be hearing from Johnny Marr soon, if he has not already—but his mismanagement of the EU referendum has been less "This Charming Man" and much more "Bigmouth Strikes Again". May we have an urgent debate on the effect of the referendum result on 16 to 18-year-olds in the UK, who were denied any say in their future and on their place in Europe?

Chris Grayling: I am afraid that I cannot comment on Smiths lyrics, as I am a Pink Floyd fan—indeed, 30 years on I still spend many happy hours listening to "The Dark Side of the Moon". I know that the debate on the subject of votes for 16 and 17-year-olds has been a lively one, but it remains Government policy that the right age to begin voting is 18. It will continue to be a matter for debate, and Opposition Members who wish to bring it before the British people will be able to put it in their next manifesto, if indeed they are organised enough to have one.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): May we have a debate on palliative care? I recently had the great privilege of visiting the newly opened Kilbryde hospice in my constituency to support its great work. It is extremely important that those in the last stages of their life are able to have their cases heard in Parliament and that we take forward debate on that swiftly.

Chris Grayling: I welcome the opening of the new hospice in the hon. Lady's constituency. We all owe a huge amount to those who work in palliative care. It is an enormously challenging but enormously compassionate, kind and caring area of our society. I am sure we all pay tribute to all those who work to make the last days of those suffering from serious illness happy rather than difficult.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Owing to the Government's misunderstanding of supported accommodation, they have had to launch a review of their own policy on it. The review is being led by a Minister in the other House. While it is underway, councils, housing associations and thousands of my constituents are left in limbo, unable to plan for the future. When will Members of this House get the chance to debate that review in Government time, and when does the Leader of the House expect it to report?

Chris Grayling: I do not know when the review will report. It is right and proper—all Members would expect it—that the Government listen if the House

[Chris Grayling]

believes that we have got something wrong. The case the hon. Gentleman raises is clearly one where we have listened, and have looked in more detail at what is being done. We will bring the report back to this House in due course and there will be an opportunity to question Ministers about it.

Caroline Lucas (Brighton, Pavilion) (Green): So as to ensure proper parliamentary scrutiny, will the Leader of the House use his best offices to ensure that there is no invocation of article 50 of the Lisbon treaty unless and until the full proposals that the Government intend to submit to the Commission to activate the process of withdrawal from the EU have been debated in full and voted on by Parliament?

Chris Grayling: We will have plenty of opportunities throughout the autumn to discuss and debate what is planned. That is something for the new Government and new Prime Minister to decide in September.

Danny Kinahan (South Antrim) (UUP): I congratulate Wales on getting through in the European championship, and wish them the best of luck. Will the Leader of the House congratulate the Northern Ireland fans and Irish fans, who are being given an award by the Paris Mayor for their behaviour and humour? I hesitate to mention that humour, but when the fans start singing "Away in a Manger", we might wonder where it is going until they get to the words

"looked down where he lay"

and instead they all chant "Healy", although David Healy is not even playing; we then realise there is a terrific humour in that. Will he congratulate those fans, and all the other fans from everywhere else who have behaved themselves?

Chris Grayling: The Northern Ireland team and the Republic of Ireland team both played with great fortitude. Although we are all Welsh now, I have to say, as I believe Chris Coleman said at the end of the match, that Wales did not really deserve the result they got. Wales have played brilliantly in some of their games and made it through to the quarter finals, and we hope they will go much further, but Northern Ireland did the whole of the United Kingdom proud, too.

Mrs Madeleine Moon (Bridgend) (Lab): Much of the anti-immigration rhetoric in the Brexit debate was driven by the lack of availability of housing, in particular secure social housing tenancies that give families security and stability. May we expect a Government statement on their joining the Welsh Assembly Government in removing the right to buy and the right to acquire? Will we have a statement on ensuring an appropriate level of new investment in social housing for the United Kingdom?

Chris Grayling: There are two separate points here. We believe in home ownership; we believe people should have the right to own their homes. One reason it has for

a long time been Government policy to reduce levels of immigration is that it puts pressure on public services, pressure on infrastructure and pressure on housing. First and foremost, we have to make sure we can make the provision we need for the next generation here.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): A constituent of mine, who was one of my earliest cases just over a year ago, was despite my best efforts due to be deported on Tuesday morning, after I met her at Colebrook community centre on Monday. The removal did not go ahead as she is now back at Yarl's Wood recovering from injuries allegedly inflicted by the five guards who travelled with her to the plane. Indeed, this alleged brutality was so severe that passengers on the plane tried to intervene and she was bundled back into the van. In the light of this, will the Leader of the House ensure we have a debate to discuss the treatment of those who claim asylum in this country?

Chris Grayling: Clearly, I cannot comment on the detail of such a case. I simply say it is obviously right and appropriate that anyone in our asylum system is treated with decency, but it is also the case that if people do not have the legal right to be here it is appropriate that we take them and deport them.

Patrick Grady (Glasgow North) (SNP): Do the Government really believe that the current private Members' Bill system is perfect? The right hon. Gentleman has slapped down the Procedure Committee's recommendations, but will he at least make Government time on the Floor of the House so that the whole House can have its say and have a vote on the recommendations?

Chris Grayling: My response said precisely that. It is right and proper that it should be a Back-Bench debate, because this is a debate about private Members' Bills, which are a Back-Bench activity. Of course, the Backbench Business Committee can organise such a debate any time it wishes. My recommendation was that the debate take place before we assess how broadly the proposals are supported.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Between this place, the other place and the European Parliament, about 52.5% of our lawmakers are currently unelected. When the UK leaves the EU, that will rise to 55%. After the boundary review, it will rise again to 57%. May we have a debate on potential reform of our democratic process and reopen discussions on plans for a reduction in constituencies before we slide further into this severe democratic deficit?

Chris Grayling: The Scottish National party will have a number of days in this Session available to it for debate. It is welcome to bring forward this subject for debate if it chooses to do so. As I said earlier, reform of the House of Lords is not something I regard as a priority for this country.

Points of Order

11.34 am

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): On a point of order, Mr Speaker. It is a matter of some concern that, given the attack on the airport in Istanbul, we have heard nothing from the Foreign Secretary on what consular help might be available to affected UK citizens, what support services might be available, or even, if any UK citizens have been affected, what that means for security in the region and in the UK. I appreciate that the Government are embroiled in a leadership contest and the Opposition are involved in a leadership challenge, but the people of this country are entitled to have the business of the day continue. Can you advise me, Mr Speaker, on how I can obtain such information? I did not ask for a statement during business questions, because I do not believe that this is a matter for run-of-the-mill weekly business questions. It deserves the urgent attention of the House.

Mr Speaker: I am grateful to the hon. Lady for her point of order. I am not aware, as things stand, of any imminent intention on the part of a Minister to make a statement on this matter, but I have taken careful note of what she says. I rather imagine that her concern will be shared in all parts of the House. Suffice it to say that I think it not unreasonable to hope—and, perhaps, to expect—that a ministerial statement will be forthcoming early next week. If that proves not to be the case, or if there are those who seek an insurance policy in case it does not transpire, she will be aware of the instruments available to Members who wish to bring urgent matters to the attention of the House.

Barry Gardiner (Brent North) (Lab): On a point of order, Mr Speaker. Today, Thursday 30 June 2016, is the final day for the Secretary of State for Energy and Climate Change to set the fifth carbon budget. Meeting the deadline is a statutory duty under section 4 of the

Climate Change Act 2008. Today the Government laid a draft statutory instrument publishing their intention to set a budget of 1,725 million tonnes of carbon dioxide equivalents, but as you will be aware, under section 8 of the Act, simply publishing the level of the budget will not suffice:

“The Secretary of State must set the carbon budget for a budgetary period by order.”

The Act also specifies that it is subject to the affirmative resolution procedure.

Simply announcing the Government’s intended carbon budget today, therefore, is not adequate to fulfil the statutory duties placed upon the Secretary of State by the Act. The Act requires the order to be set, not just a draft order to be laid. Mr Speaker, you will be acutely aware of the importance of investors having confidence in the statutory undergirding of our country’s energy and climate change policies. Have you received any notification from the Secretary of State of her intention to come to the House to explain why she is in breach of her statutory duty and to confirm that she will take the steps, which the Clerks advise me could still be taken, necessary to set the fifth carbon budget today?

Mr Speaker: The statutory instrument will come to the House, and one rather imagines that it will do so ere long. The point made by the hon. Gentleman from the Front Bench can be ventilated very fully—possible amplified by others—in the course of that debate. It is not for me to adjudicate on whether the Government are, or are not, in breach of their statutory duty, but he has made his point with considerable force, and it was earlier communicated to me in written form, so I know that he has thought through the matter very fully. I hope that he can elicit a response from the Government through the normal diplomatic channels that exist between the two Front Benches. If, however, he remains dissatisfied, I rather imagine that he will return to the matter early next week. Clearly, it is important that progress on the issue be timely. I hope that that point has been heard on the Treasury Bench.

Backbench Business

Land Registry

[Relevant documents: Tenth Report from the Public Administration Select Committee, Session 2013-14, Statistics and Open Data: Harvesting unused knowledge, empowering citizens and improving public services, HC 564.]

Mr Speaker: I inform those attending to our proceedings that the debate on today's motion is the first under the auspices of the Backbench Business Committee. I call Mr David Lammy to move the motion.

11.38 am

Mr David Lammy (Tottenham) (Lab): I beg to move,

That this House notes the important role the Land Registry plays in registering the ownership of land and property in England and Wales; further notes that the Land Registry has made a surplus in 19 of the last 20 years and paid back £120 million to the public purse in 2015 alone; believes that any privatisation of the Land Registry will have serious consequences for transparency and accountability in the UK property market and hinder efforts to crack down on corruption and money entering the UK property market via offshore jurisdictions; expresses grave concern that all the potential bidders for the Land Registry have been found to be linked to offshore tax havens; notes that the Government has acknowledged that property can provide a convenient vehicle for hiding the proceeds of criminal activity; notes that the Prime Minister stated in July 2015 that there is no place for dirty money in Britain; regrets the Government's decision to seek short-term profit at the expense of the public interest; opposes the proposed privatisation of the Land Registry; and calls on the Government to reconsider that proposed privatisation.

I thank the Backbench Business Committee for enabling me to bring this important debate before the House. In supporting this motion, signing the letter I sent to the Business Secretary on 2 June and signing early-day motion 160, well over 100 Members drawn from eight political parties have made clear their opposition to the privatisation of the Land Registry. I hope that the Government take note of the strength of opposition to the proposal before it is too late.

Robert Flello (Stoke-on-Trent South) (Lab): I congratulate my right hon. Friend on securing this important debate. I am sure that, like me and almost every Member of this House, he has been inundated with emails on the subject. Our constituents are up in arms.

Mr Lammy: My hon. Friend is absolutely right: the strength of the deep concern felt in the country is expressed in the letters that hon. Members have received. I look forward to hearing what the Minister says, because he will be aware that it is with regret that I must bring the debate to the House today, so soon after the Government last attempted to privatise the Land Registry in 2014.

Frank Field (Birkenhead) (Lab): I thank my right hon. Friend for initiating this debate. Has not the Government's position moved since they announced the privatisation, in that they say they want to stop properties being used for money laundering? He may know that I and our hon. Friend the Member for Dagenham and Rainham (Jon Cruddas) have a Bill to achieve precisely that, but we need a service that is not

corrupted and on which people can rely. Without the Land Registry, where are we going to find a service we can rely on?

Mr Lammy: I am hugely grateful to my right hon. Friend for all the work he is doing on the basic issue of transparency. The strength of feeling in the House is largely based on that issue, to which I shall return in the course of my speech.

Margaret Greenwood (Wirral West) (Lab): I congratulate my right hon. Friend on securing this important debate. I too have been inundated with responses, and indeed I met a constituent who was proud to have worked for the Land Registry for many years. Does he agree that public confidence is vital, particularly for our housing industry, and that in these times of real uncertainty about the economy and the future of house building in this country, the Government are taking an unnecessary risk?

Mr Lammy: My hon. Friend makes an excellent point. In these troubled times, when confidence in this House and in major political parties is at a low ebb, it is important to recognise the institutions that the public hold dear, of which the Land Registry is certainly one. As a former Minister who had responsibility for the Land Registry, I am well aware of the valuable roles it plays.

Mrs Madeleine Moon (Bridgend) (Lab): Does my right hon. Friend think that the privatisation proposal has been driven by a desire to maintain the professionalism, integrity and impartiality of the Land Registry or by a petty desire for a short-term and dangerous input of cash to the hard-pressed Treasury? Which is it?

Mr Lammy: I have a feeling that my hon. Friend is clear about which side of the argument she is on. This Minister is not a bad man, so we will be interested in what he has to say—and which side he will pick in the forthcoming leadership battle.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my right hon. Friend on securing this debate. Does he agree that the proposal is an ideologically driven attempt to reduce transparency?

Mr Lammy: My hon. Friend makes a serious point. According to the Government's answer to my written questions tabled earlier this month,

"No decision has been taken on the future of Land Registry".

I fully expect that line to be trotted out later today, but the serious questions that hon. Members are raising about transparency in this important institution must be heard.

Caroline Lucas (Brighton, Pavilion) (Green): I congratulate my right hon. Friend on securing this debate. Does he agree that privatisation would give the new owner essentially a monopoly on commercially valuable data, with no incentive to improve access to it? Does he also agree that information about land and property ownership is vital for local communities and that they should have more access to it, not less?

Mr Lammy: I entirely agree, and indeed I pay tribute to my hon. Friend, whose party has for a considerable time been one of the custodians of our land. That is why this is such a serious issue.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Further to the point made by the hon. Member for Brighton, Pavilion (Caroline Lucas), does my right hon. Friend accept that many businesses that work in property and data are also concerned about the possible privatisation of the Land Registry? They worry that a privatised Land Registry would see the new business owner seeking to extract maximum value from the business, rather than trying to improve access to the data.

Mr Lammy: My hon. Friend is absolutely right. There is deep concern about a hike in fees and a profit motive distorting a public institution that we all value. I hope that the Minister will take that on board and give the House some comfort on that in the coming hours. I give way to the right hon. Gentleman.

Sir Peter Bottomley (Worthing West) (Con): My wife is right hon., not me.

Were I not going to a Somme service in my constituency, I would try to take part at length in this debate. Is not the issue this? Whatever safeguards the Government want to build, commercialisation should be the Land Registry's decision, not the decision of some commercial owner of the Land Registry. The issue is, therefore: can Government understand—I know that my hon. Friend the Member for Brighton, Kemptown (Simon Kirby), who is on the Front Bench, understands because I have written to him about it, as my Whip—that many of us here want the Land Registry to have the opportunity of creating innovative, value-creating enterprises? It should not be sold off for that to happen—it is not necessary.

Mr Lammy: The hon. Gentleman is demonstrating why he should be a Privy Counsellor and why he has been knighted. The Government should accept the cogent case being made by esteemed Members on the Government Benches. We are aware that there is a general sense that the Government are itching to privatise the Land Registry. Unlike with the 2014 consultation, this time around the status quo is not even being offered as an option. The wording of the consultation document is focused on how, not if, the Land Registry operation should be moved to the private sector. We know that the Government have commissioned bankers at Rothschild to size it up. We also know that potential buyers are linked to offshore tax havens. I am here today, alongside colleagues across the House, to make our opposition known and to call on the Government to think again.

Valerie Vaz (Walsall South) (Lab): I congratulate my right hon. Friend on securing the debate. As a solicitor, I have often had to use the Land Registry. He is making the economic case for non-privatisation. Does he agree that the Land Registry is entirely self-funding? In fact, it has returned £126 million to the Treasury.

Mr Lammy: I am grateful to my hon. Friend for her intervention. I will repeat that point later.

Several hon. Members *rose*—

Mr Lammy: If the House will forgive me, I will make some progress, because so many Members want to speak.

The recording of land and property ownership is integral to the functioning of our economy and has been carried out with integrity and impartiality by the Land Registry since 1862. Indeed, the Land Registry's

reputation as wholly independent from the influence and pressures of the market is crucial to its work. The current consultation exercise tries to preserve that necessary independence by attempting to create an artificial distinction between “Land Register ownership” and a new company which “delivers Land Registry services”. That is totally meaningless in practice. While the Government claim they will retain “ownership” of the land register, a private company would be free to grant title and make changes to the register as transactions occur. The consultation document talks of putting “the right protections in place”

to ensure that the Land Registry would continue to deliver an impartial service to customers. However, there is absolutely no detail about what those protections and safeguards might be. In the words of John Manthorpe, former Chief Land Registrar,

“at the heart of this is the nonsense that a private company should have the power to decide the legal land and property title rights for others”.

The Department for Business, Innovation and Skills is yet to publish the responses to the latest consultation, but I have taken the time to read through the responses to the January 2014 consultation. I quote Clifford Chance, the law firm, certainly no stranger to the profit motive or enemy of the private sector, which said that privatisation would create:

“An inherent conflict between a private sector company, whose main purpose is to maximise shareholders' profits, and the need of consumers for a low cost, high quality and risk free service”.

Liz Kendall (Leicester West) (Lab): Does my right hon. Friend agree that although the Government say that they will retain ownership of the land register, that is completely meaningless while millions of changes are progressively made to it by the private company? Is that not the key issue? In the words of John Manthorpe, the former Chief Land Registrar whom my right hon. Friend has quoted, the proposal does not stand up to “any reasoned scrutiny”.

Mr Lammy: I am very grateful to my hon. Friend, who is absolutely right. Most registrars in the country are opposed to this act.

Dr Rupa Huq (Ealing Central and Acton) (Lab): My right hon. Friend mentioned the 2014 consultation, in which only 5% of respondents thought that privatisation was a good idea. My right hon. Friend and I are both London MPs, and the market in London is complicated enough as it is. Anything that will complicate things even further cannot be a good idea. If every professional in the sector is condemning these proposals, surely the Government should listen.

Mr Lammy: My hon. Friend is exactly right; I agree with her 100%.

Lilian Greenwood (Nottingham South) (Lab): Will my right hon. Friend give way?

Mr Lammy: I will once more, but then I must make progress because so many Members want to speak.

Lilian Greenwood: I thank my right hon. Friend and congratulate him on securing this debate, which is very much welcomed by the 400 or more people in my constituency who work at the Land Registry. Does he

[Lilian Greenwood]

agree that this proposal not only flies in the face of professional opinion, but comes at the worst possible time, demonstrates short-term thinking and represents poor value for money? Is the economic uncertainty created by the referendum result last week not an additional reason for the Government to drop these proposals?

Mr Lammy: My hon. Friend makes a very serious point. Even if there were a case for these proposals—I suspect all of us agree that there is no case—now cannot be the time to continue with them. There is no doubt that a private company would seek a profit and become a compulsory monopoly business, driving up the fees charged to users—the point raised by my hon. Friend the Member for Harrow West (Mr Thomas). A sale price of about £100 billion has been mooted in the press. A private company would therefore look to recoup this investment through the fees it charges and then turn a profit for its shareholders.

The argument we often hear in favour of privatisation is that competition will drive prices down, but this completely disregards the fact that the Land Registry is a unique asset in our lives. It is one of a kind, and users are compelled to pay the fees during any transaction involving land or property. There is only one Land Registry; it is a compulsory monopoly and we need to reflect on what would happen if this public monopoly became a private monopoly. We would have profiteering—pure and simple—by ripping off the public with inflated fees.

The Minister refused to answer my written question of 6 June about what steps would be taken to ensure that Land Registry service fees did not increase in the event of privatisation, so I hope we will hear something from him today. We are left to assume that the “protections” and safeguards that the Secretary State mentioned in the foreword to the consultation document do not include any protection from vastly inflated service fees. In time, whatever sum the Government might secure from a sale today will ultimately be paid for by the people and businesses who use and depend on the Land Registry’s services.

Dr Matthew Offord (Hendon) (Con) *rose*—

Mr Lammy: I must make some progress.

We therefore reach the crux of the issue: the Government are looking to sell off the family silver to turn a short-term profit to try to make their sums add up. As the most recent Budget showed, the Government’s plan to close the deficit is dead in the water, so now they are looking around for assets to cash in. This privatisation is purely political, with absolutely no regard for what is right for the Land Registry or indeed the people of this country. The short-term profit derived from any sale will be dwarfed by the increased costs that are ultimately paid by all of us in the form of increased fees, and it will be dwarfed by the lost revenue to the public purse in the medium to long term.

There is no economic rationale for this privatisation. If the Land Registry were making a loss and being subsidised by the taxpayer, I could understand the Government’s enthusiasm for privatisation, but it has made a surplus in 19 of the last 20 years, and it returned

over £100 million to the Treasury last year alone. The Land Registry pays rich dividends to the public purse, and there is absolutely no reason why it should pay dividends only to wealthy investors and shareholders in the future.

Satisfaction with the Land Registry is currently running at 96%. Far from being a basket case of public sector inefficiency, it is a shining example of a successful public service being run efficiently and effectively. I must state in the clearest possible terms that privatising it would be daylight robbery and a national scandal. Sadly, we know that this Government have previous: just look at what they did to Royal Mail.

Let me deal briefly with the conclusions of earlier studies. In particular, the Government’s quinquennial review of 2001 found that the privatisation of the Land Registry

“should be firmly rejected”,

and would

“be an act of...considerable folly”.

It is clear from the responses to the consultation on proposals to transfer the Land Registry to a service delivery company in 2014 that the proposed privatisation was decisively rejected by most of the respondents. We are told that

“91% of respondents did not agree that creating a more delivery-focused organisation at arm’s length from Government would enable Land Registry to carry out its operations more efficiently and effectively”,

and that

“89%...not be comfortable with non-civil servants processing land registration information”.

However, although the overwhelming majority of respondents made it clear that the Land Registry must remain publicly owned, the Government are back, disregarding what was said just two years ago and making their case again.

A further issue of vital significance is the impact that a privatised Land Registry would have on the transparency of our property market. The Panama papers leak earlier this year brought to light the industrial use of tax haven shell companies by tax evaders, oligarchs, corrupt crooks, drug traffickers and arms dealers seeking to conceal their wealth. More than half the 214,000 companies whose details were leaked were incorporated in the British Virgin Islands, and many channel their money into the UK property market. A total of 100,000 properties worth £170 billion have been registered by shady and opaque overseas entities in the UK to hide their true owners.

Meanwhile, the Prime Minister and Members of his Government have consistently spoken of a crackdown on offshore tax evasion and dirty money. Indeed, the Prime Minister himself declared last year:

“There is no place for dirty money in Britain... London is not a place to stash your dodgy cash.”

How, then, can we be in this situation? I noted with interest the Prime Minister’s article in *The Guardian*, in which he said:

“We know that some high-value properties—particularly in London—are being bought by people overseas through anonymous shell companies”

using

“plundered or laundered cash.”

The Department for Business, Innovation and Skills has also said that it is aware of the problem. Perhaps the team who wrote its consultation document could let the Minister know.

I listened with interest to this year's Queen's Speech, which promised that

"legislation will be introduced to tackle corruption, money laundering and tax evasion."

I say this is in the strongest possible terms, and I say it as a warning to the Government.

We are faced with a severe housing crisis and institutional tax avoidance on a huge scale. First, we need serious steps that will make it harder for shady offshore entities to buy up property in this country, and secondly, we need to make it harder for opaque shell companies to shield themselves from scrutiny and investigation. Privatising the Land Registry would achieve the complete opposite. Surely the most basic common sense tells us that the first step in any crackdown on tax evasion, money laundering and corruption should be to ensure that data about who owns what are made public and are not privately held. As recently as last month, the Minister for the Cabinet Office told the Open Government Partnership in South Africa:

"The UK is a leader on transparency...Increasing openness and tackling corruption are 2 sides of the same coin."

A public Land Registry could open up its data to support efforts to tackle the endemic corruption and abuse of the property market.

Currently, the average fee for the searching and provision of Land Registry data is £3. Journalists and campaigners have made use of that function to lay bare the true scale of offshore ownership of UK property, much of it derived from shell companies set up to avoid tax or to launder dirty money. A private organisation would have no obligation to open its data and would be able to charge whatever it liked for providing such data. Crucially a private company would not necessarily be subject to the Freedom of Information Act, so would have no duty to supply such data when asked.

Confidence in land and property in our society depends on a land registration system that is administered with integrity, neutrality and absolutely no conflict of interest.

It is a nonsense that a private company should be given an adjudicatory role on the land rights of citizens, other companies and the Government. It is a nonsense that a publicly owned Land Registry that is performing well and returning healthy dividends to the public purse should be turned over to a private owner. And it is a nonsense that this is being forced through by a Government apparently committed to tackling offshore tax evasion and corruption in this country.

This privatisation is not only woefully misguided, but plain wrong and should be abandoned before the public interest is sacrificed in favour of a short-term profit. I look forward to what the Minister has to say and the many contributions from Members in this House this morning.

Several hon. Members *rose*—

Mr Speaker: Order. At this stage there is no formal time limit. The first of the 11 Back-Bench Members I shall call is Mr John Stevenson.

12 noon

John Stevenson (Carlisle) (Con): I am pleased to make a contribution to this very important debate about a significant national organisation. Of course I am aware that the consultation has concluded and acknowledge that the Government have not yet come forward with any proposals for the actual privatisation of the Land Registry. I also bring to the House's attention my entry in the Register of Members' Financial Interests: I am a practising solicitor.

There are plenty of arguments for retaining the Land Registry in state hands, and we have already heard a number of them. Some of those arguments may be valid and some undoubtedly have merit, but quite a few are, to be honest, bordering on irrelevant. Similarly, there are very sound arguments to suggest it would be far more beneficial for the Land Registry to move out of state ownership into more commercially minded ownership.

Dr Offord: I wanted to say this to the right hon. Member for Tottenham (Mr Lammy) as well: while I certainly am a privatisation believer, I do not understand why the Government are seeking to take a public monopoly and make it a private monopoly. I cannot see the benefit that the market will be able to bring to that.

John Stevenson: My hon. Friend makes an interesting point, and unsurprisingly I could support many of the arguments for privatisation, but I will come to that in due course.

I want to make two specific contributions to this debate. First, I shall comment as a practitioner—as someone who actually uses the services of the Land Registry and whose firm works with the Land Registry on a daily basis. Secondly, I shall comment as a Conservative politician.

Speaking as a practitioner, the Land Registry is an extremely important aspect of the conveyancing and land ownership process. Indeed, it is central to the whole system as over 75% of land is already registered and ultimately all land will be registered, at which point no physical deeds will be required. Therefore, the accuracy and integrity of the register is absolutely vital. Each day thousands of transactions are logged through the Land Registry portal, queries are raised, and in some cases disputes are resolved. It is part of the everyday work of the conveyancer.

However, we have to accept that the Land Registry is not in any way perfect. Most practitioners would confirm this and I suspect the Land Registry itself would also acknowledge it. The Land Registry does make mistakes, it has backlogs, it needs investment, and it needs to modernise—it is in many respects just like many other organisations that have similar issues.

Robert Flello: The hon. Gentleman lists a number of things that, understandably, need to be done, but the Land Registry makes a profit. Why are the Government not putting the profit back into improving it?

John Stevenson: The Land Registry does make a profit, and it is quite rightly trying to modernise. It also continuously develops its programmes, and all conveyancers are aware of that.

[John Stevenson]

Like many other practitioners, I acknowledge that the Land Registry plays a vital and central role in the property market. Practitioners greatly value and respect the services that it provides. As a legal practitioner, I see the worth of the Land Registry and its services. We should also not forget the many skilled people who work for the Land Registry, all of whom ensure that the legal profession, the owners of land and the financial institutions are well served.

As a Conservative politician, not unsurprisingly I believe in a market economy, in competition and in competitive markets. I have absolutely no issue with the privatisation of businesses or industries, as I firmly believe that, more often than not, private sector ownership leads to greater efficiency and innovation and better value for money for the taxpayer and the consumer. I do, however, believe in a strong liberal democracy, in the importance of the rule of law and in the significance of property rights in a market economy—in this case, the rights relating to the ownership of land. We must therefore tread very carefully when considering the future ownership of the Land Registry, given its central role in the property market.

The Land Registry is at the very centre of land and property rights in this country, and the integrity of the system is critical. Its importance is such that all solicitors, property owners, leaseholders, lenders and financial institutions must have complete confidence in its integrity, openness and honesty. It has to be trusted. Any doubts or concerns about its integrity, about possible conflicts of interest or about misuse of information could affect this central part of our capitalist system. We must also recognise the fact that the Land Registry is a natural monopoly, a bit like the police or other institutions that do not lend themselves to competition. Such monopolies, which are of great importance to the very fabric of our system, must be treated with great care.

Mrs Moon: A considerable number of my constituents work in the Land Registry in south Wales. Their concern is that they constantly have to adapt their practice on the basis of new policy guidelines from the Government. They work within an overarching public interest requirement, and they are worried that that ability to adapt will go if there is a constant need to renegotiate contracts and seek changes with a private sector company. How can we keep that integrity for my constituents if we have to factor in the profit motive of a private sector company?

John Stevenson: The hon. Lady raises an interesting point about the constant changes in the Land Registry. As practitioners, we have to deal with those changes as new rules are put forward by this place in relation to the Land Registry and other aspects of property transactions.

As I have said, the Land Registry is central to our property system in this country, and it is vital that it has absolute integrity and openness. It has to be trusted.

Caroline Lucas: Will the hon. Gentleman give way?

John Stevenson: I am about to conclude my speech, so I will continue.

It is for those reasons that I believe that, if the Government were to bring forward privatisation proposals for the Land Registry, it would be a privatisation too far.

12.7 pm

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing this debate. It is also a pleasure to follow the hon. Member for Carlisle (John Stevenson), who has demonstrated its cross-party nature. I shall not keep the House for long as my right hon. Friend has done such a good job and covered practically every point.

The Land Registry office in Hull represents our only success in securing Government business in many years by bringing that business out of London. It came to Hull in the 1980s specifically because the Government of the time wanted to bring good, decent, well-paid jobs to an area that had been devastated by the collapse of the fishing industry. Incidentally, the collapse of that industry had nothing to do with the EU; it was the outcome of the cod wars with Iceland, for which Iceland gained retribution earlier this week on the football field.

The Hull office has taken its share of the overall two-thirds reduction in staffing that has taken place in an attempt to make the Land Registry more efficient. During my 20 years as an MP, I can almost plot my time in that role by the number of inquiries, examinations and investigations into the Land Registry. They come up about every two to three years. My right hon. Friend mentioned the wonderfully named quinquennial review of 2001, when I was a junior Minister at the old Department of Trade and Industry. Quinquennial reviews took place across Whitehall and I was responsible for the quinquennial review of the Patent Office in Cardiff. One of my bright young civil servants—obviously hugely qualified—asked me why quinquennial reviews only took place every five years, so I explained it to him. That review, as my right hon. Friend said, concluded by saying that

“privatisation should be firmly rejected”

and that it would

“be an act of considerable folly”.

Three quinquenniums later, we are being asked to commit this act of considerable folly by a Government whose motivation seems to be not to improve the service, but to raise a quick buck—and a fairly insubstantial buck in the scheme of things.

Liz Kendall: My right hon. Friend mentioned the quinquennial review, one of the most important findings of which was that the registry’s core functions—maintaining the land register, providing services to customers and operating its guarantees and indemnities scheme—hang together

“like the particles in an atom”

and that it would be “a great mistake” to contract out or split any of those core functions and threaten the whole enterprise. Does he believe that that argument remains true today?

Alan Johnson: I do indeed. The quinquennial review, like all quinquennial reviews, had to be carried out by a neutral Minister from a different Department and the

procedure was quite rigorous. That conclusion has been said in different words in practically every other examination.

Since the quinquennial review, the Land Registry has been subjected to an accelerated transformation programme, a feasibility study, a proposal for public bodies reform and, a little over two years ago, a plan to make it a service delivery company which was supported by just 5% of those consulted. Never has an organisation been scrutinised so often to such little purpose.

In the meantime, the Land Registry has got on with its crucial work with unimpeachable integrity, registering 87% of the land mass of England and Wales, paying large dollops of cash to the Exchequer—over £119 million last year—building up its digital capability and achieving customer satisfaction ratings close to 100%. It was 95% last year and everyone was reaching for the Kleenex because it had gone down from 98%. That is an extraordinary level of customer satisfaction.

Caroline Lucas: The right hon. Gentleman is making a strong case. My understanding is that if the Land Registry was privatised, it would not be subject to the Freedom of Information Act. It would therefore be easier to conceal who owns our land and would stop the publication of datasets, such as the one that was so important for the Panama papers exposé. Does he agree that that is one of the many risks of privatising the Land Registry?

Alan Johnson: I agree with the hon. Lady, whose name is also attached to this motion. Indeed, the question of transparency, as my right hon. Friend the Member for Tottenham said, has become vital since the publication of the Panama papers and adds another reason why the proposal should be dropped.

As for the privatisation proposal, the important question hovering over the Chamber is “Why?” This jewel in our public sector crown has been operating successfully since 1862. It is literally world class. Previous Conservative Governments that sold off anything that was not nailed down did not flog off the Land Registry. When I wrote to the Minister for Small Business, Industry and Enterprise seeking an answer to the question, she said:

“The Government has been clear that where there is no compelling case for keeping an asset in public ownership...it is right to explore a change.”

But there is a compelling case. It has been highlighted by the Competition and Markets Authority, the Conveyancing Association, the Law Society, the HomeOwners Alliance, the British Property Federation and by countless solicitors, such as the hon. Member for Carlisle, who have hardly been known to unite on anything, but who are absolutely as one on this.

As the single authoritative record of ownership and the basis of the state’s guarantee of ownership, the Land Registry’s integrity must be beyond reproach. It is a natural monopoly. Whenever any title to a property is being transacted, a citizen can use only this register and then pays the appropriate fee accordingly. A commercial undertaking would seek to profit from this captive client base. We know that property can provide a convenient vehicle for hiding the proceeds of crime and we now know that all the potential bidders to own the Land Registry are linked to offshore tax havens. The Land Registry is crucial to tackling tax evasion and offshore

ownership, as the hon. Member for Brighton, Pavilion (Caroline Lucas) said. Those are all compelling reasons for the Minister not to flog it off.

While the Minister for Small Business, Industry and Enterprise talked in her letter to me about it being “right to explore a change”,

this is no exploration. We have had a consultation on an issue the outcome of which has been predetermined. The status quo—public ownership—has been ruled out from the start. If the Government are foolish enough to press ahead with privatisation, it must be defeated. This delicate and vital work must be entrusted to civil servants working for a public service in which trust and integrity are maintained.

There has been mention of John Manthorpe, a former Chief Land Registrar and someone who has been associated with the Land Registry for 50 years in one capacity or another. He gave evidence to the Government’s consultation. We have not seen the results but he published his response, which is absolutely devastating. To quote from just one part, he says:

“The Registry’s independence from commercial or specialised interests is essential to the trust and reliance placed on its activities. It would not be possible for actual or perceived impartiality to be maintained or public confidence sustained, if a private corporation ...were to assume responsibility for...the maintenance of a public register.”

That says it all. Parliament must not allow this piece of vandalism to proceed.

12.17 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I will be as brief as I can, speaking in this debate as the Chair of the Public Administration and Constitutional Affairs Committee—the successor to the Public Administration Select Committee, which considered the question of open data in the previous Parliament and produced a report on the matter.

What is the Land Registry? It is a part of our critical national infrastructure. It is an absolutely fundamental function of any civilised state. It is how disputes are resolved. In the most war-torn parts of the world, there is a land registry in every country—even for every town. It has been in the lexicon of military doctrine since the days of empire that when a town is taken, the land registry is taken first so that the disputes that arise between different factions and families after control has been taken can be resolved. The first building that the Black Watch took in Basra when the British Army went into southern Iraq was the land registry. That is how fundamental a land registry is to any civilised state.

Victoria Prentis (Banbury) (Con): My hon. Friend and I share different views on the European Union, but I wonder whether he remembers the chaos that ensued when the former East Germany was unified with West Germany. There was no proper land registry for East Germany, making it difficult to ascertain who owned many houses in places such as Potsdam.

Mr Jenkin: That is exactly the point. The former communist state had destroyed the old records to create a new order.

I have no objection in principle to privatisation, which has been a successful means of transforming large parts of the former public sector. Even the Labour

[Mr Jenkin]

party would have absolutely no intention of returning large parts of what is now in the private sector to the public sector.

Transforming the Land Registry into a modern, digitally-based service is crucial for making it more efficient and responsive to user needs. So far the digital transformation has been extremely slow. I have three main concerns about the present proposal. I hasten to add that I am speaking on my own behalf; this is not an agreed statement by my Committee. The Land Registry must continue to operate as an essential public service, the future owner of a privatised Land Registry must be committed to providing long-term stability, and the final deal, if there is one, must fulfil the Government's own stated objectives for the use of open data.

In a submission to the Government's consultation, I recommended that the quality of service provided to the public by the Land Registry must be prioritised above realising capital gains or transferring risk from the Government's balance sheet. The primary concern must be to ensure that an accurate record of land use and ownership is maintained in public hands. The Land Registry's core services should be protected from any real-terms price increases, and their quality must not suffer as a result of any transfer of operations to the private sector. The Land Registry is, and will remain, part of our critical national infrastructure. Its protection is crucial, and any public-private model or privatisation model must put in place safeguards to prevent the service being disrupted in the event of bankruptcy or commercial failure of any kind.

Our report in 2014 was based on evidence from leading figures in the world of data management and statistics, as well as from Ministers. Although the Committee did not look in detail at the privatisation of the Land Registry, we did look into the future use of the Government's major datasets, of which the Land Registry is one. The final report made several recommendations for the use of Government data. In particular, we stressed the need to ensure that datasets are easy to access, easy to read and free to use.

On the specific subject of the Land Registry, the Committee concluded:

"A radical new approach is needed to the funding of Government open data. Charging for some data may occasionally be appropriate, but this should become the exception rather than the rule. A modest part of the cost to the public of statutory registrations should be earmarked for ensuring that the resultant data . . . can become open data."

Data held by the Land Registry are one such example. If this model is adopted by the Government, they must not allow a new privatised entity to expect to make money from the selling of those data. The expectation must be that the data will be freely available.

In public policy terms, it is important to understand the value of open data to the economy as a whole. Research commissioned by the Open Data Institute found that public sector open data will provide more economic value every year, equivalent to as much as 0.5% of GDP, than data that users have to pay for. For example, we all use the Postcode Address File. That has been privatised, but what makes it of such value to us is that we can get on a website and get it free. How outrageous it would be if we had to pay for that.

Unfortunately, when the Royal Mail was sold, we transferred those data to the private sector and now big businesses have to pay to use those data. The result is that new forms of open source data will be created, which will gradually take over from the Postcode Address File. By transferring those data into the private sector as we have, we have undermined their value and created a cost to the productive sector of the economy for accessing them. In our conclusions, we stated that the sale of the Postcode Address File was the wrong decision. We concluded that such an asset should have been kept in public ownership, where it would be a national asset, free for businesses and individuals to use for the benefit of the wider economy.

If the Land Registry is privatised, the land register itself—the actual data—must stay in public ownership. It is crucial that the Government preserve for themselves a substantial degree of policy flexibility with regard to any agreement made with a privatised organisation, and if they decide that the public interest is best served by a change in data policy, they must remain free to effect this and to do so without excessive cost.

I am deeply concerned that the future owner of a privatised Land Registry must be committed to long-term stability and continuity. That depends on the character of the operator, if there is to be a private sector operator. The operator should understand that it may derive profit only from some kind of long-term yield for a long-term contract with the Government and be prepared to invest in the organisation to achieve this aim. An investor with a more venture capital-style approach, aiming to make a capital gain out of the development of the business and then on-sale, would be a completely inappropriate form of ownership.

Mrs Moon: Given all that the hon. Gentleman has said about the importance of the integrity of the Land Registry, why is it not appropriate to build that flexibility for entrepreneurship into the current Land Registry so that it can make the profit that is necessary for the investment and modernisation that are needed? Why do we have to take this risk?

Mr Jenkin: I shall come to that. It is a perfectly reasonable question.

The type of owner of the infrastructure might be like the banks automated clearing system, which is a company that is owned by the banks. It is just an operating company that the banks fund in order to provide them with a service. That is much more the kind of privatisation that I would find acceptable, rather than a company called Land Registry plc, with its own board of directors thinking about how to develop its business. It is a service and there is a function that it needs to provide.

The final proposal should include a full assessment of what has happened in other countries where such a service has been transferred to the private sector. Additionally, in any privatisation plan the Office for National Statistics should have the power to take over the collation and publication of Land Registry data, effectively getting a daily feed from all new records and publishing them free online. If the Government decide to proceed with some kind of privatisation of the operations, in two years' time I expect to be calling the Department for Business, Innovation and Skills and UK Government Investments, which is overseeing the process, to discuss with my Committee what effect this movement has had on the publication of open data.

Finally, in answer to the hon. Member for Bridgend (Mrs Moon), I hope the Government will explore alternative means of doing that by keeping the Land Registry in the public sector. Let us face it: it is only silly Treasury rules that prevent very cheap public money from being put into this with public sector involvement, but keeping it in public ownership, in order to develop the customer-responsive and properly capitalised system that we want. My mind is open, provided the data remain in public hands. My mind is open, provided the arrangement is stable, but I would not rule out transferring the service to some mutual or some existing consortium of banks or insurance companies or even keeping it in the public sector.

12.27 pm

Carolyn Harris (Swansea East) (Lab): I declare an interest. I am proud to say that the Land Registry has its largest UK facility in my constituency.

The Land Registry provides a substantial number of jobs to Swansea East and plays a very important socioeconomic role, not just in my constituency, but in the surrounding areas. In July 2014 the coalition Government shelved plans to sell the well-respected 150-year-old service. That was after only 5% of respondents to a consultation felt that privatisation would make the Land Registry a more effective and efficient service. The consultation produced an overwhelming response:

“Overall, across virtually all respondents, it was suggested that a case for change had not been made.”

Despite this, fewer than two years later, the Government are yet again reviewing plans to privatise the Land Registry. That is being driven by the Treasury’s demand to make cuts, with the short-term aim of cutting the national debt.

Lilian Greenwood: My hon. Friend is making a passionate case on behalf of the people she represents. Is she aware of the report from the New Economics Foundation, which concluded that future funds from the Land Registry would outweigh the cash cost of a one-off sale after 25 years? The plan fails on the Government’s own terms.

Carolyn Harris: I am aware of that and I will come to it later in my speech.

The consultation on moving Land Registry operations to the private sector was launched on 24 March 2016. Ludicrously, it closed two days later. I would argue that it was deliberately timed so that MPs would not notice the announcement, because we were all heading home for the Easter recess—I was actually on a train to Swansea, and I read of the plan on a Twitter post. Like many colleagues, I was furious at the way the announcement was made.

Currently, the Land Registry is entirely self-funding and no drain whatever on the Government purse. Furthermore, the service makes a surplus year on year. That is passed on to the public by way of reduced costs for using the service. It also provides the Treasury with a significant income.

A report from the New Economics Foundation shows that selling off the Land Registry would harm Government finances in the long term. It suggests that the Land Registry and other assets under threat of privatisation

or part-privatisation are clearly able to innovate and deliver a profit without needing to be in the private sector.

The sale of the Land Registry will hardly put a dent in the national deficit finger—[*Laughter.*] We can all point the finger at the Government. At the same time, we will be giving up valuable assets and forgoing long-term revenue streams. Land Registry jobs are also well paid and, more importantly, well respected. It is important that we retain them as part of a well-mixed economy to give job opportunities and a way forward to people from all sorts of backgrounds.

Only an in-house Land Registry can continue to deliver a quality, trusted and impartial public service.

Chris Elmore (Ogmore) (Lab/Co-op): My hon. Friend is making a key point, and I completely agree with her. The public outcry about the privatisation of the Land Registry is unprecedented. People trust the service, and they want it to remain. Fundamentally, it is also profitable. Why the Government are considering privatising it is beyond most Opposition Members and several Government Members as well.

Carolyn Harris: I entirely agree, but, unfortunately, public demands do not always fall on receptive ears, to quote the Women Against State Pension Inequality Campaign.

If privatised, the Land Registry would no longer be subject to the Freedom of Information Act, so it would be easier to conceal who owns land and to prevent the publication of datasets such as those that identified the properties in London owned by the non-domiciles in the Panama papers.

I am distressed to see jobs disappear in my constituency. Swansea East is already suffering enough job losses—Royal Mail, HSBC, Virgin Media and Tata Steel. We cannot afford to lose any more jobs. In the last Parliament I tabled an early-day motion calling for the Government to abandon plans for privatisation, and I am glad to say that it received a lot of support. It has been retabled this month, and it is again gathering support.

Many feel that this proposal is just another get-cash-quick scheme from the Government, but in reality it jeopardises jobs, brings economic uncertainty and threatens to remove the transparency that allows us to have confidence in the fight against corruption and illegal accounting.

I implore the Minister to realise that this plan is ill-thought-out and that it will be challenged by the unions, legal and property professionals, the public and Opposition Members. The Land Registry is value for money, and it is an efficient and trusted service.

12.33 pm

Will Quince (Colchester) (Con): I congratulate the right hon. Member for Tottenham (Mr Lammy) on securing this important debate. It is a pleasure to follow the hon. Member for Swansea East (Carolyn Harris). I am not sure that I can quite match her passion, but I will certainly set out where I stand.

I was elected last year on a mandate to balance the books. There is no question but that the Land Registry offers an opportunity to raise money for the Government—the amount is purported to be around £1.5 billion. I am not ideologically against privatisation.

[Will Quince]

When the Government can raise capital by selling assets, without detriment to public services, it can make sense to do that in certain circumstances. I appreciate, however, that that is a point on which Opposition Members may not agree with me.

I was a practising property solicitor until the last election, so I spent my days buying and selling houses for people. As part of that role, I spent several hours a day and many hours on the telephone liaising with the Land Registry. I used to find the Land Registry very helpful, and I very much valued its expertise. However, on occasion, and sometimes more often, it was quite slow, particularly regarding non-urgent matters such as first registrations. To be fair, the Land Registry has done a great deal in recent years to innovate. It has largely moved away from paper and some of the online tools, especially the mapping tool, are really useful. Having said that, some of the tools it uses are very much outdated and in need of an upgrade.

On that basis, there is no question but that there is a strong case for privatisation, because that could lead to a cash injection that could be transformational and drive innovation. Having said that, I am not in favour of, and nor can I support, the privatisation of the Land Registry. To be clear, the Land Registry is not RBS or Royal Mail. To compare it with those organisations fundamentally misses what the Land Registry is and what the consequences would be if it were in private hands.

As hon. Members have said, the Land Registry continues to be an essential part of land and property ownership in England and Wales. The main statutory function of the Land Registry is to keep a register of title to freehold and leasehold land. That represents 24 million titles covering 87% of the land mass of England and Wales. On behalf of the Crown, the Land Registry guarantees title to registered estates and interests in land. For a very small fee—as little as £3—it also makes data available to the public and solicitors via searches.

My objections are simple. In proposing the move, the Government have misunderstood what the Land Registry is fundamentally about. It is more than just a data provider or an authority for recording title. It registers title, guarantees rights to land and provides guarantees pre and post completion searches. The reliability of the register is vital to the property market, and any loss of confidence in the register would significantly affect the property and mortgage markets and, therefore, the economy as a whole. While the Land Registry can, at times, feel clunky and hugely frustrating for property professionals, at its heart it is based on the principles of integrity and impartiality, and I fear it is that that we put at risk if we accept the proposals to privatise.

We are a nation of homeowners and a level of trust has been built into our system through the security that has been provided by the Land Registry since 1862. We have an established property market, which is why England and Wales is a highly trusted market in which to invest. I fear that privatising the Land Registry would put that trust at risk, particularly for foreign investors. Let us not forget that the Land Registry guarantees the titles to billions of pounds of residential and commercial property.

The Land Registry acts as a repository for huge amounts of important data as a monopoly, and rightly so. However, let us remember that it has no hidden agenda or motive other than to provide a public service and to ensure that the property market continues to function well. I share the concern of many that privatising the Land Registry would undermine impartiality, increase fees for customers and pose a considerable risk to the integrity of the organisation.

Let me be clear that I would not criticise any private company for acting in the way I have described; in fact, we should expect it. However, a profit motive would completely change the nature of the organisation and we should expect costs to be driven down, with prices for data and fees rising. With the monopoly that exists, I struggle to see how the move could not be seen as anti-competitive. Given the monopoly, it could be argued that if the Land Registry were in private hands, it could reduce innovation and the transformation agenda, as there would be no market forces forcing it to do otherwise.

Fees at the moment are reasonable and offer customers good value for money, but let us be clear that property transactions are expensive when we include legal fees, stamp duty, search fees and moving costs. The current scope of the Land Registry's work is limited by its direct link to the property market, meaning that there are limited options for a private company to increase workload and therefore revenue and profit. I appreciate that there is potential for the Land Registry to start providing other searches. However, that would require primary legislation and would lead to opposition from local authorities and private companies that already provide such services. The most likely outcome, notwithstanding the commitment the Government have made to retain an element of control over fees, is that fees will rise.

I have not heard any stakeholders in the property industry calling for this change, let alone warmly welcoming it; in fact, they all criticise it. Solicitors, surveyors, estate agents and mortgage lenders are opposed to the plans. The Competition and Markets Authority has said that the proposals would give the new owner a monopoly on commercially valuable data with no incentive to improve access to it. The concerns raised are not unreasonable, nor do I consider those raising them to have a hidden agenda or motive; their worries are genuine and we should not ignore them. There is no need to do this. As the right hon. Member for Tottenham said, the Land Registry has returned money to the Treasury in 19 out of the past 20 years, while continuing to reduce the fees that it charges the public.

Selling the Land Registry—the sole record of land ownership information—is a privatisation too far. We would, rightly, not consider privatising HMRC or the General Register Office. Some things are just too important to take out of the hands of Government. We would not consider privatising the births and deaths registers, and we should not treat land ownership differently. The Land Registry works. It makes money. If all the concerns I have raised cannot be addressed, please just leave it alone.

12.41 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab):
I thank my right hon. Friend the Member for Tottenham

(Mr Lammy) for securing this debate. It is a pleasure to follow the hon. Member for Colchester (Will Quince), who made a powerful speech.

It is completely clear to me that privatisation is not the way forward for the Land Registry. Privatisation will damage the Land Registry's reputation for independence. It could cause job losses in my constituency and elsewhere and, ultimately, cost the public money. The UK's Land Registry is a model of good practice around the world. It gives advice to other countries about how to set up and run land registry services in an independent and impartial way. Its expertise is welcomed by many other countries.

Privatisation could seriously damage confidence in the Land Registry's independence. As we have heard, the former Chief Land Registrar and chief executive of the Land Registry, John Manthorpe, has said:

"The Registry's independence from commercial or specialised interests is essential to the trust and reliance placed on its activities. It would not be possible for actual or perceived impartiality to be maintained or public confidence sustained, if a private"

company

"were to assume responsibility for the...maintenance of a public register."

As others have said, the consultation paper from the Government seems to show a lack of understanding of what actually happens with the register. The Government talk about the register as though it were a static document that is produced once and for all and can be handed over to somebody else, but it is very much a live document, as transactions are constantly added and updated. That means that there is enormous potential for a conflict of interest emerging from a private company running the register when information that might be placed on it could change on an hourly or daily basis. The Government's consultation paper showed no acknowledgement of conflicts of interest that could arise or how they would be dealt with.

The Competition and Markets Authority has also raised concerns about privatisation, particularly that a private company running the Land Registry as a monopoly could weaken competition by making it harder to access the information it holds. As we have heard, an exemption from the Freedom of Information Act could mean that the sort of information found in the Panama papers would not be available for public scrutiny, which would be a great loss. The Government must seriously consider whether it is sensible to change a model that has a sound international reputation and a lot of trust, and that works so well and has real independence.

It is abundantly clear that there is no public demand for privatising the Land Registry. When privatisation was last suggested in 2014, the public consultation showed that 91% respondents disagreed with the idea that the services could be better delivered outside government. The hundreds of emails I have received from constituents opposing the Land Registry's privatisation in just the past few weeks suggest to me that public opinion has not changed since 2014. I will quote just a few of my constituents who have written to me about this so that we can all hear how concerned they are. One wrote:

"The Land Registry is a self-financing public service which doesn't cost the taxpayer a penny to run—so why is the government considering selling it off to companies with links to offshore tax havens?"

Another said:

"Experts from all backgrounds have been calling the government's plans to sell the Land Registry short-sighted. The government's own watchdog warned that it would threaten competition, and an expert from the World Bank said it would increase corruption."

Another said:

"This government seems to be hell-bent on disposing of everything which we value, not to mention that

the Land Registry

"is actually a net contributor to the treasury."

It is not only constituents who are concerned. Institutions from the Law Society, to the Public and Commercial Services Union, the Open Data Institute, the Co-Operative Group and very many small and large businesses have expressed their unease at the idea of privatising the Land Registry. That is for a whole variety of reasons that we have heard today: the registry has strong public confidence; there is ease of access; and it is trustworthy. Why are the Government so keen to go against the opinion of the public and experts? The Government's decision again to raise the idea of privatisation, just two short years after they were forced to withdraw proposals in the face of massive opposition and a broad alliance of interests is, quite frankly, baffling.

Will the Government provide reassurances to my constituents working in the Land Registry office in Durham who fear that their jobs could be lost in the event of privatisation? The Land Registry is a major employer in Durham, providing hundreds of skilled jobs. Employees are understandably very concerned that privatisation could lead to job losses or even a full closure of the Durham office, which has existed for over 50 years. As this has been the only Land Registry office in the whole of the north-east since the closure of the York office some years ago, I would be concerned about not only my constituents' jobs, but the impact that such a closure might have on the north-east's economy.

When the privatisation of the Land Registry was last discussed in 2014, it was estimated that the Land Registry in Durham contributed £10 million per year to the local economy; I very much doubt whether that sum would have reduced in the past two years. Given the instability of our economy in the wake of the pro-Brexit vote, I would be extremely concerned by the prospect of further damage to the north-east's economy.

The privatisation of the Land Registry would be bad not just for my constituents but for the public as a whole. The revenue brought in through the Land Registry each year would be lost. As a recent report from the New Economics Foundation made clear, in the long term, the sale of the Land Registry would result in a significant loss of income to the Treasury. In 19 of the past 20 years, the Land Registry has produced a surplus. It paid £120 million into the public purse last year. It is clear that the decision to review proposals to privatise the Land Registry is being driven by the Treasury's desire to bring in revenue in the short term without looking at the long-term negative impact that that would have on public finances. The estimated £1.2 billion that could be raised from the sale will not stretch very far into the future.

In 2014, the Land Registry expanded to include services relating to local land charges. I said at the time that I thought the Government were doing that in order to fatten the registry up for privatisation, and it seems I

[*Dr Roberta Blackman-Woods*]

might have been right. Once again, the Government are pushing for privatisation, so I think my fears were not misplaced. The Government's responsibility must be the long-term health of the economy, and it is clear that the money that can be raised from privatisation will not offset the long-term costs of having no revenue from the Land Registry.

This Government have failed before to get the best deal for taxpayers when privatising services, most recently in the case of Royal Mail, in which shares were tragically undersold at the cost of millions of pounds to the taxpayer. How can we be confident that the Government will get the best deal for the British public with the privatisation of the Land Registry? Without them being able to guarantee a good deal, would it not be better, for that reason alone, to keep the Land Registry in public ownership? We have been through many of the other reasons why privatisation should not happen.

I end by quoting the words of another of my constituents who wrote to me about this issue:

"The Land Registry is working well, it's not broken—there's no need to fix it. In fact, it's successful, profitable and part of a vital data infrastructure that our country needs."

I completely agree with my constituent and ask the Government to drop any idea they might have about privatising the Land Registry.

12.50 pm

Richard Drax (South Dorset) (Con): It is a pleasure to speak in this debate and to follow the hon. Member for City of Durham (Dr Blackman-Woods). I thank the Backbench Business Committee and the right hon. Member for Tottenham (Mr Lammy) for securing this debate, which I have co-sponsored. My name would not usually appear alongside the others on the list, which shows that this is very much a cross-party debate.

I feel sorry for the Under-Secretary of State for Life Sciences, my hon. Friend the Member for Mid Norfolk (George Freeman). I thought that he would be somewhere else at midday, seeking help from colleagues to go for the top job, but he is here instead, listening to us talk about the Land Registry. It is a pleasure to see him in his place.

I thank Andy Woodgate, our union representative in Weymouth, which is in my constituency. The Weymouth office is one of 14 in the country. That number has come down from 22 over the past 10 years, due to efficiencies and reorganisations, including digitisation and computerisation, which many hon. Members have mentioned. Weymouth has certainly gone down that road: it has made huge advances and is meeting the technical challenges in the computer age. In fact, it has been described as a "beacon" of the civil service. It is ironic that a beacon of the civil service should be proposed for privatisation, but there we go.

The office occupies one floor of a building that once held 600 members of staff over three floors. There are now 200 members of staff working on one floor, yet their workload is increasing, not decreasing. It is one of the biggest employers in my constituency and I am proud to represent those 200 members of staff. I have spoken to them and listened to their concerns. I am acting, as we all should be, without fear or favour.

Having listened to their views, I concur with and share their concerns about the Government's proposal to privatise. Given everything that is going on in the country, I hope that the issue can be shovelled aside and—dare I say it?—that we can get on with the bigger issues facing the country at this very exciting time.

An Englishman's home is his castle. The very territory that we live on is the biggest investment that any of us makes. This sell-off would undermine that absolute, fundamental basis of security.

The proposal and consultation fail to register the fact that the Land Registry is quasi-judicial. The integrity of the organisation's database is paramount. Its quasi-judicial nature is one very good reason why it should not be sold off, and it is on that basis that all other activities occur. That is why it should be allowed to continue its excellent work. Land Registry data are fully accessible to Ministers and the public, with all the checks and balances required. It is the largest database in western Europe. It underpins the housing and property market, and it is a cornerstone of our economy. A sell-off could destabilise the housing market for a short-term return—there is no point in doing that.

The Land Registry is self-financing, returning approximately £100 million to the Treasury, although that was never intended because it is a non-profit-making organisation. Privatisation would inevitably introduce a profit-seeking motive, which might lead any new owner to take short cuts to reduce costs and to maintain the database less well, thereby leaving its integrity at risk. Once those data are corrupted, the situation would be irretrievable.

The Land Registry is a public monopoly. As every speaker has asked, why should it now become a private monopoly? That just does not make sense. Hedge funds and overseas buyers are not interested in the greater good or the stability of the country—that is the risk. They want to make a return. I have nothing against privatisation per se—I run a business myself, and if we did not make a profit, we could not reinvest in the business—but this business should not be put under that sort of speculation. Selling to a foreign company might well be against the national interest.

Interestingly, only the Treasury thinks that this is a good idea; no one has even asked for it. Yet the consultation is written in such a way that submissions must choose between alternative sale models—in other words, the status quo is not represented. Nowhere is it suggested that the whole idea may be wrong. As we have heard, of the 30,000 responses to the consultation, sampling shows that about 95% of them are against the proposal.

At present, Land Registry mistakes or errors that result in owners suffering a loss are underwritten or insured by the Government through a state guarantee fund. Big mistakes could cost millions in compensation—in effect, the figure is unlimited. What new company would be willing to underwrite that risk? That would be factored into the sale price, thereby lowering it.

The Land Registry has been valued at just over £1 billion, which is only 10 times the current revenue it produces. That is not enough. Once the indemnities and the safeguards are factored in, would a private buyer spend that sort of money anyway? I suggest not; I think they would ask for a lower price because of all the indemnities that would have to be in place.

The proposal also makes a false distinction between a land register and the Land Registry. The register is the database of 20 million-plus titles, to be kept in public ownership according to consultation document. The registry is the operational arm that creates and maintains the database, which would be sold off. There is no suggestion as to how that separation could be achieved or how it could make money.

Land Registry fees are kept reasonable and are constantly reviewed. If new owners must make a profit, they will inevitably rise, as will conveyancing costs. There is very little slack in the system, given that the Land Registry has already been pared down over the past 10 years from 10,000 to 4,000 employees.

The employees that I have met are extremely skilled and knowledgeable, and it takes at least two years to train them in conveyancing law, ordnance survey maps, digital learning and all the rest. The situation is complex, because the decisions they make are quasi-judicial decisions at a basic level, in that once ownership is registered it is guaranteed.

Interestingly, I understand that the Land Registry is going to employ 200 more staff, which suggests that there is more, rather than less, need for the organisation. A private employer is likely to look at cutting costs, so there is a risk that staff, who would be most vulnerable—they are certainly the most expensive part of any business—could be laid off at a time when more are needed.

The Law Society—a highly respected organisation with no vested interests—has opposed the proposed sell-off in a submission. So too does the Competition and Markets Authority, which says that a sell-off would introduce a profit motive that would affect the Land Registry's ability to provide a good service at a low price.

The UK Land Registry is world-renowned and respected. It consults on establishing land registries in developing nations and abroad through its international arm. We must be most careful not to bring it into disrepute. That is particularly pertinent now, when the UK is taking a leading role in tackling corruption and money laundering. Offshore investment in UK properties must be very carefully monitored. Currently, we have free public access to freely available information in the Land Registry in cases of investigation. If it were privately owned, would that be the case? I doubt it. Interestingly, some tenders have reportedly already come in from interests in offshore tax havens—a subject that is particularly volatile in this House—and I do not think that they would be apt owners of an organisation such as the Land Registry.

Many excellent points have been made by other speakers. I will conclude at this stage, because others wish to speak. I urge the Minister, with all that is happening to this great country—with the wonderful opportunities that lie ahead and the far bigger fish that we will have to fry—to ensure that this little tiny fish is left alone to swim in the sea for years to come, as it has done successfully.

1 pm

Chris Stephens (Glasgow South West) (SNP): It is a pleasure to follow the hon. Member for South Dorset (Richard Drax). I speak in my capacity as chair of the Public and Commercial Services Union parliamentary

group. I pay tribute to the speech by, and the motion in the name of, the right hon. Member for Tottenham (Mr Lammy).

As has been said, more than 350,000 people have signed an online petition, and objections have been raised by, among others, the Open Data Institute, which warns that the proposed privatisation will build barriers in the data infrastructure, inhibit GDP growth and reduce the tax revenue that would be received from price paid data that the publicly owned Land Registry releases.

Several hon. Members have mentioned the report and investigation by the New Economics Foundation, which has argued that it is inappropriate to privatise the Land Registry—that the privatisation is politically motivated to reduce national debt in the short term—because the Land Registry, as a trading fund, is self-financing and brings in a surplus of £100 million a year. It performs well, with a 95% customer satisfaction rating. It concerns me that 3,500 jobs are at risk as a result of the privatisation.

There is also a risk of increased property fraud if the Land Registry is privatised. Currently, Her Majesty's Land Registry invests heavily in this area at significant cost. The Land Registry deals with a large amount of personal data and the details of borrowing, secured debt and even court orders, because they form part of the land register.

Jim McMahon (Oldham West and Royton) (Lab): That is an important point. One thing that occurred to me is that although there is a great deal of value in the land that is titled and registered, there is also quite a lot of value in land that is unregistered. Of course, the Land Registry makes the assessment as to whether people have a legitimate claim on that land.

Chris Stephens: The hon. Gentleman makes an excellent point, and I will come on to that. The New Economics Foundation states in its research that only an in-house Land Registry can continue to deliver a quality, trusted and impartial public service while fairly bringing in new revenue. In the research, the foundation also revealed that the Government's assurances about the service are meaningless, because no risk assessment has been undertaken; and that a private company, naturally seeking to maximise profits, would inevitably put up fees to achieve an increased profit margin. There are also risks in the proposals to all users of the system, to any future Government planned infrastructure build, to the housing market, to the wider economy and to the national interest as increasing amounts of land are sold off, all too often to unknown overseas individuals and companies, as has been said.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Just last week, it was announced that the Ministry of Defence is set to privatise the repatriation and burial of war casualties—an idea that I find abhorrent. Does my hon. Friend agree that that is a clear sign that the Government's privatisation agenda is ideological?

Chris Stephens: It is quite clear that we have an ideological Government, and they will be debating among themselves how far that ideology will take them.

As many hon. Members have pointed out, if the Land Registry is privatised, it would not be subject to freedom of information requests or the Freedom of

[Chris Stephens]

Information Act, and it would be easier to conceal information on that basis. There is also the issue of local land charges. In 2014, the Land Registry added to its scope additional services such as land charges. The Land Registry is looking at the rules, and it concerns me that its consultation on the matter contains only a passing reference to privatisation plans and no mention of what impact they would have on local land charges or the local land charges service. Local land charges service providers have seen their business removed and nationalised, and now it may be sold off to a large conglomerate before the nationalisation has even taken place.

In the words of the former chief land registrar, John W, the Land Registry is

“highly regarded by those who depend on it as a provider of trusted, prompt services. Land registration is not an activity that any responsible Government can transfer to the private sector.”

I urge Ministers to abandon these damaging plans for the Land Registry service.

1.5 pm

Kevin Hollinrake (Thirsk and Malton) (Con): It is a pleasure to follow the hon. Member for Glasgow South West (Chris Stephens), who made some very good points, and to congratulate the right hon. Member for Tottenham (Mr Lammy) on securing this important debate.

I absolutely support the principle behind this proposal. One of the Treasury’s principles is to maximise capital receipts, and we must not forget that this country is about £1.6 trillion in debt. In the right circumstances, it makes absolute sense to sell off assets to pay off liabilities; that is a sensible economic policy. Of course, the Government since 2010 have halved a deficit that was running at £153 billion—now it is £75 billion—and simultaneously grown the economy. We have one of the fastest growing economies in the developed world. Day after day, we debate how we will balance the books and how we will pay off the rest of the deficit or reduce it, and the Opposition oppose every single cut that we suggest. At the same time, they complain about the lack of deficit reduction. It simply does not stack up.

We have talked recently about a new politics. I had the great pleasure of serving on the same Committee as Jo Cox, who really set the tone for the future. I hope that we will take forward the sentiment that we should have challenge, but it should be a constructive challenge. We should not be sanctimonious. The majority of people who come into the House do so for absolutely the right reason: to improve the lot of the less fortunate in society and those who have the least opportunity. Members on both sides of the House should recognise that.

Many Labour Members have made the point about the Land Registry’s important role in providing secure title for people, but in the same breath they bring forward policies such as the mansion tax, which would take away the security of that title. It is a complete contradiction.

Nevertheless, I have concerns about this privatisation, because we may create a new private sector monopoly. We absolutely cannot have that. The Treasury’s criteria for sale of these assets—it is absolutely right to pay

down our debt—are to maximise capital receipts, to provide better customer service and to reduce Government control. We would all agree with those principles, but may I add another: not to create any private sector monopolies? There is no effective competition in prospect if the Land Registry is privatised. We all encounter problems in our surgeries with a company called BT, which is a de facto private sector monopoly, certainly in the case of superfast broadband.

I believe that that business suffers from a culture of corporate obfuscation in pursuit of maximising profits and minimising investment, while maintaining desperately poor customer service. We must not let that happen in another private sector context, although privatisation is of course positive if it encourages competition in that it drives innovation, it drives investment and it should in itself drive great customer service.

Another of my concerns, which has been repeated many times, is the likely amount we would get for the Land Registry. The figure is around £1 billion to £1.5 billion, but it consistently produces a surplus of over £100 million a year. That represents a return of 8% to 10%, but the Government can borrow money at about 1%, so it does not make financial sense to sell it.

The Government have another very important role, which is to be a facilitator or enabler, and there are so many opportunities for open-source databases. Ordnance Survey has recently provided open-source data that could enable many technology companies to develop applications. One of those involves broadband because Ordnance Survey data are hugely important in allowing fixed wireless providers to provide remotely—at desktop level—superfast broadband in communities.

The Government have done such work in other areas. They have opened Department for Environment, Food and Rural Affairs databases to provide a free flow of information to enable the development of new technologies and applications. We are on the verge of what is called the fourth industrial revolution—the fusing of physical, digital and biological technologies—which could have huge benefits to the economy and to mankind. Given those real opportunities, the Land Registry should be kept in public ownership.

We should provide a more long-term and strategic approach in the public sector, rather than look for short-term profits. Our very own Tim Berners-Lee, a member of the Open Data Institute, has said that the sale

“could undermine the government’s bid to make more data publicly accessible”.

On that basis, it absolutely should not be considered.

As my hon. Friend the Member for Carlisle (John Stevenson) said, the Land Registry does need reform. It has a relatively new chief executive officer. The average tenure of the 4,500 staff is about 25 years, so it probably needs a bit of a shake-up if it is to make the best use of some of these opportunities.

Another point is about underpinning property rights, which are a fundamental component of economic success. The Land Registry has been in operation since 1862, and the average person in the street might be surprised to learn that it no longer has any paper deeds, but keeps everything digitally. I think the average person would be very concerned about that combination—the fact that the information is held digitally and that it would be kept by a private sector company.

The Land Registry does not only provide an administrative function. As the hon. Member for Glasgow South West keenly observed, the staff also use their knowledge and judgment. They are often asked difficult questions, and they need to be experienced and knowledgeable to provide a proper service.

The Government have introduced new initiatives on beneficial ownership, including consideration of a public register to make sure that foreign companies disclose the true ownership of UK property. That is revolutionary in that it is trying to tackle money laundering, corruption, crime and tax evasion. Those are all reasons why it is better for the Land Registry to be in the public sector than the private sector.

I am involved in the property sector. You must excuse me, Mr Deputy Speaker, for neglecting to draw the House's attention to my entry in the Register of Members' Financial Interests. Just about all the people in the property sector to whom I have spoken are against this move, whether they are members of the Conveyancing Association, or solicitors, house builders or property agents. Indeed, the Competition and Markets Authority has said that a private sector provider may fail to

“maintain or improve access to the monopoly data; and...weaken competition to its own commercial products.”

Mary Robinson (Cheadle) (Con): The Government are committed to the ambitious target of providing 1 million new homes by 2020 and increasing home ownership. Does my hon. Friend agree that we should avoid any disruption to the Land Registry that might jeopardise its service to home buyers in the future?

Kevin Hollinrake: I totally agree. As we have heard, the Land Registry service is regarded as a very high-quality service and the housing market is such a critical component of our economy, particularly now that economic markets such as the housing market are looking a little more fragile.

I have significant reservations about the privatisation of the Land Registry, and—supportively and gently—I ask the Government to think again about these proposals.

1.15 pm

Nia Griffith (Llanelli) (Lab): A few weeks ago, I joined Public and Commercial Services Union members and representatives from the campaigning group 38 Degrees to hand over a petition with more than 200,000 signatures to the Department for Business, Innovation and Skills, calling on the Government to abandon plans to privatise the Land Registry, which has its main offices in Swansea, where many of my constituents work. Why on earth are we here again, just two years after the previous attempt at privatisation?

It is not simply employees of the Land Registry and their PCS and First Division Association representatives who are very concerned about the privatisation. Back in 2014, we had a meeting in the House of Commons—it was organised by my hon. Friend the Member for Chesterfield (Toby Perkins), who then shadowed the BIS Minister with responsibility for the Land Registry—at which real concerns were expressed by representatives of the Law Society and the Council of Property Search Organisations. Jonathan Smithers, deputy vice-president of the Law Society, and James Sherwood-Rogers from

the Council of Property Search Organisations explained that, in their analysis, a privatised land registry would inevitably end up being a private monopoly that could impose rip-off fees and provide a worse service for its clients.

We then discovered from leaked documents that the Government were determined to push ahead with privatisation plans and that the recent consultation had in fact been a sham. They had clearly not listened to respected independent bodies, such as the Law Society, never mind to their employees, who were represented by the First Division Association and the Public and Commercial Services Union. Two years later, it seems that the Government are determined to push through privatisation of the Land Registry, because the consultation is focused on how to do so, not whether to do so.

To me, privatising the Land Registry would be nothing short of daylight robbery: it would rob the taxpayer of millions of pounds. The Land Registry currently brings £100 million into the Treasury in profits each year, so it is madness to steal that from the Treasury and stuff it into the pockets of private contractors, who would probably then add insult to injury by hiking the fees and ripping off the public. The enthusiasts of privatisation cite the benefits of healthy competition in providing a better service for the public, but we all know what happens to a privatised monopoly, which is exactly what the Land Registry would become. There would be no control over the service provided, and prices would be hiked.

Christian Matheson (City of Chester) (Lab): Does my hon. Friend agree that this is part of a pattern with this Government in which debt is nationalised and profit is privatised?

Nia Griffith: Indeed. My hon. Friend puts it concisely.

Let us remember what happened with Royal Mail. Who is to say that this Tory Government will not be wilfully incompetent and will not sell off the Land Registry at a bargain basement price, as they did with Royal Mail, depriving the public purse of the true value of the asset? Even worse, we hear that the private companies interested in taking over the Land Registry have links with tax havens. It would be a double whammy: first, the Treasury may lose the revenue that the Land Registry brings in; and then, to add insult to injury, the Treasury may lose out because profits are offshored. We would lose not only the revenue but some of the tax take. As other Members have pointed out, in situations such as that with the Panama papers the public interest would be seriously hampered if FOI did not apply, as I understand it would not were the Land Registry a private company.

All in all, it would be an absolute disaster, and that is before we even come to the issue of trust. Currently, the Land Registry's customer satisfaction rating is enormously high—some 98%. People trust it because they know it is impartial, as only a Government body can be. How could we possibly guarantee that there would not be conflicts of interests if it were a private company? Then there is the issue of data protection. I am advised that there is nothing in law to prevent a private company from selling on personal data to buyers who wanted that information.

[*Nia Griffith*]

For all the reasons mentioned both by me and by my hon. Friends, I implore the Minister to think again. He should listen as well to Government Members who also have concerns. Privatising the Land Registry is simply not the right thing to do. It is not just us who are saying that. The Law Society has set out its concerns very clearly. We have already heard concerns from practising solicitors. We really must keep the Land Registry in public ownership, so that we can maintain its integrity.

1.21 pm

Lucy Allan (Telford) (Con): It is a pleasure to be called to speak in this really important debate. I thank the right hon. Member for Tottenham (Mr Lammy) for securing it, and all Members who have spoken in a very collaborative way—that is the way forward on issues such as this.

As is the case for many other Members who have spoken, the Land Registry has been an important employer in my constituency for many years. It is part of Telford's fabric and success story. As Members may know, Telford is a new town, built in the 1960s on the coalfields of east Shropshire. Today, it is a thriving, dynamic, vibrant town at the cutting edge of new technology, with inward investment and innovation, but that has not always been the case.

Back in the 1980s, when the Land Registry came to Telford, it was an unemployment blackspot. The Land Registry gave Telford a much needed boost. Throughout its history, Telford has found ways of overcoming obstacles and meeting the challenges it has faced. The Land Registry has played a really important part in that, which is why my constituents have a genuine attachment to it and a genuine concern for its future.

I have met employees and their representatives to get a full understanding of those concerns. Although some people have sought to make this an ideological and political issue, my constituents, Land Registry employees and their families are rightly most concerned about retaining jobs in Telford and securing the Land Registry's future. I share those concerns. As a constituency MP who is passionate about Telford's future, securing those jobs for Telford matters to me most. The employees I have met are long-serving, highly experienced members of staff who have gained invaluable experience, expertise and knowledge of their roles over the years. They make an important contribution to that successful business.

Telford is a great place to live and work. Businesses move there all the time. It has a unique rural-urban identity, in the heart of rural Shropshire but with a vibrant urban twist. Close to the M54, with good links to Birmingham, it has clean air, green spaces and a quality of life second to none. Most of all, it has a community of hard-working people who want the best for their families and for Telford's future. We live in a modern, changing world that will constantly evolve. Telford is used to change, and has always adapted to it, and that flexibility and resilience lie behind the success story that Telford is today. Like any successful business, the Land Registry will continue to evolve and modernise, as an efficient business.

I am grateful to the Secretary of State for Business, Innovation and Skills for taking the time to listen to me and hear my constituents' concerns at a recent meeting.

I will do everything I can in this place to ensure that Land Registry jobs stay in Telford. Although I have no ideological opposition whatever to any particular ownership structure, I could not support any sale that was not value for money for the taxpayer or risked jobs in my constituency. I recognise that no decision has yet been made. The consultation has only just ended and the responses are being considered. I do not want to get distracted by any ideological or party political arguments on this. I am sure that Members on both sides of the House agree that people and jobs are what matter, not politics.

As I have completely lost my place, I will ad lib. I once again thank the right hon. Member for Tottenham. I was slightly concerned by some parts of the motion, as over the past few weeks we have seen rather a lot of fear and scaremongering, which does not help my constituents, whichever side it comes from. I would really welcome a collaborative, cross-party approach on this, where we do not talk about dirty money, or tax havens, or the proceeds of crime—that does not benefit my constituents. I urge all Members to reflect on the fact that if we are to ensure that the Land Registry retains its current structure we must work together to urge the Government to consider all the issues that have been raised and take note of everything that colleagues have said.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I understand that the spokesperson for the Scottish National party has already spoken, so I now call Bill Esterson.

1.26 pm

Bill Esterson (Sefton Central) (Lab): Everyone who has spoken in this excellent debate has consistently come to the conclusion that the Government consultation should conclude that the Land Registry should remain in public hands, and that privatisation should be rejected. That has been the very clear message from speakers from all parts of the House. The proposal to privatise the Land Registry highlights the choice between a quick buck and long-term stability. It gives us the chance to consider the importance of an impartial register for the ownership of 24 million UK properties. It has revealed, yet again, overwhelming public opposition.

I congratulate my right hon. Friend the Member for Tottenham (Mr Lammy) on securing both the debate and such strong cross-party support. His opening remarks were comprehensive. He said that in bringing this proposal forward the Government had shown that they were itching to privatise, that the status quo had not been offered and that the proposal amounted to profiteering. I am afraid that that is very good summary of what will happen should the proposal go forward.

I will respond to some of the excellent speeches we have heard. The hon. Member for Carlisle (John Stevenson) described the Land Registry's natural monopoly and pointed out that just as we would not privatise the police service, so too this was a privatisation too far. I agree.

My right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson) talked of considerable folly. He mentioned the benefits that the people of Hull have derived from the location of Land Registry offices there, which generate Government business and deliver good, well-paid jobs, helping to replace lost industry in Hull, not least the fishing industry. The locating of the

Land Registry around the country is a good example of how Governments in previous generations have located offices up and down the country, in an attempt to devolve to and support the regions. I hope the Government will take note of his comments on the importance of continuing that policy in relation to the Land Registry, or indeed in relation to the offices of the Department for Business, Innovation and Skills, such as the one in Sheffield which, sadly, is closing. He made the point well about how Government jobs and Government offices support the economy outside London.

The hon. Member for Harwich and North Essex (Mr Jenkin) talked about the importance to any country, not least ours, of having a reliable registry, and referred to what happened in Iraq. Another hon. Member made a similar point in an intervention about what happened in East Germany after reunification. This is an incredibly important point that underlines the importance of the Land Registry and secure data to the economy and to the reliability of property title.

My hon. Friend the Member for Swansea East (Carolyn Harris) talked about the importance to her constituents of the jobs the Land Registry delivers. She also talked about profitability and the harm that privatisation would do to Government finances, with annual profit being lost to the Exchequer.

The hon. Member for Colchester (Will Quince) said that he was elected to balance the books and was against this privatisation. I am pleased that he understands the economic argument between a one-off capital receipt and a sizeable annual return to the Exchequer. If we want to balance the books, we need to keep that strong annual flow of revenue to the Exchequer.

My hon. Friend the Member for City of Durham (Dr Blackman-Woods) talked about the importance of the register as a live document of the way that transactions are always being added, and the potential danger of a conflict of interest if a private company were to take over responsibility, especially given that it is a monopoly.

The hon. Member for South Dorset (Richard Drax) spoke of the potential destabilisation of the housing market that a sell-off could cause. He said that privatisation might lead to shortcuts by a private operator that could undermine the integrity of the data. He felt that the risks of such changes were too great to be considered.

The hon. Member for Glasgow South West (Chris Stephens) said—the hon. Member for Brighton, Pavilion (Caroline Lucas) made a similar point in an intervention—that the Land Registry would not be subject to freedom of information requests. He urged the Government to abandon what he called damaging plans. I completely agree with him on that.

The hon. Member for Thirsk and Malton (Kevin Hollinrake) made the point that asset sales might cut the debt as a one-off, but that the loss of annual receipts would not help deficit reduction in the long run. I am pleased to hear Conservative Members recognising the importance of economic credibility. I thought, when he talked about BT, that he was going to recommend renationalisation, but he did not quite go that far.

Kevin Hollinrake: My point was in favour not of public ownership and renationalisation, but of the introduction of more competition into the telecoms market.

Bill Esterson: Yes, I rather thought the hon. Gentleman might say that— [*Interruption.*] The Minister correctly points out that was an opportunity for mischief that could not possibly be missed.

My hon. Friend the Member for Llanelli (Nia Griffith) made an excellent speech. She talked about the petition containing 300,000 names that was handed in to the Department for Business, Innovation and Skills. I was there with her on the day, as were a number of our hon. Friends. She rightly asked what on earth we are doing here just two years after the last attempt at a privatisation, at which time very clear and widespread opposition to it was demonstrated.

Dr Blackman-Woods: Does my hon. Friend agree that when many of us, with a whole range of organisations and unions, including the PCS, turned up at the Department, it would have been really helpful if the Minister had come out to meet some of the people who wished to hand over that huge petition? [*Interruption.*]

Bill Esterson: The Minister, from a sedentary position, points out that that would not have been him. Perhaps we can take that as him agreeing that the Minister responsible should have been there to meet us all on that day. He can choose whether to respond to that point when he replies to the debate shortly.

The hon. Member for Telford (Lucy Allan) made a point about the importance of the Land Registry's success to her constituency. That is true for each and every one of us in every constituency in the country.

The Land Registry has existed for 150 years. Currently it does not cost the taxpayer a penny. It makes a significant profit and delivered a surplus in 19 of the past 20 years. A one-off fee from its sell-off is no strategy for deficit reduction, as Conservative Members have acknowledged. It would allow for only a one-off reduction of debt. This is not an economically coherent approach to Government finances. Worse, it is cynical to pretend to taxpayers that the proposal constitutes the responsible management of the economy. I am afraid that, driven by the Treasury and the Chancellor, privatisation is exactly what the Government appear to be trying to do.

The consequences of selling off the Land Registry are far wider and more dangerous than losing a profitable public sector enterprise. Having a trusted impartial register of land underpins our economy. I do not need to repeat to Members the uncertainty and danger that has been caused by the Brexit decision that was taken a week ago. We have seen that uncertainty in the markets and it is spreading to the real economy, with job losses already announced. That uncertainty applies right across our economy, as well as to the role the Land Registry plays.

Any house that families or companies buy or sell relies on the Land Registry granting and transferring title deeds. It is the only proof of title or ownership recognised by law for £3 trillion of UK property. By virtue of it, every property sale, purchase, repossession and mortgage in the UK is carried out transparently and in confidence by the seller, buyer and lender. The Land Registry's independence is fundamental to the trust that homeowners, mortgage lenders and solicitors place in it. How could that trust remain if the very basis of that trust—the knowledge that the Land Registry is

[*Bill Esterson*]

utterly impartial—is removed? How could the Government maintain that its impartiality will remain if it is taken over by private interests?

Let us look at the potential buyers who are showing an interest. Of the private investment firms reported last month by *The Times* to be interested in running the Land Registry, all have links to offshore tax havens. That makes a mockery of the Government's claims of being serious about clamping down on tax avoidance and tax evasion. Canadian pension company OMERS, American private equity firms Advent International and Hellman & Friedman, and General Atlantic each have links to such jurisdictions, not least the Cayman Islands. When the Minister responds, will he tell us if he agrees that the Land Registry's absolute transparency and independence from private interest is fundamental to the trust placed in it by homeowners and mortgage lenders? Does he also agree that this trust would be fundamentally undermined if such firms took over? That is what people up and down the country can see happening.

Christian Matheson: It strikes me that the companies that my hon. Friend has just cited as potential owners are also all foreign based. Does he share my concern, apart from their being tax dodgers, that we should resist placing something so fundamental to the UK in foreign hands?

Bill Esterson: My hon. Friend is right. Of course, we have seen a steady direction of travel towards foreign ownership of British interests for a great many years. It is surprising that we have anything of any substance left in this country that is not foreign owned, given the way the Government proceed. He puts his finger on an important aspect of the debate and another good reason why the proposal should be turned down.

My hon. Friend the Member for Swansea East (Carolyn Harris) mentioned the timing. The way in which the Government time their announcements is normally a good indication of how conscious they are that they are on thin ice. The proposal to relax Sunday trading laws is one such example, because they slipped out that unpopular policy at the last possible moment—the night before it was debated and after legislation had gone through the Lords, where the relevant Bill started its life.

Mr Gordon Marsden (Blackpool South) (Lab): It did not do them much good.

Bill Esterson: As my hon. Friend reminds me, the approach did not do the Government much good on that occasion. I suspect, following today's debate, it is not going to do them much good this time either.

They chose to release the proposal on the Land Registry on the afternoon of the last day of Parliament before the Easter recess. Were you a cynical man, Mr Deputy Speaker, you might think that that was done deliberately to avoid attention, but of course you are not cynical, so there is no way you would think that.

The Government are fully aware that the public do not want this and that the proposal will not stand up to scrutiny. This is not the first time they have tried to railroad through Land Registry privatisation. The public

response that they received last time could not have been more overwhelmingly negative: 91% of those asked in 2014 said that privatisation would not provide a more efficient service, while just 5% thought that it would. Survation's more recent polling—not that we should necessarily believe everything we read in polls—delivered the same message, with opposition outstripping support among the public by more than 4:1. The online petition that was signed by 300,000 people was handed to BIS just the other week. Those 300,000 people made it clear within a month of the opening of the consultation that they, like many others, were against the privatisation.

If the Government think that they can mask an economically incoherent proposal with a “public sector bad, private sector good” mantra, nobody is going to be fooled. Do they honestly think that a private operator would create a more profitable Land Registry and therefore support broader economic growth? In public hands, it is generating £100 million-plus for the Treasury each year, so that simply does not stack up as an argument. The New Economics Foundation has pointed out that state assets—not just the Land Registry, but Ordnance Survey, NATS and Channel 4—are all examples of publicly owned services that are delivering lean, efficient and profitable business models. If the Government have any interest in long-term growth and stability, they should hold on to those assets, not sell them off. Securing this annual revenue is the economically responsible and more stable approach at a time when we lack the certainty on which the economy and business depend.

Do the Government honestly believe that a private operator would create a more efficient Land Registry? The Open Data Institute says that moving the body out of public hands would build barriers in our data infrastructure, reduce efficiency not just in the Land Registry but across Departments and other public services, and have clear consequences for public confidence. Do the Government honestly believe that a private operator would support a more transparent Land Registry? If it was privatised, it would cease to be subject to the Freedom of Information Act. It beggars belief that the Government can seriously suggest that, in the wake of the release of the Panama papers, it would be reasonable to pursue policies that make it easier to conceal landownership for non-doms?

If the privatisation happens, the Land Registry will go to private interests that are not subject to the same checks and balances, such as freedom of information provisions, as any remaining public sector body. As my hon. Friend the Member for City of Chester (Christian Matheson) said, we are not just talking about any private interests. Judging from the interested parties so far, these are interests that are already tied up overseas, including in tax havens. Given that we are dealing with trillions of pounds of property that underpins our whole housing sector, this can only be downright dangerous.

Privatisation would deny homeowners, mortgage lenders and buyers an independent national register of title deeds. It would be destabilising. The consultation asks how, not whether, privatisation should go ahead. We should enable the Land Registry to continue innovating, and delivering savings and revenue to the Government. It is already a success, so why does the consultation not consider the option of encouraging further improvement, development and success in our public sector, both to improve service and to generate further revenue, if that is what is driving what the Government want?

As I understand it, the Minister for Small Business, Industry and Enterprise has told constituents that this is a ridiculous idea driven by Treasury capital receipts. I agree. Labour will fight this privatisation, and I hope that the Government will once again perform a U-turn in the face of widespread pressure from professionals and the public alike.

1.47 pm

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): I congratulate the Backbench Business Committee on picking this debate. I did not get here by rebelling against the Government often, but I am proud that one of my early rebellions was in support of that Committee. It has done us a service by bringing this debate to the House. Strong views have been expressed from all parties, except UKIP, which does not seem to have a view on this, and the Liberal Democrats. I also congratulate the right hon. Member for Tottenham (Mr Lammy) on securing the debate.

I want to say something about what the Land Registry does and why it is such an important office in this country, and to touch on why it is right that the Government review the basis for investment and leadership in different parts of the public sector. I will deal with several of the issues raised by hon. Members and confirm the Government's position.

The Land Registry, as colleagues on both sides of the House have highlighted, underpins an important role of the state in keeping a safe, reliable and independent register of landownership. As every speaker has acknowledged, that goes right to the heart of our property-owning democracy. The rights of ownership of land and property and our ability as a society to enforce those rights were hard won, are much regarded around the world and are not taken for granted here. That is why the debate is important.

The Land Registry deals with more than £4 trillion of assets, with £1 trillion of mortgages depending on that clarity of ownership. Its 4,500 members of staff, to whom I pay tribute for carrying out an important function in our society, lead and manage the organisation. Accounts show that in the last year it generated £295 million of income, incurred slightly less in costs, and paid back to the Treasury a £14 million dividend—each year, it more or less turns over, washes its face and returns a small surplus operating profit. It is currently addressing issues of digitisation and efficiency, including through the much-commended map search and property alert products. It carries out a vital role at the heart of our system.

Colleagues, particularly on the Opposition Benches, have talked about privatisation, so it is worth reminding the House why successive Governments have embraced a bold programme of privatisation and the rationale for so doing. I stand as a proud member of a party that achieved much through that programme in previous decades. You do not need me to remind you, Mr Deputy Speaker, but privatisation was driven by the need to introduce competition and choice into key services on behalf of consumers, users and taxpayers; to draw additional investment into those services at time when Governments were not able to make that investment; to introduce new management into sectors of our economy that were failing, such as British Leyland and British

Telecom; and to take off the Government balance sheet chronic liabilities that they were unable to meet and deal with.

That last point was one of the original rationales for the transfer of council houses from a state that was unable properly to maintain them to the citizens, who then showed how to maintain them and have been grateful to us ever since. People forget that a large amount of money was recycled back into the housing association revolution, which led a huge boom in public housing, albeit perhaps not a big enough boom. That reform was made to deal with a serious liability and to transfer a major asset—in that case, council housing—into the hands of the people who were paying for it through their taxes, and indeed to increase tax revenues for the Government. Many people—

Alan Johnson: Will the Minister give way?

George Freeman: I need to crack on—I am sorry.

Many people, probably including many Opposition Members, would admit that it would be strange to have a society—[*Interruption.*] Oh, I have lots to say. Very few Opposition Members would today be calling for the return of British Aerospace, British Telecom, British Gas, British Petroleum, British Leyland, British Steel and British Airways. We have achieved much in recent decades. I am merely reminding the House of the arguments for privatisation made at the time. We will come shortly to decide whether they are appropriate in relation to the Land Registry.

Alan Johnson: I am grateful to the Minister for his fascinating history of privatisation. Can he explain why, when the rabid privatisers in the Conservative party were privatising all those things, they did not go anywhere near the Land Registry?

George Freeman: The right hon. Gentleman makes an interesting point. I was just setting out the reasons for dealing with sectors such as aerospace, telecoms, gas and other utilities, and British Leyland. Does anyone seriously think we should still have a car industry in the hands of the management of British Leyland? I doubt it. I merely remind the House that the reasons for those privatisations were to do with competition and choice, investment, management and the reduction of liabilities on the public balance sheet.

What would be the rationale were the Government to take privatisation of the Land Registry forward? Well, I can confirm that the Government have absolutely no plans for this. We have carried out the consultation and we are in the process of hearing, loud and clear, what is said. For those watching from the Gallery and wondering why it is even being considered, the rationale would be to create a basis on which the Land Registry, if it needed it, could raise substantial extra investment that the Government could not provide. It could be a mechanism to get a substantial injection of new leadership, to help the Land Registry to deal with the opportunities of globalisation—around the world, newly liberated and fast-growing economies and societies are looking to copy the UK model in many respects, and this might be one of them. And yes, it could be a mechanism to help us to tackle a still ongoing and chronic debt and deficit crisis, which has saddled the next generation of this country with debts. The Government look all the time

[George Freeman]

at the public balance sheet, so those are the reasons why an institution such as the Land Registry might be worth considering.

Bill Esterson: The Minister is giving reasons why the Government might look at something. If the Government do not have a view, why was the consultation framed as it was—in terms of how to privatise, not whether to privatise? Does that not suggest a fundamental commitment to the privatisation?

George Freeman: I suggest that the best indication of our commitment is what I am saying at the Dispatch Box right now. I will comment in a moment on events going on outside this Chamber, which will determine how this is ultimately taken forward.

I was making the point that the Government have carried out a consultation. It is right that, as a responsible Government, we keep under review whether and how functions that are currently the monopoly responsibility of the state can be better financed and thrive more with new freedoms, and by so doing put the public finances on a stronger footing. I merely set out the rationale on which such matters have been addressed in the past and confirm once again that the Government have no plans. This is merely a consultation. We have received no bids; no decision has been made.

Mr Lammy: When the Minister says the Government have no plans, is he in fact pronouncing on the consultation? He has heard the House this afternoon: no one has risen to speak in favour of privatisation. Obviously, one is reflecting carefully on whether to test the strength of feeling by putting the matter to a vote. It is important to understand what the Minister is saying, because the real concern is that this is a Treasury-driven proposal—that was one of the reasons he gave. If that is the case, it probably is right that the House of Commons demonstrates to the Treasury that it probably would not get the privatisation through.

George Freeman: The right hon. Gentleman is a canny parliamentary operator. Let me continue my speech and deal with the various points that have been raised, because in so doing I may be able to reassure him that this Business Minister is listening and has heard what has been said loud and clear.

Christian Matheson: I am a little confused. If the Government have no plans to privatise the Land Registry, why hold the consultation in the first place?

George Freeman: I am glad the hon. Gentleman asks that. Let me explain.

It may have escaped the hon. Gentleman's notice for the purposes of this debate that the present Government and our predecessors, the coalition Government, have had to confront a very serious crisis in our public finances on behalf of us all, but on behalf in particular of the young of this country, whose debts these are not and who did not make the decisions and are not responsible for incurring them, but who have entered a society and an economy mired in debt. That creates a situation that any responsible Government have to deal with. If the

Opposition want to form an alternative Government, they will have to deal with this question, which sits at the heart of the reality confronting any serious candidate for Government. As a Business Minister in the present Government, I would not be doing my job properly if, with my colleagues, I did not keep under review the functions that we currently carry out within Government and ask whether there is a way to put them on a footing where they can raise the investment they need off the public balance sheet and attract stronger and better management—Whitehall is not always the best place to manage every function in the state. We have to be creative about how to generate more revenue, so that we can support higher quality services for UK customers, citizens and taxpayers. I do not think a modern Government would be doing their job if they did not ask those questions.

A Government also have to consider the points made by parliamentarians and take into account the issues that might arise from such a move in terms of the delivery of the service. That is what the Department is doing right now. We are considering the responses to the consultation and the submissions made today in this debate, which is why I thank the right hon. Member for Tottenham for securing it. Let me reply now to the points raised.

The right hon. Gentleman spoke about the public concern and questioned the motive for having the consultation. I hope I have dealt with that: there is no illegitimate motive. It is appropriate for a Government to ask the question. He made a really important point, which others have echoed, about transparency. The register sits at the heart of our democracy because it is a register of land ownership. It is important that it is transparent and interrogatable and that people can see that it is.

The right hon. Gentleman raised the need to ensure that the operating surplus is reinvested and to allow the organisation to grow and develop. The right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), who was very amusing in his summary of the quinquennial reviews that plague all Governments, asked the important question: what is the compelling case for this? I have tried to set out the bones of what a case might be; whether it is compelling or not, it is required to be considered alongside the other points that are being made.

My hon. Friend the Member for Harwich and North Essex (Mr Jenkin) made an interesting speech. As he pointed out, he is someone who one would normally expect to be on the barricades for more privatisation. Indeed, he was a great champion of it in decades past. He made the point that this is critical infrastructure and goes right to the heart of our ability as a society and a political economy to keep track of our land rights.

Issues were raised about integrity, stability and the importance of open data and transparency. I am the Minister who, with other responsibilities, is in charge of ensuring that the country is able to use our health data to modernise the NHS, to attract the investment we need in new medicines, and to make the NHS and the UK world leaders in developing new medicines. We are absolutely clear that, in doing that, one of the things that we will not do is sell any state or private data. We are building databases on which industry can work with us to interrogate the conditions for new diseases, but we

are seeking to take royalties and rights from commercialisation to put that money back into providing additional services. However, we are absolutely clear that it is a reference library, not a lending library. That principle of not selling core data is important. We want data to be open and used to support innovation and greater research. I know that my hon. Friend cannot be here for my speech; he did give me his apologies—he had to be somewhere else.

My hon. Friend the Member for Carlisle (John Stevenson), a solicitor himself, who has used the Land Registry and indeed relied on it, was pretty powerful when he referred to this as a privatisation too far. My hon. Friend the Member for Colchester (Will Quince), who has been a property lawyer—once a property lawyer, always a property lawyer—made a similar point and echoed the concerns, referring to this as potentially anti-competitive and said that he would have concerns on those grounds.

My hon. Friend the Member for South Dorset (Richard Drax) raised a chuckle or two when he referred to his belief that every Englishman's home is his castle. He referred to this as quasi-judicial, which may be a reference to the name of the new Lord Chancellor in the next Administration, but he talked powerfully about the Government having bigger fish to fry. He is right that any Government formed to deal with the scale of the ongoing crisis, which is affecting this economy and others across western Europe, with ageing societies, the need to reform and update our public services, and to get rid of deficits and to pay off the debt, will face substantial issues, and this is one small part of looking at how we can refresh and modernise our approach to 21st century Government.

My hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) made a powerful point about this debate being something of a symptom or an emblem of a new politics and mentioned our late, much lamented and respected colleague Jo Cox, whom I suspect would have spoken in the debate with her much respected blend of passion and local responsibility. She would have spoken for her constituents. My hon. Friend made the point that if any reforms were to be put in place, it would be important not to make the mistake of creating a private sector monopoly. That is partly why I repeated the rationales for those early privatisations. They were never about creating private monopolies; they were about choice and competition where those would be advantageous for the consumers and users of the service. My hon. Friend the Member for Telford (Lucy Allan) powerfully endorsed those points.

I am conscious that the House's time is precious. Although I would love to stand at the Dispatch Box all afternoon and talk about how we might embrace more interesting, bolder and innovative models for delivering private and public sector innovation, I am conscious that colleagues are distracted by events beyond this Chamber. *[Interruption.]* I assure Members that whoever it is, is not behind me, in more ways than one.

I confirm that the Government have merely consulted in the last few weeks and months on this question; for the avoidance of any doubt, I also confirm that no decision has been taken and that Ministers are listening carefully to the views that have been expressed. As a Government we have a serious responsibility to ensure

that we constantly keep under review the arrangements we have in place for the delivery of services such as these.

As my hon. Friend the Member for Colchester said, we were elected on a mandate to balance the books. That requires some careful judgments about the timing and the way in which we do it. My ministerial portfolio is all about driving a different model of innovation between private and public, working together and ending the apartheid of private productive and public not; I do not think that that is appropriate or sensible for 21st Government. We need to find ways of working together. It is right that we constantly look at these issues. Colleagues have touched on a range of different models. Were one to look at taking forward a way to put the Land Registry on a footing that allows it to invest faster, to develop new services and new leadership and to tap into global markets, one could consider a range of models, including mutualisation and the new structures that are being developed.

We have heard the concerns expressed in the House loud and clear. Others elsewhere, in those other rooms I referred to, will determine in due course what the Government will decide to do in this case later in the year. I am aware, as all of us painfully are on the Government Benches, that the majority is 12. It does not require many people to take a different view from the Government of the day in order for us to assess the likelihood of getting a measure through. I have no idea what those currently looking to form the new Administration will want to do when they are in office, but anyone listening to the debate will have heard loud and clear the view of those who have spoken on both sides of the House. If anything is to be done to look at the future of the Land Registry, it will need to be clearly focused on solving particular problems that exist today and dealing with specific issues that need to be addressed. I think it was one of the Members on the Opposition Benches who said, "If it ain't broke, don't fix it." The right hon. Member for Kingston upon Hull West and Hessle called for clarity on what the case would be. I hear him loud and clear. We would need to set out clearly the problem that we were trying to solve to take the matter forward.

I hope that I have addressed the points that have been raised. I again thank the right hon. Member for Tottenham for securing the debate.

2.7 pm

Mr Lammy: This afternoon, the strength of feeling in the House has been conveyed. Across the House, there is opposition to the privatisation of the Land Registry. I think we can describe the Minister as one of the Government's more eloquent junior Ministers. I think he acknowledged that he was making a case for looking at the matter, but that he clearly had not made a compelling case for privatising it. He used phrases such as "listening very carefully to the House" and "merely looking at it." On that basis, those who read the debate in *Hansard* and reflect on what he has said and on what he has not been able to say in any convincing form might conclude that it is unlikely that the Government will move forward in this way. Certainly with the majority as it is, it is clear that the Government would not command the strength of the House. I hope that the debate gives some comfort to those deeply concerned

[Mr Lammy]

across the country and to those who work for this great institution. With that, we can perhaps move on to the next debate.

Question put and agreed to.

Resolved,

That this House notes the important role the Land Registry plays in registering the ownership of land and property in England and Wales; further notes that the Land Registry has made a surplus in 19 of the last 20 years and paid back £120 million to the public purse in 2015 alone; believes that any privatisation of the Land Registry will have serious consequences for transparency and accountability in the UK property market and hinder efforts to crack down on corruption and money entering the UK property market via offshore jurisdictions; expresses grave concern that all the potential bidders for the Land Registry have been found to be linked to offshore tax havens; notes that the Government has acknowledged that property can provide a convenient vehicle for hiding the proceeds of criminal activity; notes that the Prime Minister stated in July 2015 that there is no place for dirty money in Britain; regrets the Government's decision to seek short-term profit at the expense of the public interest; opposes the proposed privatisation of the Land Registry; and calls on the Government to reconsider that proposed privatisation.

Bank Branch Closures

2.9 pm

Christian Matheson (City of Chester) (Lab): I beg to move,

That this House is concerned about continued bank branch closures and the damage that this causes to local communities, small businesses and the welfare of senior citizens; and calls upon the Government to help maintain access to local banking.

The motion stands in my name and those of the hon. Members for Wells (James Heappey) and for Ceredigion (Mr Williams). This has been very much a joint effort and I pay tribute to them. I would like to thank the Backbench Business Committee for the opportunity to bring this motion and debate before the House today. When the three of us approached the Backbench Business Committee, hon. Members serving on it graciously offered us the day of the local elections as a possible occasion. Knowing that there was wide support for the debate and not wanting it to get swamped by external events, we declined and asked for a later date. That worked out well, didn't it?

I have a smartphone in my pocket that has an app—let me explain to more senior hon. Members that that means an application—through which I can access my banking services, pay my bills, check my balance and transfer money between my accounts, none of which, I hasten to add, are sited offshore. I can probably even apply for a loan. Banking is changing, and in many ways it is becoming more convenient and perhaps changing for the better.

Convenience, however, does not rely solely on the possession of a smartphone. The physical presence of a bank is still important. Today, I shall not call for a halt to all technological advances in banking. I do not want to go back to the days of accessing cash by having to cash cheques in a branch, and I certainly do not want to go back to the days of using credit card devices that the shopkeeper used to have to fill in by hand and then run a mechanism over to print the credit card details on carbon paper.

Albert Owen (Ynys Môn) (Lab): In my pocket I have a cheque book and a mobile phone, but when I go to the bank, I do not have much of a choice when it refuses to provide many services. The serious point is that many places in my constituency do not have a mobile phone signal, so people face even greater limitations on how they can provide or access services.

Christian Matheson: My hon. Friend makes an extremely useful point, and if he will bear with me, I may come on to say more about some of the areas that are suffering the most from these bank closures.

As my hon. Friend has perhaps alluded to, we need to recognise that for many—the elderly, people with caring responsibilities, and small business owners—high street banks' programmes to close many of their smaller branches and centralise everything in the centre of large towns create havoc for individuals and businesses and damage local communities.

My interest in this issue was prompted by a spate of branch closures in the Hoole area of Chester. Last summer, NatWest announced it was closing its branch there. The excuse was that the branch was underused.

Yet I and my team undertook a scientific survey of usage by standing outside and counting people going in over several hours that flatly contradicted the suggestions made by NatWest. HSBC had already gone in Hoole, and it was followed more recently by Lloyds, leaving only a Barclays branch as the so-called last branch in town. Bank branches around Chester had been closed previously, including in the Boughton and Saltney districts.

All our banks are now in the centre of Chester, which has several profound effects. First, it increases traffic into the city centre. Ours is already a congested city built on the beautiful River Dee, but when the Romans founded it and when it became a bustling market town in the middle ages, nobody thought to design it with the needs of 20th and 21st-century car use in mind. Keeping satellite branches is, strangely, good for the environment. More importantly, satellite branches support local businesses.

Nia Griffith (Llanelli) (Lab): My hon. Friend hits on the point that it takes up a lot of small businesses' time if, instead of banking locally, they have to go to another town where the traffic is piling up. That is the complaint I have heard from people in Cross Hands because that is what they will be forced to do when their bank closes.

Christian Matheson: I thank my hon. Friend for her intervention, and I was about to make exactly the same point.

People drop into shopping areas such as Hoole to go to the bank and then perhaps to one of the local shops. Incidentally, Hoole recently won the outstanding award from the "Great British High Street" awards, for which I thank the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones). I would be grateful if the Minister passed on my thanks to him.

The bank is very much part of the ecology of the local high street. If we take it away, we damage that ecology and the other small businesses that rely on it for increasing custom, as people pop to the bank and then to one of the small shops. We rely on it, too, to provide easy access to banks for small businesses, as my hon. Friend the Member for Llanelli (Nia Griffith) pointed out. Small businesses feel able to put up a small "back in 10 minutes" sign on their door in the middle of the day as they pop down to the local bank to get change or pay in money, but they would not feel able to put up a "back in two hours" sign if they were they forced to go into the city centre of Chester or indeed any large town. It is tough running small businesses and time away from the shop is business time lost.

For all the advantages of internet banking—and there are many—the blunt truth is that a small business cannot pay cash into the bank through a laptop computer. I cannot help but wonder whether all of this is made worse because of the advertising these banks use. No wonder HSBC moved away from calling itself "the world's local bank"; yet we still have Lloyds bank saying that it has been "by our side" for 250 years—at the same time as it closes its Hoole branch. It is not by our side any more in Hoole, I am afraid. The very untruths of the advertising campaigns, claiming to be local and supportive of local small businesses, while making access to branches harder, exacerbates the crisis that we face—and it is a crisis.

Reuters reported last week that 600 branches closed in the 12 months to April this year. There is a social division in these closures. It says that more than 90% of the closures were in areas where the median household income was below the British average of £27,600, according to an analysis of Office for National Statistics data on average incomes in the locations where branches were closed. By comparison, five out of the eight branches opened by these banks over the same period were in some of the wealthiest neighbourhoods in Britain: Chelsea, Canary Wharf, St Paul's, Marylebone and Clapham, all districts in London. That is right: despite the onward march of technology, banks are still opening new branches, but in highly affluent areas.

The Reuters report cites concerns from campaigners that

"banks are cutting too fast in places where people are less able to fall back on digital banking services because of a lack of access." That reminds me of the words of my good friend the hon. Member for Ynys Môn (Albert Owen) about the different ways in which access to banking services might be prevented. Problems can be caused by people's finances, the lack of physical access or the inability to use the internet. The report quotes Fionn Travers Smith of Move Your Money, which campaigns for ethical banking. She says:

"We are witnessing the creation of a dual financial system: one for the middle class and wealthy and another for the poor."

Indeed, I have found that one of the groups to be hardest hit by the recent closures in Chester are pensioners, not necessarily the most tech-savvy group—although I do not want to make assumptions—who now have to make the journey into the centre of my city.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): On that point, I have been dealing with a constituency case in which a couple were conned out of their life savings—some £50,000—in a sophisticated telephone and online scam. Does the hon. Gentleman agree that forcing people to adopt these services rather than giving them the option of over-the-counter services serves only to enable organised crime and scams?

Christian Matheson: I have to say that the thought had not occurred to me, but I think that dreadful case illustrates a problem on which we should all focus. We can have a lot more confidence in dealing with a bank when we are inside a physical bank and dealing with an individual as opposed to being subjected to one these terrible scams. I am most grateful to the hon. Lady for bringing that awful case and awful problem to our attention.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): The trend is towards bank branch closures, and we tend to see that more in areas of deprivation and of the greatest need. Given that in these areas people often face high interest rate alternatives, does my hon. Friend think that we should hear more from the Government about how they intend to create more responsible finance options in areas where bank branch closures are happening—such as more support for credit unions and for community banks, of which there are a number in the UK?

Christian Matheson: My hon. Friend has a long, proud and honourable history of working within the co-operative movement, and he is an expert in this area.

[*Christian Matheson*]

I intend to touch briefly on the role of credit unions as I progress through my speech.

Let me return to the problems faced by pensioners in accessing bank branches. I realise that this is not necessarily the responsibility of the Minister who is present, but at the same time as branch closures in the satellite districts are forcing people into the town centre, privatised bus companies are cutting the bus services on which pensioners rely more than any other group in society, this making it even harder for them to make that journey into the centre.

It is clear that local post offices have taken up some of the demand. Members, both current and previous, have fought long and hard against the closure of those post offices, whose continued existence has been aided by their provision of banking services. I am pleased that they have that role, but it does not constitute a suitable total replacement,

I suspect that Members may criticise the banks for the manner in which they undertake their closure programmes. I, too, am critical of the seemingly hasty and often desperate way in which those programmes are conducted, based solely on cost-saving and with no eye to service. Today, however, I want to be positive, and to propose a new solution which I hope the Minister will consider.

My suggestion is that high street banks should come together where they are closing branches to form local banking hubs. In other words, they should maintain provision on local high streets, as opposed to major town centre high streets, in shared premises and with shared costs. They could provide the automatic paying-in and cash withdrawal machines that we see in bank branches now, along with, perhaps, booths containing phones so that clients could contact bank call centres if necessary. As was suggested by the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier), it might also be helpful if staff were present to assist.

I accept that there are technicalities to be resolved—who would employ the staff, and who would own or lease the properties?—but today I am concerned only with floating the principle, and, indeed, it is not my role to be prescriptive to the banks about the specific business model. It is possible that various models could be tried and tested, and I wish to offer Chester as a test bed where the banks could come together and provide a model community banking hub. Perhaps Chester's credit union could be involved as well.

Let me therefore throw down the gauntlet, and challenge the banks to take my proposal seriously. I invite them to come to Chester—or Wells, or Aberystwyth—to set up a joint hub, and give it two years to see if it works. That is a serious offer, and I will help the banks to make a success of it in my patch. Either that, or they should stop using advertising that suggests that they are more human and accessible, while continuing to close local branches and make access harder. Banking is a private sector business, but it is also an essential service. A bank is an essential part of the local high street ecosystem. There must be no more cavalier closures of branches which, in turn, damage the local economy: banks are too important for that. In 2008, we learned that some big banks were—apparently—

too big to fail. Perhaps the message today should be that some local banks are too important to local communities to be allowed to close.

2.23 pm

James Heappey (Wells) (Con): I join the hon. Member for City of Chester (Christian Matheson) in thanking the Backbench Business Committee for awarding us the debate. As he says, people should not mistake the sparsity of Members in the Chamber for a lack of enthusiasm for this cause. Many of my colleagues have told me just how significant it is to their constituencies, and it is just a shame that, for Members on both sides of the House, there are some distractions at the moment.

The issue of bank branch closures is gathering pace. There were 222 in 2013 and 681 last year, and given that there have already been 333 this year, it appears that the pace will quicken still further. The issue was drawn to my attention in my constituency by the fact that there are too many empty buildings on our high streets which used to be banks. There have been closures in, for instance, Wells, Shepton Mallet, Burnham-on-Sea and, most recently, Glastonbury. I pointed out during Prime Minister's Question Time some months ago that there was still a chance of saving at least one of Glastonbury's banks, but all four of them went in one year, and three within 14 weeks. Today's debate is timely, because the following week there were 200,000 people in fields not far outside Glastonbury. The idea that the town does not have a single bank must seem quite remarkable to all Members.

The Last Bank Standing campaigners in Glastonbury have fought their corner in a formidable fashion. You will be entertained to learn, Mr Speaker, that when Lloyds closed, it marked the closure by putting a mock-up of a black horse in a coffin, feet up, and marching it out of the town in a funeral procession for banking. I am not sure that those in the bank's PR department were particularly enthused by that. The sad reality is, however, that no matter how hard the campaign group worked to save those banks, their work was ultimately to no avail.

Having just embarrassed Lloyds, I will now praise NatWest, which saw an opportunity to take a mobile bank into the town occasionally. That service is very welcome and many people value it, but it is there for only an hour or two a week. The community is now, very creditably, considering the options for a credit union or community bank, but the hurdles are significant. It is extraordinarily difficult for a community to establish something that is not just a credit union for the purpose of saving, but a bank with functionality.

I do not think that it should have been possible for a town the size of Glastonbury, with such a vibrant economy, to lose all its banks. That suggests to me that the access to banking protocols that were agreed during the last months of the last Government are simply not doing the job that they were intended to do. I shall return to that point later, but one of the challenges posed by the protocols is the requirement for community impact statements to be produced, and in those statements the usage of the banks is hotly contested. The banks say one thing, and campaigners say another. When the Federation of Small Businesses surveyed businesses in the Glastonbury area that were using local banks, 750 of them responded. Glastonbury contains only about

10,000 people, but it serves a much wider hinterland. How extraordinary it is that 750 businesses should reply to a survey entitled “Glastonbury Bank Closures”! That tells us just what an important issue this is.

There is also the challenge of rurality. There are transport links in areas such as mine that do not allow people to travel freely from one town to another to do their banking when the bank on their high street has closed, and the people whom that disadvantages most are the most vulnerable and the isolated in our society.

Mr David Lammy (Tottenham) (Lab): The hon. Gentleman has just made an excellent point, but may I ask him this? Given the iconic status of Glastonbury, and given the problems that clearly existed before the last branch closed, did the bank bother to consult him before making its decision, or was he presented with a fait accompli?

James Heapey: To be fair to the banks, they did write to notify me of their decision, and the more noise I made in the media, the more willing they were to meet me here to discuss it. However, the right hon. Gentleman would be right to suggest—and I would agree—that it was not exactly a process whereby the local Member of Parliament was encouraged, as a representative of the community, to take soundings on what was actually of value to that community. It was more about assuaging my fears and trying to persuade me that various steps were being taken in mitigation.

I was talking about the vulnerable and the isolated. There are certain things that draw the elderly, in particular, out of their homes over the course of a week, such as going into town to do their banking and to visit the market and the library. When banks are removed from towns and people are told, “We will teach you to be better at using a computer”, that is all well and good, but it does not alter the fact that, for some, that journey into town will have been their interaction with the outside world for that week.

Moreover, digital exclusion is a real problem, in two respects. First, there is the issue of competence. There are people who are just not very good at handling their affairs over the internet. There are people who have been doing things in the same way for a lifetime, and who do not trust the process of putting their financial affairs in the hands of electrons on a screen. They want to give their money to a person over a counter, and see it locked away in the drawer and on its way to the bank’s vaults.

Then there is connectivity. I know this is not a rural-urban issue and I know that the Government’s broadband roll-out programme is making great advances in areas like mine, but the reality is that these banks are closing more quickly than the broadband network is being improved and so even those who are willing and able to do their banking online are not always able to do so.

Albert Owen: The hon. Gentleman is giving a very eloquent description of his area’s situation, which I am sure is mirrored across the whole of the United Kingdom. What he is suggesting is that there is no joined-up thinking. We have one Department—BIS—that is responsible for one area and the Department for Culture, Media and Sport responsible for another. There is also a survey by Government to retain and regenerate town

centres, which has been ignored, because the hon. Gentleman highlighted four empty buildings in his relatively small town.

James Heapey: I am grateful to the hon. Gentleman for his intervention. While of course the Treasury will have an interest in the provision of banking, DCMS will have an interest in the provision of broadband, and the Department for Communities and Local Government and perhaps the Department for Environment, Food and Rural Affairs might concern themselves with the overall impact on the viability of communities in both rural areas and towns.

I am also concerned about the capacity of the post office network to pick up the slack. They are offered again and again as the route out of a bank closure, yet too often there are reasons why the Post Office cannot do more, and I will come to that shortly.

Finally, there is the availability of free-to-use ATMs in our town centres. Replacing an ATM outside a bank with something we need to pay a few pounds to use is not fair on the community that then finds itself needing to access its cash at that expense.

Mr Gareth Thomas: In the United States, when banks take significant deposits from particular communities, they are required by regulators to demonstrate that they are offering significant financial services to those communities in return. Does the hon. Gentleman think that such a requirement might have meant that his Glastonbury constituents might have had some confidence that the banks were at least going to help a credit union or community bank to get up and running, to offer an alternative service if those banks were still determined to leave?

James Heapey: The hon. Gentleman steals my thunder, because I had indeed read Congress’s Community Reinvestment Act and I think there are some very interesting things in it. For the benefit of Members who might not be familiar with it, it does exactly as the hon. Gentleman suggests: it is a safety net that means that those getting a banking licence in the United States can of course bank in all the affluent areas, but they are also required to offer equal access to banking in less affluent areas, and there are ways to make sure that that is happening, which the Government may wish to consider.

The hon. Member for City of Chester (Christian Matheson) picked up on the very worrying Reuters research reported by Andrew MacAskill and Lawrence White. I hope that the Treasury is aware of it. That 90% of closures are in areas where the median household income is below the national average is deeply suspicious and I am sure cannot be just a coincidence. It concerns me enormously that the two banks that have closed the most branches since 2008 are those that benefited the most from the bail-out by the hard-working taxpayers whom they have subsequently turned their backs on. As a good Conservative, I do not propose to advocate interference with the business plans of those banks, but I do think it is important to make sure that they are not focusing their branch network on the areas where they can make the most cash, when the nation collectively bailed them out not so long ago.

Worse still, as those bank branches close—we are now down to fewer than 9,000 branches on UK high streets—payday lenders are opening branches at an alarming rate. I draw no connection with the fact that

[James Heappey]

payday lenders are targeting high streets where the conventional banks have gone. However, if the Reuters research is correct and the banks are closing at a quicker rate in less well-off areas and the payday lenders, as we know, are targeting the very same areas, it bothers me enormously that on those high streets there is no access to proper conventional banking products but plenty of access to payday lenders. I am not sure that that is socially just and it must be a concern for us all.

The impact on small businesses is significant. Representatives of the Federation of Small Businesses met with me at the Royal Bath & West Show, having heard that this debate today had been granted, and were falling over themselves to say that they would be able to provide me with information. They have been hugely helpful. The reality is that the bank branch network is most valuable to small businesses. Yes, we must worry about the vulnerable and the isolated, but they are a relatively small number of those who need to access banking. It is the small business community that has no other choice. Small businesses rely on cash, and sometimes they have no other staff.

Glastonbury is a great example of a high street where there are lots of small shops. If you are in the market for all sorts of crystals or joss sticks and everything else, Glastonbury is the place. There are dozens and dozens of tiny shops that have only one person working in them at a time. So when the moment comes in the afternoon to clear out the till from that day's takings and leave just the float for the next day, the shop must close. A year ago, the person would run round the corner, do their banking and then be back in the shop about 15 minutes later, and that was all the custom they lost. Now, unless they are fortunate to bank with one of the banks with which the Post Office has agreed full functionality, they must get in their car, or on the bus, and travel a few miles away and potentially be closed for an hour. It is unworkable. The travel is simply not an option for them and digitisation will not change that. People going into small shops such as these, where they are buying knick-knacks—I am sure *Hansard* will enjoy that term—for relatively small amounts of money, will invariably pay in cash.

The Competition and Markets Authority has also done some research, and has found branch convenience to be the second most important factor when choosing a bank. Some 84% of respondents classed bank branches as important to their business. Further research by McKinsey found that one third of small and medium-sized enterprises use bank branches at least once a week, and 52% of respondents to the FSB rural banking survey said that they communicate with their bank in branch and three quarters said that if they still had a branch they would prefer to be doing their communication there, face to face. It is important to state that what they are concerned about is not just their ability to bank in cash; they are also concerned about that relationship—their ability to informally access advice from someone in a branch who understands the business climate in their area. That is being taken away from them. They want something that is tailored, trusted and freely available from somebody they know and who lives and works amongst them, rather than somebody on the end of a phone in a call centre located who knows where.

The basic backing that is required for business is coming; this process is not entirely without mitigation. There is greater online functionality—the ability to pay in a cheque by taking photographs of it on your smartphone and so forth is all great. The arrival of smart ATMs that will be able to process cash deposits is also very welcome. G4S—who we remember from the Olympics—now says it will drive around and collect people's cash from them and return cash to them; businesses can make their own minds up about that. But the reality is that whatever G4S may or may not do and however brilliant smart ATMs may be, their roll-out is not happening before these branches close and, as a result, communities are being left with a gap.

As I have said, the post office network is the alternative. The Post Office is enthusiastic about the opportunity, of course, as it is a significant opportunity for it as a business, but the banks cannot have it both ways. If post offices are going to be offered up as the alternative when a bank branch closes, the bank must be willing to surrender full functionality to the Post Office so that businesses and private users are able to access the full suite of banking services. As I understand it, the banks are offering up post offices as an alternative in their community impact statements, only to say subsequently that they will not give up those functions to the Post Office because they are worried that it will steal their business. I believe that if they are worried about losing out to the competition in that town, they should stay in the town. If they have made the decision to leave, they should accept that they need to surrender some of the functionality so that their customers will have the mitigation that the banks have promised in their community impact statements.

Some anomalies have been identified. It is rumoured that there are issues over the limit on the amount of cash that the post offices are willing and able to deal with. That limit clearly needs to be removed. If someone with a small business has a monster day of trading, they need to be able to go round the corner and pay in the full amount that is in their till rather than having to sleep uneasily that night through worry that a great day's take is still in the shop. There is also an issue over paying-in slips, which we must surely be able to get over. The banks need to sit down with the Post Office to ensure that post offices are fully able to deliver the banking the businesses need, not just the bits that the banks will allow them to deliver.

The Government obviously also have a part to play in this. The Post Office's arrangement with the Government is up for review in 2018, and I know that the Minister will speak forcefully in that renegotiation to stand up for the needs of the banking community, given how important post offices are becoming to communities around the country for the purposes of doing their banking.

My asks to the Government also include, first, that the access to banking protocols review should be thorough and candid. Community impact statements are too debatable, as I have said. The transport data that are used in them are too often inaccurate, as are the data on the number of people using a branch. Banks say that regular users number a couple of dozen, but campaigners standing outside the branch counting people in and out say that there are many thousands. The catchment areas are shrunk right down almost to the postcode in which

the branch is situated, yet the reality is that they serve a rural hinterland that is much larger. *[Interruption.]* I will be about one minute, Mr Deputy Speaker, if you will indulge me. The connectivity issue is also often not fully understood in the impact statements.

When I spoke to Messrs MacAskill and White from Reuters, they told me that it was extraordinarily difficult to access the data on what had closed and where since 2008. If their research is right, this is happening disproportionately in poorer areas, but I am sure that the banks will want to make it clear that that is not the case by publishing their data in full. I am sure that the Government will be keen to check the data and we in this House will also be keen to know that that is not the case. This is a simple matter of fairness. People value their access to a bank. There are many reasons why the access to banking protocols need to be strengthened, and I am sure that the Treasury will take note of this debate today.

2.42 pm

Mr David Lammy (Tottenham) (Lab): I congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Member for Wells (James Heapey) on securing this important debate and echo the concerns that have been raised. Looking at the evidence, it appears that the Government lack the political will to hold the banks' feet to the fire. What happened when a review into banking culture was announced? It was quietly shelved a few months later. What happened when branches were closing down at a rate of almost two a day in rural communities and deprived areas across the UK, affecting local businesses, the elderly and the disabled? Very little indeed. And what is happening when banks renege on their promise to retain the last bank in town, meaning that 1,500 communities have lost all their banks? Absolutely nothing.

It does not strike me as fair that ordinary people are paying the price for the failure and mistakes of banking executives. Those ordinary people have been good to the banks. They have loyally paid in their savings month after month. They have taken out their mortgages with their bank. In the cases of Lloyds, Halifax, RBS and NatWest, they have bailed them out after the banks got themselves into trouble during the financial crisis. The banks have got themselves into trouble time and again, lurching from one scandal to the next, by aiding and abetting clients who want to avoid paying their taxes, fixing the LIBOR rate, money laundering, mis-selling PPI—the list goes on. Barclays, HSBC, Lloyds and RBS have been hit with fines of more than £55 billion since 2010, and that figure is set to rise to £75 billion by the end of next year, but who takes the hit? Their customers, whose views and needs are completely disregarded by the banks' management teams.

It is not as though there is no evidence to tell the banks that their customers value their local branches and want them to remain. Research from the Competition and Markets Authority in April 2015 found that 63% of current account customers felt that having a convenient local branch was either "essential" or "very important". Research conducted for TSB in June found that 69% of people believed it was important to have a bank branch close to where they lived. Just because more people are repaying small debts to friends or carrying out basic money management online or by using an app on their

phone, that does not mean that branches are becoming redundant—far from it. The Social Market Foundation has found that, when it comes to big financial decisions such as taking out a loan or a mortgage, or seeking financial planning advice, the majority of consumers still use bank branches. In these troubled economic times, ordinary folk want to be able to go into their branch and get good advice so that they can properly plan their finances, but in towns, villages and cities across the country, that is soon going to be nigh on impossible. That is why this debate is so important.

Banks are disproportionately shutting up shop in lower income areas. Indeed, 90% of the 600 branch closures between April 2015 and April 2016 took place in areas where the median household income is below the average of £27,600 a year. Move Your Money has told me that, far from responding to demand pressures, the major UK banks are simply closing branches in poorer areas and opening or retaining them in more affluent ones. We are seeing the creation of a dual financial system in all but name, with one section for the wealthy and the middle classes, and another for those on low incomes.

The University of Nottingham has found that the least affluent third of the population has borne the brunt of two thirds of the total closures since 1995. Indeed, the rate of closures experienced in traditional manufacturing and inner-city areas is 3.5 times higher than in areas defined by academic researchers as middle England—mainly suburbs and small towns. It is therefore a cruel twist of fate that those who are most likely to be adversely affected by branch closures are the people living in those areas in which most closures are happening. Do we really want this country to become like some areas of the United States where those who are already deprived and poor are bereft of quality financial services and left to flounder? Again, that is why this debate is so important.

I know the situation to be true because earlier this year HSBC decided to close its branch on Tottenham High Road after almost 100 years. That followed the closure of a branch of Barclays the year before. In just two weeks' time, that HSBC will close its doors for the last time. My constituents have been told to travel to Southgate if they want to access a branch, but the journey takes at least 45 minutes by bus. What is the impact of that closure on the elderly? What is the impact on the disabled, the vulnerable and local traders who rely on such branches? I am appalled that HSBC's management did not feel it appropriate, or even a matter of common courtesy, to consult the local Member of Parliament, the local authority, councillors or the community before making that decision.

The situation is an outrage because my constituency is a target regeneration area for the Government and the Mayor. The Treasury has underwritten regeneration in Tottenham to the tune of £500 million. We have Spurs—the best premiership football club—building a new stadium in the constituency, yet the bank did not think that it was worth picking up the phone and calling the local authority leader or the local MP to say, "We are thinking about this. What do you think? What will the High Road look like in the months and years ahead?"

Mims Davies (Eastleigh) (Con): The right hon. Gentleman is making an important speech about the value of banks to our communities. Barclays and HSBC

[Mims Davies]

have contacted me about closures in Hamble and Hedge End respectively. In my experience, there is no point hearing from them because they have already made up their mind. The situation is difficult and disappointing for my elderly, vulnerable and, perhaps, non-internet-savvy residents.

Mr Lammy: The hon. Lady makes an excellent point; that is also my experience.

I am talking about consultation with democratically elected people. Banks certainly ought to speak to the local authority leader before making a decision to say, "We're thinking about it. What do you think the impact might be?" All of us, as professionals and Members of Parliament, are used to having private, confidential conversations every day of the week. We are sometimes able to say, in private, "Have you thought about this or that?" We can talk about the future economic context of a community of which the bank may not be aware. But there was none of that; I was presented with a fait accompli. Frankly, HSBC was patronising.

When I was a 16-year-old with what felt like very little prospects way back in the mid-1980s, I got a little job over the summer holidays in that local HSBC branch—it was then Midland Bank. I feel personally affronted that the bank where I saw my first prospects, and where I had put on a suit and thought that I might have serious job one day, is to be shut down without HSBC even thinking of consulting me. It meant a lot in the local community that I used to work in the bank, but HSBC was not interested. That is what big banking has come to in this country after all that we have paid in. I am frankly appalled by HSBC's behaviour.

Given that the Government talk about being a friend of small business and the high street, it is important that they think carefully about this issue. In June 2014, research by YouGov for the British Bankers Association found that over 50% of people see a branch as important, with that figure rising to 68% for SME customers. The impact of branch closures goes far beyond local businesses having nowhere to go to get credit or to do their banking. The consequences are grave for the whole high street.

Local retailers are hit hard by the fact that customers go elsewhere when they do not have easy access to cash, which is still the preference for many, despite the rise of chip and pin and contactless payments. Cash still accounts for 46% of high street sales, with that figure rising to 75% in newsagents and convenience stores. On average, local ATMs inject some £16 per withdrawal directly into nearby stores, which amounts to £36 billion a year. More than a third of total high-street spending is contingent on the ready availability of cashpoints.

I was told by HSBC that one reason why it was closing my local branch was footfall on the high street. I pointed to the fact, which it had seemed not to realise, that we had had riots just a few years before and that we had found wonderful businesses that wanted to support the high street, not desert it, as it made its way back from the riots. Given that this bank was meant to be one of our national institutions, citing footfall as its reason was deeply painful to my constituents.

In tough times, people remember who their friends are. The banks should think carefully about their customer base and how their customers feel when banks desert a

community that has already been through the mill and is trying to build its way back. I think of parts of this country that not so long ago had floods, for example. It takes a long time for a high street, a village or a town to get over a flood. Are the banks going to blame lack of footfall and say, "Things were a bit depressed for a few months so we just couldn't stand by you. We're disappearing"? Customers have stood by them, so it is about time that they grew some, as my mum would say, and stood by the community.

Mr Gareth Thomas: Can I tempt my right hon. Friend to agree that perhaps part of the solution would be more action by regulators and the Government to encourage different kinds of banks to emerge—banks that are profit-making, but not necessarily profit-maximising? Many banks, including those he has listed, will always face pressure from shareholders, in their management's view, to reduce costs. Bank branch closures are always likely to be among the options available, so perhaps a different kind of bank is necessary.

Mr Lammy: My hon. Friend is right. The House will recall the hugely important role that building societies played in local communities 20 years ago. We destroyed that important relationship as they all merged and became banks, and now we are left where we are. That local proximity and that different structure were lost and now we have to reinvent it. I hope that the hon. Member for Wells is part of that reinvention. The Government should think carefully about whether we need a review of such new structures. If we do, the man to do it is my hon. Friend the Member for Harrow West (Mr Thomas), who knows a lot about mutualisation and co-operatives. We need that back on our high street.

The access to banking protocol is undergoing independent review by Professor Russel Griggs—I am sure that the Minister will refer to it. In response to my written questions last month, the Government revealed their belief that

"banks should act in the best interests of their customers and continue to serve the needs of the consumer as well as the wider economy",

and that

"it is imperative that the banks live up to the spirit, as well as the letter, of the commitments in the protocol."

However, the Government also revealed that they have not

"assessed the impact of the protocol or banks' compliance with their commitments in the protocol".

Perhaps the Government have not bothered to assess the protocol because they know that it is irrelevant. It cannot and does not aim to alter any decision and, as such, pays mere lip service to the idea of access to banking. The protocol states that after a bank has decided to close a branch, it will engage with local stakeholders in order to understand the impact on the community, businesses and consumers. What is the point of a consultation after the decision has been made? That is not a consultation in the proper sense of the word—it is a notification of the closure. May we change the wording from "consultation" to "notification"? Once the horse has bolted, it does not make a blind bit of difference how customers or local businesses will be affected, so surely it would make sense to have a

proper, full and open consultation process in place when the bank is considering the future of a branch, before serving notice on the local community in question.

Another problem with the protocol is that there is no firm definition of adequate replacement services; it is left up to the bank to assess and even define those. Leaving the elderly and disabled with no choice but to take a 90-minute bus trip is not an adequate replacement service by any stretch of the imagination. It is clear that when banks make their decisions, they do not take into account the public interest or the likely damage that a closure will cause. I cannot see how the access to banking protocol is anything other than a woolly and inadequate attempt to protect the bank's name.

The Government have not assessed banks' compliance with the commitments in the protocol, I assume because their conclusion would be that there is no mechanism in place to police whether banks have fulfilled the commitments that they made in relation to closing down a branch. If a bank says that it is closing a branch but will work out an arrangement with the post office so that customers can bank there, or will move its ATM so that customers can still use it, are those promises worth anything if there is no way to enforce them? The access to banking protocol is merely being used as a Trojan horse on both sides. Banks can claim they have followed the protocol, no matter how meaningless it is, and that therefore their hands are clean and they do not need to do any more.

On that basis, it really is time the Government got a grip of this quiet scandal and tragedy that is taking place across our country and really hurting a lot of local communities. I commend my hon. Friend the Member for City of Chester for bringing this debate to the House.

3 pm

Chris Davies (Brecon and Radnorshire) (Con): I am pleased that this important issue has been brought before us today. I congratulate my hon. Friend the Member for Wells (James Heapey) and the hon. Members for City of Chester (Christian Matheson) and for Ceredigion (Mr Williams) on securing it, and I thank the Backbench Business Committee for allocating the time.

I am pleased we are debating this issue, because it has blighted my area for many years. My constituency is one of the most, if not the most, rural in the UK. It includes the smallest town in Britain, and there are numerous beautiful small Welsh villages scattered around the countryside.

Brecon and Radnorshire is also the land of small business owners, with farmers, shopkeepers and individual traders all relying on having good banking services available to keep their businesses going. I myself ran a small business before coming into the House, so I understand the need for good local banking services.

Not only is Brecon and Radnorshire the land of small business owners, but we have a large population of elderly people. Although many right hon. and hon. Members may try to claim this crown, I would put the beautiful Brecon Beacons and the glorious Radnorshire hills down as the best place to retire to, not only in Britain but in the world. I am pleased that so many people have chosen to retire to my constituency, but

many, if not all, of them need access to reliable banking services to meet their financial needs, as many of them do not use the internet.

As we have heard, we have to recognise that branch closures are not a new problem. Branch networks have been contracting for a number of years and for a number of reasons. In recent months, I have had many meetings with regional and local bank branch managers and bank representatives, who tell me that the rise—and indeed the rise again—of technology is diminishing the need for local branch services, as people look to bank online or on their phone, rather than in the branch itself.

Furthermore, industry issues have compounded the problem, with cost-cutting exercises, mergers and footfall numbers all leading to more bank losses around the UK. I am led to understand that that trend will not end any time soon, which is not something my constituents, or indeed others, want to hear.

The problem is especially acute in rural areas such as mine. It can take someone 40 minutes or more to drive from their farm or village to the nearest town to visit a branch. When a branch closes, it will often have been the last remaining branch in the town, as we saw in the towns of Llanwrtyd Wells and Rhayader only recently. The drive to the bank then becomes even longer and even more difficult.

Rural businesses also rely on the services they receive in a branch. Small local businesses in the high streets of Brecon and Radnorshire still make cash and cheque transactions in abundance, and only local branches can offer those services. I appreciate that many banks may wish to suggest post offices as an alternative, but as several hon. Members may attest, post offices, too, have closed in the most rural areas.

Some bank branches face reduced opening hours. A consultation is going on in my constituency on the branches at Builth Wells and Hay-on-Wye. I know we are meant to steer clear of anything like Project Fear, especially at the moment, but it seems to me that reduced hours are simply a precursor to closure.

At present, however, it is those areas where banks are closing entirely that are of greatest concern to me. In my constituency, Crickhowell, Ystradgynlais and many other towns have faced closures in the recent past. Some services have moved to post offices, but many post offices have moved into petrol garages. A number of constituents have raised concerns about banking in petrol garages and many similar places. Many are worried about issues of discretion and privacy with regard to their financial matters, and I agree that that is a real concern.

Although I say all this, I do understand partly where the banks are coming from. I understand that the model has to be viable in order to operate. There would be no sense in allowing customers access to their bank accounts via a branch but having to lower interest rates on their accounts into minus figures in order to pay for it. This charge—for that is what it would be, in effect—makes no sense and would be less palatable to customers than closure.

So what can the banks do? In my area, where we have lost a bank from a permanent site, a mobile bank provides the opportunity of a solution. Some banks already provide these services in other Members' constituencies, but not in mine. Where they have been

[Chris Davies]

rolled out in other constituencies, they have, on most occasions, proved to be a great success. Mobile banks provide the access that customers and businesses need to their banking services, while giving the banks the flexibility of setting up in a suitable location without the need to pay the rents and bills that they have in a fixed branch. To that end, I have recently written to the banks to request that they bring these services to my constituency to stem the tide of closures and provide the services that local people are crying out for. Several have responded, and I thank them for that, but thus far few have been willing to commit to this provision. One of the main reasons for the lack of commitment is the cost of providing services in a mobile bank. I would therefore be interested to hear from the Minister what more we can do to support the banks in promoting mobile services for the most rural areas to give local people and businesses the support they need in their banking provision.

In the banking protocols, banks are required to consider the local populace's access to good broadband when considering where to close a branch. In my constituency, like those of many hon. Members here, we have some of the worst connection speeds going—something on which I join many hon. Members in constantly bending the ear of the Minister for Culture and the Digital Economy. Given the number of bank closures in my own and other hon. Members' constituencies, I wonder how much consideration the banks are giving to broadband access. Perhaps we shall have to wait and see what conclusion Professor Griggs reaches on this issue in his upcoming review; we are all watching very closely.

While this is not necessarily fully in keeping with the theme of this debate, it is important to mention what happens when banks leave towns with regard to empty shop fronts and the knock-on effects on our high streets. When a branch leaves a town, footfall to that town clearly falls—it is proved to fall, and it is falling. This has knock-on consequences for local businesses, as many branch customers will pop into town after going to the bank and spend in our local shops, boosting our local economy. When banks leave, they not only remove that additional footfall but leave an empty shop front, which means lower rents for landlords. Each of these knock-on effects harms our local economies. Banks should be required to take such issues into account when considering a branch closure.

I would like the Government to resolve to do all they can to support local bank branches in order to keep them from closure and keep bank services as close to home as possible.

3.8 pm

Susan Elan Jones (Clwyd South) (Lab): It is a great pleasure to take part in this debate and to follow the hon. Member for Brecon and Radnorshire (Chris Davies), my next-door-but-one neighbour although 65 or 70 miles away. I congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Members for Wells (James Heapey) and for Ceredigion (Mr Williams) on securing the debate.

I would like to begin with a totally nonsensical hypothesis, because I feel that after last week's Brexit vote there is probably no hypothesis that is too nonsensical to contemplate. Let me suggest that a law was passed in

this place which decreed that no community with fewer than 15,000 people should be allowed to have a retail outlet—not a single shop. People in communities of 15,000 people or fewer would complain and say that that was ludicrous. The people responsible for the law would then say, "We have thought of a workable compromise. Perhaps there could be a little vending machine with milk, bread, chocolate bars and fruit—let's call it an ATM, for the sake of convenience. One might have to pay a little more for the privilege, but let us do that and then people in communities of 15,000 or fewer will nod their heads in gratitude and acknowledge that that is what the world is like now."

Of course, that is absolute nonsense. We are not necessarily talking about a world where shops in small or medium-sized communities are closing, but that is exactly what is happening in the ecology of our banking sector. The survey reported by Reuters showed that HSBC, RBS, Barclays and Lloyds Banking Group are among the banks that have cut 600 branches between April 2015 and April 2016. Indeed, the hon. Member for Wells has said that 333 branches have been cut just this year.

My constituency provides an exact example of the crisis we face. The constituency of Clwyd South, which covers 240 square miles, has lost eight bank branches since 2010. The town of Corwen, Llangollen and north Wales's largest village, Rhosllannerchrugog, which has almost 10,000 inhabitants, as well as the industrial village of Cefn Mawr and the towns of Chirk and Ruabon, have all lost bank branches—the last two just this April. In fact, my 240-square-mile constituency has precisely one bank left, in the town of Llangollen. The eight banks that have closed were run by either HSBC or NatWest, and it is only Barclays that has a single bank branch left. That is the scale of the crisis, and it is causing many practical difficulties.

Colleagues have raised the issues affecting many elderly people. When I contacted HSBC at the start of the year about the plight of elderly people as a result of bank branch closures in Chirk and Ruabon, I was intrigued by the response I received from Jonathan Byrne, regional director of the HSBC central region:

"I'm disappointed that the closure of these branches will affect elderly customers within your community. We are conscious of the impact a branch closure can have on our customers, in particular the elderly and those with mobility issues."

Oh dear, is that the best they can do? I posed questions to him in writing about the bank branches that were closing: how many people used them; how much was held on their accounts; and if a bank branch had to close, would it be possible for us to keep one open? But, silly me, I had not realised that all that information was totally "commercially sensitive." I was not asking for a list of how much everybody in the area had in their bank accounts, although I dare say that some of us might have found that quite interesting to read. I just wanted to know how much was being held in the accounts and how many people used the bank branches. This is a great crisis that affects—in particular but not exclusively—rural areas and small towns. As colleagues have said, its effect on businesses is a massive problem.

It is possible to open individual personal accounts with the Post Office, but, where there are post offices, there are huge variations in the financial services that

they provide. We need to remember that. As the hon. Member for Wells and my hon. Friend the Member for City of Chester have said, business banking services vary hugely from branch to branch as well. I think we need a big sort-out. If we do not have something of the sort—call it a protocol or call it something else—we will be in an even greater crisis.

I turn to the points that several hon. Members and hon. Friends have made about ATMs. The way in which we are pricing people out—often, but not always, in poorer and more remote communities—is nonsense. It is nonsense that anyone should have to pay money to receive money from their bank account. That needs serious looking at.

The beautiful town of Corwen is in my constituency. You are nodding, Mr Deputy Speaker; I think you have been there. I am not sure whether you have been on the steam train—the heritage railway—that runs through tremendous places in the Dee Valley area of outstanding natural beauty. What a shame it would be if you arrived there one Saturday morning and found that the ATM had run out of money. That would reduce your enjoyment of that beautiful area, as it does that of so many other people when it happens. This affects not only tourists, important though they are, but people who live miles and miles away from the next ATM. It is not that we have more snow, ice or bad weather than anywhere else, but in the winter there are problems in that regard.

Many of us are trying to propose solutions to these problems. My hon. Friend the Member for City of Chester mentioned a good idea about community bank hubs in various areas, and he offered Chester as a pilot area. I suggest that it might be nice to have a pilot across the border as well, and then we could compare notes. I would like to offer a suggestion about how we use mobile banks. The idea that a mobile bank will come into a community for an hour a week is not good enough. We are not talking about an ice cream van; we are talking about basic access to finance. Some banks—I believe HSBC is one—do not even provide mobile banks. When mobile banks operate in my area, they tend to be run by NatWest. They do not provide the full range of banking services that ordinary bank branches have.

The Government should look at whether there should be statutory requirements covering access to finance in our communities. I am not suggesting that every bank that has ever closed its doors should reopen or that banks should all have to provide mobile services, so that we might have three mobile banks standing next to each other on the high street twice a week. I am suggesting that we think about what we consider to be a basic, minimum service for banking. Perhaps we should look at some of the supermarkets and stores that now offer banking and ask how we can bring them into the equation.

One thing I know is that we cannot allow the current situation to continue. In my constituency, eight banks have closed in six years and only one bank is left. The same thing is happening the length and breadth of our country. It is not fair on rural communities and it is not fair on small towns. It is not even fair when it happens in urban, built-up areas. I urge the Minister and the shadow Chancellor to consider these matters as they respond, because they are crucial for all our communities.

3.18 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): It would be naive to suggest that the world of banking has not changed with the rise of apps and internet banking. However, this debate is important, not least because the continuing closure of bank branches is emblematic of insufficient access to affordable credit, both for individuals—particularly those who, for whatever reason, are in challenging financial circumstances—and for small and medium-sized businesses that struggle to access the capital they need to expand. In that context, it is a pleasure to follow my hon. Friend the Member for Clwyd South (Susan Elan Jones), who made several particularly good points about the specific challenges that bank branch closures cause for people and businesses in rural areas.

I will, if I may, dwell on a number of areas. My right hon. Friend the Member for Tottenham (Mr Lammy) mentioned the difference mutuals make. He is right to suggest that the mutuals sector is smaller than it once was, but building societies such as the Nationwide, the Skipton, the Yorkshire, the Coventry and so on still play an important role in the communities they serve. They are much slower to close branches, which is an important symbol of their determination to do the right thing by their communities. They are helped in that by the fact that they do not have shareholders putting pressure on them always to maximise profits.

In that spirit, I encourage the Minister to dwell in her winding-up speech on what she and her Treasury colleagues might do to encourage the expansion of the mutuals sector. That sector covers not just the traditional building societies, but organisations that are part of the responsible finance movement—the community development finance institutions—of which I know she is aware.

I am thinking of the excellent work done by responsible finance institutions, such as Fair Finance, to encourage lending for individuals who cannot get loans from traditional institutions. I am also thinking of the work done by CDFIs focused on businesses, such as Greater London Enterprise, which are much more willing to provide loans to organisations set up by individuals in London which cannot access traditional sources of finance.

The responsible finance sector lends some £250 million annually to small and medium-sized enterprises, social enterprises and individuals unable to access mainstream finance. I give the Government credit for the fact that, under their regional growth fund, many community development finance institutions—or whatever we want to call them—have been able to access small additional funds to enable them to expand a little. I wonder whether it is not now time for the Treasury to be a bit more ambitious for the responsible finance sector and to look at what more it can do significantly to expand its capacity to lend more, particularly to small and medium-sized enterprises.

I ask the Minister to reflect on the way in which credit unions might be expanded. My hon. Friend the Member for City of Chester (Christian Matheson)—I commend him and the hon. Members for Ceredigion (Mr Williams) and for Wells (James Heapey) for securing this debate—mentioned the significance of credit unions. They are expanding fast, but they are still a relatively small sector within the financial services world.

[Mr Gareth Thomas]

The previous Government initiated a project to consider whether credit unions' back-office functions could be significantly improved. I wonder whether it is not now time to look at how the Government can help to improve the front end of the credit union world. What can be done to encourage better marketing of credit unions? I wonder whether it is possible for the major credit unions in London to come together, perhaps with a bit of Government support, to offer a common platform of services across London. As a result of a bit more marketing support, credit unions would get more attention than they do at the moment.

Similarly, I wonder whether there should be a duty on public services actively to encourage their employees to consider the promotion of credit unions to their staff. I find it unbelievable that some public service bodies, such as Transport for London, still do not have an arrangement to enable staff to pay money directly from their wages so that they can be members of a credit union, if they want to. Many NHS hospitals do that, as do some Departments. I ask the Minister to reflect on whether the gentle prod of a letter from her, sent around the civil service and devolved institutions, could be a positive step forward in encouraging the better promotion of credit unions.

I commend the hon. Member for Wells for taking the time to look at the Community Reinvestment Act from the United States. That Act should serve as a model for further UK debate about financial services regulation and what can be done to ensure that those who take money from us in the form of savings accounts and so on also put proper financial services back into our communities.

The Community Reinvestment Act arose from US civil rights activists' concerns that banks were redlining areas where black people lived and were not providing financial services for those communities. There are similar concerns about under-served communities in the UK. I do not think that anyone is suggesting that that is happening on racial lines, by any means; rather, there are significant areas of deprivation that are not being served properly by major financial services institutions.

I think of the Thamesmead estate of about 50,000 homes in south London. There is no major bank on the estate—the nearest is a 30 to 40 minute car or bus journey away—and, needless to say, the high interest credit providers are extremely active there. Again, that is a worry, as it can increase the cycle of indebtedness. Volunteers on the estate are making efforts to encourage access to credit unions, but there should be more support from the Government to put pressure on the big financial institutions either to lend to those communities themselves or to work with other organisations such as community banks, responsible finance providers and credit unions to offer a more comprehensive service on site. Such pressure is extremely important.

To give the Government credit, they have required the British Banking Association to publish data on the level of lending in particular communities. That is welcome. But I wonder whether the Minister has had the chance to review the quality of those data, and consult those who actively look at what banking data reveal, to see whether there are more detailed requirements for better data from banking institutions. Certainly, I have had representations from the Community Investment Coalition

suggesting that banks are not yet providing detail of the right granularity to enable effective conclusions to be drawn about where lending is appropriate. Will the Minister look at that?

Lastly, I commend the work of the think-tank Demos, which in 2015 published the case for a network of independent local banks across the UK. It noted in particular that the 2014 Breedon report, commissioned by the Government, showed a lending gap for small and medium-sized businesses of between £26 billion and almost £60 billion. Given the current level of uncertainty that all of us in the House are all too conscious of, doing more to make it easier for businesses and entrepreneurs with great ideas to get access to the finance they need to expand is clearly hugely important.

The work by Demos also revealed the significant differences in the rates of lending to small and medium-sized enterprises, with rejection rates for bank loans for SMEs highest in Wales, Yorkshire and the Humber, the north-east and the north-west. That suggests there is a strong case if not for regional banks then for putting more effort into securing new types of banking institutions with a stronger reach in those areas in particular. Many community banks, responsible finance banks and so on, which are already in existence, could be scaled up in those areas, but again that would require Government commitment to move in that direction. I gently encourage the Minister to look upon that idea with enthusiasm going forward.

3.31 pm

Ronnie Cowan (Inverclyde) (SNP): I am grateful for the opportunity to speak on a subject of particular importance to my constituents in Inverclyde. As Members are aware, there has been a steady decline in the number of bank branches over the past 20 years. Between 1997 and 2014, almost 4,000 bank branches closed across the UK. Worryingly, this rate of decline shows no sign of decreasing, with figures obtained by the BBC indicating that a further 600 branches closed between April 2015 and April 2016. Proportionately, Scotland, Wales and the south-west of England are the hardest hit by closures.

Unfortunately, Inverclyde has not been immune from the effects of this decline and in recent years there have been a number of prominent branch closures in my constituency. My constituents have clearly expressed their opinion about these closures. They feel frustrated and dissatisfied. They feel that their views about an important community service have not been respected.

Margaret Ferrier: I have been contacted by several of my constituents who are concerned about the branch closure of the Royal Bank of Scotland, which is just across the road from my constituency office in Cambuslang, and about the Clydesdale bank in Blantyre. They rely on over-the-counter services and no reasonable alternatives are being put forward. Does my hon. Friend agree that banks have a responsibility to these people, many of whom have been customers for many decades?

Ronnie Cowan: I certainly agree. When the Gourrock branch shut in my constituency, the Royal Bank of Scotland gave me four alternatives within travelling distance, one of which is in Dunoon. Those with local knowledge will be aware that 5.72 miles from Gourrock might seem fine, but it is not possible to drive there because it is across a body of water! A ferry journey

there and back would be required. That is a good instance of where the geography of the area has not been taken into consideration.

When the Port Glasgow branch of RBS closed in 2012, my constituents were told that it was not a problem as they would still have access to the branches in the neighbouring towns of Kilmacolm and Greenock. When RBS took the decision last year to close the Kilmacolm branch, my constituents were told that that was not a problem as they would still have access to the Greenock branch. How long will it be until RBS tells my constituents that it is closing the Greenock branch, but that that is not a problem because there is a branch in Glasgow?

RBS made a promise that they would never close the “last bank in town”, but since 2014 that is precisely what they have done—165 times. Kilmacolm is now one such place without a bank. Instead, it is serviced by a mobile banking van of the kind we might see travelling around rural communities such as Mull or Iona. In January, RBS invited me to Kilmacolm to see how the new system and the mobile banking van worked in practice. I watched constituents lining up on the pavement in the pouring rain waiting to be served. They stood outside in the open, often with large sums of cash in their bags. When customers eventually reached the front of the queue, they had little or no privacy in which to carry out their personal banking. The procedure was even worse for elderly people and those with a disability, since the van’s narrow, steep and slippery stairs restricted accessibility. For example, a person in a wheelchair can expect to be served outside in the open, as it is physically impossible for them to enter the vehicle.

There was anger and frustration among customers using the service. Their most pressing concern was about the security of undertaking their personal banking in this way. The van was set up just metres from the empty shop unit that had once contained the permanent branch, which only compounded the agitation of customers as they stood in the rain waiting to be served. I have since revisited the van several times, and it is obvious that it is not an acceptable substitute for a bank branch permanently based in a community.

Gourock has also been hit by recent bank closures. Earlier this month, the Bank of Scotland closed the only remaining bank in the town. I appreciate that the way people bank is evolving and moving into the digital world—I wrote IT banking systems in a previous life—but it is important that all people within society be catered for, and that is not happening. The Bank of Scotland report into the Gourock branch closure showed that 44% of its customers were aged 55 or over, and undoubtedly some will not have been comfortable with online banking. That figure alone should have been sufficient to keep a branch open as a service to the community.

I know that banks undertake consultations and implement transitional arrangements, but are increased profits an acceptable excuse for providing a reduced service to the community? Perhaps a balance can be found, but I fear that branch closures are already undermining the service required by my constituents. Banks have an obligation to communities and play a key role in local economies. My constituency is fighting a war of attrition against economic stagnation and a declining population. High street bank closures are only making it harder for us to overcome those difficulties.

I shall end with a direct appeal to the major banks. I understand their need to evolve and adapt, but the closures have come too fast and lasted too long. It is time for that to end. I hope that the banks will give serious consideration to the concerns raised in the Chamber today.

3.37 pm

Albert Owen (Ynys Môn) (Lab): I congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Members for Wells (James Heapey) and for Ceredigion (Mr Williams) on sponsoring this debate and the Backbench Business Committee on allowing it.

As has been said, the high street banks are the hub of our communities. Not long ago, as my hon. Friend the Member for City of Chester said, they used to boast that they were the local banks. That is not the case for those who live in north-west Wales. As indicated by other Members, Wales has seen one of the largest number of bank closures across the UK. These are the very same banks that the taxpayers of local communities helped to bail out only a few years ago. We took the responsibility, as a nation, to secure the banking system, but all we have seen is closure, closure and closure.

These closures have been implemented by stealth. There is a trend: first, we see a reduction in services—appointments only in centralised branches—and then hours reductions, when already those hours are not what communities want. If someone works from 9 to 5 and has to commute, their bank will not be open when they leave their home or when they return to their local community. The banks have not adopted the flexible working hours that businesses elsewhere have arranged. Then there comes closure. More often than not, when a bank writes to its customers, after deciding to close a branch, it will call it the most difficult decision it has had to make.

No. The difficult decision would be to work with the local community and keep the bank open. Closure is an easy option for many banks. They have been encouraging people to use online services. My local branch still pulls me up and says, “Would you like to use online banking?” That is not encouraging over-the-counter services; it is encouraging people to move away from their local banks. I do not buy what the banks say about the difficulty of closing branches. It is an easy option for them. Many have overheads that they want to reduce to make maximum profit for shareholders, and that is what is behind many of the closures.

I accept that IT services in the finance industries are evolving and that younger people are happy to use an app. As I said in an intervention, I carry my iPad and my cheque book with me wherever I go, but my ability to use those services is limited in rural parts of my constituency where I do not get a signal. Once, the bank got in touch with me to ask whether I had made a certain withdrawal and it took me hours to pick up the message because of the lack of a signal. I went to the branch to discuss it and got excellent service, but quite often people are not given the choice of going into the bank branch.

Banks have been closing in villages in my constituency for decades. Some have been replaced by a hole in the wall in another shop—the Spar or the post office—but the post office closure programme has compounded the problem in many constituencies, with mass closures of

[Albert Owen]

post offices across the country. Although many have extended hours, they are not there to suit small businesses and individuals.

In my constituency, the problem is not limited to villages and areas of low population; it is found in the principal towns as well. The five principal towns on Anglesey have all experienced reductions in banking services. Those services are vital to tourists: they come to the area and want to get money, but the hole in the wall may not be working; or they have an inquiry that they cannot deal with through their local branch. People visiting my constituency and other parts of the UK who want to go in and have a face-to-face talk about their financial circumstances are unable to do so.

The Government here in the UK, the Government in Wales and local authorities across the United Kingdom are working hard to regenerate town centres, yet many of the high street bank branches in principal buildings in those town centres are closed. It is difficult for regeneration schemes to counteract closures on the scale that we have seen. There is no joined-up thinking here. The present Government have rightly talked about how valuable high streets are, but the banking industry is not pulling its weight, even though we, the taxpayers, bailed out some of the banks.

The Holyhead bank branch has reduced hours and people have to go to Llangefni, 15 miles away, for an appointment. Fifteen miles may not sound like a great distance, but people who do not have private transport may have to take two or three buses to get there and make the journey within those reduced hours. Peripheral areas of north Anglesey have been hit hard by bank closures. Again, it is difficult for people to get to alternative branches and they usually have to make an appointment.

Market towns have been built on trade; the banks have played an important part in their development and infrastructure has in part been built around the market and the banks. Such towns have been ignored for too long. I know the banks are private institutions, but they have community responsibilities. They are letting down their customers, in particular those in rural areas.

Other speakers have talked about regulation and the many inquiries that have been set up, but I am making practical points about individuals in the 21st century who want to access services face to face. The social value of banks and financial services in local communities is important. We have heard about elderly people wanting to come in to a branch and talk to someone; let us not ignore them. We have a growing older population in our country and we and the banks need to look after them. The banks have a social responsibility.

This debate is timely and I appreciate that we are having it because it affects each and every constituency. It is time the House of Commons started to tell the banks that they have to be responsible to the communities they serve. Those communities, their customers and the taxpayers helped to bail out the banks when they were in trouble. Communities are now in trouble. We are asking the banks to pull their finger out and act responsibly.

3.44 pm

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Member for City of Chester (Christian Matheson) on shepherding me and the hon. Member for Wells

(James Heappey) to the Backbench Business Committee to secure the debate. I thank the Committee for allowing us the opportunity to have this debate, which is important. It is always a pleasure to follow the hon. Member for Ynys Môn (Albert Owen). We agree on most things rural; our constituencies are not dissimilar. I was touched when the hon. Member for Clwyd South (Susan Elan Jones) described that nonsensical hypothesis and the threshold of 15,000 people, and I instantly started to think about my constituency. No community there would reach that level, except the town of Aberystwyth and that would be seasonal—it would depend on a lot of students. I say that to illustrate the challenge of rurality.

The debate has been very good. We have heard about the cities and what I call semi-rural constituencies. I am going to talk about my constituency, which is particularly rural. It is 1,795 sq km, it has 147 villages and hamlets and 700 family farms—one large community. The hon. Member for Wells described Glastonbury, without the 200,000 visitors, as a smallish town with 10,000 people. A town of 10,000 people in my constituency would be a metropolis. The scenario is very different, but the people there have the same entitlements and same needs and they are still being let down by the attitude and practices of the commercial banks. That has been the message in almost every contribution that has been made.

In 2011 I spoke in a debate in this place about bank closures. The number of branches had halved, from 20,000 in 1988 to about 9,300 then, and that figure has dropped further since. We can have a debate about the reliability of statistics. That is perhaps something on which the banks themselves should reflect, but the University of Nottingham report—the right hon. Member for Tottenham (Mr Lammy) alluded to this—said that “the rate of closure has slowed more recently”

and that seems to be the case only because of “the much reduced stock of branches”.

Hardly a positive sign.

The decline is certainly not abating in rural areas. Over the past year, more than 600 bank branches have closed and now 1,200 communities have lost all their banks, putting our high streets and market towns in jeopardy. That is something the banks said would not happen—they said the last bank in the town would stay one way or another.

None of us can deny that there has been a shift in how many people access banking services. For many, that has led to more options and more flexibility from mobile and online banking. According to the British Bankers Association, mobile banking apps have become the No. 1 way that people bank, with 22 million downloads of banking apps, and that is forecast to increase hugely over the next few years. Like the hon. Member for Ynys Môn, I have a cheque book. I will keep it going as long as I can, or as long as the banks allow me.

Many businesses will bank either through call centres or distance banking relationship managers. I always think the description “relationship manager” is slightly inconsistent. The notion is that constituents of mine in west Wales will have a relationship manager in Swansea or Bristol—look at a map; it is a long way away. There is a disconnect between them and as a result local businesses suffer and sometimes the advice that is given can be problematic. The requirement is for local managers who understand the business in the

area. That is hugely important and can make a huge difference to the small and medium-sized businesses that they are there to serve.

The issue of broadband and mobile coverage is hugely important. My constituency is in the bottom 10 in the UK in terms of broadband speeds and actual coverage. Next Wednesday, I have a debate in Westminster Hall, for those who are interested in that matter in a Welsh context. That is hugely significant for the debate we are having as is the issue of physical access to a bank. I live six miles from the great metropolis of Aberystwyth. I have the luxury of a car; I own one. I have the luxury of a train and a bus.

Chris Evans (Islwyn) (Lab/Co-op): Stop bragging.

Mr Williams: I do not own the bus or the train, I hasten to add. I have that luxury, but most of my constituency does not.

Two weeks ago, HSBC notified me—it sent me a letter—rather than consulted me of the fact that the Aberaeron HSBC would be shutting in September. They did not ask my opinion beforehand when they came to see me and the local councillor, Elizabeth Evans, to discuss the branch closure. This is a significant community and a tourist community—not on the scale of Glastonbury, but a significant community on the west Wales coastline. Local businesses need the bank—it is essential—in order to cash their takings. The closure is simply another nail in the coffin for that vibrant community.

In respect of the protocol, this is an instance of putting the cart before the horse. We were told that arrangements would be put in place before the closures happened, but we left that meeting still very unsure about whether the town of Aberaeron would have any cashpoint provision. In case HSBC is listening, if it is still intent on moving the bank to a local store there is a challenge: the pressure is on to provide us with at least a cashpoint machine in the town.

There have been two cashpoints in Aberaeron in the past. The hon. Member for Clwyd South mentioned the railway in her community. People can arrive there anticipating their railway trip for the weekend and find that they have no money and no means of accessing money. That happened in Aberaeron when the two cashpoints dried up. Visitors as well as locals found that they had no access to money in that community, raising the spectre of a long drive elsewhere.

With the continuing loss of bank branches, the importance of post offices has grown substantially, with more post office branches now providing banking facilities. We are told that 99% of the population live within three miles of a post office branch, with over 11,500 branches nationwide. All of those branches handle automated transactions, offering “cash-in and cash-out” banking services. Although the services provided by the Post Office are welcome and the initiator of this great idea should be commended—it is important and is providing more than a stop-gap—by the Post Office’s own admission, post office branches

“cannot offer the high value, complex and regulated financial services previously offered to the bank’s customers.”

Where can a customer receive financial advice or take out a loan in an area that has no local bank branches and a post office branch is the only access to banking?

These are things that neither post office branches nor internet banking services can provide in the way that I think is still required—in a personalised and focused manner.

One of the successes of the previous Government was that the post office network was retained after years of decline, with a commitment to keep 11,500 post offices. However, that has not necessarily stopped closure. What has happened is that the word “closure” has been replaced with the idea of “movement to somewhere else”. If high street bank branches close and post offices follow, rural communities will be hardest hit. With relatively limited public transport making it harder to travel far and with rural areas having the weakest broadband speeds, our rural population is being financially left behind. As we have heard, there are age and demographic issues because not all people are capable of accessing the internet even if it is available.

When banks move into post offices and post offices move into shops, we need to recognise that those places were not designed with bank transactions in mind. There is considerable concern about privacy and security, which will be particularly off-putting for local businesses and elderly residents who rely on face-to-face transactions. Another positive move was the access to banking protocol, but I can only concur with the eloquent and passionate remarks of the right hon. Member for Tottenham on that issue. The protocol was good as far as it went, but it did not go far enough. It has not been monitored and I think it has been breached. I look forward to the review when it happens. When the protocol was announced, my former colleague, Vince Cable, said that

“banks have a duty to ensure that all their users and especially vulnerable customers, small businesses and those in rural communities can continue to access over the counter banking services.”

That is extremely important, and we look to the Minister for reassurance that a renewed protocol to address those concerns will be robust and will be enacted.

As well as the Aberaeron branch, we have lost a number of others. The roll call is significant. We have lost banks in Llandysul, New Quay and Tregaron. Tregaron is a particularly notable example, because following the closure of the Barclays branch there, customers face a 22-mile round trip to the nearest branch in Lampeter. It is not good enough for a bank to put a poster in a window, or on a boarded-up window, telling people that their nearest branch is X miles away. That closure has hampered local businesses, and local residents have felt the loss of face-to-face services. New Quay/Cei Newydd, in my constituency, has lost its last branch, although the town has a huge population in the summer because of all the visitors.

I could go on, but I will not do so. Others want to speak, and we want to hear from the Front Benches, including, of course, the Minister. Let me end by saying that rural communities are going through very challenging times. There is a characterisation of the high street in a small market town, involving banks, post offices, shops and readily available public transport—buses that stop and take people to their destinations. I do not want to be a Luddite; I do not condemn the march towards a digital economy, with services that can be accessed online and business that can be conducted by means of a call centre rather than face to face; but there is a universality in that, which does not currently apply to all rural areas. Perhaps it will in the future, given

[Mr Mark Williams]

technological advances. Perhaps we will all be content to sit in our homes, not talking to each other and playing on computers. But we are not there yet.

Rural areas are being left behind. Broadband, and broadband speeds, are not equitable across the country. A generation of people, and certain businesses, depend and rely on physical banking. I sincerely hope that, if the way forward is the access to banking protocol review, the realities of rurality—the reality of the 20% of us who live in rural areas—will be considered.

The hon. Member for Wells ended his speech by using the phrase “fair play”. In Welsh the phrase is “Chwarae Teg”, and we demand that too.

3.57 pm

George Kerevan (East Lothian) (SNP): I thank the hon. Member for City of Chester (Christian Matheson) for securing the debate. I believe there is evidence of banking in Chester as far back as 355 BC, when I assume the service was better than it is now.

There is the how of bank branch closures and then there is the why; let me, very briefly, say something about the how. As every Member has pointed out—I can attest to this in my own constituency—there is a gross lack of proper consultation, to the point of arrogance on the part of the banks. My own example from East Lothian is the town of Prestonpans. My population base in East Lothian is expanding, and Prestonpans is a growing town that will soon contain 10,000 people. However, RBS is about to close the last branch of the last bank in the town. RBS has formed. In 2010, it promised that if a branch was the last bank in town, it would not close that branch. In the past two years, 165 “last in town” branches run by RBS in Scotland and the north of England have closed, so that promise has gone by the board.

The lack of consultation is terrible. I found out about the Prestonpans closure by reading about it in the newspaper. Under the bank protocol, all stakeholders are supposed to be approached, but they are not. That contrasts dramatically with the example of Openreach. Yesterday a number of Members, some of whom are in the Chamber today, had a meeting with its chief executive, Clive Selley. We can make numerous complaints about Openreach and access to broadband, but at least the chief executive of Openreach will sit down with MPs and talk about the situation in individual villages containing only 50 people. Is it possible to get the chief executives of banks to talk to us directly? No, and that is particularly true of RBS. I commend the campaign to reverse the position that has been conducted by the whole community of Prestonpans, by me, by the local Member of the Scottish Parliament and by local councillors. We are still waiting to have a discussion with Mr Ross McEwan. We are not going to give up until he sits down and talks to us.

There is a solution, which I commend to the Minister. The Financial Conduct Authority has a responsibility because it oversees bank conduct on behalf of the consumer. The banks are reassessing the BBA protocol on bank closure, which has been discussed several times in Members’ contributions. The protocol is as weak as dishwater, but even that is not being adhered to. It is time for the FCA to step in and hold discussions with

the BBA in the course of a re-evaluation of the protocol, and whatever comes out of that, the authority should be prepared to step in and enforce the protocol, rather than having it as something that is simply non-statutory and ignored by the banks.

Why the closures? Of course technology and market demands are changing, but we must not let the banks off over this. We have the most centralised, monopolised retail banking system in the western world. It has made a fortune over the past 20 or 30 years. That banking system grew by mergers, and as the banks grew and merged, they did not modernise and integrate their IT services, which is why every major bank has a whole legacy of computing systems that are all incompatible and falling apart, meaning that their cost base is huge. What are they doing about it? They are closing branches, firing staff and squeezing customer services in order to get the money to resolve something they should have invested in over the past 20 or 30 years. Do not tell me that this is a wonderful move by the banks and that they are closing branches because we are all moving to use the internet. This is the banks trying to find money to address a problem they should have dealt with earlier.

I will give one specific example involving RBS. It has been told to sell off 300 branches of Williams & Glyn, but it has suddenly discovered that the Williams & Glyn computer system is so dreadful that it will not be able to make the sale. RBS has now spent at least £1.2 billion—I suspect the true figure is about £1.5 billion and rising—to put a new IT system into Williams & Glyn so that it can be sold. As RBS is so strapped for cash, it has to make new savings this year of £800 million to help to fund the new IT system for Williams & Glyn. The bank in Prestonpans and all the other RBS branches that are affected are being closed not because of the wonderful new nirvana of us all moving to internet banking, but because, yet again, bad management has led to a need to squeeze costs to deal with a problem that should have been solved before. We should not let the bank off the hook.

We need some solutions. Why not have a universal banking obligation? After all, the Government have agreed to a universal broadband obligation, which helps rural areas in particular—such places are also where the bank branches are closing—so why not have a universal banking obligation? It could be linked to particular licences for the big retail banks, particularly for more complex products. It could also be linked to particular rural areas. We need a degree of regulation because otherwise the banks will just laugh at us.

We need to expand the market for local banking services, especially for SMEs. The new bank capital regulations mean that banks have to keep quality assets that they can realise if they ever have to resolve a liquidity problem, but the Bank of England and the Prudential Regulation Authority have rather left it up to the big banks to model their own capital asset requirements and the quality of their assets. The big banks do that by deeming small business loans as some of their most risky assets. Therefore, they have to lay aside a lot of capital if they want to expand SME loans, but they do not want to do that, so SME loans are not expanding.

The Bank of England and the PRA should step in because all the evidence shows that small business loans are, in the main, very safe. At the tail end, there is

perhaps a high risk, but most of those loans are secure. The banks are again using their interpretation of regulations to undermine what we all want, which is more lending to SMEs. If the Bank of England and the PRA intervene and force the big banks to change their assessment of their risk-weighted assets, we would get more SME lending. We would also get smaller challenger banks coming into the market and setting up in our smaller towns precisely to get that SME business. We should not let the banks get away with the notion that this is all inevitable.

Finally, I want to give this message to Mr Ross McEwan: myself and the people of Prestonpans are ready to meet you at any time.

4.5 pm

Chris Evans (Islwyn) (Lab/Co-op): It is a pleasure to follow the hon. Member for East Lothian (George Kerevan). I hope that Mr Ross McEwan meets him really soon because I can see the hon. Gentleman's passion on this issue. I pay tribute to my hon. Friend the Member for City of Chester (Christian Matheson). I know how deeply he feels about this issue and how he has been campaigning for this debate through the Backbench Business Committee. I am pleased that his campaigning has come to fruition. It would be remiss of me not to mention the hon. Member for Wells (James Heappey).

We found out today that the hon. Member for Ceredigion (Mr Williams) is lucky enough to have access to a train, a bus and a car. He represents a beautiful part of Wales and I always like hearing him talk about places in his constituency because that reminds me of my childhood holidays and good memories come flooding back. I also pay tribute to my hon. Friend the Member for Ynys Môn (Albert Owen), who has again shown his passion and devotion to his island constituency. His fantastic speech was one of the best that we have heard in the Chamber for a long time and I thank him for it. It would also be remiss of me not to mention another Welsh colleague, my hon. Friend the Member for Clwyd West—

Susan Elan Jones: Clwyd South.

Chris Evans: I promised my hon. Friend before I stood up to speak that I would not say "Clwyd West", but I knew I would get it wrong. My hon. Friend the Member for Clwyd South (Susan Elan Jones) has been a good friend for a number of years. Like my hon. Friend the Member for Ynys Môn, she cares about these issues. I thank her for her passion and for the strength that she has shown, especially this week, given the difficult circumstances.

Sadly, the debate has come at a bad time for me. Only last night I received the terrible news that yet another bank—Lloyds in Newbridge, a town in my constituency—is to close in October. That follows the closure earlier this month of HSBC in Risca, another town in my constituency. Sadly, such closures are not unique to my constituency. They are widespread throughout the whole country, and some sections of society are experiencing a considerable loss. The BBC reported in May that between April 2015 and April 2016, more than 600 bank branches were closed across the UK. More have closed since, including that HSBC branch in Risca, and soon there will be that closure in Newbridge and others across south-east Wales.

Local residents are being given the usual reason by their bank, namely that more customers are turning towards online banking and footfall at branches is falling. It is hard to deny that online and telephone banking are on the rise. Although I use bank branches from time to time, my own daily banking needs are usually met over the phone or through an app. This trend is underlined by Barclays, which says that on average its customers use mobile banking more than 28 times a month, but visit their local branch less than twice in that time. The banks say that it therefore makes commercial sense to close branches that are expensive and not being utilised enough to justify their cost. When I worked in banking in the early part of the 21st century, I noticed that footfall was going down, but the banks were not really very nice places because we would have a customer's arm up behind their back trying to sell them as much as we could as soon as they walked through the door.

If we look only at statistics and reduce customers to numbers on a graph or spreadsheet, saying that they are only one of a minority who do not use online or telephone banking, we ignore the cost and the burden that closures place on the individuals who are left out. When we dig a little deeper to see who exactly loses out the most from the closure of a bank branch, it is almost always the most vulnerable in the community. I have spoken in the House about the perils of payday lending, legal loan sharks and doorstep lenders. If someone needs a loan, they will trust the person at the door if there is no bank at the end of the road to meet their borrowing needs. That is the danger. When a bank closes a branch, that person, who is usually unbanked, becomes even more vulnerable than they already are.

I have to make an example of HSBC and the branch closure in Risca. When I launched an online petition, which was signed by hundreds of residents, some of the comments truly summed up the problem with branch closures. One constituent said:

"My parents use this bank. If this branch closes they will not have a branch within a 5-mile radius. The nearest branch will be at least 30 minutes away by bus. Both of them are in their 70s and cannot use internet banking as they have no internet connection nor computer. They are hard of hearing, so telephone banking is also out of the question. How are customers like them supposed to deal with any issues if they cannot speak to someone face to face?"

HSBC's closure of Risca's branch was bungled, and the same goes for branches all over the country. The first I heard about it was in an email on a Friday night. I was told, "Do not say anything, because we have not told the customers or the businesses. Keep it to yourself." I wrote to the bank and asked for an exact closure date and when it was going to be announced, but I was met with silence. It was only when I put it in the press and set up the petition that HSBC wanted to talk to me. Even then, it was like pulling teeth.

I asked to speak to the chief executive—like the hon. Member for East Lothian did with RBS—and I was given a regional director who popped by in Risca for the day. Guess what I found when I walked into the HSBC? Did I find a branch on its last legs? Did I find a lack of staff? No, people were queuing out the door to use the services. The average age of the people was 70s or 80s and they were complaining that the branch was

[Chris Evans]

going to close, yet the representative was in the office telling me that no one was using the service. Who am I supposed to believe?

Another thing that I have to say about HSBC is that when it did finally put out a press release, it told me that footfall had dropped by 70% in Risca. That was very good, and I accept that, but when branches were closed in the constituency of my hon. Friend the Member for Rhondda (Chris Bryant) in Porth and Tonypany and in the constituency of my hon. Friend the Member for Ogmere (Chris Elmore), the bank said exactly the same thing: footfall had fallen 70% as well. I am sorry, but I do not believe that figure.

James Heapey: The hon. Gentleman makes an excellent point. The difficulty is the ambiguity over the definition of “regular users” that the banks try to use in their impact statements. I am not absolutely sure what it is, even though I spent some time researching for today. There needs to be a clear definition of what a regular user is so that the number in an impact statement can be interrogated.

Chris Evans: I totally agree. When I go to a bank that is about to close, I want to know the exact figure. I want to know what the footfall is even if that means just clicking the numbers as people walk through the door. At least then there would be some raw data that could be used to justify a branch being closed.

There is also a social impact. Risca once had several banks and building societies, including branches of Lloyds, HSBC and Barclays. Lloyds and HSBC have now closed, leaving the town with one remaining bank, which is fortunate because people still have the option of moving to Barclays if they want to continue to bank locally. What happens if, as in so many communities up and down the country, Risca or Newbridge lose their last remaining bank as the long trend of bank branch closures continues, as predicted by fintech companies?

I say to my hon. Friends the Members for Ynys Môn and for Clwyd South and the hon. Member for Ceredigion that I am lucky in Islwyn because we have good transport links. We have a trunk road that goes right through the constituency, the bus service is good, and there is a new train service. People can get from town to town. However, Ceredigion, which is a huge constituency that I know quite well, Anglesey and Clwyd South all have country lanes and one-track roads. How can people get from one branch to another? It is a major outing for many people.

Before a bank closes, it is imperative that a full assessment is carried out of the impact that the closure will have on the local community and that local stakeholders are consulted. Steps have been taken. In March 2015, banks published their access to banking protocol, which laid out their commitment to ensure financial inclusion and to undertake an impact assessment through community engagement when a branch closure was planned. I look forward to the publication of the independent review led by Professor Russel Griggs of how banks have implemented the protocol. In my anecdotal experience, however, they have not. They have been found absolutely wanting.

It is very clear that some banks provide a better service than others. For example, I compare the closure of Barclays in Newbridge with the way that HSBC was closed in Risca. When I see something good, I say so. The way that Barclays managed that closure was far better than what happened at Risca. Barclays had the raw data, there was a point of contact, it spoke to all the customers, and I pay tribute to its community relations manager, Jonathan Brenchley, who was fantastic all the way through that process. The great thing about him is that if customers have a problem, they can pick up the phone to him and he will deal with it. It is an example that many other banks should look into.

In May 2013 Barclays launched its Digital Eagles programme, which is designed to support and educate customers to help them feel comfortable with using digital channels not only for their banking, but in all aspects of their lives. So far it has trained over 16,000 Digital Eagles across the country and has held 5,200 learning sessions. The expansion of such programmes among other banks would be a very important step towards ensuring that nobody was left behind as banking changes.

However, switching to online or telephone banking alone will not be enough to ensure that nobody is badly affected by branch closures. The parents of my constituent, who have no computer or internet, should not be expected to buy a computer, and their hearing problems make telephone banking an obstacle. If they are to keep their independence as more bank branches close, banks must move towards a model whereby the bank will go to the customer if the customer cannot get to the bank physically, digitally or otherwise.

I pay tribute to NatWest for its service, which is akin to a mobile library. Its van turns up once a week in hard-to-reach communities so that people can do their banking there. A promising solution might be a vast expansion of mobile banks which, although they are not perfect, could at least dampen the impact of bank closures. Customers who seek the kind of banking and financial advice they would otherwise receive at a branch should have the option to request one-to-one meetings with bank staff, either at home or in a nearby public space, such as a library.

It is important to remember that among the biggest customers of local bank branches are small businesses, with regular trips to their local branches to make deposits. The closure of branches means that they have to go further and further and waste precious time when they could be chasing sales and business. If time is money, they are certainly losing out. As in the case of personal banking, I believe banks must change their approach so that they are the ones to come to the customer. In January 2016 Barclays introduced a Barclays Collect service, which will travel directly to business and corporate customers to collect deposits directly from their door. I welcome that news. Barclays plans to roll out the scheme more widely next month. I hope the scheme is successful and that other banks follow suit.

We have to consider other options, and credit unions must be part of the mix. Earlier my hon. Friend the Member for Harrow West (Mr Thomas) said that in the new banking world credit unions must play a role. They will bring people to banking. I know that the Minister has been a champion of credit unions in the past. They bring people to banking, but very often they are the victims of their own success. Because they are voluntary

organisations, when they get huge they get even more difficult to manage, as people do not have the necessary skills and experience.

Credit unions do not know where to go as they get bigger. I think building societies have a role and should offer back-up to credit unions, as should post office credit unions. There is much work to be done in credit unions, but there needs to be a next step for them, such as the opportunity to become a community bank, a post office-style credit union, or even a building society. I urge the Minister to look into this. Legislation is needed to enable huge credit unions run by voluntary staff to become the new banks or smaller community banks or building societies. I hope she and her officials will give some thought to that.

We need to start thinking about the social impact when a bank closes. The premises usually remain vacant or become a pub, for example, which is a waste.

Mike Wood (Dudley South) (Con): In my constituency, rather like in the hon. Gentleman's, Lloyds Banking Group announced two further bank closures yesterday. He is speaking movingly about the impact of bank closures on our communities, but that impact also extends to the staff. Does he agree that banks need to do far more to redeploy staff, and, where redeployment cannot take place, to make sure that retraining and support are in place so that staff are treated fairly?

Chris Evans: As a former employee of Lloyds TSB, as it was in those days, I have every sympathy with any member of a bank's staff who is made redundant.

To go back to my earlier point, I hope the Minister will think about a piece of social legislation that says that banks should offer members of staff to credit unions, to give those organisations the expertise and professionalism they need to manage once they get bigger. There is a real space there for some action.

Banking is changing, but banks have to change with the times; they have to reach out to the customer and to find new ways of delivering their services. I come from a banking background, and I know that things are not perfect, but today's debate has given me hope that all of us in the House want the best deal we can get for our constituents and for the customers of banks.

4.21 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I am delighted to take part in today's debate on bank branch closures, because the first campaign I got involved with as the new MP for Paisley and Renfrewshire North was an attempt to stop the closure of a much used local bank. I thank the hon. Members who secured the debate, and I thank the Backbench Business Committee for scheduling it.

The campaign I mentioned was initiated when we heard that the Bank of Scotland branch on Glasgow Road in Paisley was being closed, meaning that customers would be forced to use internet banking or to travel to the nearest bank, which was in the town centre. Not only was the bank used by local businesses on Glasgow Road, but, much more importantly, it provided a vital service for the residents of Ralston and Whitehaugh, the majority of whom are of pensionable age—unlike one famous resident, my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black), who is

significantly younger. The decision caused a lot of anger and concern in the local community, and I am sure I am not the only Member who has been frustrated when a bank has offered solutions such as using online banking or travelling often significant distances to access branch services.

Following the decision to close the branch, I met bank bosses in London and in my constituency, where I organised representatives of local residents associations and community councils, as well as the local MSP, to come and put their case to the bank. However, we were left incredibly frustrated when it would not respond to or accept the case that was made about the difficulties of online banking. When I spoke to constituents affected by the decision, I heard at first hand that many customers do not have the knowledge or hardware to use online banking. These decisions disproportionately affect the elderly and those with mobility problems, but banks never fully take that into account when making these decisions.

I also represent Bridge of Weir, a rural area that faces the closure of its local bank. If the bank does close, that will have a huge impact on residents. Not only is the village poorly served by public transport, but online banking is even less of a viable option owing to the poor broadband service in the village. Access to an effective broadband service is surely a must if banks are to cite online banking as an alternative to local branch services. All too often, however, banks are closed in rural villages that have a poor broadband service, something alluded to by the hon. Member for Brecon and Radnorshire (Chris Davies).

I am pleased to say that Bridge of Weir, along with Houston, Crosslee and Craigends, recently finished in the top 10 of Virgin Media's Supercharging Local Communities initiative, meaning that Virgin's network will be extended to those communities in the next year or so. However, the bank's decision was made before the Virgin announcement.

The UK Government have a poor record on broadband roll-out. By contrast, the Scottish Government have invested £400 million to deliver superfast broadband to 95% of properties across Scotland by the end of next year. In addition, the SNP Scottish Government were recently elected on a manifesto pledge to ensure that 100% of premises have access to superfast broadband by 2021. If the UK Government are committed to helping more people to access online banking, I would encourage them to follow in the footsteps of the Scottish Government and to be more proactive in rolling out superfast broadband.

Any impact or equality assessment completed following a decision to close a local bank would surely highlight the negative consequences for particular groups. That is why I get so frustrated and angry when a decision is made to close a branch that is providing a vital service to a local community. Putting to one side the support that the taxpayer has provided to these banks, they have a responsibility towards our communities and we should not allow them to make reckless decisions that will have a negative impact on particular sections of our communities. We were unsuccessful in persuading the Bank of Scotland to reverse a decision to close the Glasgow branch. This obviously disappointed the local community, but we are aware that our campaign is only one example, as many other local communities from

[Gavin Newlands]

across the UK attempt, often in vain, to prevent banks from being closed in their areas.

The truth of the matter is that local banks closing is not a new thing—it is not a process that began following the 2008 global financial crisis. The bank branch network has been declining for the past 30 years. In 1988, there were over 20,000 branches in local communities across the UK; by 2012, this number had fallen by 57% and we had only 8,800 branches serving our local areas. Worryingly, in many of these cases it is the last bank in a town or village that is being closed down. In the first three quarters of 2015, UK banks closed 650 branches, of which 177 were the last bank in town. This is entirely unacceptable. Unfortunately, all the major banks are guilty of letting their customers down on this issue.

One of the aspects that I find most distressing about the closures I spoke of—I know this frustration is shared by many hon. Members—is the fact that the decision to close was made without prior consultation. The banking industry has to start listening to its customers. It is not good enough for the big banks to make a decision and then be dragged to a table and forced to consult the local community in what is ultimately a charade. The big banks should open up dialogue at the very first stage and allow the community to engage in the process before any such decision has been reached.

Local banks are vital to local people and affect each and every one of us. We all take our roles as constituency MPs extremely seriously, and I am sure that we would all support local groups who are campaigning against a bank closure. The wave of bank closures affecting communities across the country is an issue that should unite the House. The consequences for communities following a bank closure are clear. The number of banks being closed is growing by the month, and the Government should be concerned about this. The UK has only a third as many bank branches per person as other European countries. This disappointing—or shameful—comparison should encourage the UK Government to take action, and to do so soon, before it is too late. I am very concerned that village and rural economies will be severely affected by a lack of local banking options, and that as a result of bank branch closures, businesses are more likely to close, a regeneration agenda is much more unlikely, and start-up finance for local businesses becomes more difficult to obtain.

Communities rely on their local bank branches. They are just as important as local doctors, dentists, and supermarkets. They are vital for constituents who live in urban areas and a lifeline for those who live in more rural settings. We have to protect our local banking services. We must ask the banks to think again and reverse their closure programme. If they will not, I would ask the Government to use their considerable influence and to intervene to ensure that no more towns and villages are left without a bank.

4.28 pm

Kirsten Oswald (East Renfrewshire) (SNP): I congratulate the hon. Members for City of Chester (Christian Matheson), for Wells (James Heappey) and for Ceredigion (Mr Williams) on securing this debate via the Backbench Business Committee.

Like many speakers in the debate, my constituency is currently experiencing a new wave of bank closures. Fortunately, none of the three closures proposed in East Renfrewshire is the last bank in a town or village; unfortunately, that is because such closures have already happened in the villages of Neilston and Eaglesham. However, these closures will make yet another area reliant on just one branch, covering a large residential area, and providing access to the services of only one banking group. Regrettably, once again, the publicly owned RBS is leading the way in closures, on this occasion proposing the closure of branches in Barrhead and Netherlee.

The wave of closures described by the hon. Member for Wells continues the process of concentrating branches in close proximity to each other, leaving large swathes of our urban areas, and many of our most rural communities, without direct access to a bank network—a concern highlighted by the hon. Members for Ynys Môn (Albert Owen) and for Ceredigion. Even the British Bankers Association recognises that the most digitally savvy customer sometimes needs access to a branch for specific types of transactions, but such access is becoming very difficult for many.

There has been a long-running debate, and a useful discussion today, about how best to ensure access to banking services, including the possibility of enforced or encouraged sharing of branches. The industry has resisted that, arguing that we should rely on competition, with the market rewarding banks that provide a good branch network. I share the dismay of the right hon. Member for Tottenham (Mr Lammy) at the utter failure of RBS to honour its promise never to close the last bank in town. That certainly demonstrates the limits of this approach. What are we to do when a clear statement of intent is revealed as nothing more than a cynical marketing slogan?

The sector's reliance on digital technology is understandable, and the number of customers who have downloaded a banking app is impressive, but what if someone lives in one of those areas where access to broadband is still difficult or the mobile network is stuck in the 1990s? Many Members are concerned about that, and my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) and the hon. Member for Wells spoke eloquently about it. Are we really going to stick to the position of having no regulatory influence to ensure that those businesses benefit from participation in the banking sector? We need to ensure that banking truly is accessible.

Even with the technological limitations of the time, the financial sector managed for many years to deliver accessible services, with a wide range of institutions, including building societies, savings banks and credit unions, such as the excellent East Renfrewshire credit union, emerging to spread financial services to all sectors of society. It is simply not acceptable, given our much more advanced technology, that we are leaving people behind and unable to make full use of the services that the rest of us enjoy.

The industry boasts of its investment in branch networks. However, the notice of a proposed TSB closure highlights £250 million of investment in branches and the digital offering. I wonder how much of that was invested in reshaping the branch network rather than in consulting bank users. We need to challenge the industry over whether it is doing enough to listen, to reflect the

change in services and to use new technology to reshape its network. I echo the concerns of my hon. Friends the Members for East Lothian (George Kerevan) and for Paisley and Renfrewshire North about the failures of consultation on bank closures.

My perception is of an industry with many branches that continue to operate from traditional, large, solid buildings, designed when banks processed large volumes of cash and paper. Too often, it seems that the industry views the only alternative as shutting up shop and withdrawing services to a similar building a few miles away. The hon. Member for City of Chester made a valuable point about the impact on local high streets and small businesses. The tale told by my hon. Friend the Member for Inverclyde (Ronnie Cowan) about the mobile bank is testament to a lack of interest in community need.

The British Banking Association talks of investment in refurbishing the network, but I see no reference to the four big banks investing in new locations for services in the community, either by downsizing branches instead of complete withdrawal, or by creating new branches. We are used to seeing the banks spend vast sums of money on corporate headquarters in London, Edinburgh and elsewhere, but are we really seeing investment to ensure that there is a modern branch network?

Like the hon. Member for Ceredigion, I am pleased to see banks working with post offices to provide coverage in areas from which they have withdrawn. As we have heard, however, the post office service is not a full substitute, with lack of privacy a particular issue. The apparent willingness to share services with the post office gives rise to questions about the industry's failure to reach agreement on shared branches. Is that really such an insurmountable obstacle, or is the banking industry simply stuck in old ways?

Members may recall the talk of challenger banks helping to tackle the problem of access to branch banking. That seems to have amounted to little, with most challenger banks opting for specialist markets or, as in the case of Metro bank, with branches in only a small part of the country. There is a branch of Virgin Money in my constituency, in a location it inherited from Northern Rock. Given that it is in one of the best-served communities for banking services, it adds little to the spread of banking availability.

There are currently four branches of TSB in my constituency, one of which is proposed for closure. Some talk of TSB as a challenger bank, but the hon. Member for Harrow West (Mr Thomas) has noted that communities came together on a mutual basis to ensure that they could access banking services, and it was those communities that built up the original TSB network. The dismantling of that success story under the Thatcher Government was a result of an obsession with the market and contempt for co-operative and mutual effort.

I welcome the continued operation of the Airdrie Savings bank, which resisted the Conservative Government, stuck by its founding principles and continues to serve the community it has served for nearly 200 years. The next time Conservative Members are tempted by the view that the market is the solution to all problems, they may remember how well placed the Airdrie Savings bank is and think again. Having listened to him today, I am certain that the hon. Member for Wells will agree with me.

Much of the debate has been about an issue that the hon. Member for Brecon and Radnorshire (Chris Davies) raised: the importance of the branch network to older people and those who are, perhaps as a result of disability, unable to use digital services. Hon. Members have described how such individuals are disadvantaged by the withdrawal of a personal service. As my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier) described, such a service can be particularly important in dealing with the unscrupulous individuals who attempt banking scams on a daily basis.

One of my constituents, a lady in her 90s, was recently targeted in a telephone scam that involved her branch. A caller persuaded her that her branch was being investigated and she should move her money, so she visited her branch and moved money to an account number that she was given by the caller. When he got greedy and called back asking her to move more money, the branch staff, to their credit, realised that something was wrong and persuaded her to allow them to alert the police. In such a case, even if the money is recovered, the customer will have been put through torture for weeks waiting to see what the outcome will be.

That demonstrates the importance of a branch network and well trained and motivated staff who look out for their customers. That is what people would call real customer service from a bank. Surely, by now, we must realise that the "greed is good" approach to banking that has taken root in the UK is damaging. It damages our economy, as the crash of 2008 clearly demonstrated. As the hon. Member for Clwyd South (Susan Elan Jones) so eloquently said, it also damages our communities as more and more people lose access to a real banking service in return for the use of ATMs or an over-the-counter-only service at the post office.

The bank branch network still receives almost 300 million visitors a year, and it provides a vital service. Is it not time banks thought again about how they can build on those visits and encourage more visits, particularly by those who need the most help to manage their money? The big four banks seem to be entirely focused on managing the decline of the bank network. A study by the University of Nottingham highlighted an issue that the right hon. Member for Tottenham raised about the damaging effects of that on communities. The report stated:

"As mainstream financial institutions continue to pull out of economically distressed areas as part of wider strategies of adjustment, so they are replaced by more predatory forms of financial institution."

If the banks will not address all these issues on their own, the Government must take action to avoid the abandonment of our communities. I look forward to the Minister outlining exactly what the Government's plans are to defend the bank network from further decline.

4.37 pm

John McDonnell (Hayes and Harlington) (Lab): I have taken a personal interest in the closure of banks over the years, so I thank the Backbench Business Committee for allocating time for this debate. I also congratulate my hon. Friend the Member for City of Chester (Christian Matheson) and the hon. Members for Wells (James Heappey) and for Ceredigion (Mr Williams) on securing it.

[John McDonnell]

The closure of bank branches and the accessibility of banking are issues of cross-party concern, because local banks play a vital role in our communities, both in large cities and in rural areas. This is a question of access to banking and financial inclusion. Bank branch closures inevitably cut that access and cause financial exclusion. As constituency MPs, we want to know that in our local communities, individuals and businesses can access the personal finance or business banking services that they require. From today's exceedingly interesting debate, we have discovered that people and businesses increasingly cannot access those services.

My hon. Friend the Member for City of Chester explained that banking is changing—the use of apps and so on can be more convenient—but that the closures are restricting access to banking facilities for individuals and communities. He emphasised that, as the Reuters report states, these closures are hitting hard in low-income areas, and that the cutting is going too fast and too far. I agree with him, and I welcome his creative proposal for local banking hubs. He has thrown down the gauntlet for a pilot in his constituency, as have other hon. Friends; they are clearly bidding for the process. That is a creative way forward. I agree that until banks respond in some way, they should stop advertising themselves as some sort of local friend.

The hon. Member for Wells made an interesting speech. May I ask him to pass on my congratulations to the residents of Glastonbury on their creative demonstration of the black horse funeral? I thought that it was an extremely effective way of highlighting what has happened in the area, whether it affects the sale of crystals, joss sticks or anything else.

It was very helpful that the hon. Gentleman raised the issue of the protocols not actually working or doing what they are supposed to do. It would be interesting to look at Congress's Community Reinvestment Act because it includes the safety net that many hon. Members have suggested as a possible future solution. He emphasised the issue for small businesses, and highlighted the work done by one of the most effective lobbying organisations in this country, the Federation of Small Businesses. I have to say that I agree with him that if there is a transfer of services to the post office, banks must surrender full functionality if post offices are to be effective. As he said, it is a case of "Either stay or go, but pass on that facility."

Understandably, my right hon. Friend the Member for Tottenham (Mr Lammy) is not in his place at the moment. I know that he is busy on other matters—as are many others. He highlighted the fact that even the bank he bought his first suit to get a job in has been closed. Interestingly, he emphasised the situation in his constituency, where the riots took place. I know the sterling work he has done to try to regenerate the high street and get businesses and shops back to the area—only to have some of that work undermined by the closure of the local bank. He also emphasised the issue of how footfall is calculated, which was highlighted by several hon. Members.

The hon. Member for Brecon and Radnorshire (Chris Davies) emphasised this issue with regard to rural services, and identified the fact that mobile services can prove effective as a solution in some areas. He also drew

attention to what happens, as many of us have experienced, when a bank pulls out—the empty shopfronts and the degeneration of the high street overall. As he said, the post office is an alternative, but interestingly enough, the post office has also closed in his area, as it has in many others.

My hon. Friend the Member for Clwyd South (Susan Elan Jones) proposed the introduction of a novel piece of legislation. I found that fascinating, and we must come back to it another time. She, too, made a bid for a community banking hub. She spoke about the role of mobile banks, but emphasised that they are effective only if they visit frequently and are open for long enough.

My hon. Friend the Member for Harrow West (Mr Thomas) has done sterling work over the years in arguing for the development of co-operative banking and credit unions. He drew attention to the lack of affordable credit overall and to the role of the responsible finance movement, which has done excellent work. Credit unions are critical to our society now, particularly in areas that are experiencing deprivation. He also argued for co-operation, and gave the example of how back-room facilities could be co-ordinated to support the development of credit unions. He commended the 2015 Demos report—I urge hon. Members to read it—which looked at the case for a network of local independent banks across the UK, particularly in relation to their role in lending to SMEs.

The hon. Member for Inverclyde (Ronnie Cowan) drew attention to the issue of mobile banks, but also to their drawbacks: they are not very accessible for some people, and are not the ideal solution. He emphasised the impact that the withdrawal of local bank services can have on the local economy.

In his usual eloquent way, my hon. Friend the Member for Ynys Môn (Albert Owen) demonstrated the unfairness of the situation. The national banks have received significant sums of taxpayers' money to support them, but by carrying out such closures, they are not acting responsibly.

The hon. Member for Ceredigion drew attention to what it is like to live in a rural area when a bank closes, given the impact that that can have, and to the issue of physical access. As he said, there are cashpoints, but what happens when they dry up and what impact does that have on the local economy? He also gave the example of New Quay to show how local businesses can be hampered. Like many hon. Members, he called for fair play in this matter.

The hon. Member for East Lothian (George Kerevan) demonstrated that, as several hon. Members have said, there is a lack of consultation when there is a closure. He emphasised the RBS case, and described the "arrogance" of the banks. I agree with that description, which many of us have experienced. It looks as though RBS is funding its £1.2 billion computer system by closing local banks. I agree that we now need to explore the idea of a universal banking obligation, so that we can address those issues. I am sure that Mr Ross McEwan has heard about the need for an urgent meeting.

My hon. Friend the Member for Islwyn (Chris Evans) comes from the banking industry himself and knows what it is like. He emphasised a key issue that we are all experiencing now, which is just how vulnerable people are to loan sharks and doorstep lenders when a local

bank closes, and the danger that poses. He quite passionately described his campaign on HSBC, the petition he launched and the bungled way in which banks handle closures, by not listening to people. He also called for the next step to be taken for credit unions. I agree with his call for Government assistance to help credit unions take that step up to become local community banks; they have great potential for that.

The hon. Member for Paisley and Renfrewshire North (Gavin Newlands) again described his local campaign and how it was ignored by the bank. The hon. Member for East Renfrewshire (Kirsten Oswald) gave examples of the wave of closures that are taking place. As she said, the challenger banks have been identified as a solution, but are no real solution, with few results in many areas. Her example of the Airdrie Savings bank shows us how banks can be stable and provide a service over generations.

We have heard a lot today about the protocol designed to protect local banking provision. It clearly is not working effectively. Advocates from Move Your Money have urged improvements to the protocol, including forcing banks to have transparent data on branch closure locations and dates, to allow greater scrutiny of their impact. Move Your Money also wants rigorous public interest assessments before the closure of a branch, so that closure decisions are genuinely influenced by community need and likely impact, and a requirement for banks meaningfully to consult local communities in advance of closures rather than simply informing them of the decision after it has been taken. I would welcome the Minister's views on those ideas, as I know she has taken a personal interest in the matter for some time.

What role is the Competition and Markets Authority playing in addressing the lack of competition as bank branches close? The retail banking review is meant to be addressing that issue. The Federation of Small Businesses has said that it expects

“the publication of the CMA's final report to include specific remedies for the problems caused by bank branch closures.”

I welcome that intervention by the FSB and hope the Minister will say something about the role of the CMA's review in addressing the issue.

I thank all Members for their contributions. This is an urgent matter that needs addressing in many of our constituencies. I look forward to the publication of the review and hope to hear the Government commit to taking serious steps to address the decline in bank branch numbers and in access to banking overall.

4.47 pm

The Economic Secretary to the Treasury (Harriett Baldwin): It is a great pleasure to be able to respond on the Government's behalf to this really excellent debate. I congratulate the hon. Members for City of Chester (Christian Matheson) and for Ceredigion (Mr Williams) and my hon. Friend the Member for Wells (James Heapey) on securing it, and thank them for giving me the opportunity to update the House on what is going on in this area. I also thank the Backbench Business Committee for scheduling such an interesting debate on a Thursday afternoon. I also thank the hon. Member for Hayes and Harlington (John McDonnell). It is a great honour for me to have the shadow Chancellor respond to the debate. He only lost one member of his team during it, so congratulations to him.

I need to start with a confession. I am a rural Member of Parliament. I spend four days a week up here in London. If I think about it, I actually cannot remember when I last went into a bank branch. I have been to the cashpoint, here and in my constituency, but I also ask myself when, these days, do I even use cash? The only place seems to be in the House of Commons Tea Room. I understand contactless is coming there soon, so where will we all be then?

Customer behaviour is clearly changing. The number of times that we all use a branch in any given year has dropped almost 30%. The most recent data that I have from the BBA show that branch transactions have fallen to 270 million branch customer contacts in 2016. If my maths is right, that is an average of four per year.

Kirsten Oswald: Does the Minister accept that some of the downturn in customer bank transactions is because bank branches have closed?

Harriett Baldwin: The hon. Lady is right to ask that question, but if customers were surging into branches and transacting valuable business, the banks would not be being as radical as they are.

Albert Owen: Will the Minister give way?

Harriett Baldwin: A lot of Members will want to intervene. I have a lot of ground to cover and only seven minutes in which to cover it, so I will give way only very briefly.

Albert Owen: I am very grateful. I encourage the Minister to go to her local banks and talk to the staff. Their opinions have not really been voiced here today. They are the frontline of the banking industry and quite often we do not hear from them. It is because of reduced hours that she and I have limited time to go into our banks, but I do go in every Friday morning.

Harriett Baldwin: The hon. Gentleman is right to pay tribute to the wonderful staff up and down the land who staff our bank branches. The older members of our communities really value that interaction. It can be very important in protecting them against some of the online fraud, which, we have to acknowledge, targets older customers.

It is clear from the points raised today, and from the regular discussions I have with Members, that we are all in agreement that bank branches are an important part of the solution when it comes to access to finance for our local communities. It is one of my top priorities as Economic Secretary to ensure that financial services work for everyone and that they are on the side of people who want to work hard, do the right thing and get on in life. Having a good branch network is part of that. The role of banks in society is essential. I am glad that that has been acknowledged today.

In the interests of time, I want to just highlight some of the issues raised in the debate. First, in the past year we have made significant progress on access to banking services by improving access to the basic bank account. Many more banks now offer that. We have also reduced the practice of charging for failed payments, which was unacceptable. The industry has moved forward on that. I pay tribute to the hon. Member for Walthamstow (Stella Creasy). She has not participated in this debate, but she made such an impact in terms of bringing

[*Harriett Baldwin*]

payday lending under the regulation of the FCA and the progress we are making on that. There has been much discussion about the access to banking protocol.

Chris Evans: Does the Minister know of my interest in real-time credit scoring? Has she had a chance to look at that?

Harriett Baldwin: The hon. Gentleman knows that that is worth a whole Adjournment debate in itself, so I will talk about the access to banking protocol instead.

The protocol means that when a bank decides to close a branch it must think carefully about the consequences of doing so, particularly when it is the last bank in town. We have heard today—this debate is timely—that Professor Russel Griggs has been appointed by the BBA to review how it has been working in its first year. All the points raised by Members will be excellent submissions to that review. I hope he will take the opportunity to meet hon. Members to hear at first-hand the feedback on the independent review of the protocol. I would like practical recommendations to come out of the review on how we can move forward. I think we all recognise there will be an ongoing review by banks on how they can best use their branches.

Mr Gareth Thomas: The Minister has a reputation for being one of the most reasonable of her colleagues on the Government Front Bench. Is she willing to receive a deputation from the people in the credit union and the responsible finance industry to see what else might be possible to help them to grow?

Harriett Baldwin: I am glad to confirm that all the occupants of the Government Front Bench are entirely reasonable and sane. I regularly meet members of the credit union industry. The hon. Gentleman's point brings me on to credit unions specifically.

We think that credit unions are very much worth backing. As the hon. Gentleman will know, we have put a great deal of money into improving their technology. One of the challenges they have is scale: the smallness of some credit unions means that they need a communal IT platform. We have subsidised that to the tune of £38 million. I also want to highlight to the House that we have, in the past few days, launched a consultation—people may have missed it, with all the other news that has been coming out—on how the Help to Save product will work. I encourage credit unions to come forward with proposals on how they could be a part of this really important saving product.

Many Members have alluded to the important role that the post office network can play in solving this problem. As we know, this Government, like the last one, have committed to subsidising the network and making it viable. I dispute what the hon. Member for Ynys Môn (Albert Owen) said about the network having fallen from 11,900. The figure has stayed above 11,500—just over 11,600, I think—so there has been a small decline, but not the precipitous decline we saw when Labour was in government. Post offices are an important part of the solution. For example, the network's opening hours have increased by nearly 200,000 as a result of the modernisation process.

Members have mentioned the importance of mobile phone signals, digital connectivity and our commitment on universal access. Those things are also an important part of the solution. Moreover, we currently have a record number of free-to-use ATMs in this country—about 45,000—and there is a commitment from the LINK network to continue expanding their number, particularly into harder-to-reach communities.

We have heard powerful and passionate contributions from the right hon. Member for Tottenham (Mr Lammy), my hon. Friend the Member for Brecon and Radnorshire (Chris Davies) and the hon. Members for Clwyd South (Susan Elan Jones) and for Harrow West (Mr Thomas), the last of whom talked about the affordable credit sector and the help we are giving to the mutuals sector. We have also talked about lending to small and medium-sized enterprises and the importance of the community finance network, which I know from my own constituency is very important. There are also now other platforms through which small businesses can access finance, such as peer-to-peer platforms and so on.

I do not have time to make all my points, but my door is open. We all aspire to ensure that as we go through this evolution we maintain good access to finance for everybody. Healthy competition is also important. The new starter banks—five have got a banking licence in this Parliament so far—are an important part of the solution, as too is the way firms are adapting branches to use technology to provide more services. I have run out of time—I want to hand over to the hon. Member for City of Chester to conclude—but this has been a very important and well-timed debate.

4.57 pm

Christian Matheson: I am grateful to you, Madam Deputy Speaker, the Minister and the House. In these crazy, turbulent times, we have found some unity. Members on both sides of the House, from England, Scotland and Wales and from rural and—as my right hon. Friend the Member for Tottenham (Mr Lammy) demonstrated—urban constituencies agree that this problem must be addressed.

We have heard solutions proposed, including the mutuals idea from my hon. Friend the Member for Harrow West (Mr Thomas), and some excellent and practical points from the shadow Chancellor. I get the impression that the Minister is willing to listen. She says that her door is open. I hope it will be and that she will put pressure on the banks' chief executives to respond. I also hope that she will have access to those chief executives, even if the hon. Member for East Lothian (George Kerevan) and others do not. This matter spans many different areas of government: support for small businesses, community cohesion, social isolation, crime prevention, broadband and internet access and, above all, the alleviation of poverty. These issues will not go away. I am most grateful to hon. Members for their contributions, but action is also required.

Question put and agreed to.

Resolved,

That this House is concerned about continued bank branch closures and the damage that this causes to local communities, small businesses and the welfare of senior citizens; and calls upon the Government to help maintain access to local banking.

Business without Debate

DELEGATED LEGISLATION (INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY)

Ordered,

That the Motion in the name of Chris Grayling relating to the Independent Parliamentary Standards Authority shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice has been given that the instrument be approved.—(*Margot James.*)

Market Town Centres: Regeneration

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

4.59 pm

Michelle Donelan (Chippenham) (Con): The term “regeneration” does not mean much to people outside council planning departments, but the evolution and renewal of our town centres is vital to supporting communities and changing lives. Despite the name, my constituency contains four vibrant market towns: Chippenham, Corsham, Bradford on Avon, and Melksham. Each is wonderful, each is unique and each has its own challenges. Perhaps my biggest challenge as the local MP is fostering and improving those market towns.

Albert Owen (Ynys Môn) (Lab): I know that the hon. Lady attended the previous debate. Does she agree with me and others who spoke about the importance of high street banks in market towns such as those in her constituency and mine? The bank in Llangefni, for example, traditionally pulls people into the town to spend in shops and the market itself.

Michelle Donelan: I completely agree. In Corsham, we have suffered similar bank branch losses, so I accept the hon. Gentleman’s point.

The fortunes of market towns nationally vary widely. Many are vibrant, fostering successful businesses and attracting tourists, and they are fabulous places to live. Others, despite massive potential, are being held back or struggle to adapt to the challenges of today. Market towns are stuck in a difficult position between the large urban areas, which are eligible for big city deals, the wider regions or powerhouses, as we have come to know them now, and the politically backed regeneration projects that most rural areas get and rural development funds. It appears to me that market towns often fall into the gaps and miss out. Something needs to change to help the areas that I and hundreds of other Members represent.

Perhaps there is scope for a specific mechanism to help such areas and enable them to benefit from some form of grant or initiative. An entire sector has apparently been left out. What I am really calling for today is a national and co-ordinated strategy that will help to bolster and safeguard our high streets and our communities. There is a real danger that, without careful consideration through the planning system, strong leadership by councils, a sense of market towns’ uniqueness and a co-ordinated approach, some market towns will become dormitory towns. The towns that I represent are in a wonderful location in terms of getting to London, Bristol, Bath or Swindon, so they naturally attract commuters. Now, it is up to us to ensure that in the long term they are vibrant places to live—that they have vibrant communities and vibrant town centres, and do not end up as dormitory towns.

The practical reality of many regeneration projects is that they require joined-up, thought-through, community-led solutions, and take into account the specific needs of each and every individual community. At a time when all government—particularly local government—spending is tight, it is understandable that local authorities focus their resources on statutory roles. Regeneration

[Michelle Donelan]

and a co-ordinated plan can easily be left on the back burner, but this is threatening the future of our towns nationally.

We must be more realistic about what Governments and local councils can do. Local councils have become much more responsible for town centres in the past few years, as I have seen in my area. That is part of the process of devolution for which the Conservatives have fought. However, we must give councils financial incentives to enable regeneration. Rather than headline-grabbing projects, I believe we must look for small wins that collectively will improve our town centres over time. The answer is found not in a single, simple solution, but in a co-ordinated approach by our town councils, our unitary or county councils, our national Government and our community organisations and bodies. To do this, we need some sort of strategy—a document that gives advice and shares best practice between areas.

Chris Davies (Brecon and Radnorshire) (Con): May I make it clear that the devolved nations need to be included in these efforts? It is not just a “one size fits all” for England. My constituency has 60 miles of Offa’s dyke, marking the Wales-England border. A strategy should include all areas of Great Britain.

Michelle Donelan: I thank my hon. Friend for his intervention and quite agree: the strategy should be diverse and take account of all the nations and the differences between them. Because each area is different, we need a means to share best practice and ideas so that people can see what will work in their local area. Often, local residents want their town to retain its unique community feel, with a wide range of independent shops bolstered by some big brands. The key is to maintain the right mix to attract customers while offering experiences and convenience that one perhaps cannot get online.

The uniqueness of independent shops is one of the best features of the UK’s market towns. It is clear that our communities care for their towns. The huge public response to the Portas review two years ago, followed by the competition for its funds, should leave us in no doubt about the importance that our communities place on their local high street and market town.

When I was a candidate, before I was elected, I ran a best shop campaign in a few of my towns and the response was phenomenal—far better than for any of my other initiatives—which showed the pride that constituents had for their area. I have lost count of the number of times that constituents have said they want to get a Marks and Spencer’s into the constituency, but independent shops are also important. In Bradford on Avon I am lucky enough to have a market town that is virtually all independent shops. I think it might be the market town in the UK that has the highest proportion of independent shops. I recommend that Members visit because it is quite an experience. Unfortunately, one of its shops recently closed. Tillions had been there for over 30 years. It was a family-run business with a great deal to offer our town. I hope that it will be replaced by a similar outfit, but every time such a thing happens it is disappointing. It is happening not just in Bradford on Avon, but in Corsham and the

other towns I represent. It is indicative of the problem that exists up and down the country, which we need to tackle together.

Each time a favourite independent shop or café closes, we lose a small piece of what makes a community our community—it is what sets our town apart. We must march against the generic, bolster independent shops and support the diversity of each of our unique towns.

I am a huge supporter of local shops and I will be holding a “shop local” campaign next summer. Other areas have run such an initiative, which is designed to promote some of the fabulous produce and variety in a local area. I will also host a “Made in Wiltshire” event in the House of Commons and I invite the Minister to come along to experience the fine delights that we have available locally.

We need to work together as communities to promote our market town offerings, to market their unique selling points and to celebrate them. That is why the regeneration of market towns needs to be co-ordinated by all tiers of government.

The Chancellor rightly acknowledged the needs of businesses in relation to business rates, and I am proud that we are reviewing and overhauling the business rates system. From next year, a company occupying a property with a rateable value under £12,000 will pay zero business rates. I cannot exaggerate how much that will help local businesses in my area. A constituent who owns one of the shops in Chippenham has already told me that that policy means that he is keeping his shop open. That initiative has been proved to work towards bolstering and saving our market towns.

In my area, I have first-hand experience of business improvement districts. They have had great success in certain areas and have started to emerge as a useful tool for leveraging private sector investment to support town centres. Chippenham was an early adopter of a BID, but unfortunately it has been plagued by some negative coverage. That has taught me and our town many learning points. Communication needs to be better and businesses should be involved at an earlier stage.

I am a levy payer—although I am an MP, my shop classifies—and I saw the misconceptions among the business community around my shop and in the rest of the town. We need to take that forward for the rest of the country. If we develop a national strategy, those learning points could be part of that process.

Let us be clear. BIDs, like all the other initiatives, are not a panacea for market towns; they are simply one piece in the jigsaw for regeneration. I stress again that there must be multi-tiered co-ordination with a variety of processes.

When considering the future of our market towns, it is impossible not to think about new housing development. New housing needs to be used as a catalyst of town centre regeneration and, unlike the smaller-scale regeneration projects that I mentioned earlier, when it comes to housing, we need a broad, overall approach to deliver the greatest benefits for our communities. At present, particularly in my area, where there has been a lack of house building for over three decades, there has been a slightly piecemeal approach to housing, so it has failed to generate the development funds for regeneration for which our towns have been crying out for a long time. The situation has also left many local people

unable to get on the housing ladder, which is one reason why Chippenham and all the surrounding towns have ageing populations at rates above the national average.

All too often, section 106 money has been unspent. According to the BBC, there is £1.5 billion of unused funds, which is something that we must avoid in the future. We must find sensible ways to ensure that housebuilding regenerates our town centres, boosts our local business districts and enhances our shopping experiences.

In Melksham and Chippenham, on a particularly large scale, urban extensions have been considered on a case-by-case basis. Over the last five years, the housing supply targets have been considered, but the piecemeal bits added on to our towns have not really helped our town centres or their future development. That is why I am delighted that we are moving towards national plans. I am trying to encourage our areas to adopt them and to ensure that there is a strategy in each area. No longer should we have building for building's sake; we should be building for a co-ordinated strategy.

Wiltshire is crying out for strategic vision, and I invited the Minister to come to Chippenham to talk to me and my local council about how to make that happen as quickly as possible. It really is crucial for our area. We must make it easier and more attractive for people to live in and close to town centres. Living above retail premises is a very good idea because it allows people to shop, work and even live in one vicinity. The Department for Transport needs to be at the centre of plans for town centre regeneration because new roads, light railways, and new walking and cycle paths are all essential elements of that.

As I have mentioned the Department for Transport, it would be remiss of me not to raise again the possibility of reopening Corsham station. This is well over the sixth time—it is the second time today—that I have mentioned that in the Chamber. Its reopening is vital for my constituency, particularly the market town of Corsham and indeed the surrounding areas. Reopening this one station could have an impact beyond all imagination.

While I am making pitches for Government backing for local projects, I must mention Bradford on Avon. It is one of the most attractive towns in the south-west, but suffers from a potent mix of traffic jams, poor air quality and concerns over pedestrian safety through its narrow streets. I hope that Bradford on Avon's town council and unitary council will invest in a study to determine whether they could implement a one-way system, which a survey that I conducted showed that the public were crying out for.

Both Chippenham and Melksham have been the victims of some poorly planned developments, as I have mentioned, and both towns need bold plans to bring in the new housing that is needed. That housing should combine with new parks, business parks and retail opportunities, and improved transport links, including better roads and trains to support the evening economy. There is a need for more healthcare services and more infrastructure so that we can move away from the threat of dormitory towns.

Many great local successes can contribute to a national strategy informed by ideas from the community. I have learned from representing my Chippenham constituency

that the community is always active and engaged in how it pulls it together, ensuring the survival of the town. Chippenham now has purple flag status, which other towns in the area are trying to get. Melksham has won summer in bloom competitions for a number of years, and we have a host of community events from sci-fi festivals and comic cons to folk festivals throughout the constituency. These continue to be the lifeblood of our market towns. These are the sorts of things that could be among blueprint ideas in a national strategy that could be touted around the country for people to adopt. We also have a number of successful groups from street pastors to pub watches that ensure the safety of our market towns.

Winston Churchill said:

“We shape buildings and then they shape us”.

A system of empowered local councils and professional town plan management is the only way to ensure that our market towns adapt to the 21st century. We need to develop a national strategy that will support our market towns. The strategy should be multi-tiered, sharing best practice and crossing the divide between government and communities. I hope that, through the local planning system, through a bold approach to new developments within market towns, through enhancements and improvements to BIDs, by having even more high-street retailers in towns such as Chippenham, Melksham, Corsham and Bradford on Avon, and through investment in transport projects such as road improvements and the reopening of stations, we can ensure that market towns evolve to meet the challenges not just of today, but of tomorrow. I end by asking the Minister once again to address the question of a national strategy.

5.14 pm

The Minister for Housing and Planning (Brandon Lewis): I congratulate my hon. Friend the Member for Chippenham (Michelle Donelan) on securing the debate. It is good to observe the passion that she brings to fighting for what she thinks is right for her area, which I visited recently, and her determination to ensure that it benefits from growth and opportunity. Both she and my hon. Friend the Member for Brecon and Radnorshire (Chris Davies), who intervened, have shown that determination to ensure that there are opportunities for our high streets. Given the importance of the issue, I am a bit surprised that the Opposition Benches are empty, but I will address them anyway.

I know that many Members work hard with partners in their constituencies—as my hon. Friends do—to keep town centres at the heart of our communities, and to overcome the challenges that we undoubtedly all face as consumer habits change. If high streets are to remain at the heart of our communities, they need to become more than just places to shop. They need to become vibrant and viable places where people can live, shop, use services and spend their leisure time, during both the day and the evening. We are determined to help our high streets, and committed to helping them. I believe that this is a critical time for our town centres, and I am dedicated to ensuring that local authorities, local enterprise partnerships and local partnerships of any type—including business improvement districts and, indeed, communities themselves—have access to the tools and powers that they need in order to transform their local areas.

[Brandon Lewis]

We have made clear our wish to empower towns and cities to become real engines of growth, unleashing their full potential by placing the power to make decisions in the hands of those who know best what is needed: the people who live and work there. We are committed to supporting local growth throughout the country, and I am pleased to say that Wiltshire is no exception. We have announced growth deals worth £140 million with the Swindon and Wiltshire local enterprise partnership, and £16 million has been allocated to the Chippenham station hub to enhance station facilities. We expect that to unlock £16 million of private sector investment, and a further £2 million from local developers. The local enterprise partnership estimates that the station hub will create 600 jobs, both directly and indirectly, as well as up to 1,457 parking spaces and retail, commercial and housing development. The project will help to meet expected increases in passenger numbers, and a pedestrian link will provide improved access for people with direct mobility impairments.

There are other examples of growth deal projects in the Chippenham constituency. The investment of £8 million for the dualling of the A350 Chippenham bypass will deal with known and forecast congestion points, and there will be a further £2.5 million for the renovation of the Mansion House building in Corsham, which creates incubation space for businesses and teaching space for higher education courses.

As I know from my previous role as the Minister specifically responsible for these matters, high streets and town centres play an essential role in delivering such landscapes. They create jobs, nurturing small businesses and injecting billions of pounds into our economy. According to a report published in July 2015 by the Association of Town and City Management, town centres contribute nearly £600 billion to UK plc each year. That is why the Government have been so determined to back small and medium-sized enterprises, and why, in the Budget, we announced the biggest ever cut in business rates.

All that goes hand in hand with parking reforms and the lifting of planning restrictions to increase flexibility of use on high streets, making it easier for them to adapt to the needs of their communities, and providing additional rights. Research has shown that those measures are driving people back on to the high street, and that they are taking advantage of the way in which the digital age is moving things forward as consumer practices change. Many high streets are benefiting from that, and returning valiantly from the recession. Recent data have shown positive footfall trends in most locations, and year-on-year retail sales have increased for 37 consecutive months. That is the longest period of sustained growth since 2008. In the last year, investment in high street retail property jumped by 30%, and the national vacancy rate has fallen to a level that has not been seen since 2009.

While there is a lot of good news for high streets—and we should be clear about that, and build on it—I am aware that in some places, there are retail spaces that have seen better days. Government cannot and should not rest on their laurels, and I and colleagues are working hard to develop a range of support to help all high streets thrive. We are looking at what more we can do to strengthen the influence of, for example, business improvement districts over local decision making and

service provision. High streets need the strong digital offer that the modern consumer wants, and we are taking forward that work to help them compete in the digital era.

We all know that car parking has an essential role to play in supporting viable communities, including high streets and tourist destinations, and I do not deny that I am personally very attached to the fact that we see footfall increase where parking charges are reduced and access to parking is easier. Local authorities should look carefully at that, and my experience is that the best way to bring more footfall to the high street is to reduce parking charges or, even better, introduce free parking. I am delighted that my Conservative-led council has recently done that in Great Yarmouth.

People are increasingly looking for more diverse “experiential” offers from their town centres that focus on a range of things like leisure, commerce and services. We no longer just go to our high street to shop; we go there to spend time and we may do some shopping while there. We have to allow the flexibility for high streets to change.

My hon. Friend is right to talk about housing, and I was delighted recently to visit at her invitation to look at what more we can do to make sure we are providing housing in her area and how this benefits our town centres. By increasing housing provision in our town centres, we achieve two very positive things that work at two different levels. Having more homes in town centres leads to increased footfall for town-centre businesses. At a secondary level, this is important because people want to be around town centres; they are generally good transport hubs and they provide good access to services and retail. Town centres are a good place to live, and it is good for the businesses to have people living there.

The starter homes land fund, launched in March, has highlighted the potential for housing-led transformation in town centres, and I encourage local authorities to bid for that fund and to bring more housing, particularly starter homes, into their communities and around our town centres.

I am keen to see new public and private sector partnerships developing, which will foster more local growth. Local authorities can use this as an opportunity to reconfigure the way they deliver public services and use their land and buildings in those areas. My departmental colleagues and I will be leading work to help deliver these new residential opportunities in the coming months, but I would like my hon. Friend and other Members here today to consider how housing can support our towns and high streets in our constituencies across the country.

In closing I want to touch on the great British high street awards. I am keen to continue celebrating the passion, commitment and civic pride found in high streets and town centres up and down the country. The 2015 awards were a great success, and the 2016 awards are a great opportunity for people to recognise and celebrate the great work being done in their local communities. I encourage people to develop opportunities and put forward entries, and I look forward to seeing entries coming in from right across Wiltshire.

We are committed to helping our high streets adapt to changing times, but we must be clear: there is no one-size-fits-all solution. That is why we cannot have a

top-down approach; we have to make sure we give the tools and powers to every area to do what is right for them. Every town is different; from market towns to ribbon towns, we must make sure we address the local needs of each particular area, enabling them to decide for themselves what is best for their high streets and town centres.

But everybody must play their part, with local economic partnerships, councils, businesses, communities, business improvement districts, Ministers and local MPs working together to develop the vision and solutions for their

areas. Through the great British high street awards, we have seen wonderful examples of this already over the last couple of years, and we all need to work together to tackle more challenges, which will be beneficial for those awards and for our high streets in the years ahead. We are committed to doing just that, and I thank my hon. Friend for raising this topic today.

Question put and agreed to.

5.24 pm

House adjourned.

Westminster Hall

Thursday 30 June 2016

[MR NIGEL EVANS *in the Chair*]

Homicide Law Reform

1.30 pm

Alex Chalk (Cheltenham) (Con): I beg to move,

That this House has considered the matter of reforming the law on homicide.

It is a great pleasure to serve under your chairmanship, Mr Evans, on this auspicious day. I wish to make crystal clear that the debate is about the law of homicide, not fratricide.

Putting that to one side, the real point is that the law of homicide is a mess. That was put more elegantly by the Law Commission in its 2006 report “Murder, Manslaughter and Infanticide”, in which it said that the law of homicide is

“a rickety structure set upon shaky foundations.”

In essence, the problem is that the law lacks a rational or defensible structure. It does not chime with common sense—and in this area of the law perhaps above all others, it should.

As long ago as 1874, a Select Committee stated:

“If there is any case in which the law should speak plainly, without sophism or evasion, it is where life is at stake; and it is on this very occasion that the law is most evasive and most sophistical.”

That remains the case more than 100 years later, and that will not do. In the words of the Law Commission, the time has come to

“promote certainty...in a way that non-lawyers can understand and accept.”

But the problem is far more serious than mere opacity. The problem is that the law of homicide creates injustice—injustice to defendants and injustice to society—and that is something that we in this House must always stand ready to confront and resolve.

What is the solution? It is very simple: to split the current offence of murder into two categories, one of first degree murder and another of second degree murder. Manslaughter should remain as before, albeit more tightly circumscribed.

What, as a matter of law, is murder? It is committed when someone unlawfully kills another person with an intention to kill that person or to do them serious harm. That second element is really important. It means that someone who reasonably believed that no one would be killed by their conduct is placed in the same offence category as the contract or serial killer. That, in a nutshell, is the problem.

Let me give an example. Imagine a retired colonel living in my constituency of Cheltenham. He is aged 65, has lived an utterly unblemished life and served his country with great distinction, and is known for his charitable work. He is upstanding in every way. He lives with his wife, who has Parkinson’s disease and for whom he is the sole carer. A neighbour moves in next door who has a string of convictions for antisocial behaviour. Every night, he holds noisy parties that go

on into the small hours. Endless polite requests from the colonel are ignored. Endless local authority noise abatement notices are ignored. So, after the umpteenth such party, with his and his wife’s already poor health suffering, the colonel goes round at 3 o’clock in the morning to remonstrate with his neighbour. He takes with him—this is important—a cricket bat in case there is a violent confrontation. The neighbour, who is very drunk, becomes abusive and the colonel, overcome with anger and frustration and at the end of his tether, says, “Right, that’s it. Let’s see how you party when your big toe is broken,” and strikes the neighbour’s foot with the cricket bat. The neighbour falls back, hits his head on a crate of beer standing in the hallway and is knocked unconscious. The colonel immediately calls 999 and tries to resuscitate him, the police and ambulance arrive and the colonel tells them exactly what happened, but the neighbour is rushed to the local hospital, diagnosed with a bleed on the brain, and dies.

The post-mortem report reveals that the deceased’s toe was broken. When interviewed, the distraught colonel admits that he lost his temper. What happens in this case? The only charge that the law allows for is murder. That means that the only sentence that the judge can impose, despite the colonel pleading guilty at the first opportunity, is life imprisonment, because he intended to do grievous bodily harm by breaking the toe. It is because he took a weapon to the scene—the cricket bat—that the starting point for the minimum term that he must serve is 25 years’ imprisonment, and because the offence is murder, he must serve every last day of that term. In effect, the colonel goes to prison for the rest of his life—25 years. He has a mandatory life sentence.

That is unjust. Although it is clear that a person who kills in such circumstances should be guilty of a serious homicide offence, it is equally clear that because he did not intend to kill, the offence should not be in the top tier or highest category. The current law does not chime with common sense. Academic research into public opinion tells us that, but frankly, we do not need academic research; we need simply to consult our common sense. The particularly daft thing—I hope that that is parliamentary language—is that when Parliament passed the Homicide Act 1957, it never intended a killing to amount to murder, which at that time was a capital offence, unless the defendant realised that his or her conduct may cause death. The law of murder was widened because of an unexpected judicial development immediately following the enactment of the 1957 legislation—the case of *Vickers*, which is about interpretation of the expression “malice aforethought”. In my view, that colonel should be guilty of second degree murder.

The injustice is further underscored when we add the potential for what are known as secondary parties or accessories to be convicted of a murder. Imagine that before the colonel had set off, his frail wife had told him where the cricket bat was stored and in frustration said to him, “Now, go and use it. Teach him a lesson.” She, too, could find herself facing the punishment and disgrace of a murder conviction and the same 25-year minimum term. She should of course be guilty of an offence, but again, she should be guilty of second degree murder, with the judge having the discretion not to impose a mandatory life sentence.

[*Alex Chalk*]

This issue is particularly topical because the Supreme Court has looked at the case of *Jogee* and more tightly circumscribing accessory liability—the so-called prosecutor’s friend—but still we are left with a situation in which the unsatisfactory law of homicide leads to manifest injustice.

John Howell (Henley) (Con): I wonder whether my hon. Friend has in his mind what the range of sentences should be for second degree murder.

Alex Chalk: Certainly, on any view, life imprisonment must remain the maximum sentence—that is the maximum in the United States for federal offences where second degree murder is charged—but the key point is that the judge should have discretion. The Sentencing Council has done a terrific job of laying down guidelines—not tramlines—and the courts have shown themselves to be well able to dispense justice.

The case for reform becomes even clearer when we consider manslaughter, another homicide offence. Whereas, as I have indicated, the law of murder creates injustice for defendants, the law of manslaughter creates injustice for society. What is manslaughter? It can be committed in one of four ways, but just two of those are relevant for these purposes: unlawful act manslaughter and gross negligence manslaughter. The latter largely speaks for itself for these purposes, but let me explain what happens when a killing is the result of a defendant’s unlawful act—that is, one that all reasonable people would realise would subject the victim to the risk of some physical harm, albeit not serious harm.

Take this example. The defendant barges into a nightclub queue in Cheltenham. He has a string of criminal convictions for assault and criminal damage. In the queue, he is being drunk and obnoxious. He is insulting women for what they are wearing and telling them to get out of his way. The victim is the mother of two children. She works at nearby GCHQ and she is on a hen do. She politely asks the defendant to move to the back of the queue. His response is to say, “You silly cow; you need a slap.” He then strikes her repeatedly and hard to the side of the face with his open hand. She falls back, hits her head on the kerb and is knocked unconscious. The defendant runs off. The victim later dies, and the post-mortem shows that she suffered bruising—albeit no fracture—to her cheekbone and the fatal injury was caused by the impact on the kerb. The police arrest the defendant, who denies everything, but CCTV proves his guilt.

Under the law at present, that defendant can be charged only with unlawful act manslaughter, because the harm that he caused falls short of grievous bodily harm. The net effect is that he will be convicted of an offence that carries a far lesser stigma than murder and for which there is no mandatory requirement for a life sentence, and if he gets a determinate sentence, he will serve only half of it. Is that thug, I ask rhetorically, less culpable than the retired colonel or his wife? The only distinction is that the colonel intended to break a toe and the thug intended to commit a marginally less serious assault. In my view, that is a distinction without a difference—it is a distinction that is completely lost on the general public and, frankly, on me.

So, what needs to happen? This is not some academic exercise. Those two examples are not entirely artificial and they expose fundamental injustices. The first, as I have indicated, is to the victim, in the case of the colonel, and the second is to society in the case of the pub queue thug. The solution is clear: we need an offence of first degree murder that would encompass intentional killing only. I recognise the Law Commission, in 2006, wanted to add

“killing through an intention to do serious injury with an awareness of a serious risk of causing death.”

That is fine, and I understand it, but in my view it is a complexity that unnecessarily detracts from the simplicity of the proposal I put before the House.

An offence of first degree murder would simply and coherently communicate to the public the particularly heinous nature of the crime of taking life and would attract the special condemnation and opprobrium that that deserves. To paraphrase Colonel Tim Collins’ famous eve-of-battle speech in 2003, anyone convicted of such an offence would truly live with the mark of Cain upon them. That offence should also, as at present, attract a mandatory life sentence.

Under my proposal, second degree murder would encompass killing through an intention to do injury that is more than merely transient or trifling. In plain English: it would encompass killing through unacceptable violence and thuggery. That would include the colonel and the pub queue thug—people who committed a significant assault on others but who did not intend to kill. That category of offence would not require a mandatory life sentence. Instead, judges would be free to do justice, weighing in the balance all of the aggravating and mitigating factors. For clarity, that would not include the case of the most minor assault. Think of someone creeping up behind a person, playing a trick on them and flicking their ear as a piece of horseplay. That is technically an assault, of course, but is obviously very minor. If that person fell over and died that should remain as manslaughter.

So, where does that leave manslaughter? Manslaughter would remain predominantly focused on cases of gross negligence. That is, offences in which there has been no unlawful assault or intention to kill, but in which the negligence has been so dreadful as to become criminal. The advantage of that is that people get it; people would understand that—it chimes with common sense.

Those are not outlandish suggestions. Other jurisdictions—most obviously the United States—have two categories of murder. For murders in the US over which the federal Government have jurisdiction, life imprisonment is only mandatory for first degree murder. For second degree murder the mandatory sentence is described as

“a term of years to life.”

So why now? Because it is long overdue. The current distinction between murder and manslaughter is almost certainly more than 500 years old. No further general category of homicide has been developed in the intervening period, despite the fact that society, values and knowledge have changed out of all recognition.

The need for modernisation was obvious to our Victorian forebears. In this place, William Gladstone himself indicated his willingness to rationalise the law but nothing came of it—it keeps getting put off. That approach led one

cynical criminal lawyer to remark at the beginning of the 20th century that the hope of a criminal code being enacted by Parliament that would address the problems of the law on homicide was as remote as “expecting to find milk in a male tiger”.

We cannot keep putting this off. Modernising this key area of law is, to borrow the words of the Law Commission “an essential task for criminal law reform.”

It is time for this generation to take up the challenge and to create a law that is truly fit for the modern age.

1.40 pm

Victoria Prentis (Banbury) (Con): I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk), who is a fellow member of the Select Committee on Justice, on his prescience in calling for this debate. It is a very important subject and has been for many years now, and it seems to me that the time is right for change in this area.

As a constitutional lawyer, I do not always keep up with the intricacies of criminal statutes and sentencing. In preparing for today I was slightly surprised that the definitions of “murder” and “manslaughter” had not moved on substantially since I was a student many years ago. We were taught that the law was outdated and not really fit for purpose; very little has changed. The Law Commission in 2005 declared that:

“The law governing homicide in England and Wales is a rickety structure set upon shaky foundations. Some of its rules have remained unaltered since the seventeenth century, even though it has long been acknowledged that they are in dire need of reform.”

Sadly, that is even more the case today than it was then.

I next came across the effects of the law on murder in my work for the Government Legal Service, when the Prison Service was a major client throughout my career. At the start of my time there, the concept of whole-life tariffs was being tested in the Myra Hindley case. I became fascinated by psychopathy—though clearly not a practitioner. I learned that, though truly psychopathic murderers crossed my desk often, those cases, while newsworthy, were happily extremely rare and made up only a tiny proportion of those in our criminal justice system.

Just over 80 whole-life tariffs have been given since 1983 when they were introduced. Those guidelines are clear, judges seem to apply them sensibly, and there is also the right of political appeal where necessary. That system seems, to me and to the European Court of Human Rights, to work reasonably well, and is a good example of judicial discretion in action.

Later on in my career I was often called on to act for the Parole Board in cases of judicial review. There were frequent challenges to the legality of decisions of the Parole Board to refuse to release life-sentenced prisoners, who had often been accused of murder, either because they had not fully admitted their guilt or because they had not been able to do courses that would demonstrate that they had overcome their offending behaviour. Many of the young men imprisoned for murder were boys who had got tanked up in the pub and used a broken glass to inflict serious damage on somebody they did not like the look of.

Glassings in those days usually attracted sentences of around 10 to 12 years, but the variations in the availability of offender behaviour work meant that it was difficult

to predict the length of time that anybody would serve. That has not got any easier with the pressures on the Prison Service currently, but we now know that the average length of a sentence for murder has risen from 13 years, which I think was measured in 2004, to about 17 years, which was measured recently. In those circumstances, it is more important than ever that we sort the law out.

I am in no way belittling the crushing effect of murder on the families of the victims. However, those sort of crimes, which my hon. Friend the Member for Cheltenham so clearly explained, are very different from the pre-meditated, sadistic murders carried out by psychopaths which passed my desk. It is important that the law recognises that. Many years ago, the Law Commission published a report in which it proposed changes to homicide sentencing. Its most radical suggestion was explained very clearly by my hon. Friend—in brief, it was to split the offence of murder into first and second degree murder, which itself can be categorised as voluntary or involuntary. After that, partial defences to murder of “diminished responsibility” and “loss of self-control” could be taken into account.

What is important is that those proposed changes would allow sufficient discretion for judges to choose from a far wider range of sentences. Yes, it would be more difficult for the public to understand at first, but with a concerted effort—possibly in a fictional context—our fascination for murder and serious crime would soon mean that the situation was clearer than it is now. After all, many of us have learned a great deal about coercive control recently, though happily not in a fatal context, through the goings on in Ambridge. Am I the only fan of “The Archers” in the room?

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): Yes.

Victoria Prentis: Sorry. I, too, have real concerns about the law of parasitic accessory liability, or joint enterprise. We have heard much about the joint enterprise law in recent months following the Supreme Court’s ruling in the Jøgee case that

“foresight is simply evidence (albeit sometimes strong evidence) of intent to assist or encourage”.

The ramifications are far-reaching. In the Supreme Court’s words, the law has taken a “wrong turn” for more than 30 years. No longer must young adults out to rob or perhaps to drive a getaway car, but with no thought of killing, end up with life sentences through the actions of their colleagues. We must confront the problem of the breadth of behaviour and culpability encompassed by the offence of murder.

Progress has been virtually non-existent since 2006, despite further consultation undertaken by both the last Labour Government and the coalition Government. So much is changing in the areas of prison reform and rehabilitation of offenders at the moment; both the Ministry of Justice and the Home Office are filled with reforming zeal. I can see that the Minister is smiling at me—surely this is the moment to make long-overdue changes to the law of homicide as well.

1.49 pm

Philip Davies (Shipley) (Con): It is a pleasure to serve under your chairmanship, Mr Evans, and it is a pleasure to follow two fellow members of the Justice Committee,

[Philip Davies]

my hon. Friends the Members for Cheltenham (Alex Chalk) and for Banbury (Victoria Prentis). I did not intend to speak in this debate, and I am sure many people would rather I did not, but I have been prompted to speak briefly.

If I am well known for anything—I am probably not well known for anything at all—it is for being a hard-liner when it comes to dealing with crime and sentencing. I despair at the shocking sentences that are given out by judges and at some of the sentencing guidelines, which do not do justice to the crimes that have been committed. It may well be that my hon. Friend the Member for Cheltenham thinks that I am instinctively opposed to his plans. I thought it worth saying that, as it happens, I am not instinctively opposed to his plans. He made a very compelling case, as anybody who knows him would expect. I would not say that I am wholly persuaded, but I still have an open mind on this particular issue. I hope that the Government will have an open mind on this issue, because it is worthy of further debate.

One of the attractions, it seems to me, of what my hon. Friend is proposing is that it may lead to some more honesty in sentencing. One of the things that really irritates people about the criminal justice system is that we have sentences that sound tough, and make politicians sound tough when they say they are going to extend life sentences for this and that, but in reality are not tough at all. Dishonesty in sentencing is one of the worst parts of our criminal justice system and brings it into disrepute. If my hon. Friend's plans were to lead to more honesty in sentencing, that in itself would be a good thing.

John Howell: I appreciate what my hon. Friend is saying about sentencing. Of course, we now have the Sentencing Council and, without wishing to create a bit of a love-in for members of the Justice Committee here, we do have the power to review sentences and comment on them. Is he suggesting that we should take a harder line on those in order to get the sentencing right? I get the feeling that the judiciary are simply following our guidelines.

Philip Davies: My hon. Friend is another member of the Justice Committee who is more talented than me. Yes, we should concentrate more on sentencing guidelines as a Committee and as a Parliament, because these matters are of great importance to our constituents. They are the ones, at the end of the day, who feel that the law comes into disrepute with some of the sentences that are handed down. I do not think we should leave it to unelected people to determine sentencing guidelines. We should be taking a greater role in those guidelines, absolutely.

I have an open mind about what my hon. Friend the Member for Cheltenham proposes, and I hope that the Government will look at it, because I think there are some merits in what he said. I would certainly not rule out supporting some of the changes that he articulated. We should not rush into this either. There are other things that we should think about. My hon. Friend the Member for Banbury mentioned the fact that the average minimum tariff for murder had increased from 13 years to 17 years. I was not entirely sure, if she was making a

point about that, whether that was a good a thing or a bad thing. Most of my constituents would say that the increase in that tariff is a good thing.

Victoria Prentis: Just to clarify, I was making the point that that was the reality of the situation; that sentences for murder were getting longer and that it was important for judges to have the full range of sentences open to them so that they could match the sentence to the offence.

Philip Davies: I am grateful to my hon. Friend for that intervention. I think most of my constituents will be pleased to know that the average length of the minimum tariff given for murder has gone up. I suspect that if I were to do a straw poll of my constituents, most of them would be shocked that the average minimum tariff for the crime of murder was so low. I suspect most people in the country would be shocked that the average minimum tariff for murder was as little as 13 years in the first place. This is one of the great disconnects that we have with the general public at large; they expect murder sentences to be much tougher than that.

One of my notes of caution, therefore, for my hon. Friend the Member for Cheltenham is that his proposal might be used as a mechanism to try to weaken sentences for murder. That would fly in the face, I suspect, of what the public want to see. If somebody's agenda is that penalties for murder at the moment are too harsh and this is a way of weakening them, that would be a terrible development. One of my notes of caution is that this does not get hijacked for all the wrong reasons by some of the penal reform groups that seem to have a view that nobody should be sent to prison at all. That is my first note of caution.

My second note of caution, and the reason why we need to tread carefully, is that in the cases that my hon. Friend alluded to, most people would accept that somebody's life had been taken with some form of malice aforethought. At no point should we belittle the fact that somebody has had their life taken away with malice aforethought.

Alex Chalk: My hon. Friend is making some very helpful and important contributions. What he says is absolutely right, but whether it is the retired colonel who goes round to his noisy neighbour or the pub thug, under my proposals they would both be convicted of second-degree murder. That would mark society's condemnation and give the judge power to sentence.

Philip Davies: I agree with that point; as I said at the start, I do not necessarily disagree with my hon. Friend. It is just worth making the point that in all the cases he referred to—hypothetical or not—somebody's life had been taken, with some degree of malice aforethought associated with that. It would be dangerous if we did not give at least some recognition to that fact when considering these things. I certainly would not ever want to get into a situation where we seem to belittle one form of murder in order to form a distinction. We need to make it clear that both are terrible offences in their own particular ways.

If what my hon. Friend envisages is, perhaps, tougher sentences for first-degree murders in order to draw a distinction, I would welcome that. I think that there are

many people in the country who, as it happens, think that life should mean life when it comes to murder, as it so often does in the United States of America, but very seldom does in the United Kingdom. If that was what he had in mind, I think he will get a great deal of support. If he was trying to use this as a Trojan horse to reduce sentences for murder, I suspect he would get very little support from the public. Knowing him as I do, I do not think he has that kind of agenda; he genuinely wants to make sure that the law is fit for purpose and is not brought into disrepute. He does a fantastic job in Parliament in pursuing that agenda, both in the House and on the Justice Committee.

This is something we need to debate further; there is not a clear-cut case one way or the other. I will retain an open mind—people who know me well know that that does not happen very often. All I ask of the Government and of the official Opposition is that they also keep an open mind and discuss all the implications of any such change in the law. My hon. Friend's case is a very good one and is certainly something that I can envisage happening at some point in the future.

1.59 pm

Dr Matthew Offord (Hendon) (Con): It is a great pleasure to serve under your chairmanship, Mr Evans. This is my first time doing so, and I am very pleased to see you in the Chair. I want to take this opportunity to welcome the proposal made by my hon. Friend the Member for Cheltenham (Alex Chalk) and highlight why I support it.

I want to raise the case of Stephen Martin. He is a 55-year-old man from West Sussex. I have sought the permission of my hon. Friend the Member for Worthing West (Sir Peter Bottomley) to mention the case, and he has said that he is happy for me to do so. He worked hard to rectify what I considered to be a miscarriage of justice.

I am keen on scuba diving, and I dive in Malta with my good friends Viv and Alan Whitehead. I often dive at a location called the Blue Hole in Gozo, which was where Mr Martin went diving with four other people. As he was considered more qualified than the other divers, it was decided that he would be the dive leader. However, during the dive, two of the participants—Mr Martin's partner, Larissa Hooley, and another diver called Nigel Haines—lost consciousness. Larissa Hooley was taken to the surface, where she later died. Nigel Haines was missing for just a few moments before he was found and dragged to the shore.

The coroner's court in Brighton and Hove decided the deaths were accidental, but the magistrate in Gozo sought an extradition warrant against Mr Martin, who spent six months on curfew. He had to report to the police station three times a day and was forced to wear a tag. The Maltese magistrate sought a charge of involuntary manslaughter. I bring up that case to demonstrate that we should consider an extension of murder offences and having an offence of involuntary manslaughter. No such charge exists in the UK.

As a British national, Stephen Martin was subject to the whim of an overseas judiciary for an offence that is not a criminal offence in this country. I would like not only the charge of murder but that of manslaughter to take in a different range of incidents. My hon. Friend

the Member for Shipley (Philip Davies) is right that there should be no change to the law to reduce the sentence tariff, but there is an arguable case for extending the variety of charges available to the Crown Prosecution Service when bringing a case against an individual. I wanted to raise that case in the House and extend to Members my views on changes to murder legislation.

2.2 pm

Richard Burgon (Leeds East) (Lab): It is a pleasure to serve under your chairmanship, Mr Evans. I am pleased to respond to the debate, which I thank the hon. Member for Cheltenham (Alex Chalk) for securing. I very much enjoyed serving with him and other hon. Members who are here today in my brief time on the Justice Committee. So much has changed for all of us in the Conservative party and the Labour party since those straightforward and timid days.

The hon. Gentleman brings the expertise of someone who sits on the Justice Committee, whose work I will refer to later, and the experience of a distinguished legal career. His former legal practice described him as "a first-class practitioner" and a "persuasive and forceful advocate". As he has persuaded the hon. Member for Shipley (Philip Davies) to keep an open mind on this matter, I can certainly say that I agree with his former legal practice.

The hon. Member for Shipley, a fellow Yorkshireman, said that people would not want hear from him in the debate. On that, as on many other things, I fundamentally disagree with him. I was pleased to hear from him, as we all are, because one thing we do respect him for is that he always says what he thinks, which is very important. It was a pleasure to hear from the hon. Members for Banbury (Victoria Prentis) and for Hendon (Dr Offord), both of whom made interesting points about this most serious of matters. I thank the Backbench Business Committee for allocating this slot for the debate and ensuring that such important topics are debated in the House.

As hon. Members know, this is my first debate as shadow Secretary of State for Justice and shadow Lord Chancellor. I am pleased to follow in the footsteps of Lord Falconer and my other predecessor, Sadiq Khan, who is now the Mayor of London. Not only have I had the pleasure of briefly serving on the Justice Committee, but for 10 years I was a lawyer in my home city of Leeds, and for eight of those years I practised employment tribunal work. I am yet to meet my opposite number, the Lord Chancellor and Secretary of State for Justice, but I understand that he is rather busy at the moment. I am sure that he will be agreeable to meeting me at some point and I look forward to that.

There have not been many speeches in this debate, but they have all been excellent, and I feel with confidence that we can move the debate forward. I want to give the Minister the maximum time to respond—he may get a full hour to respond, who knows?

Mike Penning: Don't hold your breath.

Richard Burgon: Some people would like me to hold my breath, maybe for a long, long time but, on this occasion, I will not. I will limit my remarks to briefly addressing joint enterprise, an issue that has been raised

[Richard Burgon]

in this debate and that the hon. Member for Cheltenham mentioned in his submission to the Backbench Business Committee.

Any change to the law of homicide, no matter how small, is of the utmost importance to the public and the House. That is because homicide offences are some of the most serious criminal offences that any individual can commit against any other individual or individuals. The state, as a signatory to the European convention on human rights, must undertake a positive obligation under article 2—the protection of the right to life—to take all appropriate steps to safeguard life, and to put in place a legislative and administrative framework to provide effective deterrents against threats to the right to life. That is what we are debating and why, in my new role, I am keen to listen carefully and engage with as many key stakeholders as possible. I am keen to hear more from the Minister about the Government's next steps.

On joint enterprise, it is important to refer to Lord Neuberger's judgment, in which he said that the Supreme Court ruling did not automatically mean that all previous joint enterprise convictions were unsafe, and that

"a person who joins in a crime which any reasonable person would realise involves a risk of harm, and death results, is guilty at least of manslaughter",

the maximum sentence for which is life imprisonment. He also said that the rule that

"a person who intentionally encourages or assists the commission of a crime is as guilty as the person who physically commits it"

was not affected, and that it remained open to a jury to decide whether a person had intentionally encouraged or assisted a crime—for example, through knowledge that weapons were being carried. As the Prime Minister has said, we are dealing with a narrow change to the law, but one that could have massive implications for many people.

Mike Penning: I am probably the only non-learned Member present in the room, apart from my hon. Friend the Member for Shipley (Philip Davies), but I understood that the ruling was quite specific. I thought that the Supreme Court had said that the interpretation of the law had been wrong but that there was no need to change the law. The judgment was quite specific about that.

Richard Burgon: I thank the Minister for making that important point, and I look forward to hearing about that in more detail in his response.

The lawyer Simon Natas, who has worked with the impressive campaign group Joint Enterprise Not Guilty by Association, said that the "historic" ruling would make the law "fairer for everybody". He is right, but it is important to make it clear that if someone goes out as part of a gang carrying guns or knives, and their actions encourage or assist in a murder, they should face the consequences. I am sure that is broadly the view of reasonable people, and that the public would support that. After listening to the views of my friends, neighbours and constituents, I know that, by and large, that is people's view.

The judgment was right to acknowledge the growing call for change following the concern that quite peripheral members of a gang involved in a killing, who had no

real clue what they had been caught up in, were being prosecuted. That is why I welcome the judgment. I press the Government to commit to conduct a review of the effects of the change after two to three years.

I am concerned by evidence that the Cambridge Institute of Criminology provided to the Justice Committee revealing that the proportion of black and mixed-heritage young men serving very long sentences for joint enterprise offences is much higher than their representation in both the general population and the overall prison population. Will the Government commit to reviewing that, alongside the wider review by my right hon. Friend the Member for Tottenham (Mr Lammy)?

We have heard today about so-called one-punch killers. The hon. Member for Cheltenham provided examples, hypothetical and otherwise, showing the difficulty of the issue and the serious consideration it requires. I am concerned about the public perception that attackers who kill with a single punch seem to receive jail sentences that could be seen as lenient, despite the December 2009 Court of Appeal ruling on single-punch killings led by the former Lord Chief Justice, Lord Judge. The ruling's conclusion stated that acts of violence resulting in death should be given "greater weight" in sentencing, even if the conviction is for manslaughter rather than murder. Will the Minister confirm whether he is reviewing that ruling?

I will close my remarks to give the Minister as much time as possible, although I suspect he will not take the maximum time available. The Labour party is clear that the criminal justice system relies on the fundamental principle that the public must have confidence in it, and it is our duty to ensure that victims and witnesses who come forward have confidence that their case will be dealt with thoroughly and fairly, and that people who break the law of the land and who are found guilty of some of the worst offences—homicide devastates families across the country—are punished accordingly.

I thank all hon. Members who took part in this debate, and I thank you, Mr Evans. I look forward to the Minister's response.

2.12 pm

The Minister for Policing, Fire, Criminal Justice and Victims (Mike Penning): As usual, it is a pleasure to serve under your chairmanship, Mr Evans—I really mean that. I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk) on securing this debate. It is honestly a real shame that more colleagues are not here for such an important debate—a debate that should continue beyond this afternoon. Far be it from me, in my lowly position, to suggest that this debate should be on the Floor of the House or that a Select Committee should hold an inquiry, but if I were a member of the Justice Committee, I would probably look to hold an inquiry. Like my predecessors, I will keep an open mind on this subject for as long as I am in the job, and probably long after.

The Supreme Court judgment has been mentioned a couple of times, and the five judges who made that ruling specifically said that they were referring to a very narrow part of law, which they said had been interpreted incorrectly in the judgments handed down by different judges. The Supreme Court specifically said that its ruling required not a change of law but a change in how

judges interpret the law. I say for the first time that the Government accept that ruling, and we accept that the law in this particular area does not need to be changed.

The Sentencing Council is currently looking at one-punch manslaughter cases, about which the public are understandably concerned. In the case mentioned earlier, such concern is only right and proper, but Parliament has rightly given the Sentencing Council responsibility for setting guidance—Parliament traditionally had that responsibility. I also fully accept that some parts of guidance are still set in statute, and there is an ongoing sentencing review.

I apologise for not welcoming the hon. Member for Leeds East (Richard Burgon) to his new post. I wish him every success in his very important position and, as with his colleagues who preceded him, I will give him as much support as possible. I wish him longevity in his position as a shadow spokesman—[*Laughter.*] That can probably be taken in many different ways, but I mean to be nice.

We have heard about sentencing and for how long people are imprisoned. Of course, the changes made in 2003 are still coming through the system. As politicians, we all bandy around numbers for how long people serve, but people are, correctly, starting to serve longer sentences. As previous Justice Secretaries and Justice Ministers have said, we have no plan to abolish the mandatory life sentence. I cannot be a hypocrite: as a Back Bencher, I appealed against several unduly lenient sentences, and most people know that I have concerns about the restriction on appeals against undue leniency. People can appeal against basically any sentence they are given, but we are restricted in appealing against unduly lenient sentences. The Attorney General and the Justice Secretary are working on a review of that restriction.

At this interesting time in politics, in Westminster and in the country, it would not be right for me to indicate whether we agree or disagree with the proposals. I was asked whether the Department and I will keep an open mind, and we certainly will. Further debate on this issue is important. I am also conscious that the subject might drift if we are not careful. My notes say that in December 2010 the then Secretary of State, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), indicated that he was not minded to implement the Law Commission's recommendations, but he qualified that by saying that he would keep an open mind about proceeding at a later date. We are now at a later date. Although I am probably shooting myself in the foot, especially if I stay in this position under the new Prime Minister—we will have one in the not-too-distant future—I think it has been too long. We now need to consider whether we accept the Law Commission's 2005 report. Time has moved on. Although the report was important, and parts of it were accepted at the time, we must ensure that the report is still relevant, particularly in relation to subsequent changes to sentencing guidance. I cannot think of anything that can be done to another human being that is as bad as taking their life. There are myriad appalling things that people do to each other, but surely, in any society, taking a human life is the worst.

I will keep an open mind. I will ensure that whoever is Justice Secretary in the Government formed by the new Prime Minister sees my comments—the current Justice Secretary knows my views. We cannot let this matter

drift for another five or 10 years. If something can be done, we must do it now. It sounds simple, but the lawyers in the room will know that it is not so simple in practice.

I congratulate everyone who has taken part in this debate, particularly the more learned Members. I look at the proposal from a simple point of view as a constituency MP—I think about what my constituents would think—so I agree with many of the comments made by my hon. Friend the Member for Shipley (Philip Davies). I probably have not answered all the direct questions asked by the shadow Minister, so I will write to him, and I will make those answers available to members of the Justice Committee, too.

2.19 pm

Alex Chalk: This has been a helpful debate. I introduced the topic to see whether there was an appetite for discussing it, and it seems that there is. My hon. Friend the Member for Shipley (Philip Davies) made some important points. He is absolutely right to say that in respect of this offence, perhaps beyond any other, there must be clarity, consistency and logic. Members of the public must be satisfied that the law reflects common sense.

My hon. Friend's point about the need for sentencing power to be transparent is also a good one. It is particularly relevant in the issue of homicide. If someone gets a life sentence and is told that they have a minimum term of 15 or 17 years to serve, that is the period that they must serve, yet if they are convicted of an offence of grievous bodily harm and the judge sets a determinate sentence of 15 years, they will in fact serve only half of that.

Mike Penning: Or less.

Alex Chalk: Yes; a maximum of half. My hon. Friend the Member for Shipley made an important point, and there is a further agenda to put forward.

To return to my central point, if we could divide the law of murder into first and second degree, those charged and convicted of first degree murder, which would be the most serious crime in the criminal calendar, would be convicted of something that would earn—if that is the right word—the opprobrium of society. People would understand that someone guilty of that offence intended to take life. I respectfully endorse the point made by my right hon. Friend the Minister that we need particular clarity on issues involving the taking of life.

What attracts me to the idea of second degree murder is that we could then lump in—if that is not too inelegant—all the other offences that deserve society's condemnation, as my hon. Friend the Member for Shipley indicated, because life has been taken through an unlawful act. If we grouped those offences under second degree murder, we would not need a mandatory life sentence, but if the judge thought—on the facts of the case—that that was required, that is precisely what could be imposed. Taking into account how the law has moved on in respect of Jogee and of our modern mores and understanding, it seems to me that this is a reform whose time has come.

Question put and agreed to.

Resolved,

That this House has considered the matter of reforming the law on homicide.

2.22 pm

Sitting suspended.

Hearing Loss: Action Plan and Commissioning Framework

[VALERIE VAZ *in the Chair*]

3 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I beg to move,

That this House has considered NHS England's Action Plan on Hearing Loss and the adult hearing service commissioning framework.

I am grateful for the opportunity to open this debate, and I am pleased to see you presiding over our business, Ms Vaz. I am also pleased to see the Minister and the new shadow Secretary of State for Health, my hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), in their places. I look forward to their comments.

I am disappointed that there are not more colleagues here, but given events taking place outside, it is perhaps no surprise that their focus is elsewhere. I am, however, particularly pleased that my hon. Friend the Member for Nottingham South (Lilian Greenwood), who chaired the all-party group on deafness before me, is here. She brought great enthusiasm and direction to that role and formed the work programme that the group is still following. I am also grateful to the Backbench Business Committee for granting me the opportunity to have a debate on this important issue, and to Alex Adcock and Tom Powell of the House of Commons Library, the UK Council on Deafness, the Royal College of Physicians and others for their briefings, which have helped me to formulate my comments.

I would like to put on the record how much work is being done. I do not intend to attack or criticise the Government; this debate is an opportunity to seek clarification on some of the important issues concerning deafness and hearing loss. The British Society of Audiology, the British Academy of Audiology and others have commented positively on the joint working on the action plan on deafness and the collective efforts to develop an overarching commissioning framework for hearing. That framework document is due to be published on 19 July and will be launched here in the Commons. Today was the closest date for securing a debate to give the Minister a platform to confirm the progress that has been made and to elaborate on arrangements for the day. But I am getting ahead of myself.

I am grateful for the opportunity to raise some issues for the Front Benchers to comment on. As I said, I am chairman of the all-party group on deafness, following my hon. Friend the Member for Nottingham South. We have an active all-party group, which is well supported by colleagues from both Houses of Parliament. I want to put on the record my appreciation for Dan Summers of Signature UK, who was seconded to act as the admin secretary to the all-party group. I commend him for his support; he has done sterling work in service of the group. We are very grateful for that and wish him well in the future.

On a personal note, I wear two hearing aids. My hearing loss was originally diagnosed as industrially induced from my time in the London Fire Brigade, but I am sure that age could be contributing to my present

difficulties. I thank the audiology department of the Royal London Hospital for the support and treatment that it gives me when I need assistance. I also thank the engineers and technicians who maintain the loop system here in the Palace of Westminster, which is very good in this Chamber, as it is in most of the venues in the House. In the main Chamber, it can be a little bit unpredictable, but there are speakers in the Benches to help with any difficulties we might have, so we are well served in these buildings.

Hearing loss affects more than 10 million adults and 45,000 children in the UK, which equates to one in six of the population, and it is estimated that by 2031, 14.5 million people in the UK—approximately one in five of the population—will have hearing loss. The most common form of hearing loss is age-related, and the prevalence of deafness approximately doubles with every decade of life.

The Royal College of Physicians says that NHS England's action plan on hearing loss

“recognises significant regional variances of early diagnosis and care for children and adults with hearing loss. The document sets out a commitment to design and deliver excellent, high quality care audiology services to meet patient need. The National Improving Quality In Physiological Services accreditation programme (IQIPS)—run by the Royal College of Physicians...assesses audiology services across England to ensure they operate safely and to a high standard. IQIPS is a recognised marker of excellence in patient care and in reducing variances in audiology services.”

I recently visited Auditory Verbal in south London and attended its event held here in the Palace of Westminster. It demonstrated that the earliest diagnosis and treatment can help children who are born deaf or suffer severe hearing loss to learn to communicate normally, by using the brief window of the very early years to stimulate the auditory part of the brain before it loses the opportunity to develop. I commend Auditory Verbal for the work that it does. If the Minister is not familiar with that organisation and has not had the chance to visit it, I strongly recommend that he does so, because it is an inspiring experience. There are a lot of great people around the country working with and for that organisation.

Officers of the all-party group were grateful to the Minister for the opportunity to meet him recently to discuss the action plan and to ask about the commissioning framework. This debate is a continuation of that dialogue. We raised a number of issues, such as the provision of hearing aids; a national screening programme; promoting the prevention of hearing loss; providing innovative models of care; active support for people with hearing loss; and the recognition of British sign language.

The action plan addresses those issues and sets out five key objectives: good prevention to reduce the numbers of young people and adults with noise-induced hearing loss; earlier diagnosis to improve outcomes for babies with hearing loss and increase identification of children and adults in at-risk groups; integrated services; increased independence and ageing well; and good learning outcomes, including improving employment opportunities for young people and adults and reducing development and attainment gaps between deaf and hearing children.

The briefing from the UK Council on Deafness was very helpful in outlining the background to today's debate. It says:

"This debate has been called prior to the publication of the NHS England adult hearing service commissioning framework. The framework will be launched in Parliament at 2pm on 19 July in the Boothroyd Room".

I hope that a lot of colleagues will be able to turn up to support that event. It continues:

"The framework is an outcome of the NHS England Action Plan On Hearing Loss, published on 23 March 2015."

All-party group officers told the Minister at our meeting that we commend the officials within the Department of Health and NHS England for their sterling work in drafting the report and bringing together the commissioning framework. There are a lot of great people doing great work. I have met and listened to a number of them in different meetings, and we are very grateful for all their efforts in this area of policy.

The UK Council on Deafness says:

"The aim of the action plan is to do more on prevention, early diagnosis and support for those who have permanent hearing loss."

It makes the important point that the action plan acknowledges that

"without hearing aids people are 'at greater risk of social isolation, and reduced mental well-being...there is a strong correlation between hearing loss and cognitive decline, mental illness and dementia'. The Ear Foundation has estimated the cost of untreated hearing loss to be £30 billion per year. It has found that hearing loss is associated with reduced income of £2,000 per year on average. Wearing hearing aids halves that loss. At least £25bn in potential economic output is lost each year because of a lack of support for people with hearing loss and deafness."

The council also quotes Action on Hearing Loss, which "has found that people wait on average 10 years to seek help after they first notice symptoms of hearing loss. Only a third of people who need hearing aids have them, leaving 4 million people with unmet needs. Yet hearing aids are shown to improve quality of life, and 90 per cent of people continue to use and benefit from hearing aids."

The UK Council on Deafness also raises the issue of cuts in the provision of hearing aids, pointing out that some clinical commissioning groups proposed limiting access to hearing aids in 2015-16. Following a campaign, most decided to halt those proposals as the commissioning framework was being developed. However, North Staffordshire is reported to have implemented the cuts, and the risk of further rationing remains. Perhaps the Minister will comment on that.

The council also comments that in January, the national screening committee decided not to recommend an adult hearing screening programme. The all-party group has also made that point to the Minister. We felt that without an assessment of the scope and size of the problem, and of the quality of the response from NHS trusts across England, a question mark was left over whether hearing loss was being adequately assessed and the quality of provision adequately outlined.

On the recognition of British sign language, the UK Council on Deafness says that deafness has been put firmly on the agenda by the British Sign Language (Scotland) Act 2015 and the announcement by the Northern Ireland Executive that it plans to bring forward legislation relating to British and Irish sign languages. Perhaps the Minister will comment on BSL. There is a campaign for recognition in England, as there has been in Scotland and Northern Ireland.

As chair of the all-party group, I should put on the record my thanks—I am sure I echo the thoughts of my hon. Friend the Member for Nottingham South from

when she was chair—to colleagues from both Houses who support the group so positively. The Minister knows from the parliamentary questions that come across his desk and from occasional debates and early-day motions that deafness is a matter of interest in the Commons. However, the number of parliamentary actions that my colleagues and I initiate do not reflect the importance of the matter or the number of people affected in this country. I hope that our efforts today and the positive progress that the Government and NHS England are making will reassure the people affected, and those campaigning with them and on their behalf, that the Government and NHS England recognise the condition of hearing loss and that it is being addressed.

As I started by saying, the all-party group requested this debate to demonstrate how much NHS England has done, to raise matters of ongoing interest or concern and to see what more we could solicit from the Minister on the issues that he knows are live within NHS England and the Department. I know he is very much on top of his brief, and I look forward to his comments. We look forward to 19 July and the publication and launch of the framework document, so that the provision for people suffering hearing loss can be not only understood but maintained and improved.

3.12 pm

Lilian Greenwood (Nottingham South) (Lab): It is a great pleasure to see you in the chair today, Ms Vaz, and to have the opportunity to speak in Westminster Hall for the first time in a while.

I want to begin by congratulating my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) on securing today's date and on the excellent work that he is doing to lead the all-party group on deafness. I am very proud to represent a constituency that is home to the national charity, the Ear Foundation, of which I am a patron. We are also home to the Medical Research Council's Institute for Hearing Research, the Biomedical Research Unit on Hearing and the excellent audiology department of Nottingham University Hospitals NHS Trust. Their work is outstanding and makes a huge contribution to our understanding of hearing loss and deafness in the UK and of the ways in which we can best support those with hearing difficulties to fulfil their potential and live the lives they choose.

Back in November 2013, I secured an Adjournment debate on hearing loss in adulthood and I pressed the then Minister, the right hon. Member for North Norfolk (Norman Lamb), to get on with publishing the long-awaited action plan on hearing loss and to monitor its implementation. When it was published in March 2015, it was welcomed on both sides of the House and by everyone with an interest in hearing issues. It sets out clearly the high personal, societal and economic costs of hearing loss—the case for action—and the action that needs to be taken: better prevention, early diagnosis and the right provision of support and services.

As my hon. Friend the Member for Poplar and Limehouse has set out, the case for action is huge: 11 million people in the UK are currently affected by hearing loss; that is 1 in 6 of us, which translates to about 10,000 of our constituents. With an ageing population, both that number and the proportion of us affected is rising fast. But it is not simply the numbers

[Lilian Greenwood]

affected that makes this a major public health issue; it is the significant impact that untreated hearing loss has on people's health and wellbeing.

To communicate is to be part of society. Losing one's hearing is not simply about the absence of sound. If not addressed, hearing loss becomes the loss of our capacity to take part in social life. It is a 24/7 condition and in most cases there is no cure, so it is no exaggeration to say that it can destroy lives. Because communication is at the core of human experience, people with hearing loss can find it very difficult to negotiate everyday interactions, whether in the workplace, on the bus, at the supermarket or in the local doctor's surgery. It can lead to isolation and exclusion. It can also damage personal relationships. Many deaf people report finding it difficult to join in with family conversations and jokes. Couples say they feel more distant from each other and from their friends; and partners of people with a hearing problem describe feelings of loneliness and frustration.

Travelling on public transport becomes a challenge. A minor problem such as a platform alteration or a delayed connection can become a major problem if you miss the announcement. That can leave deaf people feeling anxious and vulnerable and worried about being left stranded or lost. Failure to address hearing problems does not just affect individuals and their families; it has implications for society as a whole.

It is estimated that hearing loss costs the UK economy £25 billion a year in lost productivity and unemployment. Too many people are forced to resign, retire early or take redundancy as a result of their disability. Of the 300,000 people of working age with severe hearing impairment, 20% report being unemployed and seeking work, and another 10% report that they cannot seek work owing to their ill health. As the state pension age rises and more jobs depend on people's communication skills than was the case 20 or 30 years ago, such vulnerability to unemployment is a growing problem.

Research shows that hearing loss is also linked to other health problems, doubling the risk of developing depression and increasing the risk of anxiety and other mental health difficulties. There is also increasing evidence of links between hearing loss and dementia and evidence linking hearing loss to learning disabilities, diabetes, stroke and obesity. That is the bad news. The good news is the incontrovertible evidence that hearing aids and other technologies, including cochlear implants, improve people's ability to communicate and their quality of life. They reduce the risk of depression and other health problems. But early intervention is key to maximising the benefits, so we must address issues relating to early diagnosis, prompt referral to high-quality audiology services and appropriate provision of hearing aids and other interventions.

Hearing aids are most effective when they are fitted early, but on average, as the my hon. Friend the Member for Poplar and Limehouse said, people wait 10 years before seeking help, and when they do eventually seek help, GPs fail to refer 45% of those reporting problems with their hearing to NHS audiology services. That is why I was so disappointed that the national screening

committee decided not to recommend an adult hearing screening programme that could have helped us to address the issue.

I am sure the Minister has read the research report by Action on Hearing Loss and the Ear Foundation—I have it here—which posed the question, “Adult Hearing Screening: can we afford to wait any longer?” If he has not, he is welcome to have my copy. Their evidence tells us that the answer to the question is a resounding no. I hope the Minister will agree to look again at that evidence.

The idea that people do not wear their hearing aids and keep them in a drawer is outdated. Today's technologies are accepted and are worn, although the more we can do to improve follow-up care and reduce stigma, the better. Tackling hearing loss is cost-effective. We cannot afford to wait years for a randomised controlled trial. We should be acting now.

We are also very concerned, of course, about the risk of rationing access to hearing aids, as local health commissioners' budgets are under intense pressure. In fact, the report on NHS audiology across the UK published by Action on Hearing Loss and entitled “Under Pressure” showed that 30% of NHS audiology providers had had their budgets reduced. Along with increased demand, that had led to two fifths of providers making service reductions, resulting in longer waiting times, fewer follow-up appointments and reduced availability of home visits. In a small number of cases, providers were not providing two hearing aids to patients with hearing loss in both ears.

Worse still, as everyone is aware, North Staffordshire clinical commissioning group decided in March last year to stop funding free NHS hearing aids altogether for those with mild hearing loss. There was a fear that others would follow it in doing that, but so far, as a result of significant campaigning by Action on Hearing Loss and many others, that has not happened. South Staffordshire, South Norfolk, Kernow and Mid Essex CCGs, which had all signalled their intention to restrict hearing aid provision, have now decided otherwise, or have at least delayed a decision until the national commissioning framework is published. However, three CCGs in Worcestershire are currently consulting on potential changes to local health services—including a proposal to cut NHS hearing aid provision; so there is still a threat to services.

When I asked the then Minister, the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), about the North Staffs decision, he told me:

“If the hon. Lady has concerns about local commissioning decisions, she should take them up with local commissioners...It is important that clinical services are now designed and delivered by front-line health care professionals, and if she is concerned about them, I am sure she will take that up with her local CCG.”—[*Official Report*, 15 October 2014; Vol. 586, c. 407.]

I know that the Minister who is present today shares the concerns of the all-party group about rationing, and I hope that he can give me greater assurance that the commitments in the Government's action plan will be more than warm words and will translate into effective action. The action plan and the commissioning guidance present an opportunity to improve millions of people's lives, and I hope that we will grasp it.

3.22 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. I congratulate my fellow east end MP, my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), on securing this important debate; I also congratulate my hon. Friend the Member for Nottingham South (Lilian Greenwood) on her thoughtful speech.

As we have heard in the debate, hearing is at the heart of the human experience. I think we will all have seen online the short films of babies who, through hearing aid devices, suddenly hear their mothers' voices for the first time. Those babies' faces are transformed, and that reminds us how important hearing is.

There is much to welcome in the Department of Health's action plan on hearing. The aim of reducing the stigma related to hearing loss is important. I think that sense of stigma is the reason for people waiting so long before they get the help they need. Designing public services and public spaces to support good communication is also important. Here, and certainly in the Chamber of the House of Commons, the design is good and hearing loss need not stop any Member following what is going on; but there is more to be done in other public spaces, such as cinemas, theatres and so on.

The action plan also seeks to provide better communication support and understanding in the workplace. That is important, because for people of working age I think the worst thing is the feeling that hearing loss is cutting them off from the workplace. The workplace is not just source of income; it gives people a sense of identity, self-worth and importance. For that to be cut off through hearing loss is tragic. The things that are wanted in the workplace are timely access to assistive devices, language support—such as learning British Sign Language or sign-supported English—and speech to text. Another aim of the action plan is that there should be more research into the causes and management of hearing loss and tinnitus. Tinnitus is a particularly alarming issue. It is sometimes written and talked about as if nothing can be done. It can be as bad for people's ability to function in society as absolute hearing loss. It is important that we have more research on its management, rather than just accepting that nothing can be done about it.

An important aspect of the action plan is the promotion of strategies for the prevention of hearing loss, and an understanding of hearing awareness. Some hearing loss is workplace-related, and my hon. Friend the Member for Poplar and Limehouse said that his may be related to his working life as a fireman. Some hearing loss happens as people get older. However, we need strategies to prevent it, if that is possible. Early awareness, diagnosis and management is vital. That is why we think the issue of stigma is so important. We want person-centred planning that is responsive to information and social needs and that reaches out into all communities.

We should not assume that communities whose first language is not English will be able to get access to all the things that are made available. Many communities, particularly in the east end of London, are wary of approaching the authorities—even their GP. A lot of thought needs to be given to the sort of information outreach programmes that will reach people of every

age in every community. In big urban centres in particular, if thought is not given to outreach and an understanding of early awareness, diagnosis and management, thousands of people in a given area will not be able to get the help they need. So we need person-centred planning, and timely access or signposts to communication support, lip-reading classes, hearing therapy, counselling, support groups, befriending services and assistive technologies. I reiterate that we must consider that we are not in a mono-cultural society. It should be as easy for a Bengali widow in Poplar and Limehouse to get access to lip-reading classes, befriending services or support groups as it is for a retired man in Nottingham. Finally, one of the aims of the Department's action plan is to promote inclusion and participation, through ensuring that all public services are accessible, and to support language and communication needs. Those are excellent aims.

The purpose of today's debate is to consider how far the aims are being achieved, and my colleagues have touched on two major issues that are worth considering again. The question of hearing aid rationing arises in the context of pressure on NHS resources. One way in which the NHS and CCGs are seeking to manage the pressures is by raising the bar before someone can get access to a service or to help. One of the most alarming aspects of that approach is its effect in mental health, where people must manifest more extreme symptoms before they can get help. It might seem to CCGs that rationing hearing aids is a less obvious form of rationing, because only the patients know or understand what has happened. Thus, as we have heard, since October 2015 one CCG—North Staffordshire—has stopped providing hearing aids to patients who have mild hearing loss, and it subjects those with moderate hearing loss to a questionnaire before it decides whether to provide them with a hearing aid.

As the Minister heard from my colleagues, it is not acceptable to ration hearing aids in that way. There is a danger that people's hearing loss will get more severe before they can get the help they need. There are some exemptions, such as for people with dementia; hearing loss can make people more susceptible to dementia, physical disability or tinnitus. However the approach in question is not good enough. If the Government feel that we must have rationing in the NHS, we need clarity about that—it must be transparent and there must be debate. It cannot happen just because the Government feel that somehow they can get away with it.

Ten further CCGs have consulted on proposals to stop the provision of NHS hearing aids to patients with mild to moderate hearing loss, although none, as we have heard, has gone ahead with the proposals. Some are seeking alternative cost savings and others await the publication of the commissioning framework. As the Minister has heard, hearing aids are good value for money. The cost to the NHS of a pair of hearing aids and three years' support is under £400, but the average price for an individual purchasing them privately is £3,000. In the part of the world that I come from—the east end of London—£3,000 for a hearing aid is prohibitively expensive. Furthermore, the sad fact is that 30% of audiology providers have had their budgets reduced in real terms over the past two years, and 33% said that increased demand is directly impacting on the scope or quality of the service that they can provide.

[Ms Diane Abbott]

The other point, apart from the notion of hearing aid rationing, is to do with routine health checks. The charity Action on Hearing Loss commissioned a cost-benefit analysis of hearing screening, which found that screening everyone and providing support to those who need it at the age of 65 would save £2 billion over 10 years, for a cost of only £255 million. Low levels of diagnosis mean that two thirds of people are not getting the treatment and support they need. The research suggests that there is an average 10-year delay in people seeking help for their hearing loss and that, when they do, GPs fail to refer fully 45% of those reporting hearing loss to hearing services.

Hearing loss can be a gradual process. The stigma around hearing loss might make people reluctant to get the help they need, in particular as they get older and feel it is a sign of ageing to which they do not want to admit. Imagine, though, the reality for people who gradually and incrementally find their hearing going, and find themselves increasingly shut off from the world, the workplace, family and friends. Some excellent work has been done on the issue, and I await with interest the Minister's response to the points that have been made.

3.31 pm

The Minister for Community and Social Care (Alistair Burt): It is a pleasure to speak under your chairmanship, Ms Vaz. Thank you for chairing this important debate.

Whatever else may be going on in this place at the moment, it is important that every now and again we return to what most people would regard as real life. As both Government and Opposition Members, we should give a strong sense of how we remain very engaged with matters that affect people every day. We will continue to do so.

I am grateful to my friend, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), for bringing the subject before the House. It is some time since we played football together—too long—and we will have to find another way to do that. I have great fondness for the hon. Gentleman, who represents his constituents well, and who has always raised this cause in the best possible way, being informative as well as challenging when in opposition. I appreciate his work, and the work of the hon. Member for Nottingham South (Lilian Greenwood), in particular with the all-party group, which is so essential to keep Members informed about what is going on and what we need to be engaged with. I endorse the thanks to those who promote and support the all-party group and its work.

I welcome the hon. Member for Hackney North and Stoke Newington (Ms Abbott) to her role as the shadow Health Secretary. I thank her for her contribution today, and I look forward to hearing more from her. I appreciate the many burdens on her and her colleagues, so I appreciate her taking part in the debate.

The hon. Member for Poplar and Limehouse set out, broadly, the situation affecting the action plan and looked forward to the next stage, including the commissioning framework, which I will touch on. He spoke about the practicalities of life, paying tribute to those who put in the loop systems, and about how well

technology has improved over the years—a sentiment I share. He made reference to a couple of specific topics that I will cover.

The hon. Member for Nottingham South did the same and spoke about the effects of deafness. Some years ago, as colleagues might be aware, I was Minister with responsibility for people with disabilities, and when she spoke about the importance of communication, I remember in particular a visit I made to Sense, the deaf-blind charity, at its premises in Peterborough, where I was introduced to a number of people. The importance and value of communication were brought home to me when I engaged with one particular gentleman, who understood what people were saying because he put his finger on their lips to follow the conversation. He could not see or hear, but his finger on their lips meant that he could follow the shape of the mouth. He then tapped out his reply on the back of his carer's hand. Think how easily we communicate, at the drop of a hat, and see what someone was prepared to do because he was desperate to communicate. That reminds us of the absolute value of communication to human life and existence. I remember that example to this day, even 20 years on.

When the hon. Lady and other colleagues were talking about what being deaf means, how it affects life, how hearing and communication are a vital part of people's existence, and about the absence of those and the difficulty that it brings, they brought home to me just how important the subject is. That is why I value the debate, and I am grateful to the Backbench Business Committee for allowing it and to the hon. Member for Poplar and Limehouse for securing it.

The shadow Secretary of State for Health also raised matters of rationing, financing and screening, so I will now cover those with my prepared remarks.

I congratulate the hon. Gentleman on securing the debate on NHS England's action plan on hearing loss and the adult hearing service commissioning framework. The advent of the commissioning framework on 19 July will mark an important milestone. I share his sense that it is an important event. We hope that many people will come to the launch. It is only right, therefore, that we come together to discuss the opportunities and challenges that the publication presents.

As colleagues have mentioned, hearing loss is widespread. More than 10 million people in the UK are affected, and our rapidly ageing population means that that number is set to grow. As mentioned, projections show that by 2031 there will be more than 14.5 million people with hearing loss in the UK. Those demographics alone provide compelling evidence for why the UK needs to step up its response to hearing loss to enable further research, to take action on prevention and to enable people with hearing loss to access the services and support they need.

The Department of Health and NHS England's action plan on hearing loss, published in March 2015, recognises the impact of deafness and hearing loss on individuals and society as a whole. Crucially, in my view, the plan accepts that hearing loss is not only a health issue, as we have been saying, but a cultural one. Tackling that societal challenge requires an integrated approach across the public, private and third sectors.

NHS England is therefore committed to delivering 20 outcome measures across five key areas, which have been touched on: prevention; early diagnosis; patient-centred, integrated management; ensuring that those diagnosed do not need unscheduled care or become isolated; and enabling inclusion and participation. That work will be spearheaded by a range of multidisciplinary groups with cross-sector representation.

The publication of the plan heralded an important new chapter in driving essential improvements, but we know that there are significant challenges for hearing services. Adults with hearing loss wait, on average, 10 years before they seek help—again, as colleagues have said—and, when they do visit their GP, 30% to 45% are not referred on for a hearing assessment. We know about significant unmet need and variation in services. For example, only about two fifths of people who need hearing aids have them. I have also heard some disquieting anecdotal accounts that some clinical commissioning groups have been taking difficult decisions and considering the rationing of hearing loss services.

Some of the news is helpful, such as the statistics on when referrals are made and things move forward. In 2013-14, 84% of people seen were seen within 16 days of referral; 92% were fitted with hearing aids within 20 days; 97% had their first follow-up within 70 days; and 800 different types of hearing aid were available from the NHS supply chain. So once someone is in the system, things are available, but we want to improve the provision of services.

Jim Fitzpatrick: Will the Minister give way?

Alistair Burt: I was about to come on to rationing, but I am happy to give way at this stage.

Jim Fitzpatrick: My hon. Friend the Member for Nottingham South (Lilian Greenwood) mentioned—I think this was in my notes, and the Minister just repeated it—the numbers who are not referred on by GPs. I have not got to the bottom of why that is. GPs are not auditory specialists, so we would think that if someone comes to them and presents with audiological problems, the logical thing would be to send them to their local trust, who are the experts and have sound-proof booths, technicians and specialists, to identify and assess the nature of the problem. I have read that figure a couple of times, but I have not got to the bottom of why they are not being referred. I am not sure whether the Minister will have an answer, but I thought I would raise that point.

Alistair Burt: I must confess that I do not have an answer. He makes a perfectly fair point. Whether or not that is what people raise at the time they are in the surgery or whether they recognise it themselves or minimise it by saying, “I’m just getting old” or whatever, I do not know. I will make an inquiry and see what research we have at present. Family practitioner care and GP services are under constant review, and we have a number of different pilots and vanguards looking at the provision of primary care services.

I will see what emphasis is being given to this particular aspect. Certainly we recognise that the demographics indicate that all issues associated with getting older, which can include hearing loss, are rising up the scale

and the agenda. I will make specific inquiry about whatever reasons we have at present in relation to this matter and write to each of the hon. Members present to give that information. I am very happy to do that.

Lilian Greenwood: I wonder whether the Minister thinks there is a role for raising public awareness to empower patients not just so that we improve GPs’ understanding—that might be the issue—but so that people are a bit more demanding and recognise that hearing loss is not an inevitable consequence of growing old that has to be put up with but something that can be addressed.

Alistair Burt: Absolutely. Again, there may be more to be done through charities, the third sector, the Royal College of General Practitioners and perhaps the British Medical Association, certainly about the thing that people have in the back of their mind and do not always raise. Clearly, if there has been a sudden change, people may mention it. I suspect that part of it may be that people’s hearing loss is gradual. Perhaps there is an earlier stage.

All colleagues mentioned early intervention and perhaps there is a point at which it should be stated that hearing loss is not necessarily a natural thing that people should accept; it is something that they could and should do something about. My father is a GP and he always said that the most important part of any consultation was when the patient had taken their coat from the chair and put it on and was just leaving the room and said, “Oh, there’s one more thing, Doctor.” At that point, he always brought them back. I wonder whether, for a number of patients, that one more thing that they think they might not bother the doctor with is actually that: “I’ve just been getting a little bit hard of hearing. Maybe it is something and nothing” and so on. Perhaps that is something we could promote and say, “If that is your circumstance, do let someone know, because there is support available.”

Let me develop the discussion. We spoke about rationing services. I am aware that NHS England supported a recent decision from North Staffordshire CCG because it was able to demonstrate that its commissioning policy was evidence-based and had followed extensive public engagement. The hon. Member for Nottingham South was right to say that I am extremely wary of rationing early intervention and hearing aids at the very early stage. I fully accept all the evidence that says that it is doing something at that early stage that prevents something else later on. As colleagues have said, no one else has yet followed that. There has been a lot of challenge. It remains possible for NHS England to intervene if it thinks that commissioning has gone badly askew, but for now that has not been followed.

I will make a general—if slightly light-hearted—remark about resources in the national health service. Due to the decision taken by the nation last week, those who promoted a decision to leave the EU have promised, I think, £350 million a week—or maybe it is £100 million a week—to come to the NHS. My understanding is that that will not happen immediately, but perhaps in two or three years’ time we might see that money written into the health service’s baseline. It would be nice if that were to be. That remains to be seen. Certainly if that

[*Alistair Burt*]

comes to pass, it would be one silver lining in the clouds of last week, but I suspect that that will not be a decision for me to take.

Ms Abbott: I want to press the Minister on the issue of rationing—I was involved in the discussions on the current reorganisation in my earlier incarnation on the Front Bench. Is he saying that nothing can be done until a CCG announces that it plans to ration, or is there any way—even under the reorganised NHS—of giving central direction to CCGs about that?

Alistair Burt: There is not a way of giving a central direction, because the whole direction of travel in the health service in recent years, as we know, has been to allow decisions to be made as close to people as possible. CCGs and the areas covered by them vary in the nature of their provision—there is variation in services, as we know—and if we were to go back to giving national direction on virtually everything and taking decisions that amount to micromanagement, as this one would, we would be moving away from that.

I will come on the commissioning framework and the action plan in a moment, but the commissioning framework should set out what the expectations are. However, it is right to leave local decision making to those working locally. Indeed, the recent decision and the pressure in other places have reminded CCGs of the importance of early provision, which has probably been far better than any directive from the centre.

Ms Abbott: So the Minister is saying that, in respect of the rationing of hearing aids, all we can really do is cross our fingers.

Alistair Burt: No, in all fairness I am not, because it has happened in only one CCG. It has not spread everywhere, and I think that is because the concerns that have been raised in the NHS and elsewhere have persuaded CCGs that they would not like to make that restriction.

To come back to the issue of resources, and to be a little more serious, the NHS remains under significant financial pressure. We have committed to making an extra £10 billion available to the NHS by 2020, as the chief executive has requested, but money will remain tight. Unless we want to go back to a situation in which everything is directed from the centre, we must leave local decision making to those closest to an area—that idea will remain in place. To characterise that as crossing our fingers is not entirely fair, and it has not proved to be the case.

The forthcoming commissioning framework will support CCGs to make informed decisions about what is good value for the populations they serve, using an evidence-based methodology to determine policy. NHS Improvement has received expressions of concern about commissioners reducing prices for audiology services, causing firms to exit those services, and reduced access and choice for patients. So far, except in one case, those allegations have not been substantiated and no formal complaint has been made to enable NHS Improvement to consider taking regulatory action.

NHS England could consider any immediate concerns about a CCG's behaviour at local level under the assurance framework, and there may be scope for NHS Improvement to consider them under the National Health Service (Procurement, Patient Choice and Competition) (No.2) Regulations 2013, under the pricing rules contained in the national tariff.

Hon. Members raised the issue of screening. I am aware that the "Hearing Screening for Life" campaign has called for hearing screening to be introduced for everybody at the age of 65. However, advice from the UK national screening committee—the expert group that advises Ministers on all aspects of screening—suggested that the evidence did not demonstrate that screening would provide any hearing-related improvement in quality of life in comparison with the identification of hearing loss in other ways.

That is different from screening for newborn children—I have seen some of that work in action. I went out to Hounslow, where I will always recall the three-week-old baby who was cradled in her mother's arms and being tested by the lady responsible, who was watching for the brainwave patterns. The hearing test could only be done when the baby was asleep and the brainwave patterns were absolutely level. The care and consideration taken with that baby was really quite remarkable. We should be proud that that programme exists. Seeing such things in action—even in one individual example—really cuts through all the statistics. In that instance, screening is the right response.

There are, however, a number of other policy solutions under active consideration by NHS England and CCGs, such as better training as part of the ongoing work to support the uptake and dissemination of the action plan and framework, including better training for GPs to identify and improve the response to hearing loss in adults. That will feed into what we discussed earlier about better recognition at an earlier stage.

The hon. Member for Poplar and Limehouse raised the subject of BSL and sign language in general. My hope is that access to personalised information in appropriate formats and support for communication will improve because of the new accessible information standard, which is mandatory. All organisations that provide NHS or publicly funded adult social care must implement and conform to the standard by 31 July this year. More generally, responses to the Department for Work and Pensions review of the market for BSL and communication support for people who are deaf, deaf-blind or have hearing loss are currently being analysed, and the results will be reported this autumn. From my previous work on disability, I know how important British sign language is. It is a culture and a language that is capable of expression, of drama, of comedy and of all sorts of things. We discussed earlier the life and culture of people who are hard of hearing or deaf, which is very important, and we look forward to the conclusions of that DWP review.

NHS England, along with patient groups, charities, CCGs, providers and professional groups, set out to respond to some of the challenges I have mentioned with the forthcoming commissioning framework. The framework ensures that first and foremost, CCGs have a clear guide to what good commissioning looks like. It is designed to ensure that CCGs are properly supported not only to provide more consistent, high-quality integrated

care to meet the needs of local people, but to make informed decisions about what represents good value for the populations they serve. A golden thread throughout the publication is action to be taken to help reduce inequalities in access and outcomes. The framework is a real attempt to deal with the issues of variation that we come across.

The framework underscores the value of co-ordination and integration. In a climate of financial constraint, improved understanding of prevention means that effective measures can be taken to improve services and save money. The framework encourages CCGs to utilise outcome-based commissioning to incentivise change and advocates improving patient access to and choice of services. Implementing contracting, pay and monitoring outcomes and referrals from all providers should ensure fair choice and drive up quality. That shows that we are moving in the right direction, but a lot more work is needed to encourage action and promote the change we all want to see across the public sector and across the age range.

System partners have shown demonstrable commitment to working together to ensure that progress is made to achieve the goals set out in the action plan. Although there is no one perfect model, NHS England and the sector need to continue to collaborate to support CCGs to improve value, innovate and build sustainable services. I also think that lessons can be learned and applied across the system from the valuable work of NHS England and system partners.

It is clear, as this debate has demonstrated, that there are passionate advocates out there who are eager to achieve the improvements in outcomes, experience and services that we all want to see. The publication of the framework provides us with the opportunity and the incentive for action. We all need to be on the front foot on prevention. We will only achieve gains through concerted action across all the partners in the hearing landscape.

I will continue to play my part in holding system partners to account for commitments made. Collaboration and partnership working at national, regional and local level are key, and the work of colleagues here in the House and the all-party group in ensuring that interests are constantly represented here will also be of great importance. On behalf of the Department, I am very grateful to the Backbench Business Committee and to colleagues for raising such an important subject and contributing to the debate.

3.53 pm

Jim Fitzpatrick: Thank you for the opportunity to make a couple of closing comments, Ms Vaz. I am grateful to the shadow Health Secretary, my hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott), for being here today and for her contribution. I especially thank my hon. Friend the Member for Nottingham South (Lilian Greenwood) for her contribution. She demonstrated her complete awareness of these matters and her long-standing commitment to campaigning on them in her constituency and here in Parliament, as a former leader of the all-party group on deafness.

I thank the Minister not only for his response and the reassurances he gave but for the obvious personal commitment he brings to the role he now commands. He is held in high regard by many of us. We look forward to working with him, supporting him and encouraging him in his continued endeavours in this area. I am grateful for the opportunity to have this debate.

Question put and agreed to.

Resolved,

That this House has considered NHS England's Action Plan on Hearing Loss and the adult hearing service commissioning framework.

3.55 pm

Sitting adjourned.

Written Statements

Thursday 30 June 2016

CULTURE, MEDIA AND SPORT

Telecommunications Council

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): The Telecommunications Council took place in Brussels on 26 May 2016. As is procedure, this statement sets out a formal record of that meeting. The UK's Deputy Permanent Representative to the EU, Shan Morgan, represented the UK.

The first item was for agreement for a general approach on the proposal for a decision on the use of the 470-790 MHz frequency band in the Union (First reading—EM 5814/16 + ADD 1 and 2). The UK supported this general approach. There were no major interventions and the general approach was agreed by Council.

This item was followed by a debate on the EU electronic communications regulatory framework. The debate was informed by three questions from the presidency. The UK intervention was as per the pre-Council statement. Other member state interventions included Finland, Sweden, Romania and Latvia who generally agreed with the UK position on the importance of protecting national competence with respect to spectrum management, but that there should be better EU co-ordination. Some member states including Sweden, Poland and Lithuania, also highlighted the need for any new electronic communications framework to assist the rollout of broadband, especially in rural areas, by promoting competition. On the issue of increasing the scope of the framework to include over the top services (OTTs), many member states, including Finland, Ireland and Lithuania, were wary of widening the current scope to include OTTs. However, Germany and Spain wished to do so in order to create a “level playing field” for all comparable services. The Commission offered the view that the primary objective of the new framework should be further driving broadband rollout, especially ultrafast broadband.

This was followed by four items under AOB. The first two items were progress reports from the presidency on: a proposal for a directive of the European on the accessibility to public sector bodies' websites (First reading—EM 16006/11); and measures to ensure a high common level of network and information security across the Union (NIS—First reading—EM6342/13). This was followed by information from the Commission on developments on internet governance. Finally, the Slovakian delegation informed the Council of their priorities for their forthcoming presidency. There were no interventions on any of these items.

The agenda item on the role of platforms in the digital economy was withdrawn by the presidency shortly before Council took place.

Council then adjourned until the next meeting, due to be held on Friday 2 December 2016.

[HCWS55]

Education, Youth, Culture and Sport Council

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): The Education, Youth, Culture and Sport Council took place in Brussels on 30 and 31 May 2016. Parliamentary Under-Secretary of State and Minister for Intellectual Property, Baroness Neville-Rolfe, represented the UK at the Culture and Sport Councils on 31 May. As is procedure, this statement sets out a record of that meeting.

Culture and Audiovisual

The first item was the adoption of conclusions on the role of Europeana in digitising cultural heritage. The UK supported the adoption.

Council then moved to the main item on the agenda which was the Commission's proposal for a new audiovisual media services directive in the context of its digital single market strategy. All Ministers welcomed the continuation of the country of origin principle as the cornerstone of the directive and the UK repeated its view that this must not be eroded for the continued functioning single market. There was some discussion on proposals to secure funding for European content. The UK, along with Finland, observed that quotas might not be the best way to achieve this. On accessibility rules, the Commission agreed with the UK that sector-specific rules might be useful. The Commission and presidency concluded by calling for a speedy adoption in order to keep up with ever-changing technology.

There were six AOB items including information on an upcoming proposal for an EU year of cultural heritage 2018, an item on the future funding of the European Union youth orchestra, a French item on interoperability of digital content and a request by Poland, supported by Slovenia, Romania, Czech Republic, Estonia, Latvia, Lithuania, Portugal, Belgium and Malta for an increase to the existing €5 million ceiling stipulated in the current European regional development funds for small-scale cultural projects. There was also information from the German delegation on the latest court decisions concerning the remuneration of publishing companies based on copyright law, and a presentation by the Slovak delegation on priorities for their upcoming presidency. The UK did not intervene on any of these items.

Sport

This Council focused on integrity and good governance in sport, with the adoption of Council conclusions, supported by the UK, and a policy debate. Member states outlined best practice in their countries and France and Denmark led calls for member states to continue signing the Council of Europe convention on match-fixing. The UK intervention highlighted the Prime Minister's recent anti-corruption summit and the resulting pledge to launch an international sports integrity partnership.

Under AOB, Malta fed back to Council on discussions at the recent meeting of the World Anti-Doping Agency in Montreal. The Commission also presented an update on studies on the specificity of sport and the role of sport in regional development. Sweden, Italy and France called for further work in this area. The UK did not intervene. Council then adjourned until the next meeting; due to be held on Tuesday 22 November 2016.

The UK was represented by officials at the high-level sport structured dialogue. This was opened, for the first time, to all delegations, rather than the usual presidency trio format. The sports movement was represented by IOC, EOC, FIFA and UEFA. The UK emphasised that strengthened dialogue was paramount to the integrity of the sports movement and drew parallels with the international sports integrity partnership announced at the Prime Minister's recent summit. The UK also referred back to London 2012 Olympic games and the sports betting integrity forum which the UK established.

A joint declaration of intent on enhancing regular dialogue on topics of shared responsibilities regarding major sports events was signed by the Dutch presidency and the four representatives of the sports movement.

[HCWS56]

DEFENCE

Operation SHADER

The Secretary of State for Defence (Michael Fallon): In the counter-Daesh quarterly update to Parliament on 24 May 2016, I said that following the meeting of counter-Daesh coalition Defence Ministers in Stuttgart on 4 May, we were considering what further support the UK might offer to reinforce the global coalition.

I can confirm today that we will be sending around 50 additional trainers to the Al Asad airbase in Western Iraq to provide instruction on countering improvised explosive devices (c-IED), infantry skills and combat first aid. As well as the extra training personnel, the UK will also provide around 90 personnel to assist with guarding the airbase, and around 30 personnel to form a head quarter staff to help command the mission. In addition an engineering squadron will deploy for around six months to build necessary infrastructure to support the deployment.

This deployment will add to the significant contribution the UK is already making to the campaign, with over 1,100 personnel deployed to the region. Our strike aircraft have now conducted around 900 air strikes against Daesh targets in Iraq and Syria and our intelligence, surveillance and reconnaissance aircraft provide niche and highly valued capabilities. On the ground, as part of the coalition's Building Partner Capacity (BPC) programme our forces have helped to train more than 18,000 members of the Iraqi security forces (ISF), including Kurdish forces, in Besmaya, Erbil and Taji. With coalition support, Iraqi forces are pushing Daesh back and reoccupying territory. Fallujah has now been liberated after suffering at the hands of Daesh since early 2014. As Iraqi forces continue to regain territory and begin preparatory operations to retake Mosul, it is important that the coalition continues to provide the support needed to allow them to make further progress.

The extra trainers will be working closely with US and Danish forces, who lead the BPC programme at Al Asad, providing training to the Iraqi army 7th Division, border guards and federal police from behind the wire in c-IED and basic infantry skills, and combat first aid. This will in turn help Iraqi forces consolidate recent military gains in Anbar province and the building of forces for operations around Mosul.

On 24 May 2016 I also set out our intention to provide the Kurdistan Regional Government of Iraq with a supply of ammunition to equip the Peshmerga. I am today laying a departmental minute concerning the gifting of ammunition to the Kurdistan Regional Government. This will enable the Peshmerga to defend themselves, protect citizens and continue to hold the front line against Daesh. The gifting package will consist of heavy machine gun ammunition for use with the weapons previously gifted by the UK, and sniper rifle ammunition. The total cost is approximately £1.4 million plus an estimated £4,100 in transport costs. Given the requirement to provide support to ongoing operations in northern Iraq, the departmental minute will lay for five sitting days from the date of this statement.

[HCWS50]

FOREIGN AND COMMONWEALTH OFFICE

Foreign and Commonwealth Office: Services

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (James Duddridge): FCO Services operates as a trading fund of the FCO. I have set the following performance targets for 2016-17:

An in-year surplus before interest, tax and dividend.

A return on capital employed of at least 7% (weighted average).

A productivity ratio of at least 80%, measuring actual billable hours versus available billable hours.

To deliver the efficiency savings of £12.1 million as reported over the corporate plan period.

A customer satisfaction result of at least 80%.

To provide an annual discretionary dividend to the FCO of at least £1.5 million.

An overall improvement of 2% on the average 2015 index Your Say score for My Manager.

Target 2016-17 = 65%

FCO Services will report to Parliament on its success against these targets through its annual report for 2016-17.

[HCWS53]

Foreign Affairs and General Affairs Councils June 2016

The Minister for Europe (Mr David Lidington): My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs attended the Foreign Affairs Council on 20 June and I attended the General Affairs Council on 24 June. The Foreign Affairs Council was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini, and the General Affairs Council was chaired by the Dutch presidency. The meetings were held in Luxembourg.

FOREIGN AFFAIRS COUNCIL

A provisional report of the meeting and conclusions adopted can be found at:

<http://www.consilium.europa.eu/en/meetings/fac/2016/06/20/>

In her introductory remarks, Ms. Mogherini highlighted the conclusions on Burma and business and human rights. Ministers signed the EU/East Africa economic partnership agreement.

Arctic

The UK welcomed the adoption of Council conclusions on the Arctic: the EU has an important role in helping to meet the challenges facing the region, focusing on those areas where it can add value, such as research, climate change and the environment.

The Sahel

Ms. Mogherini updated Ministers on her recent discussions with G5 Sahel countries—Burkina Faso, Chad, Mali, Mauritania and Niger—and emphasised the importance of working in partnership with third countries to address shared challenges, particularly migration. Council conclusions were adopted which set out the importance of tackling the long-term drivers of instability and migration, as well as the need to continue to strengthen the capacity of local security forces.

Macedonia

Ministers discussed the longstanding political crisis in Macedonia. The Foreign Secretary expressed concern at the continuing crisis and supported renewed EU/US negotiations. Ms. Mogherini issued a statement after the Council ended, calling for the full implementation of the Przino agreement signed one year ago by the political parties, which included the creation of a special prosecutor to investigate allegations of abuse of power.

Middle east peace process

Ministers exchanged views on prospects for the middle east peace process, in the light of the upcoming Quartet report, and planned follow-up to the 3 June Paris conference. In spite of sobering developments on the ground, Ministers shared the view that the EU must remain proactive and engaged, and be ready to invest further political capital as soon as conditions allow.

Georgia—visa liberalisation

Ministers exchanged views on visa liberalisation in the context of EU-Georgia relations, pursuant to the proposal submitted by the Commission in March to exempt Georgian nationals from the requirement to obtain visas when travelling to Schengen countries for short stays. The UK is not part of the border and immigration aspects of Schengen so would not be affected by any changes to the relevant regulation 539/2001 pursuant to the Commission proposal.

Libya | EUNAVFOR MED Operation Sophia

The Council adopted the Council decision to extend and expand Operation Sophia's mandate to boost the capability of the Libyan coastguard to help stem the flow of illegal migration and to combat arms trafficking. It is important that work to implement this decision starts as soon as possible. The UK will work with the Libyan authorities, regional countries, other EU member states and international organisations to achieve this. Operation Sophia has already saved almost 15,000 lives and destroyed over 120 smuggling vessels. Operation Sophia's additional tasking will build the Libyan Coastguard's ability to tackle migration and limit Daesh terrorists' freedom of movement.

Under any other business, the German Foreign Minister updated the Council on the German chairmanship of the OSCE. He set out his plan to visit Nagorno Karabakh in late June to encourage both sides to continue a sustained dialogue.

Ministers agreed without discussion a number of measures:

The Council adopted conclusions on the middle east peace process.

The Council adopted conclusions on Myanmar/Burma.

The Council adopted conclusions on business and human rights.

The Council adopted conclusions on child labour.

The Council approved the signature and provisional application of the economic agreement between the EU and East African Community (EAC) partner states.

The Council approved the EU annual report on human rights and democracy in the world in

2015.

The Council repealed common position 2008/109/CFSP and Council regulation 234/004, lifting restrictive measures and an arms embargo imposed against Liberia.

The Council adopted the EU's common position in view of the third meeting of the Stabilisation and Association Council with Serbia, which took place in Brussels on 22 June 2016.

GENERAL AFFAIRS COUNCIL

A provisional report of the meeting and conclusions adopted can be found at:

<http://www.consilium.europa.eu/en/meetings/gac/2016/06/21/>

The General Affairs Council on 24 June, in Luxembourg, discussed the outcome of the UK referendum, prepared the June European Council conclusions, and discussed implementation of specific aspects of the inter-institutional agreement (IIA), including the Commission's Work programme for 2017.

Slovakia also presented its priority work programme for its upcoming presidency of the Council of the EU.

June European Council

The Council discussed the draft conclusions ahead of the European Council on 28-29 June. The European Council is due to focus on migration, economic matters, external relations and the outcome of the UK referendum.

European semester

As part of the European semester process, the Council approved the draft country-specific recommendations which will be endorsed at the European Council on 28-29 June. The recommendations were also approved at the Economic and Financial Council (ECOFIN) and the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO).

Inter-institutional agreement (IIA)—Better law making and transparency

As part of the IIA process, the Council discussed the legislative priorities for 2017, in particular transparency aspects of the IIA and the Commission's Work programme for 2017, which the Commission will present to the Council in November 2016.

NORTHERN IRELAND

Northern Ireland Security

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): This is the ninth statement on the security situation in Northern Ireland and the second statement to this Parliament. It covers the threat from Northern Ireland-related terrorism, rather than from international terrorism, which Members will be aware is the responsibility of my right hon. Friend the Home Secretary, who updates the House separately.

In the six months since my statement on Northern Ireland's security situation, the same, relatively small and fractured, violent dissident republican groupings have persisted with their campaign of violence. Their activities are against the democratically expressed wishes of the people in Northern Ireland. They continue to seek relevance and inflict harm on a society that overwhelmingly rejects them. Their support is very limited. Northern Ireland's future will only be determined by democracy and consent. The Police Service of Northern Ireland (PSNI) and MI5 work diligently to limit the threat these groups are able to pose. Because of these efforts the vast majority of Northern Ireland's population are able to go about their daily lives untroubled by terrorism.

The terrorist threat level in Northern Ireland from Northern Ireland related terrorism remains "Severe" (an attack is highly likely) and the need for vigilance continues. Violent dissident republicans retain access to a wide variety of terrorist material including firearms, ammunition and improvised explosive devices and remain committed to an agenda of violence.

The Police Service of Northern Ireland, MI5 and their security partners continue to work tirelessly to counter the threat, often placing themselves at significant risk in order to keep people safe. Countless attacks are prevented in their early stages. So far this year, the PSNI have recovered terrorist items including firearms, ammunition and bomb-making equipment. There have been 59 arrests, of which, eight individuals have been charged for terrorist-related offences.

The lethal nature of the threat posed by terrorist groupings was demonstrated in March when prison officer Adrian Ismay died as a consequence of injuries he sustained when an improvised explosive device functioned under his vehicle as he left his Belfast home for work. Adrian Ismay's death is first and foremost a tragedy for his family and friends. But it also serves as a stark reminder of the ongoing risks faced by prison officers, police officers and members of the armed forces, some of whom have been very fortunate to escape injury in other terrorist attacks, both on and off duty.

Violent dissident republicans continue to try to injure and murder PSNI officers, prison officers and members of the armed forces. The main focus of dissident republican violence continues to be in Northern Ireland. However, on 1 May, the Home Secretary announced that MI5 had increased their assessment of the threat level in Great Britain from Northern Ireland-related terrorism from "Moderate" (an attack is possible but not likely) to "Substantial" (an attack is a strong possibility).

Violent dissident republicans have long aspired to carry out attacks in Great Britain to perpetuate their ongoing campaign of violence, and as a way to gain publicity for their wholly unjustifiable acts.

Republican and loyalist paramilitary organisations also regularly conduct brutal criminal assaults in an attempt to exert control over their communities. Between January and May of this year, there were 27 paramilitary-style attacks, three of which were fatal. It is unacceptable in Northern Ireland that there are still people who believe they are above the law. They are not and the PSNI is determined to pursue them and bring them to justice.

Our strategic response

Tackling terrorism, including Northern Ireland-related terrorism, is the highest priority for this Government. This Government's first duty is to keep people safe and secure right across the United Kingdom. We are absolutely committed to ensuring that our security agencies, the police and others are equipped to deal with any threat we might face.

The strategic defence and security review made clear that we will maintain our investment in capabilities to keep the people of Northern Ireland safe. Over this Parliament, we will provide PSNI with £160 million of additional security funding to tackle the threat in Northern Ireland. Cross-Government spending on counter-terrorism as a whole will increase by 30% in real terms over this Parliament.

In the Republic of Ireland, An Garda Síochána (AGS) continue to play a significant role in countering the terrorist threat, having effected seizures of substantial amounts of explosives, ammunition and firearms. Joint working between PSNI, MI5 and the Garda remains crucial in the investigation and disruption of the violent dissident republican threat.

Tackling ongoing paramilitary activity

There was never any justification for paramilitary groups in Northern Ireland, and there is none today. This is a central theme of the Fresh Start agreement of November 2015 between the UK Government, Northern Ireland's main political parties and the Irish Government. It contains commitments to deal in a broadly based way with paramilitarism in Northern Ireland.

The independent panel report on the disbandment of paramilitary groups in Northern Ireland has shown there are individuals who use the real and perceived remnants of paramilitary structures to engage in serious criminality and violence, which can have a devastating effect on communities. In addition the assessment of paramilitary groups in Northern Ireland, which was commissioned by the UK Government last autumn, judged that individual members of paramilitary groups with a legacy of violent activity, are engaged in organised crime and still represent a threat to national security.

A joint agency task force has been set up to enhance existing efforts to tackle cross-jurisdictional organised crime and the Executive is developing an action plan to tackle paramilitary activity, in response to the recent recommendations made by the panel. By the end of 2016, we also intend to establish an independent reporting commission which will report on progress to tackle ongoing paramilitary activity.

Conclusion

The “Severe” level of threat in Northern Ireland from violent dissident republicans will continue in the near future, and further potentially lethal attacks are highly likely. However, the PSNI, MI5 and An Garda Síochána will continue their outstanding work, exerting every effort to disrupt attacks and prosecute those responsible. I would like to thank them all for the work they do. Under this Government there will be no let-up in our efforts to ensure that terrorism never succeeds.

[HCWS52]

TRANSPORT

Crossrail: Annual Update

The Parliamentary Under-Secretary of State for Transport (Claire Perry): On Tuesday 23 February 2016, Her Majesty The Queen visited the under-construction Crossrail station at Bond Street where it was announced that the new railway will be known as the Elizabeth line in her honour. The renaming, which will take effect when central London services commence in December 2018, is in recognition and celebration of Her Majesty The Queen’s 64 years as the longest-reigning British monarch.

In the past year we have made great progress in many different areas of the project. The project is now approaching 75% complete with work well under way on planning for and delivering an operational railway. In the central tunnel section, the first 13 km of track has now been laid, approaching 70% of platforms have been completed, 77% of platform edge screens have been constructed and the opening of the temporary ticket hall at Whitechapel has been achieved.

At the end of May 2015, TfL rail services commenced between Shenfield and Liverpool Street. MTR Crossrail has been operating the service since then as a precursor to full services commencing with the new Bombardier rolling stock, progressively from May 2017. Performance has improved, with MTR Crossrail and Network Rail being awarded the transport team partnership of the year at the London transport awards.

Practical completion of Canary Wharf station was achieved on 7 September 2015, the first station contract to do so, four months ahead of schedule. Work began six and a half years ago on this project, with Canary Wharf Group contributing £150 million.

In November 2015, Transport for London released details of the train designs which will carry Elizabeth line passengers along the future route. The rolling stock, which is being manufactured and assembled at Bombardier’s plant in Derby, will each provide space for 1,500 customers and will ensure that the future capacity of the central London rail network will increase by 10%. The carriages of the first train have now been built and are being tested for use in Bombardier’s “V” shop testing and commissioning facility which was recently opened by the Secretary of State for Transport.

Major surface works being delivered by Network Rail on the existing rail network continue apace and are now approximately 65% complete, with a number of key milestones reached. Christmas 2015 and Easter 2016, as well as two bank holidays in May 2016, saw Network Rail successfully deliver Crossrail project works as part of some of the largest investment programmes ever undertaken on the national network, without overrun.

In addition, station designs at West Ealing and Southall stations have been approved; the civil engineering work at Acton dive-under and Stockley flyover is approaching completion; and construction is well under way to rebuild Abbey Wood station. On the north eastern section of the route, improvement work is well under way at all 13 stations.

I am delighted to report that 573 apprenticeships have now been created. This goes alongside over 1,000 work experience opportunities and over 12,000 enrolments on courses at the Crossrail Tunnelling and Underground Construction Academy, which opened in 2012.

The Crossrail Board continues to forecast that the costs of constructing Crossrail will be within the agreed funding limits and that it will be completed on schedule. We still expect Crossrail to cost no more than £14.5 billion (excluding rolling stock costs). This is despite cost pressures across the project. However, these continue to be managed and Crossrail Ltd is implementing initiatives to deliver cost efficiencies during the remainder of the programme. Crossrail’s joint sponsors will continue to meet regularly with Crossrail Ltd to ensure that the project is being successfully managed and will be delivered within budget and on schedule.

During the passage of the Crossrail Bill through Parliament, a commitment was given that a statement would be published at least every 12 months until the completion of the construction of Crossrail, setting out information about the project’s funding and finances.

In line with this commitment, this statement comes within 12 months of the last one which was published on 2 July 2015. The relevant information is as follows:

Total funding amounts provided to Crossrail Ltd by £10,002,888,670 the Department for Transport and TfL in relation to the construction of Crossrail to the end of the period (22 July 2008-29 May 2016).

Expenditure incurred (including committed land and £1,599,948,000 property spend not yet paid out) by Crossrail Ltd in relation to the construction of Crossrail in the period (30 May 2015 to 29 May 2016) (excluding recoverable VAT on land and property purchases).

Total expenditure incurred (including committed £9,250,507,000 land and property spend not yet paid out) by Crossrail Ltd in relation to the construction of Crossrail to the end of the period (22 July 2008 to 29 May 2016) (excluding recoverable VAT on land and property purchases).

The Amounts realised by the disposal of any land or property for the purposes of the construction of Crossrail by the Secretary of State, TfL or Crossrail Ltd in the period covered by the statement.

Note

Construction figures as of 29 May 2016. The total funding amounts provided to CRL by the Department of Transport and Transport for London refers to the expenditure drawn down from the sponsor funding account in the period 22 July 2008 and 29 May 2016. Included within the amount is £1,376,331,092 of interim funding that has been provided to Network Rail to finance the delivery of the on network works between 1 April 2009 and 29 May 2016. This amount is due to be repaid to CRL by 30 September 2017.

The numbers above are drawn from Crossrail Ltd’s books of account and have been prepared on a consistent basis with the update provided last year. The figure for expenditure incurred includes monies already paid out in relevant periods, including committed land and property expenditure where this has not yet been paid. It does not include future expenditure on construction contracts that have been awarded.

[HCWS51]

Petitions

Thursday 30 June 2016

OBSERVATIONS

COMMUNITIES AND LOCAL GOVERNMENT

Car parking facilities at Watermead Country Park, Leicester

The petition of residents of Leicester East,

Declares that additional car parking facilities for Watermead Country Park users are required urgently as during bank holidays and hot days the car park capacity for Watermead Country Park is insufficient for the number of visitors to the park; further that, once the car park is full, Watermead Country Park users park on Alderton Close; further that this blocks the residents' drives and restricts the movement of cars entering and leaving the area as vehicles are backed up along the road; and further that local police have been called on numerous occasions to diffuse the situation between residents of Alderton Close and Watermead Country Park users.

The petitioners therefore request that the House of Commons urges the Government to encourage Leicester City Council to extend the parking facilities at Watermead Country Park in Leicester.

And the petitioners remain, etc.—[Presented by Keith Vaz, *Official Report*, 7 June 2016; Vol. 611, c. 1160.]

[P001698]

Observations from the Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):

The National Planning Policy Framework does not set maximum national parking standards. This reflects the Government's belief that local authorities are best placed to take account of local circumstances and all other material considerations. It is for them to apply national planning policy to local situations and decide the level of parking that is appropriate in view of local circumstances, and the need to promote sustainable transport outcomes.

In March 2015, the Department for Communities and Local Government published new statutory guidance that ensures local residents and firms can petition to initiate a formal review of parking policies in their area by their council, with councillors then voting on the action to be taken. The full guidance can be found at: www.gov.uk/government/publications/right-to-challenge-parking-policies.

This statutory guidance is issued by the Secretary of State under Section 18 of the Traffic Management Act 2004. It applies to Local Traffic Authorities in England, which must have regard to this guidance when exercising their Network Management Duty under the Act.

CULTURE, MEDIA AND SPORT

Sports pitches at Shugborough Hall, Staffordshire

The petition of residents of the UK,

Declares that the sports pitches to the south of Shugborough Hall are well used and a valuable asset to local and area teams; further that the pitches have been part of a recreation site for decades; further that the proposals put forward by the National Trust to close the pitches in order to create parkland would have a negative impact on sports provision in Staffordshire and make it harder for local people to pursue a healthy and active lifestyle; further notes that these proposals have not been consulted upon; and further that a local petition on a similar matter has been signed by 1,000 individuals.

The petitioners therefore request that the House of Commons urges the Government to call on the National Trust to work with the local community to arrive at a compromise where the sports pitches at Shugborough Hall can continue to be used by local sports teams.

And the petitioners remain, etc.—[Presented by Jeremy Lefroy, *Official Report*, 20 April 2016; Vol. 608, c. 1030.]

[P001685]

Observations from the Secretary of State for Culture, Media and Sport (Mr John Whittingdale):

The cross-Government sport strategy document, "Sporting Future, A New Strategy for an Active Nation" makes it clear that playing pitches and those facilities which make up the sporting infrastructure are of primary importance in increasing the number of people taking part in sport and physical activity.

National Trust is a charity independent from Government. I understand that by taking back the management of Shugborough, National Trust will save the local authority £35 million in costs. It will also guarantee the future opening and upkeep of the estate, as well as attracting more visitors to what is one of the few remaining complete working estates in the country.

In the long term it would be positive to restore the current estate at Shugborough Hall to its earlier position as eighteenth century parkland, for the benefit of visitors to this famous National Trust site. Like sport, visiting heritage sites also has a significant impact on wellbeing and life satisfaction. The wellbeing value of visiting heritage sites has been calculated as equivalent to £1,646 per person per year.

In the shorter term it may be better for those sports participants who will be affected by the closure of their pitches, to be able to continue to use the sports facilities until new playing fields can reasonably be secured. I understand that as things stand, there are currently no viable alternative facilities in place for the teams for next season.

I understand from the National Trust that it is still in talks with the local football and cricket teams involved and I very much hope that a solution will be arrived at which will allow the teams sufficient time to make alternative arrangements, so that they can continue to play their sports.

My officials will continue to monitor progress and to offer support as required.

ORAL ANSWERS

Thursday 30 June 2016

	<i>Col. No.</i>		<i>Col. No.</i>
TRANSPORT	445	TRANSPORT—continued	
Airport Capacity	452	Road Investment Strategy	456
Border Controls	451	Rolling Stock	447
Emergency Towing Vessels: Scotland	446	Severn Bridges	450
Local Roads	457	South-east England: Runways.....	456
New Railway Stations	458	Southern Rail.....	459
Passenger Rail Franchises	460	Topical Questions	460
Public Transport: Affordability	445	Tourists: Rail Travel	454
Regional Airports	449	Workplace Parking Levy: Nottingham.....	446

WRITTEN STATEMENTS

Thursday 30 June 2016

	<i>Col. No.</i>		<i>Col. No.</i>
CULTURE, MEDIA AND SPORT	7WS	FOREIGN AND COMMONWEALTH OFFICE—	
Education, Youth, Culture and Sport Council	8WS	<i>continued</i>	
Telecommunications Council	7WS	Foreign and Commonwealth Office: Services.....	10WS
DEFENCE	9WS	NORTHERN IRELAND	13WS
Operation SHADER.....	9WS	Northern Ireland Security.....	13WS
FOREIGN AND COMMONWEALTH OFFICE	10WS	TRANSPORT	15WS
Foreign Affairs and General Affairs Councils June		Crossrail: Annual Update	15WS
2016	10WS		

PETITIONS

Thursday 30 June 2016

	<i>Col. No.</i>		<i>Col. No.</i>
COMMUNITIES AND LOCAL GOVERNMENT .	5P	CULTURE, MEDIA AND SPORT	6P
Car parking facilities at Watermead Country		Sports pitches at Shugborough Hall, Staffordshire.	6P
Park, Leicester	5P		

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned, and *must be received in the Editor's Room, House of Commons,*

**not later than
Thursday 7 July 2016**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Thursday 30 June 2016

Oral Answers to Questions [Col. 445] [see index inside back page]
Secretary of State of Transport

Business of the House [Col. 467]
Statement—(Chris Grayling)

Backbench Business

Land Registry [Col. 487]
Motion—(Mr Lammy)—agreed to

Bank Branch Closures [Col. 528]
Motion—(Christian Matheson)—agreed to

Market Town Centres: Regeneration [Col. 574]
Debate on motion for Adjournment

Westminster Hall

Homicide Law Reform [Col. 149WH]

Hearing Loss: Action Plan and Commissioning Framework [Col. 163WH]
General Debates

Written Statements [Col. 7WS]

Petitions [Col. 5P]
Observations

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
